Consolidated Financial Statements
December 31, 2023

Robex.

A BLUEPRINT
FOR RESPONSIBLE MINING

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FOR RESPONSIBLE MINING

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Independent auditor's report

To the Shareholders of Robex Resources Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Robex Resources Inc. and its subsidiaries (together, the Company) as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of income for the years ended December 31, 2023 and 2022;
- the consolidated statements of comprehensive income for the years ended December 31, 2023 and 2022;
- the consolidated statements of changes in equity for the years ended December 31, 2023 and 2022;
- the consolidated balance sheets as at December 31, 2023 and 2022;
- the consolidated statements of cash flows for the years ended December 31, 2023 and 2022; and
- the notes to the consolidated financial statements, which include material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Material uncertainty related to going concern

We draw attention to Note 1 to the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about 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 for the year ended December 31, 2023. 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. In addition to the issue presented in the *Material uncertainty related to going concern* section, we have determined that the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment of the property, plant and equipment of the Nampala mine cash-generating unit (CGU) *Refer to Notes 3, Material accounting policies information, and 5, Estimates, judgments and assumptions, to the consolidated financial statements.* As at December 31, 2023, the Company had property, plant and equipment in a total amount of \$98.6 million, of which \$68.3 million was related to the Nampala mine CGU. Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. For the purpose of determining recoverable amounts, assets are grouped at the lowest levels for which identifiable cash flows are independent of the cash flows of other groups of assets.	Our approach to addressing the matter involved the following procedures, among others: • Evaluated how management determined the recoverable amount of the CGU, which included the following: – Evaluated the reasonableness of key assumptions, such as future gold prices, operating costs and expected future capital costs by (i) comparing future gold prices with external market and industry data; (ii) comparing operating costs and expected future capital costs with the current and past performance of the CGU; and (iii) assessing whether these assumptions were aligned with any evidence obtained in other areas of the audit. – Used the work of management's experts to perform procedures aimed at evaluating the reasonableness of recoverable minerals and future production volumes. To be able to use this work, the competence, capabilities and objectivity of management's experts and the adequacy of the experts' work as evidence have been evaluated. The procedures performed also

Key audit matter	How our audit addressed the key audit matter
The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value in use. The impairment loss recognized is the excess of the carrying amount over its recoverable amount. As at December 31, 2023, operating conditions and cost pressures were considered indicators of impairment, among other facts and circumstances, and as a result, the Company's management carried out an impairment test on the Nampala mine CGU. The net assets of the Nampala mine CGU have been written down to their recoverable amount of $75.0 million, which was determined as fair value less costs to sell, using an approach based on discounted cash flows over the estimated life of the mine. The calculation of cash flows required management to make significant judgments and estimates while developing the key assumptions, including the recoverable mineral content, future gold prices, future production volumes, operating costs, expected future capital costs and the discount rate. Management relies on experts in geology and metallurgy to develop estimates of recoverable minerals and future production volume (management's experts). We considered this a key audit matter due to (i) the high carrying amount of the property, plant and equipment of the CGU, and (ii) the significant judgments made by management in determining the recoverable amount of the CGU and the effort required to perform the procedures, including testing management’s material assumptions. In addition, the audit effort involved the use of professionals with specialized skill and knowledge in the field of valuation.	included evaluating the methods and assumptions used by management’s experts as well as testing the data used by these experts and evaluating their findings. – Tested the underlying data used in the model. – Used professionals with specialized skill and knowledge in the field of valuation to evaluate the appropriateness of the cash flow discounting model used by management as well as the reasonableness of the discount rate.

Key audit matter	How our audit addressed the key audit matter
Uncertain tax positions *Refer to Notes 5, Estimates, judgments and assumptions, and 28, Contingencies and commitments, to the consolidated financial statements.* The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the amount of the overall tax provision. The ultimate tax consequences of many of the transactions and calculations are uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the tax provision initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made. In 2023, the Company received proposals for tax reassessments from the Malian tax authorities for the years 2019 to 2021 with a maximum exposure of FCFA 39.3 billion (including interest and penalties), or approximately $88.5 million. As at the date of the financial statements, the Company has not yet received a definitive notification, the final outcome of this case is not determinable at this time and, consequently, no provision was recognized as at December 31, 2023. The estimates for the various proposed reassessments or notices of assessment involve a degree of estimation and judgment with respect to certain items for which the tax treatment cannot be determined with certainty until the notice of assessment is received or the objection process reaches a resolution with its tax authority or, if applicable, through a formal legal proceeding.	Our approach to addressing the matter included the following procedures, among others: • Tested the calculation of the overall tax provision by considering uncertain tax positions, by jurisdiction, based on developments in the tax situation, which included the following: – Evaluated the information used in calculating the provision, including consideration of changes in facts and circumstances during the year. – Used professionals with specialized skill and knowledge in tax to assist in evaluating the Company's uncertain tax positions, including assessing the reasonableness of management's assessment of the likelihood that the tax authority will accept an uncertain tax treatment, estimating the provision and applying relevant tax laws. – Evaluated the status and results of income tax audits with the relevant tax authorities. – Assessed the related disclosures in the consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
The inherent uncertainty regarding the outcome of these items means that their eventual resolution could differ from the accounting estimates, thereby affecting the Company's financial position, results of operations and cash flows. We considered this a key audit matter due to the significant judgment made by management in evaluating uncertain tax positions. This resulted in a high degree of auditor judgment and subjectivity in performing procedures. The audit effort involved the use of professionals with specialized skill and knowledge in foreign tax matters.	

Other information

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to 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 to 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: they 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 Maxime Guilbault.

/s/PricewaterhouseCoopers/LLP[1]

Montreal, Quebec
April 29, 2024

[1] CPA auditor, public accountancy permit No. A128042

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31

(in Canadian dollars unless otherwise indicated)

	2023	2022
	$	$
MINING		
Revenues – Gold sales	**134,668,343**	112,236,766
Mining expenses – Note 8	**(40,210,170)**	(34,774,721)
Mining royalties	**(4,174,388)**	(3,477,139)
Depreciation of property, plant and equipment and amortization of tangible and intangible assets	**(21,144,791)**	(11,475,176)
Impairment loss on the Nampala mine - Notes 5 and 16	**(53,887,997)**	---
MINING INCOME	**15,250,997**	62,509,730
OTHER EXPENSES		
Administrative expenses – Note 9	**(26,632,559)**	(18,653,171)
Exploration and evaluation expenses	**(585,783)**	(183,994)
Stock option compensation cost - Note 22 (b)	**(422,674)**	(863,180)
Depreciation of property, plant and equipment and amortization of tangible and intangible assets	**(261,819)**	(102,949)
Write-off of property, plant and equipment	**(653,501)**	(1,168,823)
Other income	**109,200**	109,973
OPERATING INCOME	**(13,196,139)**	41,647,586
FINANCIAL EXPENSES		
Finance costs – Note 10	**(2,031,907)**	(1,704,897)
Foreign exchange gains	**2,208,018**	742,774
Change in the fair value of share purchase warrants – Note 21	**1,016,863**	---
INCOME BEFORE INCOME TAX EXPENSE	**(12,003,165)**	40,685,463
INCOME TAX RECOVERY (EXPENSE) – Note 25	**2,657,092**	(7,871,946)
NET INCOME	**(9,346,073)**	32,813,517
ATTRIBUTABLE		
To the common shareholders	**(6,637,044)**	30,777,719
To non-controlling interest – Note 11	**(2,709,029)**	2,035,798
	(9,346,073)	32,813,517
EARNINGS PER SHARE – Note 26		
Basic [1]	**(0.074)**	0.484
Diluted [1]	**(0.074)**	0.481

[1] On March 28, 2024, the Company announced a 10 for 1 reverse stock split (see Note 31 - Subsequent events).

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31

(in Canadian dollars unless otherwise indicated)

	2023	2022
	$	$
NET INCOME	**(9,346,073)**	32,813,517
Other comprehensive income		
Item that may be reclassified subsequently to net income		
Exchange difference – Note 23	**(4,184,788)**	1,531,412
COMPREHENSIVE INCOME	**(13,530,861)**	34,344,929
COMPREHENSIVE INCOME ATTRIBUTABLE		
To common shareholders	**(10,869,229)**	32,206,611
To the non-controlling interest	**(2,661,632)**	2,138,318
	(13,530,861)	34,344,929

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Years ended December 31, 2023 and 2022

(in Canadian dollars unless otherwise indicated)

	Common shareholders							
	Share capital issued	Share capital to be issued	Reserve – stock options	Retained earnings	Accumulated other comprehensive income	Total	Non-controlling interest	**Total equity**
Balance as at December 31, 2021	**71,407,047**	**---**	**3,027,611**	**24,104,509**	**(1,120,724)**	**97,418,443**	**1,228,822**	**98,647,265**
Net income	---	---	---	30,777,719	---	30,777,719	2,035,798	**32,813,517**
Other comprehensive income	---	---	---	---	1,428,892	1,428,892	102,520	**1,531,412**
Comprehensive income	---	---	---	30,777,719	1,428,892	32,206,611	2,138,318	**34,344,929**
Acquisition of Sycamore Group – Note 7	50,853,600	11,719,099	---	---	---	62,572,699	---	**62,572,699**
Stock options exercised	214,624	---	(88,374)	---	---	126,250	---	**126,250**
Stock options expensed – Note 22 (b)	---	---	863,180	---	---	863,180	---	**863,180**
Balance as at December 31, 2022	**122,475,271**	**11,719,099**	**3,802,417**	**54,882,228**	**308,168**	**193,187,183**	**3,367,140**	**196,554,323**
Net income	---	---	---	(6,637,044)	---	(6,637,044)	(2,709,029)	**(9,346,073)**
Other comprehensive income	---	---	---	---	(4,232,185)	(4,232,185)	47,397	**(4,184,788)**
Comprehensive income	---	---	---	(6,637,044)	(4,232,185)	(10,869,229)	(2,661,632)	**(13,530,861)**
Acquisition of Sycamore Group – Note 7	---	856,489	---	---	---	856,489	---	**856,489**
Dividends – Note 22 (c)	---	---	---	---	---	---	(318,520)	**(318,520)**
Stock options exercised	141,918	---	(52,088)	---	---	89,830	---	**89,830**
Stock options expensed – Note 22 (b)	---	---	422,674	---	---	422,674	---	**422,674**
Balance as at December 31, 2023	**122,617,189**	**12,575,588**	**4,173,003**	**48,245,184**	**(3,924,017)**	**183,686,947**	**386,988**	**184,073,935**

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

CONSOLIDATED BALANCE SHEETS
FOR THE YEARS ENDED DECEMBER 31

(in Canadian dollars unless otherwise indicated)

	2023	2022
	$	$
ASSETS		
CURRENT ASSETS		
Cash	**12,221,978**	3,611,406
Inventory – Note 12	**15,620,800**	17,648,967
Accounts receivable – Note 13	**6,733,583**	8,867,852
Prepaid expenses	**465,795**	805,914
Deposits paid	**1,345,035**	1,161,559
Deferred financing fees – Note 14	**2,580,751**	---
	38,967,942	32,095,698
NON-CURRENT ASSETS		
VAT receivable	**2,985,818**	258,386
Deposits paid on property, plant and equipment	**19,674,805**	3,791,457
Mining properties – Note 15	**105,388,261**	87,831,409
Property, plant and equipment – Note 16	**98,617,093**	127,397,473
Intangible assets	**539,568**	386,885
Deferred tax asset – Note 25	**818,480**	---
TOTAL ASSETS	**266,991,967**	251,761,308
LIABILITIES		
CURRENT LIABILITIES		
Lines of credit – Note 18	**4,953,133**	11,370,939
Accounts payable – Note 17	**19,664,396**	17,957,004
Bridge loan – Note 21	**45,530,538**	---
Current portion of long-term debt	**159,936**	1,343,591
Current portion of lease liabilities – Note 20	**1,887,524**	1,087,477
	72,195,527	31,759,011
NON-CURRENT LIABILITIES		
Long-term debt	**---**	51,624
Share purchase warrants – Note 21	**1,340,850,**	---
Environmental liabilities – Note 19	**1,168,859**	424,138
Lease liabilities – Note 20	**6,319,392**	11,431,265
Deferred tax liabilities – Note 25	**---**	10,106,230
Other long-term liabilities	**1,893,404**	1,434,717
TOTAL LIABILITIES	**82,918,032**	55,206,985
SHAREHOLDERS' EQUITY		
Share capital issued – Note 22 (a)	**122,617,189**	122,475,271
Share capital to be issued	**12,575,588**	11,719,099
Reserve – Stock options	**4,173,003**	3,802,417
Retained earnings	**48,245,184**	54,882,228
Accumulated other comprehensive income – Note 23	**(3,924,017)**	308,168
	183,686,947	193,187,183
Non-controlling interest	**386,988**	3,367,140
	184,073,935	196,554,323
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**266,991,967**	251,761,308

