THOR EXPLORATIONS LTD

Consolidated Financial Statements

For the Years Ended December 31, 2024, and 2023

(in Thousands of United States Dollars)

THOR EXPLORATIONS LTD.

December 31, 2024 and 2023

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Independent Auditor's Report

To the Shareholders of Thor Explorations Ltd.

Opinion

We have audited the consolidated financial statements of Thor Explorations Ltd. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2024 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year 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 consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively 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 Group 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.

Carrying value of gold ore in stockpile and gold in process inventories

Description of the key audit matter

Refer to Note 4 - *Critical accounting estimates and judgments* and Note 6 – *Inventory*

The Group's gold ore stockpile and gold in process inventories amounted to $81.4 million as at December 31, 2024. The gold ore stockpile inventory represents mined ore material prior to being processed and the gold in process inventory represents material that is being treated in the processing plant at December 31, 2024 in order to extract the contained gold to process into a saleable product.

Management is required to make certain key estimates in order to determine the carrying value of these inventories. The key estimates made by management in the determination of the carrying value of the gold ore stockpile inventory relate to the associated density and volume of material contained in the stockpile inventory at December 31, 2024. The key estimates made by management in the determination of the carrying value of the gold in process inventory are the weight and gold content of gold-bearing materials in the recovery process at December 31, 2024.

We considered this a Key Audit Matter due to the magnitude of the inventory balances and the judgment and estimates made by management in determining the carrying value of gold ore stockpile and gold in process inventories and the high degree of auditor judgment, subjectivity and efforts in performing procedures and evaluating audit evidence related its carrying value.

How the key audit matter was addressed in the audit

Our approach in addressing this matter included the following procedures, among others:

- Obtained an understanding of management's inventory processes and controls pertaining to measurement, surveying and other reconciliations.
- Obtained and evaluated management's models for the measurement of the carrying value of gold ore stockpile and gold in process, recalculating the mathematical accuracy and evaluating the methodology applied.
- Evaluated the reasonableness of key estimates including the density and volume of material contained in the stockpile inventory and the weight and gold content of gold-bearing materials contained in the recovery process at December 31, 2024 by reconciling management's tonnage movement to third-party support, comparing management's estimate of weight and gold content used in the gold-in-process calculation to evidence of actual gold recovered throughout the year and to internal and external assay results.
- Evaluated the work of management's experts over the volume and density of gold ore stockpile and their determination of the weight and gold content of gold-in-process inventory at December 31, 2024. This evaluation included developing an understanding of the competence and capabilities of management's experts, evaluation of their methods and assumptions, tests of data used by management's experts and an evaluation of their findings.

Other matter

The consolidated financial statements of the Group for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on April 27, 2024.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion & 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 the Management's Discussion & 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group'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 Group'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 Group 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 those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Mark Zastre.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 7, 2025

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
In Thousands of United States dollars

	Note	December 31, 2024 $'000	December 31, 2023 $'000
ASSETS			
Current assets			
Cash		**12,040**	**7,840**
Inventory	6	**41,104**	**41,770**
Trade and other receivables	7	**4,561**	**7,931**
Total current assets		**57,705**	**57,541**
Non-current assets			
Inventory	6	**57,124**	**15,891**
Deferred income tax assets		**-**	**89**
Trade and other receivables	7	**208**	**221**
Right-of-use assets	8	**7,302**	**12,096**
Property, plant and equipment	12	**120,495**	**144,363**
Intangible assets	13	**36,238**	**28,913**
Total non-current assets		**221,367**	**201,573**
TOTAL ASSETS		**279,072**	**259,114**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	14	**48,967**	**74,774**
Deferred revenue	15	**4,463**	**11,839**
Lease liabilities	8	**4,818**	**4,820**
Gold stream liability	9	**9,358**	**12,343**
Loans and other borrowings	10	**860**	**23,248**
Other financial liabilities	5a	**1,900**	**-**
Total current liabilities		**70,366**	**127,024**
Non-current liabilities			
Lease liabilities	8	**2,392**	**6,670**
Gold stream liability	9	**-**	**7,700**
Loans and other borrowings	10	**-**	**518**
Provisions	11	**5,061**	**5,008**
Total non-current liabilities		**7,453**	**19,896**
TOTAL LIABILITIES		**77,819**	**146,920**
SHAREHOLDERS' EQUITY			
Common shares	16	**81,633**	**81,491**
Option reserve	16	**1,920**	**1,968**
Currency translation reserve		**(3,873)**	**(1,618)**
Retained earnings		**121,573**	**30,353**
Total shareholders' equity		**201,253**	**112,194**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**279,072**	**259,114**

