



Loncor
GOLD INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024

**(Expressed in U.S. dollars)
(unaudited)**

NOTICE TO READER

These interim condensed consolidated financial statements of Loncor Gold Inc. as at and for the three months ended March 31, 2024 have been prepared by management of Loncor Gold Inc. The auditors of Loncor Gold Inc. have not audited or reviewed these interim condensed consolidated financial statements.

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Loncor Gold Inc.**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****(Expressed in U.S. dollars - unaudited)**

	Notes	March 31, 2024	December 31, 2023
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents		56,256	639,680
Advances receivable and prepaid expenses	5	529,373	408,729
Due from related parties	6	568,430	532,598
Exploration and evaluation asset held for sale	7	10,000,000	10,000,000
Total Current Assets		11,154,059	11,581,007
Non-Current Assets			
Property, plant and equipment	8	1,184,870	1,221,912
Exploration and evaluation assets	9	11,669,008	11,562,701
Total Non-Current Assets		12,853,878	12,784,613
Total Assets		24,007,937	24,365,620
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable	11	570,147	366,946
Accrued liabilities		336,397	417,176
Due to related parties	6	-	3,824
Employee retention allowance	18	173,040	177,284
Lease obligation	15	82,362	79,989
Loans	12	119,958	150,202
Advances received on asset held for sale	7	1,500,000	1,500,000
Current Liabilities		2,781,904	2,695,421
Non-Current Liabilities			
Lease obligation	15	80,461	102,683
Total Liabilities		2,862,365	2,798,104
Shareholders' Equity			
Share capital	13	100,307,999	100,184,783
Reserves		12,541,030	12,511,661
Deficit		(91,703,456)	(91,128,928)
Total Shareholders' Equity		21,145,573	21,567,516
Total Liabilities and Shareholders' Equity		24,007,938	24,365,620
Common shares			
Authorized		Unlimited	Unlimited
Issued and outstanding	13b	153,819,174	153,144,174

Going concern (Note 2b)

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

Loncor Gold Inc.**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS****(Expressed in U.S. dollars - unaudited)**

	Notes	For the three months ended	
		March 31, 2024	March 31, 2023
		\$	\$
Expenses			
Consulting, management and professional fees		154,953	117,947
Employee benefits		226,818	233,113
Office and sundry		49,290	52,275
Share-based payments	14	60,996	-
Travel and promotion		56,201	50,788
Depreciation	8, 15	20,748	7,399
Interest and bank expenses		2,479	2,561
Interest on lease obligation	15	2,690	1,211
Foreign exchange loss		8,739	1,462
Loss before other items		(582,914)	(466,756)
Interest and other income	5	8,386	2,833
Loss and comprehensive loss for period		(574,528)	(463,923)
Loss per share, basic and diluted	13d	(0.00)	(0.00)
Weighted average number of shares - basic and diluted	13d	153,440,877	147,744,174

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

Loncor Gold Inc.**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY****(Expressed in U.S. dollars - unaudited)**

	Common shares		Reserves	Deficit	Total shareholders' equity
	Number of shares	Amount			
Balance at December 31, 2022	147,744,174	\$ 98,916,239	\$ 12,137,446	\$ (69,861,983)	\$ 41,191,702
Loss for the period	-	-	-	(463,923)	(463,923)
Balance at March 31, 2023	147,744,174	\$ 98,916,239	\$ 12,137,446	\$ (70,325,906)	\$ 40,727,779
Loss for the period	-	-	-	(20,803,022)	(20,803,022)
Common shares issued with warrants (Note 13b)	5,400,000	1,293,315	314,466	-	1,607,781
Issuance costs (Note 13b)	-	(24,771)	(6,024)	-	(30,795)
Share-based payments (Note 14)	-	-	65,773	-	65,773
Balance at December 31, 2023	153,144,174	\$ 100,184,783	\$ 12,511,661	\$ (91,128,928)	\$ 21,567,516
Loss for the period	-	-	-	(574,528)	(574,528)
Option exercise (Note 13b)	675,000	123,216	(47,077)	-	76,139
Share-based payments (Note 14)	-	-	76,446	-	76,446
Balance at March 31, 2024	153,819,174	\$ 100,307,999	\$ 12,541,030	\$ (91,703,456)	\$ 21,145,573

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

Loncor Gold Inc.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in U.S. dollars - unaudited)

	Notes	For the three months ended	
		March 31, 2024	March 31, 2023
		\$	\$
Cash flows from operating activities			
Loss for the period		(574,528)	(463,923)
Adjustments to reconcile loss to net cash used in operating activities			
Depreciation		20,748	7,399
Share-based payments	14	76,446	-
Accretion expense on government loan	12	-	231
Interest on lease obligation	15	2,690	1,211
Changes in non-cash working capital			
Advances receivable and prepaid expenses		(120,644)	(17,974)
Due to/from related parties		(39,656)	(22,718)
Employee retention allowance	18	(4,244)	141
Accounts payable		203,201	446,787
Accrued liabilities		(80,779)	(374,964)
Net cash used in operating activities		(516,766)	(423,810)
Cash flows from investing activities			
Funds received from leasing agreement	9e	176,526	973,610
Expenditures on exploration and evaluation assets	9	(266,540)	(535,938)
Net cash generated by (used in) investing activities		(90,014)	437,672
Cash flows from financing activities			
Proceeds from share issuances, net of issuance costs		76,139	-
Loans (repaid) received	12	(30,244)	(8,924)
Principal repayment of lease obligation	15	(22,539)	(7,513)
Net cash provided from (used in) financing activities		23,356	(16,437)
Net decrease in cash and cash equivalents during the period		(583,424)	(2,575)
Cash and cash equivalents, beginning of the period		639,680	182,175
Cash and cash equivalents, end of the period		56,256	179,600