Going concern basis (Note 1)
Contingencies and commitments (Note 28)
Subsequent events (Note 31)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31

(in Canadian dollars unless otherwise indicated)

	2023	2022
	$	$
CASH FLOWS FROM (USED IN)		
Operating activities		
Net income	**(9,346,073)**	32,813,517
Adjustments for		
Finance costs	**2,031,907**	1,704,897
Depreciation of property, plant and equipment and amortization of intangible assets	**21,406,610**	11,578,125
Deferred income tax expense	**(10,924,759)**	2,037,040
Change in the fair value of share purchase warrants	**(1,016,863)**	---
Reduction in mining operating expenses related to lease liabilities – Notes 8 and 10	**(947,634)**	---
Unrealized foreign exchange gains	**(711,247)**	---
Impairment loss on the Nampala mine	**53,887,997**	---
Write-off of property, plant and equipment	**653,501**	1,168,823
Stock option compensation cost	**422,674**	863,180
Net change in non-cash working capital items – Note 24	**690,334**	(21,544,425)
Change in VAT receivable	**(2,727,431)**	1,278,090
Change in other long-term liabilities	**442,538**	1,434,717
Change in environmental liabilities	**703,325**	---
Interest paid – Note 24	**(1,298,322)**	(1,516,817)
	53,266,557	29,817,147
Investing activities		
Advances to the Sycamore Group prior to the Transaction – Note 7	**---**	(11,575,108)
Cash acquired – Note 7	**---**	248,380
Transaction costs – Note 7	**---**	(886,379)
Deposits paid on property, plant and equipment	**(16,100,935)**	(378,861)
Acquisition of mining properties	**(15,716,156)**	(3,736,969)
Acquisition of property, plant and equipment	**(44,672,166)**	(31,241,413)
Acquisition of intangible assets	**(244,568)**	(121,080)
	(76,733,825)	(47,691,430)
Financing activities		
Deferred financing fees	**(3,071,065)**	---
Debt contracted	**46,960,669**	1,322,466
Repayment of long-term debt	**(1,241,343)**	(4,402,782)
Change in lines of credit	**(6,416,316)**	4,470,921
Payments on lease liabilities	**(839,680)**	(783,340)
Issuance of common shares upon exercise of stock options	**89,830**	126,250
Dividends paid	**(286,225)**	---
	35,195,870	733,515
Effect of exchange rate changes on cash	**(3,118,030)**	30,367
Increase (decrease) in cash	**8,610,572**	(17,110,401)
Cash, beginning of year	**3,611,406,**	20,721,807
Cash, end of year	**12,221,978**	3,611,406
Taxes paid	**4,681,883**	10,789,086

Additional information (Note 24)

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

1. DESCRIPTION OF THE BUSINESS AND GOING CONCERN

Robex Resources Inc. (the "Company") is a Canadian mining company specialized in gold exploration and mining in West Africa. In Mali, the Company has been operating the Nampala mine since 2017 and holds five exploration permits in the south (Mininko, Kamasso, and Gladié) and west (Sanoula and Diangounté) of the country.

The Company also owns a portfolio of four mining licenses ("Kiniéro Project") in the Republic of Guinea, consisting of a set of mining licenses (approximately 470 km^2) in the Siguiri basin.

The address of the head office is 2875 Laurier Boulevard, D1-1000, Québec, Quebec, G1V 2M2, Canada.

The consolidated financial statements have been prepared in accordance with accounting principles applicable to a going concern, under which it is assumed that assets will be realized and liabilities settled in the normal course of business. In assessing whether the going concern assumption is appropriate, management considers all available information for the subsequent period, which is at least 12 months from the balance sheet date.

As at December 31, 2023, the Company had a working capital deficit of $33.2 million, which includes the bridge loan maturing in June 2024. Under the terms of this bridge loan, the Company agreed to comply with certain conditions and financial ratios, which were not met as at December 31, 2023 (see Note 21 - Bridge loan).

At the date of these financial statements, the Company and Taurus were working together to negotiate the terms and conditions of the second part of the financing package described in Note 21, i.e., the project finance facility. While management has been successful in securing financing in the past and in extending the maturity of the bridge loan, there can be no assurance that it will be able to do so in the future or that these sources of financing or initiatives, such as extending the maturity of the bridge loan, finalizing the financing package or finding alternative sources of financing, will be available to the Company or that they will be available on terms and conditions acceptable to the Company. The Company's ability to continue as a going concern and to finance planned activities depends on management's ability to obtain additional financing. If management is unable to obtain new financing, the Company may be unable to continue as a going concern, and the amounts realized for its assets may be less than those presented in these consolidated financial statements.

Management believes that the working capital as at December 31, 2023 will not be sufficient to meet the Company's obligations, commitments and expected expenditures until December 31, 2024, given the current maturity on the bridge loan. In making its assessment, management was aware of material uncertainties around events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern, as defined in the preceding paragraph, and consequently on the appropriateness of the use of accounting policies applicable to the going concern assumption.

The consolidated financial statements do not reflect the adjustments that would need to be made to the carrying amounts of assets and liabilities, expenses and classifications in the statement of financial position in the event that the going concern assumption is not relevant and/or if Taurus decides to accelerate the repayment of the bridge loan and enforce its claim against the Company by exercising its securities. Such adjustments could be material.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "IFRS") and were approved by the Board of Directors on April 29, 2024.

3. MATERIAL ACCOUNTING POLICIES INFORMATION

Basis of preparation

These consolidated financial statements have been prepared on a going concern basis and using the historical cost basis, except for financial instruments classified as at fair value.

Principles of consolidation, functional currency and presentation currency

The consolidated financial statements include the financial statements of the Company and those of its subsidiaries. All intercompany accounts and transactions are eliminated.

Name of subsidiary	Country of incorporation	Shareholding	Main activity	Functional currency
Nampala S.A.	Mali	90%	Mining	XOF
Robex Resources Mali S.A.R.L.	Mali	100%	Exploration	XOF
Robex N'Gary S.A.	Mali	85%	Inactive	XOF
African Peak Trading House Limited	Isle of Man	100%	Commercial	EUR
Golden International Income Trust	Gibraltar	100%	Management	EUR
RBX Technical Services Limited	United Kingdom	100%	Consultation	GBP
Sycamore Capital CY Limited	Cyprus	100%	Portfolio	EUR
Sycamore Mining Limited	Cyprus	100%	Portfolio	USD
Sycamore Mine Guinea S.A.U.	Guinea	100%	Exploration	GNF

The non-controlling interest in the net assets of consolidated subsidiaries is presented as a component of equity separate from the Company's net worth. The non-controlling interest represents the non-controlling interest at the date of acquisition of control plus the non-controlling interest in changes in net value since the date of acquisition.

The comprehensive income of subsidiaries is attributed to the Company's shareholders and the non-controlling interests, even if this results in a deficit balance for the non-controlling interests.

The presentation currency of the consolidated financial statements is the Canadian dollar. The functional currency of each of the consolidated entities in the Company's financial statements is determined by the currency of the main economic environment in which it operates. The functional currency of the Company is the euro, and the functional currencies of its subsidiaries are indicated in the above table.

The consolidated financial statements are translated into the reporting currency as follows: assets and liabilities are translated into Canadian dollars at the rate of exchange prevailing at the balance sheet date. The foreign currency translation adjustment resulting from this translation is included in accumulated other comprehensive income in shareholders' equity. Revenues and expenses are translated at the exchange rate in effect on the transaction date.

Translation of foreign currency transactions

Transactions denominated in currencies other than functional currency are translated into the appropriate functional currency as follows: monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date, and revenues and expenses are translated at the exchange rate in effect at the time of the transaction. Non-monetary assets and liabilities measured at historical cost and denominated in foreign currencies are translated at the historical rates. Non-monetary items measured at fair value and denominated in foreign currencies are translated at the rates in effect at the time fair value was determined. Exchange gains or losses resulting from such translation are included in net income under "Foreign exchange gains (losses)."

3. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Financial instruments

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

All financial instruments are required to be measured at fair value on initial recognition. Subsequent to initial recognition, financial assets and liabilities are measured based on their classification, which depends on the purpose for which the financial instruments were acquired and their characteristics.

The measurement of financial assets and liabilities is based on one of the following classifications:

a) Financial assets and liabilities measured at fair value through profit or loss ("FVTPL")

Financial instruments classified as assets or liabilities at FVTPL are measured at fair value at each balance sheet date, with changes in fair value reflected in the consolidated statement of income in the period in which the changes occurred.

b) Financial assets measured at amortized cost

Financial instruments classified as assets or liabilities at amortized cost are initially measured at fair value including transaction costs and are subsequently measured at each balance sheet date at amortized cost using the effective interest rate method. Changes in cost are reflected in the consolidated statement of income in the period in which the changes occur.

The Company's financial assets at amortized cost include cash, accounts receivable (excluding taxes receivable) and deposits paid. Financial assets at amortized cost are presented as current assets if payment is receivable within the next 12 months. Otherwise, they are presented as non-current assets.

The Company's financial liabilities at amortized cost include accounts payable, lines of credit, the bridge loan, long-term debt and other long-term liabilities. Financial liabilities are classified as current if payment is due within the next 12 months. Otherwise, they are presented as non-current assets.

Financial liabilities at FVTPL include warrants.

Share purchase warrants

When a contract to issue a fixed number of shares in exchange for a variable amount in the Company's functional currency does not meet the definition of equity, it must be classified as a derivative liability and measured at fair value, with changes in fair value recognized in the consolidated statements of net income and comprehensive income at the end of each period. The derivative liability will subsequently be converted into equity (common shares) of the Company when the share purchase warrants are exercised or extinguished upon expiry of the outstanding warrants, and will not result in a cash outflow by the Company.

As at the issue date, the warrant liability was measured using the Black-Scholes option pricing model. The initial fair value of the warrants was also recognized in the deferred financing fees.

The warrant liability is remeasured at the end of each period, and the subsequent changes in fair value are recognized in the consolidated statements of net income and comprehensive income. At each balance sheet date, the fair value of the warrant liability is determined using the Black-Scholes option pricing model, which uses significant inputs that are not based on observable market data, resulting in the liability being classified within Level 3 of the fair value hierarchy.

Transaction costs

Transaction costs related to financial instruments are recognized as an adjustment to the cost of the financial instrument on the balance sheet upon initial recognition. These costs are amortized using the effective interest rate method.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Inventory

Material extracted from mining pits is classified as waste material corresponding to stripping costs and is capitalized to property, plant and equipment or as ore inventory. Ore represents material that, at the time of extraction, is expected to be processed into a marketable product that will be sold at a profit. Raw materials consist of stockpiled ore. The ore is stockpiled and then processed into gold in a marketable form. Gold in process represents doré bars in the milling circuit whose production process is not complete and which is not yet in a marketable form. Gold bullion represents marketable product held in a metal account at Argor-Heraeus ready for sale. Supplies represent consumable commodities and other raw materials used in the production process, as well as spare parts and other maintenance supplies that are not classified as property, plant and equipment.

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes all costs incurred, based on normal production capacity, to bring each product to its current location and condition. The cost of inventories includes direct labour, subcontractor costs, materials, customs and other taxes, transportation costs and an allocation of general mine site costs. As ore is sent to the mill for processing, costs are reclassified out of inventory based on the average cost per ton of ore stockpiled.

The Company records provisions to reduce inventories to net realizable value to reflect changes in economic factors that affect the value of inventories and to reflect current intentions regarding the use of obsolete or slow-moving supplies inventory. Net realizable value is determined by reference to the relevant market price less applicable variable selling costs. The provisions recorded also reflect an estimate of the residual costs to bring the inventory to a marketable form. Provisions are also recorded to reduce mining supplies to net realizable value, which is generally calculated by reference to salvage or scrap value, when it is determined that the supplies are obsolete. Provisions are reversed to reflect subsequent recoveries of net realizable value when the inventory is still on hand.