Contractual commitments and contingent liabilities (Note 23)

These consolidated financial statements were approved for issue by the Board of Directors on April 07, 2024, and are signed on its behalf by:

(Signed) "Adrian Coates"
Director

(Signed) "Olusegun Lawson"
Director

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

THOR EXPLORATIONS LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31,
In Thousands of United States dollars

	Note	2024 $'000	2023 $'000
Revenue	5a	**193,130**	141,245
Cost of sales	5b	**80,946**	101,436
Loss on forward sale of commodity contracts		**-**	1,130
Gross profit from operations		**112,184**	38,679
Amortization and depreciation - owned assets	5c	**1,052**	680
Amortization and depreciation - right-of-use assets	5c	**147**	143
Other administration expenses	5d	**10,340**	10,746
Buy-out of gold sale agreement`s option	5f	**-**	3,155
Impairment of Exploration & Evaluation assets	13	**-**	12
Profit from operations		**100,645**	23,943
Interest expense	5e	**5,497**	7,829
Net loss on financial liabilities designated as at FVTPL	5e	**3,976**	5,245
Net profit before income taxes		**91,172**	**10,869**
Income Tax	5g	**-**	-
Net profit for the year		**91,172**	10,869
Attributable to:			
Equity shareholders of the Company		**91,172**	10,869
Net profit for the year		**91,172**	10,869
Other comprehensive profit			
Foreign currency translation gain/(loss) attributed to equity shareholders of the Company		**(2,255)**	895
Total comprehensive income for the year		**88,917**	11,764
Net profit per share, stated in US$ per share			
Basic and Diluted	17	**$ 0.14**	$ 0.02

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

THOR EXPLORATIONS LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,
In Thousands of United States dollars

	Note	2024 $'000	2023 $'000
Cash flows from/(used in):			
Operating activities			
Net profit		**91,172**	10,869
Adjustments for:			
Impairment of Exploration & Evaluation assets		**-**	12
Amortisation and depreciation	5	**32,714**	28,240
Loss on forward sale of commodity contracts		**-**	1,130
Unrealized Foreign exchange losses/(gains)	5	**773**	(2,416)
Unrealized fair value movements on forward gold sale contracts	5	**1,900**	-
Interest expense	5	**5,497**	7,829
Net loss on financial liabilities designated as at FVTPL	5	**3,976**	5,245
		136,032	50,909
Changes in non-cash working capital accounts			
Inventory		**(40,567)**	(25,162)
Trade and other receivables		**3,383**	2,828
Accounts payable and accrued liabilities		**(29,711)**	30,005
Deferred income		**(7,376)**	5,257
Net cash flows from operating activities		**61,761**	63,837
Investing			
Purchase of intangible assets	13	**(80)**	(141)
Property, plant and equipment	12	**(4,016)**	(28,288)
Exploration & Evaluation acquisitons and expenditures	13	**(8,770)**	(9,409)
Net cash flows used in investing activities		**(12,866)**	(37,838)
Financing			
Share subscriptions received	16	**142**	1,051
Repayment of loans and borrowings	9,10	**(37,841)**	(16,749)
Interest paid	9,10	**(1,970)**	(4,215)
Arrangement fees paid	10	**-**	(127)
Payment of lease liabilities	8	**(5,032)**	(5,027)
Net cash flows used in financing activities		**(44,701)**	(25,067)
Effect of exchange rates on cash		**6**	220
Net change in cash		**4,200**	1,152
Cash, beginning of the period		**7,840**	6,688
Cash, end of the period		**12,040**	7,840

Supplemental Cash Flow Information (Note 24)

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

THOR EXPLORATIONS LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
In Thousands of United States dollars

	Note	Common shares	Option reserve	Currency translation reserve	(Deficit)/ Retained earnings	Total shareholders' equity
Balance on January 01, 2023		**$ 80,440**	**$ 3,351**	**$ (2,513)**	**$ 18,101**	**$ 99,379**
Net profit for the period		-	-	-	10,869	10,869
Other comprehensive income		-	-	895	-	895
Total comprehensive profit for the year		**-**	**-**	**895**	**10,869**	**11,764**
Contributions by and distributions to owners						
Options exercised	16	1,051	(1,383)	-	1,383	1,051
Balance on December 31, 2023		**$ 81,491**	**$ 1,968**	**$ (1,618)**	**$ 30,353**	**$ 112,194**
Net profit for the period		-	-	-	91,172	91,172
Other comprehensive income		-	-	(2,255)	-	(2,255)
Total comprehensive profit for the year		**-**	**-**	**(2,255)**	**91,172**	**88,917**
Contributions by and distributions to owners						
Options exercised	16	142	(48)	-	48	142
Balance on December 31, 2024		**$ 81,633**	**$ 1,920**	**$ (3,873)**	**$ 121,573**	**$ 201,253**

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

1. CORPORATE INFORMATION

Thor Explorations Ltd. (the “Company”), together with its subsidiaries (collectively, “Thor” or the “Group”) is a West African focused gold producer and explorer, dual-listed on the TSX-Venture Exchange (THX.V) and the Alternative Investment Market of the London Stock Exchange (THX.L).

