SRG

Battery Minerals

Annual Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

TSX-V: SRG

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Independent Auditor's Report

To the Shareholders of
SRG Mining Inc.

Opinion

We have audited the consolidated financial statements of SRG Mining Inc. (hereafter "the Corporation"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, the consolidated statements of changes in equity and the consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for opinion

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

Key audit matters

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

We have determined that there are no key audit matters to communicate in our report.

Information other than the consolidated financial statements and the auditor's report thereon

Management is responsible for the other information. The other information comprises the information included in 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.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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 Corporation'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 Corporation'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 Corporation 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 group 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine the matters that were of most significance in the audit of the consolidated financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters 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 Karine Desrochers.

Raymond Chabot Grant Thornton LLP[1]

Montréal
April 2, 2024

[1] CPA auditor, public accountancy permit no. A127023

Management's Responsibilities over Financial Reporting

The Financial Statements of SRG Mining Inc. (the "Corporation" or "SRG") are the responsibility of the Corporation's management. The consolidated financial statements are prepared in accordance with IFRS Accounting Standards and interpretation of the International Financial Reporting Interpretations Committee ("IFRIC") and reflect management's best estimates and judgment based on information currently available.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The Audit Committee reviews the results of the consolidated financial statements prior to their submission to the Board of Directors for approval.

SRG Mining Inc.
Consolidated Statements of Financial Position
(in Canadian dollars)

	Notes	**December 31, 2023**	December 31, 2022
		$	$
ASSETS			
Current assets			
Cash		**737,090**	11,060,864
Investments	4	**8,132,717**	45,537
Sales taxes and other receivables		**57,888**	101,605
Prepaid expenses and deposits		**126,908**	105,818
		9,054,603	11,313,824
Non-current assets			
Property and equipment	5	**330,408**	332,098
TOTAL ASSETS		**9,385,011**	11,645,922
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**557,255**	921,251
Short-term portion of lease liability	8	**81,870**	12,116
		639,125	933,367
Non-current liabilities			
Long-term portion of lease liability	8	**35,833**	7,346
		674,958	940,713
EQUITY			
Share capital	9	**43,780,682**	41,282,782
Contributed surplus	10	**10,312,381**	9,314,620
Deficit		**(45,383,010)**	(39,892,193)
		8,710,053	10,705,209
TOTAL LIABILITIES AND EQUITY		**9,385,011**	11,645,922

Nature of operation and liquidity risk (Note 1)
Subsequent events (Note 19)

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

On behalf of the Board,

Marc Filion /s/
Director

Yves Grou /s/
Director

SRG Mining Inc.
Consolidated Statements of Loss and Comprehensive loss
(in Canadian dollars)

	Notes	Years ended December 31, **2023** $	2022 $
Expenses			
Exploration and evaluation	6	**1,547,735**	1,880,352
General and administrative	7	**3,197,131**	2,500,746
Share-based compensation	10	**997,760**	1,321,001
		5,742,626	5,702,099
Other expenses (income)			
Other loss (income)		**338**	(339)
Government Grant		**-**	(15,917)
Gain on settlement of convertible debenture		**-**	(82,617)
Change in fair value of embedded derivative		**-**	67,998
Interest expense (income)		**(273,850)**	88,813
Financing costs		**-**	78,827
Foreign exchange loss		**21,703**	30,106
		(251,809)	166,871
Net loss and comprehensive loss		**5,490,817**	5,868,970
Basic and diluted loss per common share	15	**0.05**	0.05
Weighted average number of shares – basic and diluted	15	**115,409,517**	107,968,288

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

SRG Mining Inc.

Consolidated Statements of Changes in Equity

(in Canadian dollars)

	Notes	Number of issued and outstanding common shares	Share capital	Contributed surplus	Deficit	Total equity
			$	$	$	$
Balance as at January 1, 2023		**113,822,338**	**41,282,782**	**9,314,620**	**(39,892,193)**	**10,705,209**
Exercise of warrants	9	3,563,623	2,497,900	-	-	2,497,900
Share-based compensation	10	-	-	997,761	-	997,761
Net loss and comprehensive loss for the year		-	-	-	(5,490,817)	(5,490,817)
Balance as at December 31, 2023		**117,385,961**	**43,780,682**	**10,312,381**	**(45,383,010)**	**8,710,053**
Balance as at January 1, 2022		**89,835,655**	**27,699,990**	**8,098,705**	**(34,023,223)**	**1,775,472**
Issuance of common shares	9	22,442,941	12,568,047	-	-	12,568,047
Issuance of shares in settlement of account payable and accrued liabilities	9	500,000	270,000	-	-	270,000
Share issuance costs	9	-	(129,115)	-	-	(129,115)
Conversion of debt	9	881,550	699,314	-	-	699,314
Exercise of stock options	9	93,564	139,546	(70,086)	-	69,460
Exercice of deferred share units	9 & 10	68,628	35,000	(35,000)	-	-
Share-based compensation	10	-	-	1,321,001	-	1,321,001
Net loss and comprehensive loss for the year		-	-	-	(5,868,970)	(5,868,970)
Balance as at December 31, 2022		**113,822,338**	**41,282,782**	**9,314,620**	**(39,892,193)**	**10,705,209**

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

SRG Mining Inc.
Consolidated Statements of Cash Flows
(in Canadian dollars)