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

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024

(Expressed in U.S. dollars, except for per share amounts - unaudited)

1. CORPORATE INFORMATION

Loncor Gold Inc. (the "Company" or "Loncor") is a corporation governed by the Ontario *Business Corporations Act*. The principal business of the Company is the acquisition and exploration of mineral properties.

These interim condensed consolidated financial statements as at and for the three months ended March 31, 2024 include the accounts of the Company and its (a) 90%-owned subsidiary in the Democratic Republic of the Congo (the "Congo"), Loncor Resources Congo SARL, (b) 84.68%-owned subsidiary in the Congo, Adumbi Mining S.A. ("Adumbi"), and (c) 100%-owned subsidiary Kilo Isiro Atlantic Ltd (a British Virgin Islands company). Loncor Resources Congo SARL owns 100% of the shares of Devon Resources SARL (a Congo company) and 100% of the shares of Navarro Resources SARL (a Congo company). Kilo Isiro Atlantic Ltd owns 100% of the shares of Isiro (Jersey) Limited which in turn owns 100% of the shares of KGL Isiro SARL (a Congo company).

In November 2023, Loncor Gold Inc. amalgamated with its wholly-owned Ontario subsidiary Loncor Kilo Inc. which owned directly 84.68% of the outstanding shares of Adumbi.

The Company is a publicly traded company whose outstanding common shares trade on the Toronto Stock Exchange, the OTCQX market in the United States and the Frankfurt Stock Exchange. The head office of the Company is located at 4120 Yonge Street, Suite 304 Toronto, Ontario, M2P 2B8, Canada.

2. BASIS OF PREPARATION

a) Statement of compliance

These interim condensed consolidated financial statements as at and for the three month period ended March 31, 2024 have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The disclosure contained in these interim condensed consolidated financial statements does not include all the requirements in IAS 1 Presentation of Financial Statements ("IAS 1"). Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements as at and for the year ended December 31, 2023, which include information necessary to understand the Company's business and financial statement presentation.

b) Going Concern

The Company incurred a net loss of \$574,528 for the three months ended March 31, 2024 (three months ended March 31, 2023 - \$463,923) and as at March 31, 2024 had working capital of \$8,372,155 (December 31, 2023 - working capital of \$8,885,586).

The recoverability of the amount shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain financing to continue to perform exploration activity or complete the development of the properties where necessary, or alternatively, upon the Company's ability to recover its incurred costs through a disposition of its interests, all of which are uncertain.

In addition, if the Company raises additional funds by issuing equity securities, then existing security holders will likely experience dilution, and the incurring of indebtedness would result in increased debt service obligations and could require the Company to agree to operating and financial covenants that would restrict its operations. Any failure on its part to raise additional funds on terms favourable to the Company or at all, may require the Company to significantly change or curtail its current or planned operations in order to conserve cash until such time, if ever, that sufficient proceeds from operations are generated, and could result in the Company not taking advantage of other available business opportunities.

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In the event the Company is unable to identify recoverable resources, receive the necessary permitting, or arrange appropriate financing, the carrying value of the Company's assets and liabilities could be subject to material adjustment. These matters create material uncertainties that cast significant and substantial doubt upon the validity of the going concern assumption.

These interim condensed consolidated financial statements do not include any additional adjustments to the recoverability and classification of certain recorded asset amounts, classification of certain liabilities and changes to the statements of loss and comprehensive loss that might be necessary if the Company was unable to continue as a going concern.

c) Basis of measurement

These interim condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities which are presented at fair value. These interim condensed consolidated financial statements have also been prepared on an accrual basis, except for cash flow information.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by all group entities and to all periods presented in these interim condensed consolidated financial statements, unless otherwise indicated.

a) Basis of Consolidation

i. Subsidiaries

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as ability to offset these returns through the power to direct the relevant activities of the entity. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company's share capital. The financial statements of subsidiaries are included in the consolidated financial statements of the Company from the date that control commences until the date that control ceases. Consolidation accounting is applied for all of the Company's wholly-owned subsidiaries (see note 4).

ii. Transactions eliminated on consolidation

Inter-company balances, transactions, and any unrealized income and expenses, are eliminated in preparing the consolidated financial statements.

Unrealized gains arising from transactions with associates are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

b) Use of Estimates and Judgments

The preparation of these interim condensed consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates

c) New Accounting Standards Adopted

IAS 1 - Presentation of Financial Statements

On January 1, 2024, the Company adopted amendments to IAS 1 *Presentation of Financial Statements* which clarify that the classification of liabilities as current or noncurrent depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments further clarify that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. The amendments did not have an impact on the Company's interim condensed consolidated financial statements and the comparative period on the date of the adoption.