The Company was formed in 1968 and is organized under the Business Corporations Act (British Columbia) (BCBCA) with its registered office at 550 Burrard St, Suite 2900 Vancouver, BC, CA, V6C 0A3.

2. BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards).

b) Basis of measurement

The consolidated financial statements are presented in United States dollars (“US$”).

These consolidated financial statements have been prepared on a historical cost basis and are presented in United States dollars, except for the valuation of certain financial instruments that are measured at fair value at the end of each reporting period as explained in the accounting policies below.

The preparation of financial statements in compliance with IFRS Accounting Standards requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Group’s accounting policies. A precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements for a period involves the use of estimates, which have been made using careful judgment. Actual results may differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in Note 4.

c) Comparative figures

Certain comparative figures in these financial statements have been reclassified in order to conform with the financial presentation adopted in the current year.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies described below have been applied consistently to all periods presented in these consolidated financial statements unless otherwise stated.

a. Consolidation principles

The assets, liabilities, revenues and expenses of the subsidiaries are recognized in accordance with the Group's accounting policies. Intercompany transactions and balances are eliminated upon consolidation.

b. Details of the Group

In addition to the Company, these consolidated financial statements include all subsidiaries of the Company. Subsidiaries are all corporations over which the Company has power, where the Company is exposed to variable returns from the Subsidiary, and it has the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The consolidated financial statements present the results of the Company and its subsidiaries as if they formed a single entity, with subsidiaries being fully consolidated from the date on which control is acquired by the Company. They are de-consolidated from the date that control by the Company ceases.

In Thousands of United States dollars, except where noted

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The subsidiaries of the Company are as follows:

Company	Location	Incorporated	Interest	Functional currency
Thor Investments (BVI) Ltd. ("Thor BVI")	British Virgin Islands	September 30, 2011	100%	USD
African Star Resources Incorporated ("African Star")	British Virgin Islands	September 30, 2011	100%	GBP
Segilola Resources Incorporated ("SR BVI")	British Virgin Islands	March 10, 2020	100%	USD
Thor Gold Ventures Ltd ("THX GV")	United Kingdom	February 11, 2023	100%	GBP
African Star Resources SARL ("African Star SARL")	Senegal	July 14, 2011	100%	CFA
Argento Exploration BF SARL ("Argento BF SARL")	Burkina Faso	September 15, 2010	100%	CFA
AFC Constelor Panafrican Resources SARL ("AFC Constelor SARL")	Burkina Faso	December 9, 2011	100%	CFA
Segilola Resources Operating Limited ("SROL")	Nigeria	August 18, 2016	100%	USD
Segilola Gold Limited ("SGL")	Nigeria	August 18, 2016	100%	NGN
Newstar Minerals Limited ("Newstar")	Nigeria	July 5, 2022	100%	USD
Enorm Mining Limited ("Enorm")	Nigeria	August 20, 2023	51%	USD
Ngnira Gold SARL ("Ngnira")	Cote D'Ivoire	April 22, 2023	100%	USD

c. Foreign currency translation

Functional and presentation currency
The Company's functional and presentation currency is the United States dollar ("$" or "US$"). The functional currency for the Company being the currency of the primary economic environment in which the Company operates. The individual financial statements of each of the Company's wholly owned subsidiaries are prepared in the currency of the primary economic environment in which it operates (its functional currency).

Exchange rates published by Oanda were used to translate the THX GV, African Star, SR BVI, African Star SARL, Argento BF SARL, AFC Constelor SARL and SGL's financial statements into the United States dollar in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*. This standard requires, on consolidation, that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e., the average rate for the period). The foreign exchange differences on translation of subsidiaries Thor GV, Thor BVI, African Star, SR BVI, African Star SARL, Argento BF SARL, AFC Constelor SARL and SGL are recognized in other comprehensive income (loss). Exchange differences arising on the net investment in subsidiaries are recognized in other comprehensive income.