Deferred financing fees

Fees paid to obtain financing are recognized as transaction costs when it is probable that some or all of the debt to which the fees apply will be drawn down. Transaction costs are deferred until the facility is completed and has been drawn down, at which time the deferred financial fees are deducted from the proceeds of the credit facility. If it becomes likely that the credit facility will not close, the deferred financing fees will be expensed.

Mining properties

Costs incurred for activities that precede mineral exploration and evaluation, i.e., all costs incurred prior to obtaining the legal rights to explore an area, are expensed immediately.

Exploration costs include rights in mining properties, paid or acquired through an asset acquisition, as well as costs related to the search for mineral deposits with economic potential or to obtain more information about existing mineral deposits.

Mining rights are recorded at acquisition cost or at fair value in the case of impairment due to an impairment loss. Mining rights and options to acquire undivided interests in mining rights are amortized only when these properties are put into production. These costs are written off when properties are abandoned or when cost recovery or access to resources is uncertain. Proceeds from the sale of mining properties are recorded as a reduction of the carrying amount, and any excess or deficit is recorded as a gain or loss in the consolidated statement of income. In the case of a partial sale, if the carrying amount is greater than the sale proceeds, only losses are recognized.

Exploration costs also generally include costs associated with production, sampling, trenching, drilling and other work involved in searching for ore such as topographical, geological and geophysical studies. Generally, capitalization of expenditures on exploration activities commences when it is more likely than not that future economic benefits will be realized. The assessment of probability is based on factors such as the level of exploration and the degree of management confidence in the mineralized body.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Mining properties (continued)

Exploration and evaluation costs reflect costs associated with establishing the technical feasibility and commercial viability of extracting a mineral resource identified through exploration or acquired through a business combination or asset acquisition. Exploration and evaluation costs include the cost to:

- Establish the volume and grade of deposits by core drilling, trenching and sampling in an ore body that is classified as a proven and probable mineral resource or reserve;

- Determine the optimal extraction methods and metallurgical and processing methods;

- Conduct studies related to surveying, transportation and infrastructure needs;

- Complete licensing activities; and

- Perform economic evaluations to determine if the development of the mineralized material is commercially justified, including preliminary assessment, pre-feasibility and final feasibility studies.

Exploration and evaluation costs include general expenses directly attributable to these activities.

Exploration and evaluation costs for mining properties are capitalized until technical feasibility and commercial viability are achieved, at which point they are transferred to property, plant and equipment – mining development costs. Prior to reclassification as property, plant and equipment, exploration and evaluation costs are tested for impairment.

The factors taken into account by the Company to establish technical feasibility and commercial viability include:

- There is sufficient geological certainty that the mineral deposit can be converted into proven and probable reserves;

- The life plan and economic modelling for the mine support the economic extraction of these reserves and resources;

- For new properties, a feasibility study has demonstrated that the additional reserves and resources will generate a positive economic result;

- The Company has operating and environmental licenses or there is reasonable assurance that they can be obtained;

- Approval has been obtained from the Board of Directors for the development work; and

- Sources of financing for the development work have been secured.

As at December 31, 2023, management had determined that the technical feasibility and commercial viability of the Kiniéro project had not been established.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Mining properties (continued)

Loss of value

The recoverability of amounts shown for mining properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and the future profitable production or proceeds from the disposition thereof. The amount shown as mining interests does not necessarily represent the present or future value of such mining interests.

Mining properties are tested for impairment at the reporting date whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment test is performed when indicators of impairment arise, generally when one of the following circumstances occurs:

- The right to explore in the specific area expires or will expire in the near future and is not expected to be renewed;

- No further exploration and evaluation expenditures in the specific area are budgeted or planned;

- No resource discovery is commercially viable, and the Company has decided to cease exploration in that specific area; or

- Sufficient work has been performed to indicate that the carrying amount of the expenditure capitalized will not be fully recovered.

An impairment loss is recognized if the carrying amount of a mining property exceeds its recoverable value. In order to assess recoverable value, mining properties are grouped at the lowest levels for which there are separately identifiable cash flows (“cash-generating unit” or “CGU”). The recoverable amount of a mining property is the higher of its fair value less costs of disposal and its value in use. Value in use is determined based on the current value of the expected future cash flows of the asset or CGU concerned. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount.

The Company evaluates impairment losses at each balance sheet date for potential reversals when events or circumstances warrant it.

Property, plant and equipment

Property, plant and equipment are initially recognized and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs that are directly attributable to acquisition of the asset. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced capital asset is derecognized when it is replaced.

Repairs and maintenance costs are expensed in the consolidated statement of income in the period in which they are incurred.

The Company allocates the amount initially recognized for a capital asset to its significant portions and depreciates each portion separately. The residual values, method of depreciation and useful lives of assets are reviewed annually and adjusted if appropriate. If there is a change in these estimates, the amount initially recognized is recognized prospectively.

Major rebuilds or overhauls performed as part of maintenance programs are capitalized when it is probable that the work will increase the productive capacity or useful life of the asset.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Property, plant and equipment (continued)

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds of disposal to the carrying amount of the asset and are presented in the consolidated statement of income.

Property acquisition, exploration and mine development costs

The depreciable amount includes the costs incurred in respect of proven and probable developed and undeveloped reserves, and probable resources not forming part of reserves, where there is sufficient objective evidence to support a conclusion that it is probable that the resources not forming part of the reserves will be produced ("probable resources not forming part of the reserves"). Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount of the asset is its cost, or any other amount substituted for cost, less its residual value.

Depreciation commences when the property is brought into commercial production and is calculated on a unit-of-production basis over the expected life of the mine, based on estimated recoverable ounces of gold. The estimated number of recoverable ounces of gold includes proven and probable reserves and a portion of the indicated resources.

Exploration costs incurred on an operating property are capitalized to property, plant and equipment and depreciated based on the estimated number of recoverable ounces of gold in the applicable resource area.

Mining-related equipment

Mining-related equipment is recorded at cost and depreciated, net of residual value, on a unit-of-production basis over the expected life of the mine, based on the estimated number of recoverable ounces of gold or on a straight-line basis over the expected life of the mine. In addition, if the asset's expected useful life is less than the life of the deposit, depreciation is based on its expected useful life.

Buildings and office developments

Buildings and office developments are recorded at cost and depreciated, net of residual value, using the straight-line method over the expected life of the mine or over the declining balance method at a rate of 20%. In addition, if the asset's expected useful life is less than the life of the deposit, depreciation is based on its expected useful life.

Tools, equipment and vehicles

Tools, equipment and vehicles include communication and computer equipment and are recorded at cost. Depreciation is calculated using the declining balance method at rates of 20% or 30%. Depreciation is recorded in the consolidated statement of income.

Exploration equipment

Depreciation of exploration equipment is capitalized to mining properties based on the capitalization policy for mining properties. Depreciation of property, plant and equipment related to mine development costs is capitalized to mine development costs. These amounts will be recorded in the consolidated statement of income through the depreciation of property, plant and equipment following the commencement of their operations (or following the commencement of production of mining properties). For property, plant and equipment not related to exploration and development activities, depreciation expense is recognized directly in the consolidated statement of income. Depreciation is calculated using the declining balance method at rates of 20% or 30%.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Property, plant and equipment (continued)

Assets under construction

Assets under construction include property, plant and equipment under construction, including those held for their own use. Cost includes the purchase price, as well as any costs directly attributable to bringing the asset to a working condition for its intended use. Assets under construction are classified as in the appropriate category of property, plant and equipment when costs are incurred. Assets under construction are recorded at cost less any impairment loss recognized and are not depreciated. Depreciation begins only when they are ready for their intended use.

Stripping costs

During the operation of an open-pit mine, it is necessary to incur costs to remove overburden and other waste materials to access the ore from which minerals can be economically mined. The process of removing the overburden and other sterile material is called overburden removal. Stripping costs incurred to provide initial access to the ore body are capitalized as mine development costs and are amortized when the ore to which these costs relate is extracted from the pit and the mine is considered to be in production. When such costs are directly attributable to the development of a category of property, plant and equipment, they are recognized.

It may also be necessary to remove waste material and incur stripping costs during the production phase of the mine. The Company recognizes a stripping activity asset if all of the following conditions are met:

i) It is probable that the future economic benefit (improved access to the component of the deposit) associated with the stripping activity will flow to the Company;

ii) The Company can identify the component of the deposit to which access has been improved; and

iii) The costs associated with the stripping activity associated with this component can be measured reliably.

The Company initially measures the stripping activity asset at cost, based on the accumulated costs incurred to complete the stripping activity that improves access to the identified component of ore.

After initial recognition, the stripping activity asset is carried at cost less depreciation and impairment, consistent with the existing asset of which it is a part.

Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets until they are substantially ready for their intended use. All other borrowing costs are recognized as finance costs in the consolidated statement of income in the period in which they are incurred.

Intangible assets

Intangible assets are initially and subsequently recorded at cost and amortized using the declining balance method at an annual rate of 30%. Intangible assets include software. The carrying amount of a replaced and/or unused intangible asset is derecognized upon replacement and/or end of use.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Impairment of non-financial assets

Property, plant and equipment and intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. For the purpose of determining their recoverable amounts, assets are grouped at the lowest levels for which identifiable cash flows are independent of the cash flows of other groups of assets (“cash-generating unit” or “CGU”). The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value in use (i.e., the present value of expected future cash flows from the asset or CGU). The impairment loss recognized is the excess of the carrying amount over its recoverable amount.

The Company assesses impairment losses that may be reversed when events or circumstances warrant it.

Provision for environmental remediation obligations

The Company accrues the estimated costs of legal and constructive obligations required to restore sites in the period in which the obligation is incurred with a corresponding increase in the carrying amount of the related asset. For locations where mining operations have ceased, changes in provisions are recognized as finance costs in the consolidated statement of income. The obligation is generally considered to have been incurred when the mining assets are constructed or the ground is disturbed at the production site.

Provisions are measured based on management’s best estimate of the expense required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material. The change in the provision due to the passage of time is recognized as a cost of financing. Changes in assumptions or estimates are reflected in the period in which they occur.

The discounted liability is adjusted at the end of each period to reflect the passage of time, based on a risk-free real discount rate that reflects current market assessments and changes in the estimated future cash flows underlying the obligation.

Leases

The Company is a party to leases.

Each lease is negotiated on a case-by-case basis, and the leases contain a wide variety of terms and conditions. There are no covenants in the leases.

Leases are recorded as a right-of-use asset and a lease liability, representing the date the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance costs. Finance costs are charged to net income over the lease period to produce a constant periodic interest rate on the remaining liability balance for each period. The right-of-use asset is amortized over the term of the lease on a straight-line basis.

Right-of-use assets

Right-of-use assets are initially measured at cost, which includes:

- The amount of the initial measurement of the lease liability;
- The lease payments made on or before the commencement date, net of lease inducements received;
- All upfront costs directly incurred by the Company; and
- Remediation costs.

After the effective date, right-of-use assets are measured at cost, less any accumulated amortization and any accumulated impairment losses, adjusted for any remeasurement of the lease liability.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Leases (continued)

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that have not yet been made at that date, which include:

- Fixed payments, net of lease inducements receivable;
- Variable lease payments that depend on an index or rate;
- Amounts that the Company expects to be paid under residual value guarantees;
- The exercise price of a call option if the Company is reasonably certain to exercise such an option; and
- The penalties for termination of a lease, if the lease term reflects the lessee exercising the option to terminate the lease.

Lease payments are discounted using the Company’s incremental borrowing rate, unless the implied rate of the lease is readily determinable, in which case the implied rate is used.

Exemptions

The Company has elected to use the exemptions for leases for which the underlying asset is of low value and for leases with a term not exceeding 12 months. Payments for such leases are recognized on a straight-line basis and are expensed in net income.

Income taxes and deferred income taxes

Income tax expense comprises current and deferred tax expense. Income taxes are recognized in the consolidated statement of income except for items recognized directly in equity. In this case, the related tax is also recognized directly in equity.

The Company recognizes income taxes using the liability method. Under this method, deferred income tax assets and liabilities are determined by taking into account deductible or taxable temporary differences between the carrying amounts and tax bases of the assets and liabilities using the tax rates enacted or substantively enacted in the years in which the assets are expected to be recovered and the liabilities are settled.

A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be utilized.

Deferred tax assets and liabilities are classified as non-current. They are offset when there is a legally enforceable right to offset current tax assets and liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same tax authority on the same taxable entity or on different taxable entities that intend to settle the balances on a net basis.