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(Expressed in U.S. dollars, except for per share amounts - unaudited)

4. SUBSIDIARIES

The following table lists the Company's direct and indirect subsidiaries:

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Direct/Indirect	Principal Activity
Loncor Resources Congo SARL	Democratic Republic of the Congo	90%	Direct	Mineral Exploration
Devon Resources SARL	Democratic Republic of the Congo	90%	Indirect	Mineral Exploration
Navarro Resources SARL	Democratic Republic of the Congo	90%	Indirect	Mineral Exploration
Adumbi Mining S.A.	Democratic Republic of the Congo	84.68%	Direct	Mineral Exploration
KGL Isiro Atlantic Ltd	British Virgin Islands	100%	Direct	Mineral Exploration
Isiro (Jersey) Limited	Jersey	100%	Indirect	Mineral Exploration
KGL Isiro SARL	Democratic Republic of the Congo	100%	Indirect	Mineral Exploration

5. ADVANCES RECEIVABLE AND PREPAID EXPENSES

	March 31, 2024	December 31, 2023
Supplier prepayments and deposits	428,856	273,477
Loan to KGL and accrued interest	65,286	65,896
Other receivables and employee advances	22,890	43,939
Harmonized Sales Tax receivable	12,341	25,417
	<u>\$ 529,373</u>	<u>\$ 408,729</u>

In connection with the September 2019 acquisition of Loncor Kilo Inc., the Company provided to KGL Resources Ltd. an unsecured loan in the principal amount of \$47,970 (Cdn\$65,000) bearing interest of 8% per annum and repayable on demand. As at March 31, 2024, the interest accrued on the loan was \$17,316 (December 31, 2023 - \$16,750).

Other receivables and employee advances of \$22,890, are non-interest bearing, unsecured and due on demand (December 31, 2023 - \$43,939).

AS at March 31, 2024 the Company recorded \$12,341 (December 31, 2023 - \$25,417) of Harmonized Sales Tax receivable.

6. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation, and are not disclosed in this note.

a) Key Management Remuneration

Key management includes directors (executive and non-executive), the Chief Executive Officer ("CEO"), the Chief Financial Officer, and the senior executives reporting directly to the CEO. The remuneration of the key management of the Company as defined above, during the three months ended March 31, 2024 and March 31, 2023:

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(Expressed in U.S. dollars, except for per share amounts - unaudited)

	For the three months ended	
	March 31, 2024	March 31, 2023
Salaries and bonus	\$ 220,337	\$ 229,617
Compensation expense and share-based payments	\$ 5,560	\$ 5,201
	<u>\$ 225,897</u>	<u>\$ 234,818</u>

b) Other Related Party Transactions

As at March 31, 2024, an amount of \$1,259 relating to advances provided was due from Arnold Kondrat ("Mr. Kondrat"), the Executive Chairman and a director of the Company (December 31, 2023 - \$3,824 due to Arnold Kondrat). Total amount paid to Mr. Kondrat for the three months ended March 31, 2024 was \$62,500 (three months ended March 2023 - \$62,500).

As at March 31, 2024, an amount of \$260,153 was due from Gentor Resources Inc. (a company with common directors) related to common expenses (December 31, 2023 - \$247,462). During the three months ended March 31, 2024 the Company forgave \$nil (December 31, 2023 - \$288,274) of receivables owed by Gentor, previously recorded as common expenses.

As at March 31, 2024, an amount of \$307,018 was due from KGL Resources Ltd. (a company with a common officer) related to common expenses (December 31, 2023 - \$285,136). In addition an amount of \$65,286 was due from KGL Resources Ltd. for an unsecured loan, bearing interest of 8% per annum and repayable on demand which is recorded in advance receivables and prepaid expenses.

The amounts included in due to or from related party are unsecured, non-interest bearing and are payable on demand.

7. EXPLORATION AND EVALUATION ASSET HELD FOR SALE

In December 2023, the Company entered into an agreement with a third party for the sale of Loncor's Makapela property within the Ngayu project for a cash price of \$10,000,000. As a result, the Ngayu project was reclassified to Exploration and Evaluation Asset Held for Sale as at December 31, 2023.

The Company received \$1,500,000 as an advance payment towards the sale during the year ended December 31, 2023 and the balance totaling \$8,500,000, will be settled upon completion of various milestones as defined in the agreement. As a result of this transaction and the relinquishment of all the remaining Ngayu project properties, an impairment loss of \$8,166,464 was recorded in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2023.

8. PROPERTY, PLANT AND EQUIPMENT

The Company's property, plant and equipment are summarized as follows:

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(Expressed in U.S. dollars, except for per share amounts - unaudited)