Foreign currency transactions
Foreign currency transactions are accounted for as follows:

- Property, plant and equipment and intangible assets using the rates at the time of acquisition;
- Other assets and liabilities using the closing exchange rate as at the balance sheet date with translation gains and losses recorded in other income/expense; and

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

- Income and expenses using the average exchange rate for the period, except for expenses that relate to non-monetary assets and liabilities measured at historical rates, which are translated using the same historical rate as the associated non-monetary assets and liabilities are translated into the functional currency using the exchange rates prevailing on the dates of the transactions.

d. Financial instruments

Financial assets
The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Fair value through profit or loss
This category comprises in-the-money derivatives and out-of-money derivatives where the time value offsets the negative intrinsic value (see "Financial liabilities" section for out-of-money derivatives classified as liabilities). Other than derivative financial instruments which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortized cost
These assets arise principally from the provision of goods to customers (e.g., trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognized based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognized in profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Group's financial assets measured at amortized cost comprise cash, amounts receivable as well as prepaid expenses, advances and deposits in the consolidated statement of financial position. Cash includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Derivative financial instruments
Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss, within revenue if related to gold sales, immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

There were no derivatives that qualified for hedge accounting for the year ended 31 December 2024 and 2023.

Financial liabilities
The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Group's accounting policy for each category is as follows:

Fair value through profit or loss
This category comprises out-of-the-money derivatives where the time value does not offset the negative intrinsic value (see "Financial assets" for in-the-money derivatives and out-of-money derivatives where the time value offsets the negative intrinsic value). They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in the consolidated statements of comprehensive income. The Group does not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than these derivative financial instruments, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

Other financial liabilities

Other financial liabilities include the following items:

Loans and borrowings are initially recognized at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortized cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Accounts payable and other short-term monetary liabilities are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method.

Fair Value measurement hierarchy

IFRS 13 "Fair Value Measurement" requires certain disclosures which require the classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the input used in making the fair value measurement.
The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Input 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 prices (level 2)); and,
- Inputs for the asset or liability that are not based on observable market data (unobservable input) (level 3).

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The level in the fair value hierarchy within which the financial asset or financial liability is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

Gold Stream arrangement

On April 29, 2020, the Group announced the completion of financing requirements for the development of the Segilola Gold Project in Nigeria. The financing included a $21.0 million gold stream prepayment pursuant to a Gold Stream Arrangement ("GSA") entered into with the Africa Finance Corporation ("AFC").

Under the terms of the GSA an advance payment of $21.0 million was received. Upon the commencement of production at Segilola the AFC had the right to receive 10.27% of gold produced from the Group's ML41 mining license. Once the initial liability has been repaid in full any further gold production will be delivered under the terms of the GSA up to the money multiple limit of 2.25 times the initial advance. The total maximum amount payable to the AFC under this agreement is $47.25 million including the repayment of the initial $21.0 million advance. The advanced payment has been recorded as a contract liability based on the facts and terms of the arrangement and own use exemptions considerations.

The maximum $26.25 million payable, after the initial $21.0 million has been settled, has been identified as a significant financing component. The deemed interest rate is calculated at inception, using the
production plan and gold price estimates and released over the term of the arrangement as interest expense in the income statement upon commencement of production. The deemed interest rate is recalculated at each reporting period and restated based on changes to the expected production profile and gold price estimates.

In December 2021, the Group entered into a cash settlement agreement with the AFC where the gold sold to the AFC is settled in a net-cash sum payable to the AFC instead of delivery of bullion for repayment of the gold stream arrangement. Therefore, the liability is accounted for in accordance with IFRS 9 whereby the liability is classified as a financial liability measured at fair value through profit or loss. The fair value measurement for the GSA is considered to be a level 3 under the hierarchy established by IFRS 13 for the years ended December 31 2024 and 2023.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

e. Property, plant and equipment

Motor Vehicles, Plant and Machinery and Office Furniture

At acquisition, the Group records Motor Vehicles, Plant and Machinery and Office Furniture at cost, including all expenditures incurred to prepare an asset for its intended use. These expenditures consist of: the purchase price; brokers' commissions; and installation costs including architectural, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation insurance costs, duties, testing and preparation charges. These are depreciated on a straight-line basis over their expected useful life, which commences when the assets are considered available for use. Once buildings, plant and equipment are considered available for use, they are measured at cost less accumulated depreciation and applicable impairment losses. Depreciation on equipment utilized in the development of assets, including exploration assets, is recapitalized as development costs attributable to the related asset.

Estimated useful lives of asset categories	Rate
Motor vehicles	20-33%
Plant and machinery	20-25%
Office furniture	20-33%

Mineral Properties

Mineral properties consist of the Segilola Mine depletable and non-depletable assets. In addition, the Group incurs project costs which are generally capitalized when the expenditures result in a future benefit.