Stock Option Plan

The Company grants stock options to directors, officers, employees and service providers. The Board of Directors offers such options with terms of up to ten years, with no vesting period, except for stock options granted to the financial advisor, for whom the options are exercisable over a 12-month period at a rate of 25% per quarter, at prices determined by the Board of Directors.

The fair value of the options is measured at the grant date, using the Black-Scholes model, and is recognized in the year the options are vested. The fair value is recorded as an expense against “Reserve – stock options.” The amount recognized as an expense is adjusted to reflect the number of stock options expected to vest.

Revenues

Revenues include the sale of gold and by-products (silver). The Company sells through a refiner. Sales are recognized when the legal titles to the metals pass to the purchaser, which is when the metals are sold in the market. The Company’s performance obligation is satisfied at a point in time when the metals are sold in the market. Revenues from the sale of gold are recognized in income based on the price at the time of sale.

3. MATERIAL ACCOUNTING POLICIES INFORMATION (continued)

Earnings per share

Basic earnings per share for the period is calculated based on the weighted average number of common shares outstanding during the year.

Diluted earnings per share for the period are calculated using the weighted average number of common shares outstanding during the year, plus the effect of dilutive potential common shares outstanding during the year. The treasury stock method is used to determine the dilutive effect of options. Under this method, the calculation of diluted earnings per share is made as if all dilutive potential shares had been exercised at the later of the beginning of the year or the date of issuance, as the case may be, and that the funds obtained thereby were used to purchase common shares of the Company at the average market value of the participating shares during the year.

4. NEW ACCOUNTING STANDARDS ADOPTED DURING THE YEAR AND STANDARDS ISSUED BUT NOT YET EFFECTIVE

Amendments to IAS 12, Income Taxes

On May 23, 2023, the IASB amended IAS 12. These amendments introduce a mandatory temporary exception to the application of the provisions concerning the recognition of deferred tax arising from the implementation of the Pillar Two model rules, as well as the related disclosure requirements.

These amendments had no short-term impact on the Company's consolidated financial statements, as it did not meet the eligibility criteria of the Pillar Two model rules.

Amendments to IAS 1, Presentation of Financial Statements*, relating to the disclosure of accounting policies*

The IASB has amended IAS 1, *Presentation of Financial Statements*, relating to the disclosure of accounting policies. The amendments, effective for annual periods beginning on or after January 1, 2023, require an entity to provide material accounting policy information rather than disclosures about its significant accounting policies. Management has reviewed the accounting policies previously disclosed and has adjusted its disclosures accordingly to reflect only those accounting policies that users of the financial statements would need to understand other material information.

Amendments to IAS 1, Presentation of Financial Statements

In January 2020, the IASB published *Classification of Liabilities as Current or Non-current* (amendments to IAS 1, *Presentation of Financial Statements*). The amendments are intended to clarify how an entity classifies its debt instruments and other financial liabilities with uncertain settlement dates as current or non-current in some circumstances.

On October 31, 2022, the IASB published amendments to *Classification of Liabilities as Current or Non-current* (amendments to IAS 1). The amendments are intended to improve the information that an entity provides when its right to defer settlement of a liability for 12 months or more is subject to the entity complying with covenants after the balance sheet date.

The amendments are effective for annual periods beginning on or after January 1, 2024, with earlier application permitted. The Company will determine whether the application of these amendments could have an impact on its consolidated financial statements on the date they come into force.

5. ESTIMATES, JUDGMENTS AND ASSUMPTIONS

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 judgment based on various assumptions and other factors such as experience and current and expected economic conditions. Actual results could differ from these estimates. Management believes that no critical judgment is likely to result in material adjustments to the carrying amounts of assets and liabilities.

Critical accounting estimates and assumptions

The preparation of financial statements in compliance with IFRS requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company also makes estimates and assumptions for the future.

Impairment of exploration and evaluation assets (Mining properties)

The assessment of impairment of exploration and evaluation assets requires judgment to determine whether there are any indications that a formal impairment test would be required for exploration and evaluation assets. Factors that could trigger an impairment test include, but are not limited to, the fact that the right to explore in a specific area expires during the period or in the near future and is not expected to be renewed; the fact that significant exploration and evaluation expenditures in a specific area are not budgeted or planned; the fact that the exploration and evaluation of the mineral resources in a specific area has not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in that specific area; the fact that sufficient data exists to indicate that, although development in a specific area is likely to proceed, it is unlikely that the full carrying amount of the assets will be recovered in the event of a successful development or sale; significant negative trends in the industry or the economy in general; interruptions in exploration and evaluation activities by the Company; and significant changes in current or forecast commodity prices.

Any changes in the judgments used to determine the fair value of exploration and evaluation assets could affect the impairment analysis.

Impairment of non-financial assets

Assets are reviewed at each consolidated statement of financial position date for any indication that an asset may be impaired, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. This test requires significant judgment. Factors that may trigger the need for an impairment test include, but are not limited to, significant negative industry or economic trends, including the price of gold and current, projected or historical losses that indicate continued losses, a decrease in market capitalization and deferred capital expenditures.

As at December 31, 2023, the Company had property, plant and equipment in a total amount of $98.6 million, of which $68.3 million was related to the Nampala mine cash-generating unit (“CGU”). As at December 31, 2023, operating conditions and cost pressures were considered indicators of impairment, among other facts and circumstances, and as a result, the Company's management carried out an impairment test on the Nampala mine CGU. An impairment charge of $53.9 million was recognized during the year. The Company's assessment reflects various significant assumptions and estimates made by management about future projected cash flows and discount rates. Changes in these assumptions could affect the Company's conclusion in future reports. The net assets of the Nampala mine have been written down to their estimated net recoverable amount of $75.0 million, which was determined as fair value less costs to sell, using an approach based on discounted cash flows over the estimated life of the mine, which is expected to end production in June 2026, and this was recorded as an impairment of the assets. The calculation of cash flows required management to make significant judgements and estimates while developing the key assumptions, including the recoverable mineral content of the mine over the estimated operating period to June 2026, future gold prices, future production volumes, operating costs, expected future capital costs and the discount rate, which was set at 14.5%. Management relies on experts in geology and metallurgy to develop estimates of recoverable minerals and future production volume (management's experts).

A sensitivity analysis was performed by management of the long-term gold price and discount rate, using reasonably possible changes in these key assumptions. If sales, which include gold production and the price of gold, had been 10% lower than management's estimates, the Company would have recognized an additional impairment charge of $18.2 million. If the discount rate applied to projected cash flows had been 100 basis points higher than management's estimates, the Company would have recognized an additional impairment charge of $0.8 million.

5. ESTIMATES, JUDGMENTS AND ASSUMPTIONS (continued)

Provision for environmental remediation obligations

The Company's mining and exploration activities are subject to laws and regulations governing the protection of the environment. The Company recognizes amounts based on management's best estimates for decommissioning and remediation obligations in the period in which they become effective. Actual costs incurred in future periods could differ materially from these estimates. In addition, future changes in laws, interpretations of environmental agreements and regulations, estimates of operating lives and discount rates could affect the carrying amount of this provision. Such changes could also affect the useful lives of assets amortized on a straight-line basis, whose useful lives are limited to the life of the mine.

Income taxes and uncertain tax position

The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the amount of the overall tax provision. The ultimate tax consequences of many of the transactions and calculations are uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the tax provision initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

The estimates for the various proposed reassessments or notices of assessment received from the Government of Mali involve a degree of estimation and judgment with respect to certain items for which the tax treatment cannot be determined with certainty until the assessment is received or the objection process reaches a resolution with the tax authority or, if applicable, through a formal legal proceeding.

The inherent uncertainty regarding the outcome of these items means that their eventual resolution could differ from the accounting estimates, thereby affecting the Company's financial position, results of operations and cash flows (see Note 28 – Contingencies and commitments).

Renewal of research and exploration permits

The Company makes estimates relating to the renewal of research and exploration permits by the Government of Mali. Failure to renew these permits could have a material impact on the value of the mining properties (see Note 28 – Contingencies and commitments).

Going concern

The assessment of the Company's ability to continue as a going concern is a matter of judgement, as it is based on the Company's estimate of future cash flows for the 12-month period from the date of the financial statements and the availability of funds to meet those cash requirements. 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.

(in Canadian dollars unless otherwise indicated)

6. SEGMENTED INFORMATION

The Company operates in the precious metals mining and exploration industry. The operating segments presented reflect the Company's management structure and how the Company's chief operating decision maker assesses business performance. For mining operations, each mine is an operating segment, while for mining exploration, each geographical area constitutes an operating segment for financial reporting purposes.

The operating segments are defined as follows:

1. Mining (Gold) – Nampala Mine: This segment includes all operations in the Nampala mine's gold production value chain, whether at the production site in Mali, in the refining operations in Switzerland or in administrative operations, regardless of the country.
2. Mining Exploration and Evaluation – Mining Properties in the Republic of Guinea: This segment includes all support operations for mining property exploration and evaluation in the Republic of Guinea.
3. Mining Exploration and Evaluation – Mining Properties in Mali: This segment includes all support operations for mining property exploration and evaluation in Mali.
4. Corporate Management: This segment includes all other operations not connected directly to the first three segments.

The Company measures the performance of its operating segments primarily based on operating income, as shown in the following tables.

					Year ended December 31, 2023
	Mining (Gold) – Nampala	**Mining Exploration and Evaluation - Guinea**	**Mining Exploration and Evaluation - Mali**	**Corporate Management**	**$ Total**
MINING					
Revenues – Gold sales	134,668,343	---	---	---	**134,668,343**
Mining operating expenses – Note 8	(40,210,170)	---	---	---	**(40,210,170)**
Mining royalties	(4,174,388)	---	---	---	**(4,174,388)**
Depreciation of property, plant and equipment and amortization of intangible assets	(21,144,791)	---	---	---	**(21,144,791)**
Impairment charges – Nampala mine – Notes 5 and 16	(53,887,997)	---	---	---	**(53,887,997)**
MINING INCOME	**15,250,997**	**---**	**---**	**---**	**15,250,997**
OTHER EXPENSES					
Administrative expenses – Note 9	(14,679,012)	(2,720,336)	(25,369)	(9,207,842)	**(26,632,559)**
Exploration and evaluation expenses	(585,783)	---	---	---	**(585,783)**
Stock option compensation cost – Note 22 (b)	---	---	---	(422,674)	**(422,674)**
Depreciation of property, plant and equipment and amortization of intangible assets	---	(225,259)	---	(36,560)	**(261,819)**
Write-off of property, plant and equipment	(527,354)	(126,147)	---	---	**(653,501)**
Other income (expenses)	(250,673)	27,876	---	331,997	**109,200**
OPERATING INCOME	**(791,825)**	**(3,043,866)**	**(25,369)**	**(9,335,079)**	**(13,196,139)**
FINANCIAL EXPENSES					
Finance costs – Note 10	(1,569,651)	(73,863)	(6,725)	(381,668)	**(2,031,907)**
Foreign exchange gains	329,718	56,239	39	1,822,022	**2,208,018**
Change in the fair value of share purchase warrants – Note 21	---	---	---	1,016,863	**1,016,863**
INCOME BEFORE INCOME TAXES	**(2,031,758)**	**(3,061,490)**	**(32,055)**	**(6,877,862)**	**(12,003,165)**
Income tax recovery (expense) – Note 25	3,961,769	---	---	(1,304,677)	**2,657,092**
NET INCOME	**1,930,011**	**(3,061,490)**	**(32,055)**	**(8,182,539)**	**(9,346,073)**

(in Canadian dollars unless otherwise indicated)

6. SEGMENTED INFORMATION (continued)

					Year ended December 31, 2022
	Mining (Gold) – Nampala	**Mining Exploration and Evaluation - Guinea**	**Mining Exploration and Evaluation - Mali**	**Corporate Management**	**$ Total**
MINING					
Revenues – Gold sales	112,236,766	---	---	---	112,236,766
Mining operating expenses – Note 8	(34,774,721)	---	---	---	(34,774,721)
Mining royalties	(3,477,139)	---	---	---	(3,477,139)
Depreciation of property, plant and equipment and amortization of intangible assets	(11,475,176)	---	---	---	(11,475,176)
MINING INCOME	62,509,730	---	---	---	62,509,730
OTHER EXPENSES					
Administrative expenses – Note 9	(11,660,083)	(780,764)	(49,886)	(6,162,438)	(18,653,171)
Exploration and evaluation expenses	(183,994)	---	---	---	(183,994)
Stock option compensation cost – Note 22 (b)	---	---	---	(863,180)	(863,180)
Depreciation of property, plant and equipment and amortization of intangible assets	---	(36,987)	---	(65,962)	(102,949)
Write-off of property, plant and equipment	(1,129,235)	---	---	(39,588)	(1,168,823)
Other income	81,476	28,497	---	---	109,973
OPERATING INCOME	49,617,894	(789,254)	(49,886)	(7,131,168)	41,647,586
FINANCIAL EXPENSES					
Finance costs – Note 10	(1,652,352)	(7,796)	(4,542)	(40,207)	(1,704,897)
Foreign exchange gains (losses)	112,916	(15,524)	(1,561)	646,943	742,774
INCOME BEFORE INCOME TAXES	48,078,457	(812,574)	(55,989)	(6,524,431)	40,685,463
Income tax expense – Note 25	(7,130,484)	---	---	(741,462)	(7,871,946)
NET INCOME	40,947,973	(812,574)	(55,989)	(7,265,893)	32,813,517

The Company's revenues are derived from one customer. The Company is not economically dependent on a limited number of customers for the sale of gold, as gold can be sold through numerous commodity market traders around the world.