	Furniture & fixtures	Office & Communication equipment	Vehicles	Land and Building	Field camps and equipment	Right-of-use asset	Leasehold improvements	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Balance at January 1, 2023	151,786	32,318	11,708	374,567	1,037,342	687,957	84,906	2,380,584
Additions	-	-	-	-	-	246,809	-	246,809
Disposals	-	-	-	-	-	(687,957)	-	(687,957)
Balance at December 31, 2023	151,786	32,318	11,708	374,567	1,037,342	246,809	84,906	1,939,436
Additions	-	-	-	-	-	-	-	-
Balance at March 31, 2024	151,786	32,318	11,708	374,567	1,037,342	246,809	84,906	1,939,436
Accumulated Depreciation								
Balance at January 1, 2023	151,786	29,969	11,708	41,316	263,022	687,957	84,906	1,270,664
Additions	-	1,086	-	16,975	48,198	68,558	-	134,817
Disposals	-	-	-	-	-	(687,957)	-	(687,957)
Balance at December 31, 2023	151,786	31,055	11,708	58,291	311,220	68,558	84,906	717,524
Additions	-	181	-	4,244	12,049	20,567	-	37,041
Balance at March 31, 2024	151,786	31,236	11,708	62,535	323,269	89,126	84,906	754,566
Book Value								
Balance at January 1, 2023	-	2,349	-	333,251	774,320	-	-	1,109,920
Balance at December 31, 2023	-	1,263	-	316,276	726,122	178,251	-	1,221,912
Balance at March 31, 2024	-	1,082	-	312,032	714,073	157,684	-	1,184,870

During the three months ended March 31, 2024, depreciation in the amount of \$16,296 (three months ended March 31, 2023 - \$16,294) was capitalized to exploration and evaluation assets.

9. EXPLORATION AND EVALUATION ASSETS

	North Kivu	Ngayu	Imbo	Total
Cost				
Balance as at January 1, 2023	\$ 10,621,366	\$ 17,898,367	\$ 11,978,988	\$ 40,498,721
Additions	-	268,097	1,777,113	2,045,210
Incidental revenues (Note 9e)	-	-	(2,193,400)	(2,193,400)
Impairment loss	(10,621,366)	(8,166,464)	-	(18,787,830)
Exploration and evaluation asset held for sale (note 7)	-	(10,000,000)	-	(10,000,000)
Balance as at December 31, 2023	\$ -	\$ -	\$ 11,562,701	\$ 11,562,701
Additions	-	-	282,833	282,833
Incidental revenues (Note 9e)	-	-	(176,526)	(176,526)
Balance as at March 31, 2024	\$ -	\$ -	\$ 11,669,008	\$ 11,669,008

The Company's exploration and evaluation assets are subject to renewal of the underlying permits and rights and government royalties.

a. North Kivu

The North Kivu project is situated in the North Kivu Province in eastern Congo to the northwest of Lake Edward and consists of various exploration permits. All of these exploration permits are currently under force majeure due to the poor security situation, affecting the Company's ability to carry out the desired exploration activities. The duration of the event of force majeure is added to the time limit for execution of obligations under the permits. Exploration

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estimates to date have not advanced to the stage of being able to identify the quantity of possible resources available for potential mining. Under force majeure, the Company has no tax payment obligations and does not lose tenure of mining titles until force majeure is lifted. The Company is not able to estimate the time when exploration activities would be resumed.

In December 2023, the Company conducted an impairment analysis whereby the carrying value of the North Kivu properties was fully written off by the amount of \$10,621,366. Although the North Kivu permits are still under force majeure, among other relevant considerations under IFRS 6 *Exploration and Evaluation of Mineral Resources*, the significant delay and uncertainty relating to resumption of exploration and evaluation activities were the driving factors for the impairment recorded for the North Kivu project as at December 31, 2023.

b. Ngayu

The Ngayu project consisted of various exploration permits covering ground within the Tshopo Province in the northeast of the Congo, approximately 270 kilometers northeast of Kisangani. The Ngayu project covered part of the Ngayu Archaean greenstone belt which is one of a number of greenstone belts in the north-east Congo Archaean craton that includes the Kilo and Moto greenstone belts. These Archaean greenstone belts are the northwestern extensions of the Lake Victoria greenstone belt terrain that hosts a number of world class gold deposits including Geita and Bulyanhulu.

For the year ended December 31, 2023, as a result of the sale of the Makapela property within the Ngayu project for \$10,000,000 and the relinquishment of all the remaining Ngayu project properties, the Company recorded an impairment loss of \$8,166,464 in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2023 (See Note 7).

c. Devon

The Devon properties consisted of three (3) exploration permits situated in the province of Haut-Uele in north eastern Congo. The Company determined to not renew these exploration permits upon expiry in September 2023.

d. Navarro

The Navarro properties consisted of six (6) exploration permits situated in the provinces of Ituri and Haut-Uele in north eastern Congo. The Company determined to renew one of these six permits upon expiry in April 2023.

e. Adumbi

The Adumbi properties consist of two (2) mining licenses valid until 2039 and which cover an area of 361 square kilometers within the Ngayu Archaean Greenstone Belt in the Ituri and Haut Uele provinces in northeastern Congo. The two mining licenses (Exploitation permits) are registered in the name of Adumbi, a company incorporated under the laws of the Congo in which the Company holds an 84.68% interest and the minority partners hold 15.32% (including 10% free carried interest owned by the government of the Congo). See Note 4.

Under an agreement signed in April 2010 with the minority partners of Adumbi, the Company finances all activities of Adumbi, until the filing of a bankable feasibility study, by way of loans which bear interest at the rate of 5% per annum. Within thirty days of the receipt of a bankable feasibility study, the minority partners may collectively elect to exchange their equity participation for either a 2% net smelter royalty, or a 1% net smelter royalty plus an amount equal to 2 Euros per ounce of proven mineral reserves.