In open-pit mining, overburden and waste materials must be removed to access ore that can be economically extracted. This process, known as stripping, involves two main phases: pre-production stripping and production stripping.

Pre-production stripping costs are capitalized as open-pit mine development costs until the mine reaches commercial production. Afterward, these costs are either allocated to inventory or capitalized as property, plant, and equipment if they provide future benefits.

During the production phase, stripping costs are typically treated as part of inventory costs unless they enhance future economic benefits. These benefits arise when stripping improves access to an ore component, increases the mine's fair value, or extends its productive life. In such cases, the costs are capitalized as open-pit mine development costs.

Capitalized stripping costs are depreciated using the units-of-production (UOP) method, based on estimated gold reserves and resources in the life-of-mine (LOM) plan that are probable for economic extraction.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Assets under construction

Assets under construction comprise development projects and assets in the course of construction at both the mine development and production phases.

Development projects comprise interests in mining projects where the ore body is considered commercially recoverable, and the development activities are ongoing. Expenditures incurred on a development project are recorded at cost, less applicable accumulated impairment losses. Interest on borrowings, incurred for the purpose of the establishment of mining assets, is capitalized during the construction phase.

The cost of an asset in the course of construction comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use, at which point it is transferred from assets under construction to other relevant categories and depreciation commences. Depreciation commences once the asset is complete, commissioned and available for use.

f. Exploration and evaluation expenditures

Acquisition costs
The fair value of all consideration paid to acquire an unproven mineral interest is capitalized, including amounts due under option agreements. Consideration may include cash, loans or other financial liabilities, and equity instruments including common shares and share purchase warrants.

Exploration and evaluation expenditures
All costs incurred prior to obtaining legal title are expensed in the consolidated statements of comprehensive income in the year in which they are incurred. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Group, exploration and evaluation assets in respect of that project are deemed to be impaired. As a result, those exploration and evaluation assets, in excess of estimated realisable value, are written off to the consolidated statements of comprehensive income.

At such time as commercial feasibility is established, project finance has been raised, appropriate permits are in place and a development decision is reached, the costs associated with that property will be transferred to and re-categorized as Assets under construction.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Farm-in agreements
As is common practice in the mineral exploration industry, the Group may acquire or dispose of all, or a portion of, an exploration and evaluation asset under a farm-in agreement. Farm-in agreements typically call for the payment of cash, issue of shares and/or incurrence of exploration and evaluation costs over a period of time, often several years, entirely at the discretion of the party farming-in. The Group recognizes amounts payable under a farm-in agreement when the amount is due and when the Group has no contractual rights to avoid making the payment. The Group recognizes amounts receivable under a farm-in agreement only when the party farming-in has irrevocably committed to the transfer of economic resources to the Group, which often occurs only when the amount is received.

Amounts received under farm-in agreements reduce the capitalized costs of the optioned unproven mineral interest to nil and are then recognized as income.

g. Impairment of non-current assets

Impairment tests for non-current assets are performed when there is an indication of impairment. At each reporting date, an assessment is made to determine whether there are any indications of impairment. Prior to carrying out impairment reviews, the significant cash generating units are assessed to determine whether they should be reviewed under the requirements of IAS 36 - Impairment of Assets for property plant and equipment, or IFRS 6 - Exploration for and Evaluation of Mineral Resources for capitalized exploration costs.

Impairment reviews performed under IAS 36 are carried out on a periodic basis to ensure that the value recognized on the Statement of Financial Position is not greater than the recoverable amount. Recoverable amount is defined as the higher of an asset’s fair value less costs of disposal, and its value in use.

Impairment reviews performed under IFRS 6 are carried out on a project-by-project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise; typically, when one of the following circumstances applies:
(i) sufficient data exists that render the resource uneconomic and unlikely to be developed
(ii) title to the asset is compromised
(iii) budgeted or planned expenditure is not expected in the foreseeable future
(iv) insufficient discovery of commercially viable resources leading to the discontinuation of activities

If any indication of impairment exists, an estimate of the non-current asset’s recoverable amount is calculated. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset’s value in use. If the carrying value of a non-current asset exceeds its recoverable amount, the asset is impaired, and an impairment loss is charged to the consolidated statements of comprehensive income so as to reduce the carrying amount of the non-current asset to its recoverable amount.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

h. Income Tax Accounting Policy

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case they are recognized in other comprehensive income or directly in equity.

Current income tax is based on taxable earnings for the year. The tax rates and tax laws to compute the amount payable are those that are substantively enacted in each tax regime at the date of the statement of financial position.