		Years ended December 31,	
		2023	2022
Cash flows provided by (used in)	Notes	**$**	$
OPERATING ACTIVITIES			
Net loss		**(5,490,817)**	(5,868,970)
Adjustments for non-cash items			
Amortization		**196,464**	196,789
Accreted interest on lease liabilities	8	**5,691**	2,965
Foreign exchange on lease liabilities	8	**(1,932)**	4,206
Interest Income		**(139,347)**	-
Gain on settlement of convertible debenture		**-**	(82,617)
Accreted interest on loan		**-**	3,121
Foreign exchange on convertible debenture		**-**	4,308
Accretion expense on convertible debenture		**-**	36,884
Change in fair value of embedded derivatives		**-**	67,998
Government Grant		**-**	(15,917)
Value of the taxable benefit from cashless exercise of stock options	9	**-**	94,000
Share-based compensation	10	**997,761**	1,321,001
Change in non-cash working capital items	16	**(341,369)**	(668,018)
		(4,773,549)	(4,904,250)
INVESTING ACTIVITIES			
Investments		**(9,000,000)**	(45,537)
Disposal of investments		**1,052,167**	-
Property and equipment additions	5	**(42,400)**	(162,934)
		(7,990,233)	(162,934)
FINANCING ACTIVITIES			
Lease liabilities	8	**(57,892)**	(45,879)
Exercise of warrants	9	**2,497,900**	-
Issuance of shares as part of private placements	9	**-**	12,568,047
Share issuance costs	9	**-**	(129,115)
Exercise of stock options	9 & 10	**-**	9,125
Short-term loan - Due to a related corporation		**-**	(700,000)
Short-term loan - Government loan		**-**	(40,000)
Interest payable		**-**	(64,554)
		2,440,008	11,597,624
Net change in cash		**(10,323,774)**	6,484,903
Cash, beginning of year		**11,060,864**	4,575,961
Cash, end of year		**737,090**	11,060,864

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

December 31, 2023 and 2022 (in Canadian dollars)

1. NATURE OF OPERATION AND LIQUIDITY RISK

SRG Mining Inc. (the “Corporation”) is a Canadian-based mineral exploration and development business with activities in West Africa. The Corporation was incorporated on April 16, 1996 under the *Canada Business Corporations Act*. The Corporation’s common shares are listed on the TSX Venture Exchange (the "TSX-V") under the trading symbol "SRG.V". The Corporation’s principal office is located at #132 – 1320 Graham Blvd., Mont-Royal, Quebec, Canada, H3P 3C8.

These consolidated financial statements were authorized for publication by the Board of Directors on April 2, 2024.

The Corporation’s mining properties are located in the Republic of Guinea ("Guinea"), Africa, and hence are subject to the risks normally associated with unanticipated changes in taxes and royalties, renegotiation of contracts, foreign currency fluctuations and political uncertainties.

As at December 31, 2023, the Corporation had a working capital of $8.4 million, which included cash of $8.9 million. Management of the Corporation believes that it has sufficient funds to maintain the status of its current obligations and keep its properties in good standing, to pay its ongoing general and administrative expenses and to meet its liabilities, obligations and existing commitments beyond the ensuing 12 months as they fall due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future. To continue the Corporation’s future operations and fund its development expenditures, the Corporation will need additional funds, which may be acomplished in a number of ways, including, but not limited to, the issuance of new equity, debt financing or securing capital from potential partners. While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Corporation or that they will be available on terms which are acceptable to the Corporation.

2. MATERIAL ACCOUNTING POLICIES

(a) Basis of presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The Corporation has consistently applied the same accounting policies throughout all the periods presented in these consolidated financial statements.

(b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis using the accrual basis of accounting except for cash flow information.

(c) Basis of consolidation

In addition to the Corporation, the consolidated financial statements include all subsidiaries controlled by the Corporation. Control is achieved when the Corporation is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is acquired by the Corporation. Intercompany transactions and balances are eliminated upon consolidation. They are deconsolidated from the date that control by the Corporation ceases.

The subsidiaries of the Corporation, all of which are wholly owned, are as follows:

Subsidiaries	Jurisdiction of incorporation	Ownership %
Sama Resources Guinee SARL (“SRG Guinée”)	Guinea	100%
SRG Graphite International Inc. (“SRG Intl”)	Cayman Islands	100%
SRG Liberia Inc. (“SRG Liberia”)	Liberia	100%
SRG Lithium Inc. (“SRG Lithium”)	Canada	100%

(d) Functional and presentation currency

The functional currency for the parent entity, and its subsidiaries, is the currency of the primary economic environment in which the entity operates. The parent entity has determined the functional currency of each entity is the Canadian dollar. The determination of the functional currency may involve certain judgments as to defining the primary economic environment, and the parent entity will reconsider the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment in which these entities operate.

The functional currencies of entities within the group have remained unchanged during the reporting period.

These consolidated financial statements are presented in Canadian dollars.

(e) Foreign currency transactions

Monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the financial position date, whereas non-monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the transaction date. Expenses denominated in a foreign currency are translated at the average rate in effect during the period with the exception of depreciation that is translated at the historical rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of loss and comprehensive loss.

(f) Cash and cash equivalents

Cash is comprised of cash on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash that can be withdrawn at any time without penalty and which are subject to an insignificant risk of change in value.

(g) Exploration and evaluation (“E&E”) expenses

E&E expenses, including but not limited to geological and geophysical evaluation, surveying, exploratory drilling and sampling, and evaluating the technical feasibility of extracting a mineral resource, are expensed as incurred until the property reaches the development stage.