(in Canadian dollars unless otherwise indicated)

6. SEGMENTED INFORMATION (continued)

The Company's assets by segment are as follows:

					As at December 31, 2023
	Mining (Gold) - Nampala	**Mining Exploration and Evaluation - Guinea**	**Mining Exploration and Evaluation - Mali**	**Corporate Management**	**$ Total**
Cash	**8,614,911**	**446,389**	**32,077**	**3,128,601**	**12,221,978**
Inventory – Note 12	**15,005,961**	**614,839**	**---**	**---**	**15,620,800**
Receivables – Note 13	**6,381,056**	**118,148**	**4,999**	**229,380**	**6,733,583**
Prepaid expenses	**244,127**	**23,741**	**3,201**	**194,726**	**465,795**
Deposits paid	**1,092,166**	**117,075**	**26,731**	**109,063**	**1,345,035**
Deferred financing fees – Note 14	**---**	**---**	**---**	**2,580,751**	**2,580,751**
VAT receivable	**---**	**2,985,818**	**---**	**---**	**2,985,818**
Deposits paid on property, plant and equipment	**---**	**19,674,805**	**---**	**---**	**19,674,805**
Mining properties – Note 15	**---**	**92,941,449**	**12,446,812**	**---**	**105,388,261**
Property, plant and equipment – Note 16	**68,295,523**	**29,556,751**	**176,699**	**588,122**	**98,617,093**
Intangible assets	**54,384**	**215,768**	**---**	**269,416**	**539,568**
Deferred tax asset – Note 25	**818,480**	**---**	**---**	**---**	**818,480**
	100,506,608	**146,694,782**	**12,690,518**	**7,100,059**	**266,991,967**

					As at December 31, 2022
	Mining (Gold) - Nampala	Mining Exploration and Evaluation - Guinea	Mining Exploration and Evaluation - Mali	Corporate Management	$ Total
Cash	2,811,608	633,565	67,980	98,253	3,611,406
Inventory – Note 12	17,648,967	---	---	---	17,648,967
Receivables – Note 13	8,209,335	459,148	---	199,369	8,867,852
Prepaid expenses	264,491	416,974	3,739	120,710	805,914
Deposits paid	1,065,052	3,460	25,047	68,000	1,161,559
VAT receivable	---	258,386	---	---	258,386
Deposits paid on property, plant and equipment	85,649	3,705,808	---	---	3,791,457
Mining properties – Note 15	---	76,557,447	11,273,962	---	87,831,409
Property, plant and equipment – Note 16	123,229,366	3,442,204	148,679	577,224	127,397,473
Intangible assets	68,015	221,565	---	97,305	386,885
	153,382,483	85,698,557	11,519,407	1,160,861	251,761,308

(in Canadian dollars unless otherwise indicated)

6. SEGMENTED INFORMATION (continued)

The Company's liabilities by segment are as follows:

					As at December 31, 2023
	Mining (Gold) - Nampala	Mining Exploration and Evaluation - Guinea	Mining Exploration and Evaluation - Mali	Corporate Management	$ Total
Lines of credit – Note 18	**4,953,133**	**---**	**---**	**---**	**4,953,133**
Accounts payable – Note 17	**8,593,246**	**8,223,855**	**92,626**	**2,754,669**	**19,664,396**
Bridge loan – Note 21	**---**	**---**	**---**	**45,530,538**	**45,530,538**
Current portion of long-term debt	**159,936**	**---**	**---**	**---**	**159,936**
Current portion of lease liabilities – Note 20	**1,866,674**	**---**	**---**	**20,850**	**1,887,524**
Share purchase warrants – Note 21	**---**	**---**	**---**	**1,340,850**	**1,340,850**
Environmental liability – Note 19	**1,031,417**	**137,442**	**---**	**---**	**1,168,859**
Lease liabilities – Note 20	**5,811,577**	**---**	**74,766**	**433,049**	**6,319,392**
Deferred tax liabilities – Note 25	**---**	**---**	**---**	**---**	**---**
Other long-term liabilities	**1,331,395**	**378,341**	**183,668**	**---**	**1,893,404**
	23,747,378	**8,739,638**	**351,060**	**50,079,956**	**82,918,032**

					As at December 31, 2022
	Mining (Gold) - Nampala	Mining Exploration and Evaluation - Guinea	Mining Exploration and Evaluation - Mali	Corporate Management	$ Total
Lines of credit – Note 18	11,370,939	---	---	---	11,370,939
Accounts payable – Note 17	12,170,146	4,488,470	69,609	1,228,779	17,957,004
Current portion of long-term debt	1,343,591	---	---	---	1,343,591
Current portion of lease liabilities – Note 20	1,061,538	---	6,631	19,308	1,087,477
Long-term debt	51,624	---	---	---	51,624
Environmental liability – Note 19	424,138	---	---	---	424,138
Lease liabilities – Note 20	10,976,165	---	1,200	453,900	11,431,265
Deferred tax liabilities – Note 25	10,106,230	---	---	---	10,106,230
Other long-term liabilities	1,283,342	---	151,375	---	1,434,717
	48,787,713	4,488,470	228,815	1,701,987	55,206,985

(in Canadian dollars unless otherwise indicated)

7. ACQUISITION OF SYCAMORE GROUP

On November 9, 2022, the Company acquired a portfolio of four mining licences in the Republic of Guinea, representing the Kiniéro gold project (“Kiniéro”), through the acquisition of Sycamore Capital CY Limited, Sycamore Mining Limited, Sycamore Mine Guinée SAU and Sycamore Trading Limited (“the Transaction” and “the Sycamore Group”). The Company accounted for the acquisition as a purchase of assets and assumption of liabilities. The Transaction was not considered a business combination under IFRS 3, *Business Combinations*, as significant inputs and processes that, together, constitute a business had not been identified, given the stage of exploration and evaluation of the permits. The Company settled the purchase price payable by issuing 242,160,000 common shares on November 9, 2022, with another 55,805,230 shares to be issued pursuant to certain closing adjustments. During the year ended December 31, 2023, the Company reviewed certain closing adjustments and increased the number of shares to be issued, from 55,805,230 shares to 59,883,750 shares to be issued (these shares were issued on April 23, 2024 (see Note 31 – Subsequent events)). Accordingly, the purchase price was increased from $74,785,806 to $75,642,295, and the amount of $856,489 was attributed to mining properties.

The fair value of the consideration paid in common shares represents the fair value of the shares based on the price at the time of issuance less a discount to reflect twenty-two months of restrictions on their sales.

The share purchase agreement ("SPA") provides for a further payment in common shares of up to 100,900,000 common shares of Robex. This payment in shares is conditional on the signing of an “Establishment Agreement” with the Government of Guinea that will determine the terms under which the Kiniéro project will operate. The number of shares to be delivered at that time may be reduced, depending on the amount of certain liabilities attributable to Sycamore or to the sellers. These shares to be issued will be recognized when the conditions for their issue are met.

The consideration and allocation of the purchase price to the assets acquired and liabilities assumed are as follows:

Purchase price	**Total**
	$
Consideration paid in common shares	63,429,188
Advance to the Sycamore Group prior to the Transaction	11,575,108
Acquisition costs	886,379
Less: Cash acquired	(248,380)
	75,642,295

Net identifiable assets	**Total**
	$
Exploration and evaluation assets	75,137,423
Property, plant and equipment and intangible assets	3,580,984
Deposits paid on property, plant and equipment	2,542,697
Current assets	447,964
Current liabilities	(6,066,773)
	75,642,295

(in Canadian dollars unless otherwise indicated)

8. MINING EXPENSES

	2023	2022
	$	$
Operating and maintenance supplies and services	**27,376,738**	30,085,353
Fuel	**16,789,635**	18,771,607
Reagents	**5,980,832**	4,757,153
Employee benefits expense	**5,762,202**	4,794,954
Change in inventories	**236,472**	(1,309,965)
Less: Production costs capitalized as stripping costs	**(16,978,240)**	(23,176,526)
Transportation costs	**1,042,531**	852,145
	40,210,170	34,774,721

Following the decommissioning of the Nampala site's solar power plant in December 2022 as a result of damage sustained and the gradual process of bringing it back into operation since that time, reductions in lease obligations were obtained and recognized as a reduction in mining operating expenses under Fuel in the amount of $474,672 for the year ended December 31, 2023.

9. ADMINISTRATIVE EXPENSES

	2023	2022
	$	$
Mining and Exploration	**15,347,763**	12,490,733
Corporate Management	**11,284,796**	6,162,438
	26,632,559	18,653,171

Salary-related amounts of $2,969,505 and $783,289 were included in "Mining and Exploration" and "Corporate Management," respectively, for the year ended December 31, 2023 ($2,328,147 and $777,971, respectively, for the year ended December 31, 2022).

10. FINANCE COSTS

	2023	2022
	$	$
Interest on lines of credit	**884,487**	431,370
Interest on lease liabilities	**562,668**	532,399
Effective interest on the bridge loan	**154,448**	---
Interest on the bridge loan	**167,949**	---
Bank charges and other finance costs	**149,054**	131,404
Interest on long-term debt	**61,944**	416,672
Change in the environmental liability	**51,357**	41,648
Effective interest on long-term debt	**---**	151,404
	2,031,907	1,704,897

Following the decommissioning of the Nampala site's solar power plant in December 2022 as a result of damages sustained and the gradual process of bringing it back into operation since that time, reductions in lease obligations have been obtained and recognized as a reduction in finance costs under Interest on lease liabilities in the amount of $472,962 for the year ended December 31, 2023.

(in Canadian dollars unless otherwise indicated)

11. NON-CONTROLLING INTERESTS

	2023	2022
	$	$
Government of Mali – 10% in Nampala S.A.	**(2,709,029)**	2,035,798

12. INVENTORY

	2023	2022
	$	$
Doré bars in production	**4,280,795**	4,592,268
Supplies and spare parts [(1)]	**10,020,035**	11,866,485
Stacked ore	**1,319,970**	1,190,214
	15,620,800	17,648,967

[(1)] As at December 31, 2023, the Company recognized an impairment loss on Inventory - supplies and spare parts, in the amount of $973,438.

13. ACCOUNTS RECEIVABLE

	2023	2022
	$	$
Gold sales receivable	**---**	783,784
VAT receivable [(1)]	**6,526,600**	7,917,847
Other taxes receivable	**113,899**	125,534
Other receivables	**93,084**	40,687
	6,733,583	8,867,852

[(1)] VAT receivables are non-interest bearing and are generally settled within 12 months. The VAT receivable that will be recovered over more than twelve months has been recognized in non-current assets. For the year ended December 31, 2023, no provision was recorded for VAT receivables (December 31, 2022 – nil). As at December 31, 2023, the Company held no collateral for the amounts receivable (December 31, 2022 – nil).

14. DEFERRED FINANCING FEES

In connection with the financing described in Note 21, the Company incurred financing costs of $5,428,778, which were recognized as deferred financing fees. These costs, including a tranche of $2,357,713 in respect of warrants issued, are directly attributable to debt-related transactions that would otherwise have been avoided. A portion of these costs is directly attributable to the bridge loan transactions and have been applied against the proceeds.