Deferred income tax is recognized, using the liability method, on temporary differences between the carrying value of assets and liabilities in the statement of financial position, unused tax losses, unused tax credits and the corresponding tax bases used in the computation of taxable earnings, based on tax rates and tax laws that are substantively enacted at the date of the statement of financial position and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences to the extent that the realization of the related tax benefit through future taxable earnings is probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset the current tax assets against the current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Accounting Estimates and Judgments: Recognition of Deferred Income Tax Assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Forecasted cash flows from operations are based on life of mine projections internally developed, reviewed by management and are consistent with the forecasts utilized for business planning and impairment testing purposes. Weight is attached to tax planning opportunities that are within the Company’s control, and are feasible and implementable without significant obstacles. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. At the end of each reporting period, the Company reassesses recognized and unrecognized income tax assets.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

i. Revenue recognition

The Group enters into sales contracts for the sale of gold at a pre-determined and agreed price with customers who remit the cash proceeds to the Group in up to two working days. Any advance cash payment received is treated as a contract liability without a significant financing component. The Group recognizes the sale upon delivery at which point control of the product has been transferred to the customers. Transfer of control generally takes place when refined gold is transferred to the customer. Revenue is measured based on the consideration to which the Group expects to be entitled under the terms of the Agreement with the customers.

j. Royalties

The Group has royalty payment obligations from production from its Segilola Gold Mine in Nigeria. A royalty is payable to the Nigerian government at a rate of 32,436 Nigerian Naira, equivalent to approximately $21.40 (May 1, 2023 to July 1, 2024:16,218 Nigerian Naira) per ounce produced. The royalty is paid before the doré is exported from Nigeria for refining. Royalties paid to the Nigerian government are recognized as cost of sales in the consolidated statements of comprehensive income at the point that the gold is exported.

k. Inventory

Stores and consumables are stated at the lower of cost and net realizable value. The cost of stores and consumables includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Gold ore stockpiles are valued at the lower of cost and net realizable value. Cost is determined by using the weighted average method and comprises direct material purchases, direct labor costs and production overheads.

Gold bullion and gold in process are valued at the lower of cost and net realizable value. Cost is determined by using the weighted average method and comprises direct material purchases, direct labor costs and production overheads.

l. Basic and diluted income or loss per share

Earnings per share calculations are based on the weighted average number of common shares issued and outstanding during the period. Diluted earnings per share is calculated using the treasury stock method, whereby the proceeds from the exercise of potentially dilutive common shares with exercise prices that are below the average market price of the underlying shares are assumed to be used in purchasing the Company’s common shares at their average market price for the period.

m. Comprehensive income (loss)

Comprehensive income (loss) is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income (loss) that are excluded from net earnings (loss). The main element of comprehensive income (loss) is the foreign exchange effect of translating the financial statements of the subsidiaries from local functional currencies into US dollars upon consolidation. Movements in the exchange rates of the Canadian Dollar, Pound Sterling, Nigerian Naira and West African Franc to the US dollar will generate gains and/or losses that affect the consolidated statements of comprehensive income.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

n. Share-based payments

Where options are awarded for services, the fair value at the grant date of equity-settled share awards is either charged to income or loss, or capitalized to assets under construction where the underlying personnel cost is also capitalized, over the period for which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in the Options reserve. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. Where warrants are awarded in connection with the issue of common shares the fair value, at the grant date, is transferred from common shares with the corresponding accrued entitlement recorded in the share purchase warrants reserve. The fair value of options and warrants awards is calculated using the Black-Scholes option pricing model which considers the following factors:

- Exercise price
- Expected life of the award
- Expected volatility
- Current market price of the underlying shares
- Risk-free interest rate

When equity instruments are modified, if the modification increases the fair value of the award, the additional cost must be recognized over the period from the modification date until the vesting date of the modified award.

o. Decommissioning, site rehabilitation and environmental costs

The Group is required to restore mine and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities and consistent with the Group's environmental policies. The net present value of estimated future rehabilitation costs is provided for in the financial statements and capitalized within property, plant and equipment on initial recognition. The capitalized cost is amortized on a unit of production basis. Unwinding of the discount is recognized as finance cost in the consolidated statements of comprehensive income as it occurs. Changes in estimates are dealt with on a prospective basis as they arise. The costs of on-going programs to prevent and control pollution and to rehabilitate the environment are charged to profit or loss as incurred.

p. Leases

Lease liabilities

On inception, the lease liability is recognized as the present value of the expected future lease payments, discounted using the interest rate implicit in the lease. Lease payments included in the lease liability consist of each of the following:

- Fixed payments, including in-substance fixed payments;
- Payments whose variability is dependent only upon an index or a rate, measured initially using the index or rate at the lease commencement date. The lease liability is revalued when there is a change in future lease payments arising from a change in an index or rate
- Any amounts expected to be payable under a guarantee of residual value

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change to the forecast lease payments. When the lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset.