The development stage is considered to begin once the technical feasibility and commercial viability of the extraction of minerals in an area of interest are demonstrable. It’s based on both qualitative and quantitative criteria such as substantial physical project completion, sustained level of mining, sustained level of processing activity, and passage of a reasonable period of time.

Mineral properties under development are the costs incurred subsequent to the establishment of the technical feasibility and commercial viability of the extraction of resources from a particular mineral property. Capitalized costs, including mineral property acquisition costs and certain mine development and construction costs, are not depreciated until the related mining property has reached a level of operating capacity predetermined by management, a level often referred to as “commercial production.”

Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized according to the unit-of-production method based upon estimated proven and probable reserves.

(h) Property and equipment (“P&E”)

P&E and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of a P&E consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the asset and restoring the site on which it is located.

P&E are recorded at cost and depreciated as follows:

Category	Straight-line method
Computer equipment and software	30%–35%
Furniture	20%
Equipment	20%
Building	10%
Right-of-use assets	Over the lease term

The estimated residual values, estimated useful lives and depreciation methods are reviewed annually.

P&E are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of loss and comprehensive loss.

(i) Impairment of non-financial assets

At each financial position reporting date, the carrying amounts of the Corporation's non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Corporation estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statement of loss and comprehensive loss for the year.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in the consolidated statement of loss and comprehensive loss.

(j) Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets

Financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. On initial recognition, the Corporation classifies its financial assets in the following measurement categories:

i) measured subsequently at amortized cost; and
ii) measured subsequently at fair value (either through other comprehensive loss, or through net loss).

For assets measured at fair value, gains and losses will either be recorded in net loss or in other comprehensive income.

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment loss, if:

i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flow; and
ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

A financial asset shall be measured at fair value through net loss unless it is measured at amortized cost or at fair value through other comprehensive loss. A financial asset shall be measured at fair value through other comprehensive loss if both of the following conditions are met:

i) A financial asset shall be measured at fair value through net loss unless it is measured at amortized cost or at fair value through other comprehensive loss. A financial asset shall be measured at fair value through other comprehensive loss if both of the following conditions are met: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment

The Corporation assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and through other comprehensive loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Corporation assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. An external rating of “investment grade” is considered to indicate that a financial instrument may be considered as having low credit risk.

Financial liabilities

Financial liabilities are initially recorded at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortized cost using the effective interest method.

(k) Share Capital

Common shares issued by the Corporation are classified as shareholders’ equity. Costs directly attributable to the issue of common shares are recognized as a deduction from shareholders’ equity, net of any related income tax effects.

(l) Equity financing

The equity financing transactions may involve issuance of common shares or units. Units typically comprise a certain number of common shares and warrants. Depending on the terms and conditions of the equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the terms of the transaction. The Corporation adopted a residual value method with respect to the measurement of common shares and warrants issued as private placement units. The fair value of the common shares issued in the private placements is determined by the closing quoted bid price on the transaction date. The balance, if any, is allocated to the attached warrants. When underlying shares are issued, the amounts previously credited to contributed surplus are transferred to share capital.

(m) Share-based payments

The fair value, at the grant date, of equity-settled share-based awards is recognized as an expense over the period for which the benefits of the employee and others providing similar services are expected to be received using the graded vesting method. The corresponding accrued entitlement is recorded in contributed surplus. The fair value of awards is calculated using the Black-Scholes valuation model, which considers the following factors:

i) Exercise price
ii) Expected volatility
iii) Risk-free interest rate
v) Expected life of the award
vi) Current market price

The amount recognized as an expense is adjusted to reflect the actual number of share purchase options for which the related service and vesting conditions are met. Consideration received on the exercise of share purchase options is recorded as share capital and the related contributed surplus is transferred to share capital.

Share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the non-employee provides the goods or the services.

(n) Current and deferred income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the consolidated statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in shareholders' equity or other comprehensive loss. Current tax expense, if any, is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date.

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

(o) Loss per share

Basic loss per share is computed by dividing loss available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. The dilutive effect of convertible securities is reflected in diluted loss per share by application of the "if converted" method. The dilutive effect of outstanding stock options and warrants and their equivalents is reflected in diluted loss per share by application of the treasury stock method.

(p) Deferred share units

The DSU Plan provides for the payment of directors' compensation with deferred share units ("DSU"s). Each DSU is a right granted by the Corporation to an eligible director or officer to receive an equivalent to the value of one common share on termination of service. DSU payments are ultimately recognized as an expense in the consolidated statements of loss and comprehensive loss as share-based compensation. The Corporation may and intends to make payments due under the DSU Plan by issuing one common share for each DSU. The number of DSUs to be granted under the DSU Plan is determined by dividing the director's compensation by the volume-weighted average price of the Common Shares on the Toronto Stock Exchange for the five trading days immediately preceding the date of grant. The Corporation uses the fair value method to recognize compensation expense related to the granting of DSUs. When underlying shares are issued, the amounts previously credited to contributed surplus are transferred to share capital.

(q) Restricted share units

The Restricted Share Unit plan (the "RSU Plan") allows the grant to directors, employees, or service providers nontransferable Restricted Share Units ("RSU"s) based on the value of the Corporation's share price at volume-weighted average price of the Common Shares on the Toronto Stock Exchange for the five trading days immediately preceding the date of grant. Unless otherwise stated, the awards typically have a vesting schedule over a three-year period and can be settled either in cash or equity upon vesting at the discretion of the Corporation. The Corporation intends to settle all RSUs in equity. The Corporation uses the fair value method to recognize compensation expense related to the granting of RSUs. When underlying shares are issued, the amounts previously credited to contributed surplus are transferred to share capital.