The Company has a leasing agreement with Ding Sheng Services S.A.R.L. ("**Ding Sheng**") that permits Ding Sheng to mine the non-strategic alluvial potential to the south of Adumbi, with a focus on the gravels bordering the Imbo River. As consideration for the award of the lease, Loncor was entitled to a \$250,000 non-refundable fee and a further 25% of future revenues generated by Ding Sheng. In 2022, an amount of \$750,000 was received which included the \$250,000 non-refundable fee and an advance of \$500,000 to be applied against future revenues from Ding Sheng. During the

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three months ended March 31, 2024, under the lease agreement, Loncor's attributable revenues from production were \$176,526 (three months ended March 31, 2023 - \$973,610 to which the \$500,000 advance from prior year was applied).

f. Isiro

The Isiro properties consist of eleven (11) exploration permits registered in the name of KGL-Isiro SARL and covering an area of 1,884 square kilometers in the province of Haut Uele, in north eastern Congo. The Company owns 100% of the common shares of Kilo Isiro Atlantic Ltd. Kilo Isiro Atlantic Ltd owns 100% of the shares of Isiro (Jersey) Limited, which in turn owns 100% of the shares in KGL-Isiro SARL (a company registered in the Congo).

The KGL Isiro SARL permits were put under force majeure with effect from February 14, 2014 pending resolution of a court action involving these properties and their expiry is extended by the period of force majeure.

10. SEGMENTED REPORTING

The Company has one operating segment: the acquisition, exploration and development of precious metal projects located in the Congo. The operations of the Company are located in two geographic locations, Canada and the Congo. Geographic segmentation of non-current assets is as follows:

	Property, plant and equipment	Exploration and evaluation	Exploration and evaluation Asset Held for Sale -
Congo	\$1,026,102	\$11,669,008	\$10,000,000
Canada	\$158,768	-	-
	<u>\$1,184,870</u>	<u>\$11,669,008</u>	<u>\$10,000,000</u>

December 31, 2023

	Property, plant and equipment	Exploration and evaluation	Exploration and evaluation Asset Held for Sale -
Congo	\$1,042,395	\$11,562,701	\$10,000,000
Canada	\$179,517	-	-
	<u>\$1,221,912</u>	<u>\$11,562,701</u>	<u>\$10,000,000</u>

11. ACCOUNTS PAYABLE

The following table summarizes the Company's accounts payable:

	March 31, 2024	December 31, 2023
Exploration and evaluation expenditures	\$ 182,363	\$ 124,803
Non-exploration and evaluation expenditures	\$ 387,784	\$ 242,143
Total Accounts Payable	<u>\$ 570,147</u>	<u>\$ 366,946</u>

12. LOANS

In August 2022, the Company received a loan from Equity Banque Commerciale du Congo SA in the amount of \$300,000 repayable on demand. As at March 31, 2024, the balance of the principal amount of \$119,958 (year ended December 31, 2023 - \$119,958) was due to the bank. The loan is unsecured and bears interest at a rate of 18% per annum. During the three months ended March 31, 2024, interest of \$5,442 was accrued on the loan and was capitalized to exploration and evaluation assets (three months ended March 31, 2023 - \$13,900).

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In May 2020, the Company received a \$29,352 (Cdn\$40,000) line of credit ("CEBA LOC") with Toronto-Dominion Bank under the Canada Emergency Business Account ("CEBA") program funded by the Government of Canada. The CEBA LOC is non-interest bearing and can be repaid at any time without penalty.

On January 1, 2021, the outstanding balance of the CEBA LOC automatically converted to a 2-year interest free term loan ("CEBA Term Loan"). The CEBA Term Loan may be repaid at any time without notice or the payment of any penalty. If 75% of the CEBA Term Loan is repaid on or before January 18, 2024, the repayment of the remaining 25% of such CEBA Term Loan shall be forgiven. The amount of the CEBA Term Loan outstanding on January 19, 2024 shall bear an interest rate of 5% per annum and shall be repayable in full by December 31, 2025.

The Company recorded the CEBA LOC upon initial recognition at its fair value of \$24,146 (Cdn\$32,906) using an effective interest rate of 3.45%. The difference of \$5,206 (Cdn\$7,094) between the fair value and the total amount of CEBA LOC received has been recorded as a fair value gain on loans advanced in the consolidated statement of loss and comprehensive loss. During the period ended March 31, 2024, the CEBA LOC was repaid.

13. SHARE CAPITAL

a) Authorized

The authorized share capital of the Company consists of unlimited number of common shares and unlimited number of preference shares, issuable in series, with no par value. All shares issued are fully paid.

The holders of common shares are entitled to receive notice of and to attend all meetings of the shareholders of the Company and shall have one vote for each common share held at all meetings of shareholders of the Company, except for meetings at which only holders of another specified class or series of shares are entitled to vote separately as a class or series. Subject to the prior rights of the holders of the preference shares or any other share ranking senior to the common shares, the holders of the common shares are entitled to (a) receive any dividend as and when declared by the board of directors, out of the assets of the Company properly applicable to payment of dividends, in such amount and in such form as the board of directors may from time to time determine, and (b) receive the remaining property of the Company in the event of any liquidation, dissolution or winding up of the Company.