In Thousands of United States dollars, except where noted

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leased right-of-use assets

Leased right-of-use assets are included within Right-of-use assets, and on inception of the lease are recognized at the amount of the corresponding lease liability, adjusted for any lease payments made at or before the lease commencement date, plus any direct costs incurred and an estimate of costs for dismantling, removing, or restoring the underlying asset and less any lease incentives received. The right-of-use asset is depreciated on a straight-line basis over the term of the lease, or, if shorter, the useful life of the asset.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases which have low value, or short-term leases with a duration of 12 months or less. The payments associated with such leases are charged directly to the income statement on a straight-line basis over the lease term. There were no such leases for the years ended December 31, 2024, and 2023.

q. Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the Group.

Contingent liabilities also include obligations that are not recognized because their amount cannot be measured reliably or because settlement is not probable. Contingent liabilities do not include provisions for which it is certain that the Group has a present obligation that is more likely than not to lead to an outflow of cash or other economic resources, even though the amount or timing is uncertain. Unless the possibility of an outflow of economic resources is remote, a contingent liability is disclosed in the notes to the financial statements.

r. Application of new and revised International Financial Reporting Standards

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IAS 1 *Classification of Liabilities as Current or Non-current*
- Amendments to IAS 1 *Non-current Liabilities with Covenants*
- Amendments to IFRS 16 *Leases—Lease Liability in a Sale and Leaseback*

s. Accounting for Future accounting pronouncements

At the date of authorization of these financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

Amendments to IAS 21	Lack of Exchangeability
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

The directors do not expect that the adoption of the Amendments to IAS 21 and IFRS 19 will have a material impact on the financial statements of the Group in future periods.

IFRS 18, Presentation and Disclosures in Financial Statements, effective for annual reporting periods beginning on or after 1 January 2027. The Group is currently evaluating the impact of this standard, which is expected to affect the presentation and disclosures in the Group’s financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Group makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in net and/or comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

a) Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, relate to, but are not limited to, the following:

(i) *Accounting treatment of Gold Stream Liability*

Determining the appropriate accounting treatment for the Gold Stream Liability is not an accounting policy choice, rather it is an assessment of the specific facts and circumstances and requires judgement. The Group has reviewed the terms of the Gold Sale Agreement and determined that it constitutes a commodity arrangement as it is an arrangement to deliver an amount of the commodity from the Group's own Segilola Gold Project operation and does not constitute a contract liability under IFRS 15.

In 2021 the arrangement was modified to allow the Group to settle the Gold Stream Liability in cash which led to the arrangement being reclassified as a financial liability.

The principal accounting estimates in calculating the value of the Gold Stream Liability are production plan, gold price, the implied interest rate and future repayment profile.

In calculating the deemed interest rate for interest expense that will be released over the term of the Agreement, estimates of both the production plan and gold price will be the key variables. The deemed interest rate is calculated at each reporting period and restated based on changes to the expected production profile and gold price estimates, which will result in a revision to estimated future payments. Any change in future payments will result in a revision of the deemed interest rate.

The key estimate in determining the period-end Gold stream obligation is future gold prices and gold production. A 5% change in estimates would result in an impact of $0.1 million on the Gold Stream liability.

(ii) *Estimated recoverable ounces*

The carrying amounts of the Group's mining interests are depleted based on the estimated recoverable ounces. Changes to estimates of recoverable ounces due to revisions to the Group's mine plans and changes in gold price forecasts can result in a change to future depletion rates.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

(iii) Mineral reserves

Mineral reserves and mineral resources are determined in accordance with Canadian Securities Administrator's National Instrument 43-101 Standards of Disclosure for Mineral Projects. Mineral reserve and resource estimates include numerous estimates. Such estimation is a subjective process, and the accuracy of any mineral reserve or resource estimate is dependent on the quantity and quality of available data and on the assumptions made and judgements used in engineering and geological interpretation. Changes to management's assumptions, including economic assumptions such as gold prices and market conditions could have a material effect in the future on the Group's financial position and results of operations.

(iv) *Restoration, site rehabilitation and environmental costs*

The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognizes management's best estimate of the rehabilitation costs in the period in which they are incurred. This estimate includes judgements from management in respect of which costs are expected to be incurred in the future, the timing of these costs and their present value. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision. Such changes could similarly impact the useful lives of assets depreciated on a straight-line-basis, where those lives are limited to the life of mine. A 1% change in the discount rate on the Group's rehabilitation estimates would result in an impact of $0.13 million (2023: $0.25 million) on the provision for environmental and site restoration. The value of the period-end restoration provision is disclosed within Note 11.