(r) Government grants

The Corporation recognises a government grant when it has reasonable assurance that it will comply with the relevant conditions and the grant will be received. If the conditions are met, then the Corporation recognises government grants in profit or loss on a systematic basis and in line with its recognition of the expenses that the grants are intended to compensate.

(s) Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Corporation

As the date of authorization of the consolidated financial statements, several new, but not yet effective Standards and amendments to exiting Standards, and Interpretations have been published by the International Accounting Standard Board (IASB). None of these Standards of amendments to existing Standards have been adopted early by the Corporation.
Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current period have not been disclosed as they are not expected to have a material impact on the Corporation’s consolidated financial statements.

(t) New standards applied

In February 2021, the IASB issued amendments to IAS 1, Presentation of Financial Statements, and IFRS Practice Statement 2. The amendments to IAS 1 require an entity to disclose its material accounting policies instead of its significant accounting policies. The amendments include clarification on how an entity can determine material accounting policies by applying the 'four-step materiality process' described in IFRS Practice Statement 2. The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023. The Corporation adopted the amendments effective January 1, 2023, with no material impact to the consolidated financial statements for 2023.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Significant judgments and estimation uncertainty

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant estimates and judgments used in applying accounting policies that have most significant effect on the amounts recognized in the consolidated financial statements are as follows:

(a) Going concern and liquidity risk

The assessment of the Corporation’s ability to execute its strategy by funding future working capital requirements involves judgment. 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 (Note 1).

(b) Determination of the ownership of mining property title

Management must determine if it has or still holds the legal title of its mining properties in Guinea on a continuous basis. In certain cases, to conclude on the validity of the legal title, significant judgment is required in determining if the Corporation has met all of its commitments and obligations. Management exercised its judgment, having considered the laws enforceable in Guinea and the communications with the government, to conclude on the title ownership. Note 6 to these consolidated financial statements provides background information around those judgments.

(c) Impairment of non-financial assets

P&E is reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. The recoverable amounts with respect to non-financial assets are based on numerous assumptions and may differ significantly from actual recoverable amounts. The recoverable amounts are based, in part, on certain factors that may be partially or totally outside of the Corporation’s control. This evaluation involves a comparison of the estimated recoverable amounts of non-financial assets to their carrying values. The recoverable amount estimates may differ from actual recoverable amounts, and these differences may be significant and could have a material impact on the Corporation’s financial position and results of operations. Asset groups are reviewed for an indication of impairment at each consolidated statement of financial position date or when a triggering event is identified. This determination requires significant judgment.

(d) Determination of the functional currency of the subsidiaries

A number of judgments were made in the determination of the subsidiaries’ functional currency. The parent entity has determined the functional currency of each entity is the Canadian dollar. The determination of the functional currency may involve certain judgments as to defining the primary economic environment, and the parent entity will reconsider the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment in which these entities operate. If a different conclusion had been reached for any one of those assumptions, it could have resulted in the identification of functional currency different from the one actually identified by the Corporation.

(e) Recognition of deferred taxes

The determination of income tax expense and deferred income tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of laws in the countries in which the Corporation operates. The Corporation is subject to assessment by tax authorities who may interpret the tax law differently. Changes in these estimates may materially affect the final amount of deferred income taxes or the timing of tax payments.

Management continually evaluates the likelihood that it is probable that its deferred tax assets will be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

(f) Fair value of stock options

The estimation of share-based payments requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The model used by the Corporation is the Black-Scholes valuation model at the date of grant. The Corporation has made estimates as to the volatility, the probable life of stock options granted and the time of exercise of those stock options. The expected underlying volatility was based on comparable companies shares over a period equivalent to the expected average life of the options.

(g) Provision for foreign tax and value-added tax

The Corporation is subject to foreign tax and value-added tax in numerous jurisdictions. Significant judgment is required in determining the provision for foreign tax and value-added taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Corporation recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters differs from the amounts that were initially recorded, such differences will impact the current foreign tax and value-added tax liabilities in the period in which such determination is made.

December 31, 2023 and 2022 (in Canadian dollars)

4. INVESTMENTS

	2023	2022
	$	$
Guaranteed investment certificate, maturing August 26, 2024, 5,8%	**1,020,499**	-
Guaranteed investment certificate, maturing August 26, 2024, 5,25%	**3,055,664**	-
Ninepoint High interest savings Fund, Serie F	**1,013,486**	-
Purpose High interest savings Fund, Serie F	**3,043,068**	-
Guaranteed investment certificate, maturing June 12, 2023, 0.90%	**-**	20,252
Guaranteed investment certificate, maturing November 8, 2023, 4.76%	**-**	25,285
	8,132,717	**45,537**