	Bridge loan	Project finance facility	Total
	$	$	$
Balance as at December 31, 2022	---	---	---
Fees incurred	2,236,768	834,297	**3,071,065**
Issuance of warrants	611,259	1,746,454	**2,357,713**
Amortization of deferred financing fees	(2,206,404)	---	**(2,206,404)**
Fees presented as part of the bridge loan – Note 21	(641,623)	---	**(641,623)**
Balance as at December 31, 2023	**---**	**2,580,751**	**2,580,751**

(in Canadian dollars unless otherwise indicated)

15. MINING PROPERTIES

	Kiniéro (A)	Gladié (B)	Mininko (C)	Sanoula (D)	Kamasso (E)	Diangounté (F)	
Undivided interest	100%	100%	100%	100%	100%	100%	**Total**
Mining rights and titles							**$**
Balance as at December 31, 2021	---	---	135,612	221,881	35,536	72,060	**465,089**
Acquisitions	74,280,934	127,538	10,201	10,201	---	---	**74,428,874**
Change in foreign exchange rate	(407,143)	8,173	1,657	2,059	(13,356)	336	**(408,274)**
Balance as at December 31, 2022	**73,873,791**	**135,711**	**147,470**	**234,141**	**22,180**	**72,396**	**74,485,689**
Acquisitions – Note 7	856,489	---	---	---	---	---	**856,489**
Change in foreign exchange rate	(1,371,364)	1,501	1,632	2,590	246	801	**(1,364,594)**
Balance as at December 31, 2023	**73,358,916**	**137,212**	**149,102**	**236,731**	**22,426**	**73,197**	**73,977,584**
Exploration expenses							
Balance as at December 31, 2021	---	---	6,120,459	1,833,712	801,111	84,978	**8,840,260**
Costs incurred	2,683,656	175,005	827,167	465,938	43,585	174,335	**4,369,686**
Change in foreign exchange rate	---	11,340	76,692	32,407	6,616	8,719	**135,774**
Balance as at December 31, 2022	**2,683,656**	**186,345**	**7,024,318**	**2,332,057**	**851,312**	**268,032**	**13,345,720**
Costs incurred [(1)]	17,222,483	475,189	128,397	141,388	133,498	168,967	**18,269,922**
Change in foreign exchange rate	(323,606)	2,141	77,804	25,914	9,500	3,282	**(204,965)**
Balance as at December 31, 2023	**19,582,533**	**663,675**	**7,230,519**	**2,499,359**	**994,310**	**440,281**	**31,410,677**
Total:							
As at December 31, 2022	76,557,447	322,056	7,171,788	2,566,198	873,492	340,428	87,831,409
As at December 31, 2023	**92,941,449**	**800,887**	**7,379,621**	**2,736,090**	**1,016,736**	**513,478**	**105,388,261**

[(1)] For the year ended December 31, 2023, finance costs of $1,395,519 were capitalized in exploration expenses for the Kiniéro property (nil for the year ended December 31, 2022).

15. MINING PROPERTIES (continued)

(A) On November 4, 2020, the subsidiary Sycamore Mine Guinée S.A.U., 100% owned by the Company since the Transaction, received a gold and mineral mining license for a portion of the Kouroussa property. This license is valid for a period of fifteen years.

On November 17, 2020, the subsidiary Sycamore Mine Guinée S.A.U. received three gold and mineral substance mining licences on a portion of the Kouroussa property. These three licenses are valid for a period of fifteen years.

As stipulated in the Mining Code of the Republic of Guinea, the Company is required to reach the mining phase no later than four years from the date that mining licenses are granted. In addition, the Company is subject to certain minimum development work obligations over the life of the licenses.

(B) The Company holds the permit through its subsidiary, Robex Resources Mali S.A.R.L. This research and exploration permit was granted on April 8, 2022 with a term of 24 months, renewable twice for three years. The permit will expire on March 30, 2030. (1)

(C) The Company holds 100% of the mining titles of this property. The seller benefits from a 1% NSR (Net Smelter Return) royalty on which the Company has a right of first refusal.

On September 17, 2019, Robex Resources Mali S.A.R.L. was again granted this research and exploration permit. The term of the permit is three years, renewable twice for two years. The permit will expire on September 16, 2026. The first renewal application was filed on May 11, 2022 and has yet to be verified by the Malian authorities. (1)

(D) Since May 30, 2008, the Company holds 100% of the mining title through Robex Resources Mali S.A.R.L. The seller will receive a 2% NSR royalty on which the Company will have a right of first refusal.

This research and exploration permit was granted again on August 28, 2019 for a term of three years, renewable twice for two years. The permit will expire on August 27, 2026. The first renewal application was filed on April 27, 2022 and has yet to be verified by the Malian authorities. (1)

(E) The Company holds the permit through its wholly-owned subsidiary, Robex Resources Mali S.A.R.L. This research and exploration permit was granted on September 19, 2017. The term of the license is three years, renewable twice for three years. The permit will expire on September 18, 2026. (1)

(F) The Company holds the permit through its subsidiary Robex Resources Mali S.A.R.L. This research and exploration permit was granted on August 26, 2019. The term of this permit is 15 months, renewable twice for three years. The permit will expire on September 27, 2026. (1)

(1) The Company is subject to certain minimum exploration work obligations to be incurred over the terms of its research and exploration permits.

(in Canadian dollars unless otherwise indicated)

16. PROPERTY, PLANT AND EQUIPMENT

	Mining development costs[4]	Buildings and office equipment	Mining-related equipment	Tools, equipment and vehicles	Exploration equipment	Total
Cost						**$**
Balance as at December 31, 2021	26,775,809	13,140,062	132,373,415	4,797,144	702,913	**177,789,343**
Acquisitions	892,072	4,403,543	38,445,037	640,357	15,012	**44,396,021**
Acquisition of Kiniéro	---	2,443,543	---	916,753	---	**3,360,296**
Write-off of property, plant and equipment	---	(1,321,759)	(640,774)	(948,050)	(680,016)	**(3,590,599)**
Change in foreign exchange rate	195,329	189,507	2,722,887	47,473	(13,097)	**3,142,099**
Balance as at December 31, 2022	**27,863,210**	**18,854,896**	**172,900,565**	**5,453,677**	**24,812**	**225,097,160**
Acquisitions [1]	383,607	453,091	45,208,657	2,513,014	---	**48,558,369**
Impairment loss on the Nampala mine and write-off of property, plant and equipment [2]	(15,837,086)	(1,218,989)	(36,639,016)	(363,638)	---	**(54,058,729)**
Changes to right-of-use assets – Note 20	---	---	(3,911,984)	---	---	**(3,911,984)**
Change in foreign exchange rate	330,453	3,310	2,972,504	(919,396)	275	**2,387,146**
Balance as at December 31, 2023	**12,740,184**	**18,092,308**	**180,530,726**	**6,683,657**	**25,087**	**218,071,962**
Accumulated depreciation						
Balance as at December 31, 2021	10,092,503	5,739,623	68,328,786	2,366,281	656,889	**87,184,082**
Depreciation	1,016,819	1,109,390	8,897,601	696,269	9,219	**11,729,298**
Write-off of property, plant and equipment	---	(754,502)	(424,394)	(600,607)	(646,244)	**(2,425,747)**
Change in foreign exchange rate	97,302	189,286	729,735	207,539	(11,808)	**1,212,054**
Balance as at December 31, 2022	**11,206,624**	**6,283,797**	**77,531,728**	**2,669,482**	**8,056**	**97,699,687**
Depreciation	1,375,670	1,594,992	17,674,527	668,341	3,382	**21,316,912**
Write-off of property, plant and equipment	---	(283,260)	(333,891)	(152,342)	---	**(769,493)**
Change in foreign exchange rate	134,531	79,817	1,084,303	(91,002)	113	**1,207,762**
Balance as at December 31, 2023	**12,716,825**	**7,675,346**	**95,956,668**	**3,094,479**	**11,551**	**119,454,868**
Net amounts:						
Total as at December 31, 2022	16,656,586	12,571,099	95,368,837	2,784,195	16,756	127,397,473
Total as at December 31, 2023	**23,359**	**10,416,962**	**84,574,058**	**3,589,178**	**13,536**	**98,617,093**
Not depreciated as at December 31, 2022 [3]	6,777,069	2,653,947	1,276,450	299,623	---	11,007,089
Not depreciated as at December 31, 2023 [3]	**---**	**1,156,117**	**27,430,507**	**1,178,133**	**---**	**29,764,757**

(1) For the year ended December 31, 2023, finance costs of $2,887,757 were capitalized in mining-related equipment (no amount for the year ended December 31, 2022).

(2) As at December 31, 2023, the Company recognized an impairment loss of $53,887,997 on property, plant and equipment following impairment testing of the Nampala mine (see Note 5 - Critical accounting estimates and judgments).

(3) Property, plant and equipment with a carrying amount of $29,764,757 is not depreciated because it was under development, construction or installation as at December 31, 2023 ($11,007,089 as at December 31, 2022).

(4) On March 21, 2012, Nampala S.A. received a gold and mineral mining license for a portion of the Mininko property, valid for thirty years. In addition, at the time of the granting of the mining license, the Government of Mali was granted 10% of the shares of Nampala S.A. at no charge. The Government of Mali may decide to acquire an additional 10% interest in return for payment, which it has not done as at the date of these consolidated financial statements.

(in Canadian dollars unless otherwise indicated)

17. ACCOUNTS PAYABLE

	2023	2022
	$	$
Trade payables	**13,169,177**	11,876,702
Due to the State	**4,617,070**	4,506,253
Other payables	**1,579,021**	982,668
Accounts payable to a company owned by a shareholder	**99,566**	429,403
Accounts payable to related parties	**197,166**	151,901
Accrued interest	**2,395**	10,078
	19,664,396	17,957,004

18. LINES OF CREDIT

	2023	2022
	$	$
Authorized line of credit from a Malian bank for a maximum amount of $11,142,470 (5,000,000,000 CFA francs), bearing interest at 7.75% per annum, maturing on January 31, 2025.	**4,953,133**	8,685,739
Authorized line of credit from a Malian bank for a maximum amount of $4,456,988 (2,000,000,000 CFA francs), bearing interest at 8% per annum, matured on April 3, 2024.	---	1,877,640
Authorized line of credit from a Malian bank for a maximum amount of $1,114,247 (500,000,000 CFA francs), bearing interest at 8% per annum, matured on October 31, 2023.	---	807,560
	4,953,133	11,370,939

The lines of credit are secured by land mortgages on the gold and mineral mining license for the Nampala region.

19. ENVIRONMENTAL LIABILITIES

	2023	2022
	$	$
Balance, beginning of year	**424,138**	378,385
Change in the provision following changes in estimates [(1)]	**703,325**	---
Accretion expense for the year	**51,357**	41,648
Effect of change in exchange rate	**(9,961)**	4,105
Balance, end of year	**1,168,859**	424,138

[(1)] As at December 31, 2023, the Company recorded an additional provision for environmental liabilities in the amount of $703,325, including $565,882 to reflect the estimated life of the Nampala mine, which will end production in June 2026 according to new estimates.

(in Canadian dollars unless otherwise indicated)

19. ENVIRONMENTAL LIABILITIES (continued)

The Company's operations are subject to various laws and regulations regarding environmental remediation and closure provisions for which the Company estimates future costs. These provisions may be revised as a result of changes in such laws and regulations and new information, such as changes in reserves corresponding to a change in the life of the mine and discount rates, changes in estimated costs of reclamation activities and the acquisition or construction of a new mine. The Company establishes a provision based on the best estimate of the future reclamation costs of the mining sites and related production facilities, on a discounted basis.

Asset retirement obligations related to capital assets

As at December 31, 2023, the liability for asset retirement obligations was $1,168,859 (December 31, 2022 – $424,138).

The estimated undiscounted value of this liability was $1,478,844 (December 31, 2022 – $1,032,499).

For the year ended December 31, 2023, an accretion expense of $51,357 (December 31, 2022 - $41,648) was charged to income in finance costs to reflect an increase in the carrying amount of the asset retirement obligation, which was established using a weighted average discount rate of 14.5% (December 31, 2022 - 11%).