The Company may issue preference shares at any time and from time to time in one or more series with designations, rights, privileges, restrictions and conditions fixed by the board of directors. The preference shares of each series are ranked on parity with the preference shares of every series and are entitled to priority over the common shares and any other shares of the Company ranking junior to the preference shares, with respect to priority in payment of dividends and the return of capital and the distribution of assets of the Company in the event of liquidation, dissolution or winding up of the Company.

b) Issued share capital

The following table summarizes the Company's issued common shares:

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	Number of shares	Amount \$
Balance - January 1, 2023	147,744,174	98,916,239
April 4, 2023	400,000	97,074
April 5, 2023	1,535,000	366,151
April 14, 2023	95,000	24,387
May 5, 2023	3,370,000	805,703
costs of issuance	-	(24,771)
Balance - December 31, 2023	153,144,174	100,184,783
January 26, 2024	150,000	17,844
February 12, 2024	250,000	29,740
March 11, 2024	150,000	15,565
March 13, 2024	125,000	12,990
contributed surplus portion		47,077
Balance - March 31, 2024	153,819,174	100,307,999

In May 2023, the Company completed a non-brokered private placement financing of 5,400,000 units of the Company at a price of Cdn\$0.40 per unit for gross proceeds of \$1,607,781 (Cdn\$2,160,000) and issuance costs of \$24,771 (Cdn\$33,279). Each such unit consisted of one common share of the Company and one common share purchase warrant of the Company, with each such warrant entitling the holder thereof to acquire one common share of the Company at an exercise price of Cdn\$0.60 for a period of 24 months following the closing date of the issuance of the units.

During the first quarter of 2024, stock options to purchase 675,000 common shares of the Company were exercised for gross proceeds of \$76,139 (Cdn\$102,500) and stock options to purchase 50,000 common shares of the Company expired unexercised.

As of March 31, 2024, the Company had issued and outstanding 153,819,174 common shares (December 31, 2023 - 153,144,174).

c) Common share purchase warrants

The following table summarizes the Company's common share purchase warrants outstanding as at December 31, 2023:

Date of Grant	Opening Balance	Granted during period	Cancelled	Exercised	Expired	Closing Balance	Exercise Price (Cdn \$)	Exercise period (months)	Expiry Date	Remaining contractual life (months)
2022-02-28	2,873,540	-	-	-	(2,873,540)	-	\$ 0.75	24	2024-02-28	N/A
2022-06-08	350,000	-	-	-	-	350,000	\$ 0.75	24	2024-06-08	2
2022-06-10	3,025,000	-	-	-	-	3,025,000	\$ 0.75	24	2024-06-10	2
2023-04-04	400,000	-	-	-	-	400,000	\$ 0.60	24	2025-04-04	12
2023-04-05	1,535,000	-	-	-	-	1,535,000	\$ 0.60	24	2025-04-05	12
2023-04-14	95,000	-	-	-	-	95,000	\$ 0.60	24	2025-04-14	13
2023-05-05	3,370,000	-	-	-	-	3,370,000	\$ 0.60	24	2025-05-05	13
	11,648,540	-	-	-	(2,873,540)	8,775,000				

As at March 31, 2024, the Company had 8,775,00 outstanding common share purchase warrants (December 31, 2023 - 11,648,540). During the period ended March 31, 2024 - 2,873,540 warrants expired unexercised.

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During the year ended December 31, 2023, the Company issued 5,400,000 common share purchase warrants in connection with the April and May 2023 private placement financings, with issuance costs of \$6,024 (Cdn\$8,093). No warrants expired unexercised.

During the year ended December 31, 2022 the Company issued 2,825,000 common share purchase warrants and 48,540 finder warrants in connection with the February 2022 private placement financing, with issuance costs of \$9,205 (Cdn\$11,689), and 3,375,000 common share purchase warrants in connection with the June 2022 private placement financing. In addition, 7,984,241 warrants expired unexercised.

The value of the warrants was calculated using the Black-Scholes model and the assumptions at grant date and period end date were as follows:

- (i) Risk-free interest rate: 01.45% - 3.70%, which is based on the Bank of Canada benchmark bonds yield 2 year rate in effect at the time of grant for bonds with maturity dates at the estimated term of the warrants
- (ii) Expected volatility: 55.23% - 75.03%, which is based on the Company's historical stock prices
- (iii) Expected life: 2- year
- (iv) Expected dividends: \$Nil

d) Loss per share

Basic and diluted loss per share was calculated on the basis of the weighted average number of common shares outstanding for the three months ended March 31, 2024 amounting to 153,440,877 (three months ended March 31, 2023 - 147,744,174) common shares. Stock options and warrants were considered anti-dilutive and therefore were excluded from the calculation of diluted loss per share.

14. SHARE-BASED PAYMENTS

The Company has an incentive Stock Option Plan under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or consultants of the Company or any of its subsidiaries. No amounts are paid or payable by the recipient on receipt of the option, and the exercise of the options granted is not dependent on any performance-based criteria. In accordance with these programs, options are exercisable at a price not less than the last closing price of the shares at the grant date.