5. PROPERTY AND EQUIPMENT

	Equipment	**Furniture**	**Computer, equipment and software**	**Building**	**Right of use assets**	**Total**
	$	$	$	$	$	$
Cost						
Balance – January 1, 2022	518,420	80,653	136,937	109,482	129,857	975,349
Acquisitions	146,028	2,220	14,686	-	29,483	192,417
Balance – December 31, 2022	664,448	82,873	151,623	109,482	159,340	1,167,766
Acquisitions	4,016	18,677	8,027	11,680	155,037	197,437
Disposition	-	-	-	-	(2,663)	(2,663)
Balance – December 31, 2023	668,464	101,550	159,650	121,162	311,714	1,362,540
Accumulated depreciation						
Balance – January 1, 2022	345,166	53,353	104,500	34,405	101,455	638,879
Amortization	110,352	15,964	20,403	10,948	39,122	196,789
Balance – December 31, 2022	455,518	69,317	124,903	45,353	140,577	835,668
Amortization	98,886	12,765	20,011	11,255	53,547	196,464
Balance – December 31, 2023	554,404	82,082	144,914	56,608	194,124	1,032,132
Carrying amount						
Balance – December 31, 2022	208,930	13,556	26,720	64,129	18,763	332,098
Balance – December 31, 2023	114,060	19,468	14,736	64,554	117,590	330,408

During the year ended December 31, 2023, an amortization expense of $60,896 (2022 – $55,324) was recorded in the consolidated statement of loss and comprehensive loss under general and administrative expenses and an amortization expense of $135,568 (2022 – $141,465) was recorded under exploration and evaluation expenses.

December 31, 2023 and 2022 (in Canadian dollars)

6. EXPLORATION AND EVALUATION EXPENSES

The Corporation has one project currently under evaluation which is named Lola Graphite.

On November 6, 2019, the Government of Guinea awarded SRG Guinée, through presidential order N°D/2019/291/PRG/SGG the mining permit for its Lola graphite project near the town of Lola in eastern Guinea, West Africa. The fifteen (15) year renewable permit was officially granted by the Government of Guinea through presidential decree number D/2019/291/PRG/SGG. The mining permit covers an area of 94.38 square kilometers. SRG Guinée has agreed to develop the mine and has an obligation to invest US$110,000,000 within the first year of the permit being granted. The mining permit is subject to the general obligations of the Guinean mining code. In June 2020, the Corporation asked the Government of Guinea for a deferment due to the ongoing Covid-19 crisis. A number of events since its receipt of the mining permit, namely the COVID pandemic as well as a Coup d'État, each of which the Corporation considers being a Force Majeur event, rendered impossible the fulfillment of certain obligations by the Corporation during a significant period of time. Furthermore, on June 5, 2021, the Corporation and the government of Guinea signed an agreement which stipulates that the Corporation must begin work on its Lola project within six months of being formally reissued the Gogota permit. The Corporation remains in active dialogue with the government of Guinea about the development timeline for the Lola Graphite Project and intends to start early development works on the mining permit imminently.

	Year ended December 31,	
	2023	2022
Lola Graphite Property	**$**	$
Exploration expenses	**188,201**	111,191
Engineering study	**881,298**	1,283,980
HSEC & Community relations on site	**17,487**	150,715
Salaries and wages	**325,181**	193,001
Amortization	**135,568**	141,465
Total Lola Graphite Property	**1,547,735**	1,880,352
Total E&E expenses	**1,547,735**	1,880,352

7. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses consist of expenditures required to manage the business but which are not directly linked to the sale of goods, the provision of services, and to the carrying out of construction or E&E activities.

	Year ended December 31,	
	2023	2022
	$	$
Salaries and benefits	**640,657**	723,599
Consulting fees	**1,112,292**	967,422
Travel and representation	**539,732**	185,860
General and office expenses	**329,123**	272,194
Professional fees(1)	**380,059**	175,122
Investor relation fees	**78,131**	68,540
Transfer agent and filing fees	**56,241**	52,685
Amortization	**60,896**	55,324
Total general and administrative expenses	**3,197,131**	2,500,746

December 31, 2023 and 2022 (in Canadian dollars)

(1) During the year ended December 31, 2023, write-off of historical accounts payable totalling $84,983 in legal fees.

8. LEASE LIABILITIES

The Corporation leases office space for employees. These leases are for a period of one to four years. Certain leases include an option to renew after the end of the contract term.

The movement in lease liabilities during the years ended December 31, 2023 and 2022 is comprised of the following:

	December 31, 2023	December 31, 2022
	$	$
Lease liabilities at the beginning of the year	**19,462**	28,687
Lease payments	**(57,238)**	(45,879)
Lease addition	**154,534**	29,483
Lease termination	**(2,814)**	-
Accreted interest	**5,691**	2,965
Foreign exchange gain	**(1,932)**	4,206
Balance, end of year	**117,703**	19,462
Current portion	**81,870**	12,116
Long-term portion	**35,833**	7,346

The undiscounted minimum lease payments on lease liabilities for the forthcoming years are as follows:

	$
2024	87,075
2025	44,493
Total minimum payments	**131,568**
Less interest	(13,865)
Total minimum capital payments	117,703

9. SHARE CAPITAL

2022

On February 22, 2022, the Corporation settled an account payable of $270,000 in equity, at a price of $0.54 per common share, issuing 500,000 shares.

On March 31, 2022, the Corporation completed a non-brokered private placement for a total of $12,568,047 at a price of $0.56 per common share, issuing 22,442,941 common shares.

On April 25, 2022, the Corporation has converted the full outstanding amount of capital owed to Sprott under the previously announced Sprott convertible debt facility to common shares of the Corporation. The total principal amount of US$482,371 has been converted at the pre-agreed conversion price of C$0.69 per share. As a result, SRG has issued 881,550 common shares to Sprott.