20. LEASES

Right-of-use assets are included in property, plant and equipment as described below:

	Buildings and office construction	Mining-related equipment	Tools, equipment and vehicles	**Total**
				$
Balance as at December 31, 2022	**532,757**	**12,153,922**	**---**	**12,686,679**
Additions	80,431	---	709,236	**789,667**
Modifications [1]	---	(3,789,421)	(122,563)	**(3,911,984)**
Amortization	(52,272)	(1,291,328)	(127,434)	**(1,471,034)**
Effect of change in exchange rate	7,355	132,282	7,508	**147,146**
Balance as at December 31, 2023	**568,271**	**7,205,455**	**466,747**	**8,240,474**

Liabilities related to lease liabilities are as follows:	**2023**	**2022**
	$	$
Balance, beginning of year	**12,518,742**	86,363
Additions	**789,667**	12,389,892
Modifications [1]	**(3,620,485)**	---
Reduction related to the economics of the contract	**(474,672)**	---
Payments during the year	**(727,400)**	(783,340)
Effect of change in exchange rate	**(278,935)**	825,827
Balance, end of year	**8,206,916**	12,518,742
Less: Current portion of lease liabilities	**(1,887,524)**	(1,087,477)
	6,319,393	11,431,265

[1] As at December 31, 2023, the Company had reassessed its agreements and recognized a decrease in right-of-use assets and lease obligations in the amounts of $3,911,984 and $3,620,485, respectively, to reflect the estimated life of the Nampala mine, which will end production in June 2026 according to new estimates.

(in Canadian dollars unless otherwise indicated)

20. LEASES (continued)

The lease liabilities required for the next five years are as follows:

	$
2024	1,887,524
2025	2,058,526
2026	3,852,191
2027	45,065
2028 and subsequent	363,610

There are no covenants in the leases.

In 2020, the Company and Vivo Solar Mali S.A. ("Vivo") announced that they had entered into an agreement for Vivo to supply electricity to the Nampala mine through a photovoltaic power plant and battery energy storage system (the "PV Plant"). The agreement has an initial term of five years and is renewable at the Company's option for two consecutive five-year periods for a total of 15 years, once the PV Plant would be commissioned. The PV Plant was commissioned in July 2022. The Company may be subject to an early termination fee, which is reduced monthly over a period of 60 months. The calculation of the lease liability above reflects and includes an indemnity of $2.8 million, based on the mine’s estimated end of life in June 2026.

It has been determined, based on the substance of the agreement and the payment mechanisms, that the agreement with Vivo contains a lease for the PV Plant. This conclusion is based in part on the fact that the PV Plant is dedicated to serving the Nampala mine and that the mine must take delivery of all its production. The most significant estimate in quantifying the liability for the lease obligation is the Company's calculation of the present value of the fixed lease payments. The finance costs charged to the liability have been determined based on the Company's incremental borrowing rate, which has been estimated at 9%.

21. BRIDGE LOAN

On January 30, 2023, the Company signed a mandate letter designating Taurus Mining Finance Fund No. 2 L.P. (“Taurus”) as the exclusive arranger of a financing program totalling US$115 million for the development of the Kiniéro gold project in the Republic of Guinea.

On April 20, 2023, the Company closed the first part of this financing program, a US$35-million bridge loan facility (the “bridge loan”).

On December 21, 2023, the Company and Taurus agreed to revised terms and conditions on the bridge loan.

	2023
	$
Bridge loan in a total amount of US$34,968,420 (CA$46,172,162), bearing interest at 10% per annum, maturing on June 21, 2024, secured by shares held by the Company in Sycamore Group	**46,172,162**
Less: Deferred finance costs – Note 14	**(641,623)**
	45,530,538

Under this bridge loan, the Company has undertaken to comply with certain terms and conditions and financial ratios, which were not met as at December 31, 2023.

(in Canadian dollars unless otherwise indicated)

21. BRIDGE LOAN (continued)

Share purchase warrants

As a condition to securing this bridge loan, the Company issued 22,500,000 non-transferable common share purchase warrants to Taurus at an exercise price of $0.39 per common share. The warrants will expire on the earlier of:
i) The date that is four (4) years after the closing date of the bridge loan, subject to earlier termination in the event of full repayment of project financing that may be provided by Taurus; or
ii) The date that is one (1) year after the bridge loan closing date, if the bridge loan is repaid in full on or before such date by refinancing the bridge loan with a third party lender or group of lenders that is not directly or indirectly related to Taurus or a member of its group.

Lastly, if the bridge loan is reduced or partially repaid during the first year of its term, other than through the use of another financing instrument provided by Taurus or members of its group, the term associated with a pro rata number of warrants will be reduced.

The derivative liability related to the warrants is as follows:

	2023 $
Balance as at December 31, 2022	---
Initial recognition	2,357,713
Change in the fair value of the warrants	(1,016,863)
Balance as at December 31, 2023	1,340,850

The fair value of the derivative warrant liability was determined using the Black-Scholes option pricing model, with the following assumptions:

	2023	As at April 19, 2023 (date of issue)
Risk-free interest rate	3.26%	3.09%
Expected volatility	44%	51%
Rate of return on shares	0%	0%
Share price on the valuation date	$0.27	$0.30
Exercise price	$0.39	$0.39
Fair value per warrant	$0.06	$0.10
Expected remaining life	3.3 years	4 years

(in Canadian dollars unless otherwise indicated)

22. SHAREHOLDERS' EQUITY

a) Share capital

Authorized

Unlimited number of shares without par value

Common

Preferred shares, non-voting, variable non-cumulative dividend not exceeding 14%, non-participating in the remaining assets, redeemable at the price paid

	2023	2022
	$	$
Issued and fully paid		
844,054,490 common shares		
(December 31, 2022 - 843,363,490 common shares)	**122,617,189**	122,475,271

b) Reserve – Stock options

Under the Stock Option Plan, the Company may grant options to certain directors, officers, key employees and consultants. The total number of common shares in the share capital of the Company that may be issued under this plan is 84,405,440 shares. The aggregate number of common shares reserved for the exercise of options in favour of any one optionee, who is not a consultant or an investor relations person, shall not exceed, in any 12-month period, five percent (5%) of the issued and outstanding common shares of the Company. At the time of each grant of options, the Board of Directors determines the term and exercise price of the options and may determine whether they may vest on a particular schedule. The term of the options issued cannot exceed ten years and the exercise price can be set at a discounted price. The total number of options granted in any 12-month period to consultants and persons performing investor relations activities must not exceed 2% of the issued and outstanding common shares. Lastly, the options granted to a person whose services are retained to perform investor relations activities vest over a 12-month period at the rate of 25% per three-month period. Stock options granted by the Company are settled in equity instruments of the Company.

Stock options varied as follows:

		2023		2022
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Outstanding at beginning of year	**10,956,163**	**$0.26**	6,281,163	$0.12
Granted	**3,800,000**	**$0.29**	6,000,000	$0.36
Exercised	**(691,000)**	**$0.13**	(1,325,000)	$0.10
Cancelled or expired	**(1,350,000)**	**$0.21**	---	---
Outstanding at end of year	**12,715,163**	**$0.28**	10,956,163	$0.26
Exercisable	**12,715,163**	**$0.28**	10,956,163	$0.26

For the year ended December 31, 2023, the weighted average share price upon exercise of the stock options was $0.30 ($0.36 for the year ended December 31, 2022).

(in Canadian dollars unless otherwise indicated)

22. SHAREHOLDERS' EQUITY (continued)

b) Reserve – Stock options (continued)

The total fair value of stock options granted during the year ended December 31, 2023 was $422,674 ($863,180 during the year ended December 31, 2022). For the year ended December 31, 2023, an amount of $422,674 was recorded as stock option compensation cost ($863,180 for the year ended December 31, 2022). The fair value was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

	2023
Risk-free interest rate	**4.28%**
Expected volatility	**50%**
Rate of return on equity	**0%**
Expected life of the options	**5 years**
Share price at grant date	**$0.25**
Exercise price	**$0.29**

The following table summarizes certain information regarding the Company's stock options:

	Options outstanding and exercisable as at December 31, 2023	
		Weighted average remaining contractual life
Exercise price	**Number**	**Years**
$0.13	**3,415,163**	**0.9**
$0.36	**5,500,000**	**3.5**
$0.29	**3,800,000**	**4.7**
	12,715,163	

c) Dividends

During the year ended December 31, 2023, dividends in an amount of $318,520 were declared by the Nampala S.A. subsidiary to the non-controlling interest (no dividends for the year ended December 31, 2022).

23. ACCUMULATED OTHER COMPREHENSIVE INCOME

	2023	2022
	$	$
Exchange rate difference		
Balance, beginning of year	**311,422**	(1,219,990)
Change in foreign currency translation adjustment for the year	**(4,184,788)**	1,531,412
Balance, end of year	**(3,873,366)**	311,422
Attributable		
Common shareholders	**(3,924,017)**	308,168
Non-controlling interest	**50,651**	3,254
	(3,873,366)	311,422

(in Canadian dollars unless otherwise indicated)

24. ADDITIONAL INFORMATION TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

	2023	2022
	$	$
a) Net change in non-cash working capital items		
Decrease (increase) in current assets	**2,188,980**	(4,603,713)
Receivables	**1,237,892**	(3,673,500)
Inventory	**330,328**	360,100
Prepaid expenses	**(170,771)**	(116,236)
Deposits paid	**3,586,428**	(8,033,349)
Increase (decrease) in current liabilities		
Accounts payable	**(2,896,094)**	(13,511,076)
	690,334	(21,544,425)
b) Interest paid		
Bridge loan	**(167,949)**	---
Lines of credit	**(884,487)**	(431,370)
Long-term debt	**(69,620)**	(421,644)
Lease liabilities	**(27,212)**	(532,399)
Bank charges and other finance costs	**(149,054)**	(131,404)
	(1,298,322)	(1,516,817)
c) Items not affecting cash related to investing activities		
Change in accounts payable related to mining properties	**(2,497,280)**	(708,626)
Change in accounts payable related to property, plant and equipment	**(2,393,212)**	(460,975)
Change in accounts payable related to intangible assets	**90,766**	
Finance costs capitalized to mining properties	**1,395,519**	---
Finance costs capitalized to property, plant and equipment	**2,887,757**	---
d) Items not affecting cash related to financing activities		
Warrants issued against deferred financing costs	**2,357,713**	---
Reduction in lease obligations against mining operating expenses	**474,672**	---
Reduction in rental obligations against finance costs	**472,962**	---

(in Canadian dollars unless otherwise indicated)

25. INCOME TAXES

Income tax (recovery) expense

	2023	2022
	$	$
Tax payable		
Income tax payable	**8,267,618**	5,834,906
Deferred tax		
Origination and reversal of temporary differences	**(10,924,710)**	2,037,040
Income tax (recovery) expense	**(2,657,092)**	7,871,946

The reconciliation of the combined federal (Canada) and provincial (Quebec) tax rate to the tax provision is as follows:

	2023	2022
	$	$
Current tax at combined statutory rate of 26.5% (2022 - 26.5%)	**(3,180,839)**	10,752,897
Adjustments from previous years	---	123,800
Non-deductible and non-taxable items	**(8,335,464)**	(5,026,473)
Change in unrecognized deferred tax assets	**6,914,038**	156,305
Rate differential	**787,127**	838,672
Other	**(146,631)**	285,283
Foreign withholding tax	**1,304,677**	741,462
	(2,657,092)	7,871,946

(in Canadian dollars unless otherwise indicated)

25. INCOME TAXES (continued)

Deferred income taxes

The components of deferred tax assets and liabilities are as follows:

	2023	2022
	$	$
Deferred tax assets		
Property, plant and equipment	**1,059,943**	965,972
Intangible assets	**315,357**	---
	1,375,301	965,972
Deferred tax liabilities		
Property, plant and equipment	**(336,431)**	(11,072,202)
Intangible assets	**(42,201)**	---
Loan denominated in a foreign currency	**(178,189)**	---
	(556,821)	(11,072,202)
Deferred income taxes, net	**818,480**	(10,106,230)

The components of unrecognized deferred tax assets are as follows:

	2023	2022
	$	$
Mining properties	**3,360,119**	3,334,471
Non-capital losses	**22,542,927**	14,796,397
Deferred finance costs	**347,120**	9,062
Capital losses	**9,890**	---
Reserves	**294,345**	---
Property, plant and equipment	**1,201,148**	---
Intangible assets	**978,177**	---
	28,733,726	18,139,930

Non-capital losses available for carry-forward are as follows:

Canada		$
	2028	594,369
	2029	528,600
	2030	432,927
	2031	1,428,435
	2032	1,998,355
	2033 and until 2043	52,200,038
Republic of Guinea		$
	Indefinite	14,644,751

(in Canadian dollars unless otherwise indicated)

26. EARNINGS PER SHARE

	2023 $	2022 $
Basic and diluted net income attributable to common shareholders	**(6,637,044)**	30,777,719
Basic weighted average number of shares outstanding [2]	**90,115,104**	63,577,894
Stock options [1][2]	---	343,152
Diluted weighted average number of shares outstanding [1][2]	**90,115,104**	63,921,046
Basic earnings per share	**(0.074)**	0.484
Diluted earnings per share	**(0.074)**	0.481

[1] The calculation of hypothetical conversions excludes warrants and options whose effect is anti-dilutive. Some warrants and options are anti-dilutive either because their exercise price is higher than the average market price of the Company's common shares for each of the periods presented or because the impact of the conversion of these items on net income would cause diluted earnings per share to be higher than the basic earnings per share for each of these periods. For the year ended December 31, 2023, 15,842,466 [2] warrants and 1,136,709 [2] options were excluded from the calculation of diluted earnings per share (no warrants and 285,246 [2] options for the year ended December 31, 2022).