Under this Stock Option Plan, unless otherwise determined by the board at the time of the granting of the options, 25% of the options granted vest on each of the 6 month, 12 month, 18 month and 24 month anniversaries of the grant date. As per the determination of the board, (a) the stock options granted on June 24, 2019, December 6, 2019, January 14, 2020, March 15, 2021, September 3, 2021, September 29, 2021, March 14, 2022, June 14, 2022, May 29, 2023, July 7, 2023, and certain stock options granted on September 15, 2020 and February 8, 2024 fully vested on the 4 month anniversary of the grant date, and (b) 50% of the stock granted on April 15, 2022 vested on the grant date and the remaining 50% of such stock options vested on the 5 month anniversary of the grant date, (c) 50,000 of the stock options granted on February 8, 2024 vested on the 6 month anniversary date and another 50,000 of the stock options granted on February 8, 2024 vested on the 12 month anniversary of the grant date, and (d) other stock options granted on September 15, 2020 and all of the stock options granted October 1, 2021 vested on the grant date.

The following tables summarize information about stock options:

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For the year ended December 31, 2023									
Exercise Price Range (Cdn\$)	Opening Balance	During the year				Closing Balance	Weighted average remaining contractual life (years)	Vested & Exercisable	Unvested
		Granted	Exercised	Forfeiture	Expired				
0-0.70	10,831,000	550,000	-		(25,000)	11,356,000	2.04	11,356,000	-
Weighted Average Exercise Price	0.59	0.50			0.70	0.58		0.53	

For the three months ended March 31, 2024									
Exercise Price Range (Cdn\$)	Opening Balance	During the period				Closing Balance	Weighted average remaining contractual life (years)	Vested & Exercisable	Unvested
		Granted	Exercised	Forfeiture	Expired				
0-0.70	11,356,000	1,700,000	(675,000)		(50,000)	12,331,000	2.21	10,631,000	1,700,000
Weighted Average Exercise Price	0.58	0.40			0.14	0.59		0.56	

During the three months ended March 31, 2023, the Company recognized in the statement of loss and comprehensive loss as share-based payments expense \$60,996 (three months ended March 31, 2023 - \$nil) representing the vesting of the fair value at the date of grant of stock options previously granted to employees, directors and officers under the Company's Stock Option Plan.

During the three months ended March 31, 2024, the Company recognized \$7,502 representing the vesting of fair value at the date of grant of stock options previously granted to consultants, which was recorded under consulting, management and professional fees in the consolidated statements of loss and comprehensive loss (three months ended March 31, 2023 - \$nil). In addition, an amount of \$7,948 for the three months ended March 31, 2024 (three months ended March 31, 2023 - \$nil) related to stock options issued to employees of the Company's subsidiary in the Congo was capitalized to exploration and evaluation asset.

The value of the options was calculated using the Black-Scholes model and the assumptions at grant date and period end date were as follows:

- (i) Risk-free interest rate: 0.26% - 4.45%, which is based on the Bank of Canada benchmark bonds yield 2 to 3 year rate in effect at the time of grant for bonds with maturity dates at the estimated term of the options
- (ii) Expected volatility: 55.18% - 101.24%, which is based on the Company's historical stock prices
- (iii) Expected life: 0.5 - 5 years
- (iv) Expected dividends: \$Nil

15. LEASE OBLIGATIONS

The Company has a lease agreement for the head office location in Toronto, Canada with a monthly basic rent obligation of approximately \$4,079 (Cdn \$5,525) starting March 1, 2023 for a 3 year term.

On March 1, 2023, the Company recognized a right-of-use asset and a lease liability of \$246,809 (Cdn \$335,068) for its office lease agreement. The right-of-use asset is being amortized on a straight-line basis over the lease term. The lease payments are discounted using an interest rate of 5.89%, which is the Company's incremental borrowing rate. As at March 31, 2024, the undiscounted cash flows for this office lease agreement to February 28, 2026 were \$162,823.

Changes in the lease obligation for the three months ended March 31, 2024 and year ended December 31, 2023 were as follows:

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	March 31, 2024	December 31, 2023
Balance - beginning of the period	\$ 182,672	\$ 246,809
Liability settled	\$ (22,539)	\$ (75,130)
Interest expense	\$ 2,690	\$ 10,993
Balance - end of the period	\$ 162,823	\$ 182,672
Current portion	\$ 82,362	\$ 79,989
Long-term portion	\$ 80,461	\$ 102,683
Total lease obligation	\$ 162,823	\$ 182,672

For the year ended December 31, 2023, the Company recognized lease revenues of \$nil in the consolidated statements of loss and comprehensive loss from its sub-lease arrangement with Gentor Resources Inc. (three months ended March 31, 2023 - \$2,550). The Company has an exploration office lease in Congo, which can be cancelled with three months notices in advance without any penalty. For the three months ended March 31, 2024, the lease expense in the amount of \$5,100 (three months ended March 31, 2023 - \$5,100) in relation to the Congo office, was capitalized to exploration and evaluation assets.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

a) Fair value of financial assets and liabilities

The consolidated statements of financial position carrying amounts for cash and cash equivalents, advances receivable and prepaid expenses, amounts due to/from related parties, accounts payable, accrued liabilities and the employee retention allowance approximate fair value due to their short-term nature.