During the year ended December 31, 2022, 200,000 share purchase options we exercised at a price of $0.41 per share purchase option via a cashless exercice, resulting in a net issuance of 68,564 common shares and 25,000 share purchase options were exerciced at a price of $0.365 per share purchase option for total proceeds of $9,125.

December 31, 2023 and 2022 (in Canadian dollars)

During the year ended December 31, 2022, 68,628 shares were issued to former directors from a previous DSU grant.

2023

During the year ended December 31, 2023, 3,563,623 warrants were exercised at an average strike price of $0.70 per warrant for total proceed of $2,497,900.

Warrants

The following table shows the changes in warrants:

	Year ended December 31,			
		2023		2022
	Number	**$**	Number	$
Balance, beginning of year	**14,880,203**	**0.86**	14,880,203	0.86
Exercised	**(3,563,623)**	**0.70**	-	-
Expired	**(11,316,580)**	**0.91**	-	-
Balance exercisable, end of year	**-**	**-**	14,880,203	0.86

10. SHARE-BASED PAYMENTS

Share purchase options

The Corporation has a fixed stock option plan (the “Plan”), in which the maximum number of common shares which can be reserved for issuance under the Plan is 22,764,466 shares of the Corporation, less any shares reserved for issuance under the DSU Plan and the RSU Plan. The exercise price of each option (“Option”) shall not be less than the closing price of the common shares on the trading day immediately preceding the day on which the Option is granted, less any discount permitted by the TSX-V and, in any event, the exercise price per Option will not be less than $0.05, being the minimum exercise price allowable under TSX-V policy.

The following table shows the changes in stock options:

	Year ended December 31,			
		2023		2022
	Number	**$(1)**	Number	$(1)
Balance, beginning of year	**8,735,500**	**0.71**	7,660,500	0.70
Granted	**-**	**-**	1,300,000	0.70
Forfeited	**(350,000)**	**1.14**	-	-
Exercised	**-**	**-**	(225,000)	0.41
Balance, end of year	**8,385,500**	**0.69**	8,735,500	0.71
Excercisable, end of year	**7,952,162**	**0.69**	7,868,831	0.71

(1) Weighted average exercice price.

The number of outstanding share purchase options that could be exercised for an equal number of common shares is as follows:

December 31, 2023 and 2022 (in Canadian dollars)

			December 31, 2023
	Number outstanding	Number exercisable	Exercise price $
February 20, 2027	1,877,007	1,877,007	0.365
April 25, 2027	100,000	100,000	0.50
June 14, 2027	25,000	25,000	0.36
November 22, 2027	325,000	325,000	1.30
January 14, 2028	125,000	125,000	1.72
August 8, 2028	2,085,000	2,085,000	1.10
May 11, 2030	1,108,493	1,108,493	0.37
June 19, 2030	950,000	950,000	0.51
February 9, 2031	490,000	490,000	0.69
March 1, 2032	1,300,000	866,662	0.70
	8,385,500	7,952,162	

The fair value of share purchase options granted was determined using the Black & Scholes valuation model based on the following weighted average assumptions:

	Year ended December 31,
	2022
Weighted average price at the grant date	$0.70
Weighted average exercise price	$0.70
Expected dividend	-$
Expected average volatility	134.95%
Risk-free average interest rate	1.70%
Expected average life	10 years
Weighted fair value per share purchase option	$0.68

A share-based payment expense of $191,743 was recognized during the year ended December 31, 2023 (2022 - $685,272) in share-based compensation in the consolidated statement of loss and comprehensive loss. The expected underlying volatility was based on the historical data of comparable companies shares over a period equivalent to the expected average life of the options.

Deferred share units

The Deferred Share Units ("DSU") plan provides for the payment of directors' compensation with DSUs. Each DSU is a right granted by the Corporation to an eligible director to receive an equivalent of the value of one common share on termination of service. The Corporation may make payments due under the DSU Plan by issuing one common share for each DSU. The number of DSUs to be granted under the DSU Plan is determined by dividing the director's compensation by the average closing price of the common shares on the TSXV, for five trading days immediately preceding such date. Under the DSU Plan, a maximum number of common shares available and reserved for issuance is 22,764,466 shares of the Corporation, less any shares reserved for issuance under the Plan and the RSU Plan.

December 31, 2023 and 2022 (in Canadian dollars)

The following table summarizes the changes in DSUs issued during the year ended December 31, 2023:

	Year ended December 31,			
	2023		2022	
	Number	**$(2)**	Number	$(2)
Balance, beginning of year	**382,163**	**0.70**	171,570	0.51
Granted	**384,858**	**0.79**	279,221	0.77
Exercised	**-**	**-**	(68,628)	0.51
Balance, end of year	**767,021**	**0.75**	382,163	0.70

(2) Weighted average fair value.

The compensation expense relating to DSUs amounted to $304,167 for the year ended December 31, 2023 (2022 – $215,000) recognized in share-based compensation in the consolidated statement of loss and comprehensive loss.

Restricted share units

The RSU Plan provides for a maximum number of common shares available and reserved for issuance to 22,764,466 shares of the Corporation, less any shares reserved for issuance under the Plan and the RSU Plan. The RSUs are time-based awards and all the amount of RSUs granted will vest upon the continuous employment of the Participants on the third anniversaries of the RSU grant, starting from the date of the grant or such other period not exceeding three years determined by the Board of Directors.