[2] On March 28, 2024, the Company announced a 10 to 1 reverse stock split (see Note 31 – Subsequent events).

27. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to maintain sufficient liquidity to fund planned activities. The definition of capital includes equity. The Company's capital was $184,073,935 and $196,554,323 as at December 31, 2023 and December 31, 2022, respectively.

The Company's objectives when managing capital are to maintain financial flexibility in order to preserve its ability to meet its financial obligations.

Other transactions affecting equity are disclosed in the consolidated statement of changes in equity.

(in Canadian dollars unless otherwise indicated)

28. CONTINGENCIES AND COMMITMENTS

Purchase obligations

As at December 31, 2023, the Company had commitments to various unrelated suppliers for deliveries of services as well as purchases of property, plant and equipment, and supplies and spare parts.

The timing of certain capital payments is estimated on the basis of project completion schedules. Most of the commitments can be cancelled at the Company's discretion without any substantial financial impact.

	2023	2022
	$	$
Delivery of services	**432,716**	677,175
Purchases of supplies and spare parts	**3,408,343**	5,164,112
Purchases of property, plant and equipment	**564,806**	245,839
	4,405,865	6,087,126

Kiniéro project

	2023	2022
	$	$
Delivery of services	**4,338,618**	11,206,435
Purchases of property, plant and equipment	**25,873,963**	8,106,600
	30,212,581	19,313,035

Government royalties

In Mali and in the Republic of Guinea, the royalty rates on volumes shipped are 3% and 5%, respectively.

Net smelter royalties (NSR)

In Mali and in the Republic of Guinea, the NSR rates are from 1% to 2% and from 0.5% to 1%, respectively, on our various exploration properties. NSRs will only come into force when the Company obtains mining licenses on these properties.

Royalties on the Kiniéro project

Under the Taurus bridge loan, described in note 21, Taurus holds a gross royalty on the metals of 0.25% for up to 1,500,000 ounces of gold from the Kiniéro project.

Tax contingency in Mali

In 2023, the Company received proposals for tax reassessments from the Malian tax authorities for the years 2019 to 2021 with a maximum exposure of FCFA 39.3 billion (including interest and penalties), or approximately $88.5 million. These proposed reassessments do not constitute a definitive notification confirming the proposed reassessments.

The assessment mainly covers corporate income tax. As at the date of these financial statements, various discussions are underway with the authorities and the final outcome remains uncertain. There is, therefore, a risk that the outcome will have a material impact on the balances recorded in future years, on the operation of the Nampala mine, and on all the Company’s operations in Mali. It is not possible to provide further estimates of the sensitivity of potential downward changes.

As at the date of these financial statements, the Company has not yet received this final notification. The final outcome cannot be determined at this time. The Company is vigorously defending its positions and is currently negotiating a new tax framework with the Malian authorities. The final outcome of this case is not determinable at this time and, consequently, no provision was recognized as at December 31, 2023. Any provision will be recognized in the Company's consolidated financial statements as soon as it is probable that an outflow of funds will occur.

(in Canadian dollars unless otherwise indicated)

29. FINANCIAL INSTRUMENTS

Measurement categories

Financial assets and financial liabilities have been classified into categories that define their measurement basis and, for items measured at fair value, whether changes in fair value are recognized in the consolidated statement of income or the consolidated statement of comprehensive income. These categories are: financial assets and liabilities at FVTPL, and financial assets and liabilities measured at amortized cost. The following table presents the carrying amounts of assets and liabilities for each of these categories:

	2023	2022
	$	$
Financial assets at amortized cost		
Cash	**12,221,978**	3,611,406
Accounts receivable	**93,084**	824,471
Deposits paid	**1,345,035**	1,161,559
Deposits paid on property, plant and equipment	**19,674,805**	3,791,457
	33,334,902	9,388,893
Financial liabilities at amortized cost		
Lines of credit	**4,953,133**	11,370,939
Accounts payable	**15,047,325**	13,450,751
Bridge loan	**45,530,538**	---
Long-term debt	**159,936**	1,395,215
Other long-term liabilities	**1,893,404**	1,434,717
	67,584,336	27,651,622
Financial liabilities at FVTPL		
Warrants	**1,340,850**	---
	1,340,850	---

29. FINANCIAL INSTRUMENTS (continued)

Financial risk factors

Through its activities, the Company is exposed to various financial risks, such as market risk, credit risk and liquidity risk.

a) Market risk

i) Fair value

The Company believes that the carrying amount of all financial liabilities recorded at amortized cost in its consolidated financial statements approximates their fair value. Current financial assets and liabilities are measured at their carrying amount, which is considered to be a reasonable estimate of their fair value due to their short-term nature. The fair value of the long-term debt was not determined due to the specific conditions negotiated and the third parties involved.

The fair value of the warrant liability was determined using the Black-Scholes option pricing model, which uses significant inputs that are not based on observable market data, hence the classification in Level 3 of the fair value hierarchy.

As at December 31, 2022, the Company had no financial instruments recorded at fair value.

ii) Interest rate risk

The Company's current financial assets and liabilities are not significantly exposed to interest rate risk due to their short-term nature or because they are non-interest bearing.

The lines of credit, the bridge loan and the long-term debt bear interest at fixed rates and are not subject to interest rate risk.

iii) Foreign exchange risk

The Company is exposed to currency risk from its exposure to other currencies, primarily the Canadian dollar and the U.S. dollar.

The Company holds cash, accounts receivable, deposits paid, deposits paid on property, plant and equipment, accounts payable, a bridge loan and lease liabilities in Canadian dollars, U.S. dollars, Guinean francs and/or the pound sterling. As a result, the Company is exposed to the risk caused by fluctuations in foreign exchange rates. The Company does not use any derivatives to mitigate its exposure to currency risk.

(in Canadian dollars unless otherwise indicated)

29. FINANCIAL INSTRUMENTS (continued)

Financial risk factor (continued)

a) Market risk (continued)

iii) Foreign exchange risk (continued)

The following table presents the balances in foreign currencies as at December 31, 2023 and December 31, 2022, to the extent that these balances are not denominated in the functional currency of the entity in question:

	2023 CAD	**2023 USD**	2022 CAD	2022 USD
Cash	**238,638**	**189,236**	96,856	292,420
Receivables	**110,461**	**---**	128,823	---
Deposits paid	**99,443**	**346,795**	80,331	234,471
Deposits paid on property, plant and equipment	**1,495,999**	**8,758,334**	---	2,235,320
Accounts payable	**(858,225)**	**(553,307)**	(431,351)	(1,266,234)
Bridge loan	**---**	**(34,968,420)**	---	---
Lease liabilities	**(453,899)**	**(5,468,149)**	(473,207)	(8,887,849)
	632,416	**(31,695,511)**	(598,548)	(7,391,872)
	€ 432,630	**€ (28,629,604)**	€ (413,990)	€ (6,930,619)

Net balance in euros
The CFA franc fluctuates with the euro. As at December 31, 2023, the FCFA was at a fixed rate of 655.957 FCFA for 1 euro. The balance in euros includes the balance in CFA francs, as the foreign exchange risk associated with these two currencies is managed simultaneously.

Assuming all other variables remain constant, a 5% weakening of the exchange rates presented above would have increased the Company's net income and shareholders' equity by approximately $2,223,698 for the year ended December 31, 2023 (increase of approximately $570,570 for the year ended December 31, 2022). A 5% strengthening of the exchange rates presented above would have resulted in a decrease of approximately $2,009,591 in the Company's net income and shareholders' equity for the year ended December 31, 2023 (decrease of approximately $513,881 for the year ended December 31, 2022).

b) Credit risk

Credit risk is the risk of credit loss to the Company if a third party to a financial instrument fails to meet its contractual obligations. The financial instruments that may expose the Company to credit risk are cash and accounts receivable. The Company mitigates this risk by depositing its cash with Canadian and international financial institutions with strong credit ratings. However, as at December 31, 2023, $138,389 were held with banks in Africa that have no credit rating (December 31, 2022 – $313,980). Deposits were made primarily for the purchase of mining equipment and supplies and spare parts inventory.

(in Canadian dollars unless otherwise indicated)

29. FINANCIAL INSTRUMENTS (continued)

Financial risk factor (continued)

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by the delivery of cash or another financial asset. The long-term risks associated with meeting the Company's contractual obligations related to its debt depend on its ability to generate future cash flows. The Company manages its liquidity risk by determining the cash flows it estimates it will need for planned operating, investing and financing activities.

As at December 31, 2023, the Company had current monetary assets of $13.7 million to settle current monetary liabilities of $65.5 million. The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal payment terms. The Company regularly assesses its available cash to ensure that it has sufficient liquid resources to meet its investment and operating requirements. At December 31, 2023, the Company was not in compliance with all the covenants of its bridge loan. Management believes that the working capital at December 31, 2023 will not be sufficient to enable the Company to meet its obligations, commitments and planned expenditures until December 31, 2024, given the current maturity of the bridge loan (see Note 1 - Going concern).

The following table presents the contractual maturities of financial liabilities as at December 31, 2023:

	Carrying amount	0 to 1 year	1 to 3 years	Over 3 years
Accounts payable	**19,664,396**	**19,664,396**	---	---
Lines of credit	**4,953,133**	**4,953,133**	---	---
Bridge loan [(1)]	**46,172,162**	**46,172,162**	---	---
Long-term debt [(1)]	**159,936**	**163,080**	---	---
Lease liabilities [(1)]	**8,206,916**	**2,309,009**	**7,389,097**	**446,141**
Other long-term liabilities	**1,893,404**	---	---	**1,893,404**
	81,049,947	**73,261,780**	**7,389,097**	**2,339,545**

(1) The amount of the future maturities of these liabilities exceed their carrying amount because they include scheduled principal and interest payments.

30. RELATED PARTY TRANSACTIONS

Results for the year ended December 31, 2023 include an expense of $4,958,144 incurred with directors and officers and companies controlled by them ($4,659,652 for the year ended December 31, 2022). These transactions occurred in the normal course of business and are measured at the exchange amount, which is the amount of consideration established by the related parties.

The following table summarizes, for the respective fiscal years, the total compensation paid to the directors and senior officers having the authority and responsibility to plan, direct and control the activities of the Company:

	2023	2022
	$	$
Professional fees and salaries [(1)]	**4,308,008**	3,782,840
Directors' fees [(1)]	**316,447**	68,300
Compensation in stock options	**333,690**	808,512
	4,958,145	4,659,652

(1) These expenses are included in Administrative expenses - Corporate Management in Note 9.

(in Canadian dollars unless otherwise indicated)

30. RELATED PARTY TRANSACTIONS (continued)

The following table summarizes, for the respective fiscal years, the transactions between the Company and the directors and senior officers having the authority and responsibility to plan, direct and control the activities of the Company:

	2023	2022
	$	$
Transactions with Fairchild Participation S.A.[(2)(3)]	**2,467,977**	3,753,746

(2) An amount of $2,328,450 included in this amount relates to the compensation of officers of the Company for the year ended December 31, 2023 ($3,156,507 for the year ended December 31, 2022), which is included in the preceding table.

(3) Fairchild Participation S.A. is a company co-owned by George Cohen, an executive officer of the Company (until September 2023) and director, and his wife.

The Company has not provided for the payment of termination and change of control benefits for key management personnel.

31. SUBSEQUENT EVENTS

On March 28, 2024, the Company announced a 10 to 1 reverse stock split, effective April 1, 2024, that had previously been approved by its shareholders on June 29, 2023.

On April 23, 2024, the Company issued 5,988,375 shares – post split, as part of the acquisition of the Sycamore Group (see Note 7 – Acquisition of Sycamore Group).