Fair value hierarchy

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

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

There were no transfers between Level 1, 2 and 3 during the reporting period. Cash and cash equivalents are ranked Level 1 as the market value is readily observable. The carrying value of cash and cash equivalents approximates fair value, as maturities are less than three months.

b) Risk Management Policies

The Company is sensitive to changes in commodity prices and foreign-exchange. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Although the Company has the ability to address its price-related exposures through the use of options, futures and forward contracts, it does not generally enter into such arrangements.

c) Foreign Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the United States dollar and Canadian dollar or other foreign currencies will affect the Company's operations and financial results. A portion of the Company's transactions are denominated in Canadian dollars. The Company is also exposed to the impact of currency

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fluctuations on its monetary assets and liabilities. Significant foreign exchange gains or losses are reflected as a separate item in the consolidated statement of loss and comprehensive loss. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The following table indicates the impact of foreign currency exchange risk on net working capital as at March 31, 2024 and December 31, 2023. The table below provides a sensitivity analysis of a 10 percent strengthening of the US dollar against the Canadian dollar which would have increased (decreased) the Company's net loss by the amounts shown in the table below. A 10 percent weakening of the US dollar against the Canadian dollar would have had the equal but opposite effect as at March 31, 2024 and December 2023.

	March 31, 2024	December 31, 2023
	Canadian dollar	Canadian dollar
Cash and cash equivalents	6,337	52,044
Advances receivable and prepaids	493,566	420,120
Accounts payable and accrued liabilities	(859,524)	(653,175)
Due from related parties	707,202	707,202
Employee retention allowance	(234,471)	(234,471)
Loans	-	(40,000)
Total foreign currency financial assets and liabilities	113,110	251,720
Foreign exchange closing rate	0.7380	0.7561
Total foreign currency financial assets and liabilities in US \$	83,475	190,328
Impact of a 10% strengthening of the US \$ on net loss	8,348	19,033

d) Credit Risk

Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents and advances receivable and prepaid expenses. Cash and cash equivalents are maintained with several financial institutions of reputable credit and may be redeemed upon demand. It is therefore the Company's opinion that such credit risk is subject to normal industry risks and is considered minimal. The credit risk of advances receivable and prepaid expenses is, in management opinion, normal given ongoing relationships with those debtors.

The Company limits its exposure to credit risk on any investments by investing only in securities rated R1 (the highest rating) by credit rating agencies such as the DBRS (Dominion Bond Rating Service). Management continuously monitors the fair value of any investments to determine potential credit exposures. Short-term excess cash is invested in R1 rated investments including money market funds and other highly rated short-term investment instruments. Any credit risk exposure on cash balances is considered negligible as the Company places deposits only with major established banks in the countries in which it carries on operations.

The carrying amount of financial assets represents the maximum credit exposure. The Company's gross credit exposure at March 31, 2024 and December 31, 2023 was as follows:

	March 31, 2024	December 31, 2023
Cash and cash equivalents	\$ 56,256	\$ 639,680
Advances receivable and prepaid expenses	\$ 529,373	\$ 408,729
	\$ 585,629	\$ 1,048,409

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e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company attempts to ensure that there is sufficient cash to meet its liabilities when they are due and manages this risk by regularly evaluating its liquid financial resources to fund current and long-term obligations and to meet its capital commitments in a cost-effective manner. Temporary surplus funds of the Company are invested in short-term investments. The Company arranges the portfolio so that securities mature approximately when funds are needed. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases. The Company's liquidity requirements are met through a variety of sources, including cash and cash equivalents and equity capital markets. All financial obligations of the Company including accounts payable of \$570,147, accrued liabilities of \$336,397, employee retention allowance of \$173,040, lease obligation of \$82,362, and short term loans of \$119,958 are due within one year.

f) Mineral Property Risk

The Company's operations in the Congo are exposed to various levels of political risk and uncertainties, including political and economic instability, government regulations relating to exploration and mining, military repression and civil disorder, all or any of which may have a material adverse impact on the Company's activities or may result in impairment in or loss of part or all of the Company's assets.

g) Capital Management

The Company manages its common shares, warrants and stock options as capital. The Company's policy is to maintain sufficient capital base in order to meet its short term obligations and at the same time preserve investors' confidence required to sustain future development of the business.

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Share capital	\$ 100,307,999	\$ 100,184,783
Reserves	\$ 12,541,030	\$ 12,511,661
Deficit	\$ (91,703,456)	\$ (91,128,928)
	<u>\$ 21,145,573</u>	<u>\$ 21,567,516</u>

The Company's capital management objectives, policies and processes have remained unchanged during the three months ended March 31, 2024 and year ended December 31, 2023.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than the Toronto Stock Exchange ("TSX") which requires adequate working capital or financial resources such that, in the opinion of TSX, the listed issuer will be able to continue as a going concern. TSX will consider, among other things, the listed issuer's ability to meet its obligations as they come due, as well as its working capital position, quick asset position, total assets, capitalization, cash flow and earnings as well as accountants' or auditors' disclosures in the consolidated financial statements regarding the listed issuer's ability to continue as a going concern.

17. SUPPLEMENTAL CASH FLOW INFORMATION

During the periods indicated the Company undertook the following significant non-cash transactions:

		<u>For the three months ended</u>	
	<u>Note</u>	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Depreciation included in exploration and evaluation assets	8	\$ 16,293	\$ 16,293
Fees paid by common shares, stock options or warrants	13	\$ 7,502	-

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18. EMPLOYEE RETENTION ALLOWANCE

The following table summarizes information about changes to the Company's employee retention provision during the three months ended March 31, 2024.

	\$
Balance at January 1, 2023	173,110
Foreign exchange adjustment	4,174
Balance at December 31, 2023	177,284
Foreign exchange adjustment	(4,244)
Balance at March 31, 2024	173,040