Pursuant to the terms of the RSU Plan, Participants will receive, upon vesting of the RSUs, common shares of the Corporation issued from treasury. The outstanding RSU's as at December 31, 2023 are as follows:

	Year ended December 31,			
	2023		2022	
	Number	**$(3)**	Number	$(3)
Balance, beginning of year	**1,750,000**	**0.86**	-	-
Granted	**-**	**-**	1,750,000	0.86
Balance, end of year	**1,750,000**	**0.86**	1,750,000	0.86
Excercisable, end of year	**-**	**-**	-	-

(3) Weighted average fair value.

A share-based payment compensation payment of $501,850 was recognized during year ended December 31, 2023 (2022 - $420,729) in share-based compensation in the consolidated statement of loss and comprehensive loss.

December 31, 2023 and 2022 (in Canadian dollars)

11. INCOME TAXES

The major components of tax expense (income) are outlined below:

	2023	2022
	$	$
Current tax expense (Income)	**-**	-
Deferred tax expense (Income)		
Origination and reversal of temporary differences	**(1,242,644)**	(1,139,848)
Unrecognized deferred tax assets	**1,242,644**	1,139,848
Total deferred tax expense (income)	**-**	-
Total income tax expense (income)	**-**	-

The relationship between the expected tax expense based on the combined income tax rate in Canada and the reported tax expense in the statement of comprehensive loss can be reconciled as follows:

	2023	2022
	$	$
Loss before income taxes	**(5,490,817)**	(5,868,970)
Expected tax expense calculated using the combined federal and provincial income tax rate in Canada of 26.5% (26.5% in 2022)	**(1,455,067)**	(1,555,277)
Difference between Canadian and foreign tax rate	**(56,789)**	(34,167)
Share-based compensation	**264,406**	350,065
Non deductible expenses	**4,284**	41,423
Prior year adjustment	**-**	58,108
Change in unrecognized temporary differences	**1,243,166**	1,139,848
Deferred income tax expense (income)	**-**	-

Unrecognized deferred tax assets and liabilities

As at December 31, 2023 and 2022, the Corporation has the following temporary differences for which no deferred tax has been recognized:

		2023		2022
	Federal	Provincial	Federal	Provincial
	$	$	$	$
Exploration & evaluation	8,651,752	8,651,752	7,975,005	7,975,005
Property & equipment	87,232	87,232	70,470	70,470
Issuance costs	123,753	123,753	187,905	187,905
Non-capital losses	14,486,705	14,468,037	12,076,771	12,058,103
	23,349,442	23,330,774	20,310,151	20,291,483

The ability to realize the tax benefits is dependant upon a number of factors, including the future profitability of operations. Deferred tax assets are recognized only to the extend that it is probable that sufficient profits will be available to allow the asset to be removed. At December 31, 2023, deferred tax assets totaling $6,177,590 ($5,372,206 at December 31, 2022) have not been recognized.

December 31, 2023 and 2022 (in Canadian dollars)

The Corporation has the following non-capital losses in Canada which are available to reduce income taxes in future periods, for which no deferred tax asset has been recognized in the statement of financial position, that can be carried over the following years. They expire as follow:

		2023
	Federal	Provincial
	$	**$**
From 2036 to 2042	14,486,705	14,468,037

12. CAPITAL MANAGEMENT

The Corporation’s objectives when managing capital are to safeguard the Corporation’s ability to continue as a going concern and to maintain a flexible capital structure, which will allow it to pursue its activities and develop the mine.

The Corporation considers its capital structure to include shareholders’ equity, debts and convertible debentures. The Corporation monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets and capital markets. In order to facilitate the management of capital and the exploration and evaluation of its E&E assets and develop the mine, the Corporation prepares annual expenditure budgets, which are monitored and updated as considered necessary.

To maintain or adjust the capital structure, the Corporation may issue new equity if available on favorable terms, issue more debts or convertible debenture instruments, sell off permits and enter into joint venture arrangements.

The Corporation is not subject to externally imposed capital requirements. There has been no change in the Corporation’s approach to capital management during the year ended December 31, 2023.

The changes in the Corporation’s capital are disclosed in the consolidated statements of changes in equity.

13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

Classification

The Corporation’s financial instruments as at December 31, 2023 and 2022 consist of cash, investments, other receivables, accounts payable and accrued liabilities.

The classification of financial instruments is summarized as follows:

December 31, 2023 and 2022 (in Canadian dollars)

		December 31,	
		2023	2022
Financial Assets	**Classification**	$	$
Cash	Financial assets at amortized cost	**737,090**	11,060,864
Investments (Guaranteed investment certificates)	Financial assets at amortized cost	**4,067,163**	45,537
Other receivables	Financial assets at amortized cost	**-**	339
		4,813,253	11,106,740

		December 31,	
		2023	2022
Financial Assets	**Classification**	**$**	$
Investments (Other than guaranteed investment certificates)	Fair value through profit & loss	**4,056,554**	-
		4,056,554	-

		December 31,	
		2023	2022
Financial Liabilities	**Classification**	**$**	$
Accounts payable and accrued liabilities	Financial liabilities at amortized cost	**222,555**	649,551
		222,555	649,551

The Corporation's risk exposures and the impact of these exposures on the Corporation's financial instruments are summarized below:

Fair value

Fair value estimates are made at the consolidated statement of financial position date based on relevant market information and other information about financial instruments.

The Corporation's financial instruments as at December 31, 2023 consist of cash and guaranteed investment certificates, other receivables, accounts payable and accrued liabilities. The Corporation's financial assets and financial liabilities approximate their fair values due to their relatively short periods to maturity.

Investments (other than guaranteed investment certificates) are valued at the quoted prices.

Credit risk

Credit risk is the risk of financial loss to the Corporation if a counterparty to a financial instrument fails to meet its contractual obligations. The Corporation is exposed to credit concentration risk by holding cash and guranteed investment certificates. This risk is minimized by holding cash and guaranteed investment certificates balances with large Canadian financial institutions and a minimal amount with local banks in Africa.

The Corporation is also indirectly exposed to the credit risk through its investments (other than guaranteed investment certificates)

Liquidity risk

The Corporation manages its liquidity risk by using budgets that enable it to determine the amounts required to fund its E&E programs. The Corporation also ensures that it has sufficient working capital available to meet its day-to-day commitments.

As at December 31, 2023 the Corporation had cash and short-term investments of $8,869,807 to settle current liabilities of $639,125.

Any funding shortfall may be met in the future in a number of ways including, but not limited to, the issuance of new equity instruments, issuance of debts, issuance of convertible debentures, further expenditure reductions, or other measures.

Interest rate risk

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

Except for the fixed interest recognized on the guaranteed investment certificates, all of the Corporation's assets and liabilities are non-interest-bearing and, as such, are not subject to a significant amount of risk arising from fluctuations in interest rates.

The Corporation is also indirectly exposed to the interest rate risk through its investments (other than guaranteed investment certificates)

Market risk

Foreign exchange risk

Currency risk is the risk that future cash flows or fair value of financial instruments will fluctuate because of changes in foreign exchange rates. The Corporation is exposed to foreign exchange (''FX'') risk as cash is primarily held in Canadian dollars, while a significant portion of expenditures are denominated in US dollars and Guinean francs and, to a lesser extent, euros, Australian dollars and British pounds.

The below table shows the impact on net earnings and equity of a 10% increase or decrease in foreign currencies on the Corporation's net income:

	December 31, 2023 in CAD	Impact of 10% change in FX	December 31, 2022 in CAD	Impact of 10% change in FX
United States dollar	421,508	+/- 42,151	41,009	+/- 4,101
Guinea franc	153,129	+/- 15,313	119,602	+/- 11,960
Euro	5,860	+/- 586	-	-
British pound	-	-	3,695	+/- 370

Commodity price risk

Commodity price risk is the risk that the fair value or expected future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and other currencies, as outlined above. As the Corporation has not yet developed commercial mineral interests, the Corporation is not a party to financial instruments exposed to the price of commodities. However, the Corporation is indirectly exposed to commodity price risk, as it impacts the Corporation's access to capital and funding.

The Corporation is also directly and indirectly exposed to the commodity price risk through its investments (other than guaranteed investment certificates)

December 31, 2023 and 2022 (in Canadian dollars)

14. RELATED PARTIES

Remuneration of key management personnel

Key management personnel are the members of the Board of Directors, and executive officers of the Corporation. During the year ended December 31, 2023 and 2022, the remuneration awarded to key management personnel (including the amounts above) is as follows:

	Year ended December 31,	
	2023	2022
	$	$
Salaries and benefits	**65,667**	117,333
Consulting and professional fees	**791,166**	705,928
Share-based payments	**874,033**	1,025,247
	1,730,866	1,848,508

As at December 31, 2023, consulting fees of $214,500 are due to key management personnel (2022 - $214,500).

Termination and change of control provisions

Certain agreements between the executive team and the Corporation contain termination without cause and change of control provisions. Assuming that these agreements would be terminated without cause during the year ending December 31, 2024, the total amounts payable in respect of severance would amount to $1,263,833. If a change of control would occur during the year ending December 31, 2024, the total amounts payable in respect of severance, if elected by the executive members, would amount to $2,327,665.

15. LOSS PER SHARE

Basic earnings or loss per share is the net earnings or loss available to common shareholders divided by the weighted average number of common shares outstanding during the year. Diluted net earnings or loss per share adjusts basic net earnings per share for the effects of potential dilutive common shares. Warrants, stock options, deferred share units and restricted share units were excluded from the calculation of the diluted weighted average number of common shares outstanding for the years ending December 31, 2023 and December 31, 2022, as their effects would have been anti-dilutive.

16. SUPPLEMENTAL CASH FLOW INFORMATION

	Year Ended December 31,	
	2023	2022
Changes in working capital items	**$**	$
Sales taxes and other receivables	**43,717**	(84,179)
Prepaid expenses and deposits	**(21,090)**	(70,394)
Accounts payable and accrued liabilities	**(363,996)**	(513,445)
	(341,369)	(668,018)

17. COMMITMENTS

The Corporation must pay $9,384 in superficial rights every year for the next twelve years to the government of Guinea to retain the rights of its mining title.

December 31, 2023 and 2022 (in Canadian dollars)

Minimum annual payments relating to the above commitments in the next five fiscal years and thereafter are as follows:

Year	$
2024	9,384
2025	9,384
2026	9,384
2027	9,384
2028	9,384
Thereafter	46,922

18. OPERATING SEGMENTS

The Corporation operates in one reportable business segment: the exploration and evaluation of mineral properties. As at December 31, 2023, $313,914 of the Corporation's non-current assets are located in Guinea, Africa, and $16,494 are located in Montréal, Canada. As at December 31, 2022 $297,056 of the Corporation's non-current assets were located in Guinea, Africa and $35,042 in Montréal, Canada.