(v) *Inventory*

Expenditures incurred, and depreciation and amortization of assets used in mining and processing activities are deferred and accumulated as the cost of ore in stockpiles, ore in mill, and finished gold doré inventories. These deferred amounts are carried at the lower of average cost or net realizable value.

Their measurement involves the use of estimation to determine the tonnage, the attainable gold recovery, and the remaining costs of completion to bring inventory to its saleable form. Changes in these estimates can result in a change in mine operating costs of future periods and carrying amounts of inventories.

In determining the net realizable value of ore in stockpiles, gold in carbon-in-leach ("Gold in CIL" or "Gold in circuit"), and gold doré the Group estimates future metal selling prices, production forecasts, realized grades and recoveries, and timing of processing to convert the inventories into saleable form. Reductions in metal price forecasts, increases in estimated future production costs, reductions in the number of recoverable ounces, and a delay in timing of processing can result in a write down of the carrying amounts of the Group's ore in stockpiles, ore in mill and gold doré inventories.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

b) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

(i) Impairment of exploration and evaluation assets

In accordance with IFRS 6 Exploration for and Evaluation of Mineral Resources, management is required to determine if any indicators of impairment exist in respect of the intangible exploration and evaluation assets.

In making the assessment, management makes this assessment at the cash-generating unit ("CGU") level, which based on each key project and geographic location, is considered to be the Douta Project (Senegal), Gold exploration, Lithium exploration & Other.

In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful, and some assets are likely to become impaired in future periods.

No indicators of impairment were identified as at December 31, 2024.

(ii) Indicators of impairment of property, plant and equipment

The Group considers both internal and external information in its process of determining whether there are any indicators for impairment of the Segilola Gold mine. Management considers the following external factors to be relevant: Changes in the market capitalization of the entity, changes in the long-term gold price expectations, or changes in the technological, market, economic or legal environment in which the entity operates, or in the market to which the asset is dedicated. Management considers the following internal factors to be relevant: changes in the estimates of recoverable ounces, significant movements in production costs and variances of actual production costs when compared to budgeted production costs, production patterns and whether production is meeting planned budget targets, changes in the level of capital expenditures required at the mine site, changes in the expected cost of dismantling assets and restoring the site, particularly towards the end of a mine's life.

In Thousands of United States dollars, except where noted

5. PROFIT FROM OPERATIONS

5a. REVENUE

	Year Ended December 31, 2024	2023
Gold revenue	**194,430**	141,036
Silver revenue	**600**	209
Unrealized fair value movements on forward gold sale contracts	**(1,900)**	-
	$ 193,130	$ 141,245

Gold revenue
The Group`s revenue is generated in Nigeria. All sales are made to the Group`s two customers with one of these customers representing approximately 68% of sales. However, because gold can be sold through numerous gold market traders worldwide (including a large number of financial institutions), the Group is not economically dependent on a limited number of customers for the sale of its product.

Forward contracts
As at December 31, 2024, the Group held outstanding gold forward contracts for 5,500 ounces at an average gold price of $2,277 per ounce with settlement during the first quarter of 2025. The Group may choose to settle the position at an accelerated rate. These contracts were entered into to protect the Group`s revenue against gold price variability. None of the forwards were designated as a hedge by the Group and these forward contracts are recorded at fair value at the end of each reporting period, which was considered to be a liability of $1.9 million as at December 31, 2024. The liability is included within other financial liabilities.

5b. COST OF SALES

	Year Ended December 31, 2024	2023
Mining	17,984	61,864
Processing	23,257	17,849
Support services and others	5,813	9,043
Foreign exchange gains on production costs[1]	(1,084)	(19,081)
Production costs	**$ 45,970**	**$ 69,675**
Transportation and refining	2,305	2,478
Royalties	1,156	1,866
Amortization and depreciation - operational assets - owned assets	26,874	22,778
Amortization and depreciation - operational assets – right-of-use assets	4,641	4,639
Cost of sales	**80,946**	**101,436**

1 The total foreign exchange movements for the year ended December 31, 2024, were $1.08 million gains (2023: gains of $19.08 million). These comprise of realized foreign exchange gains of $1.86 million (2023: gains of $16.67 million) and unrealized foreign exchange losses of $0.77 million (2023: gains of $2.42 million). During the years ended December 31, 2024, and 2023, SROL entered into spot currency trades to support funding of its operations in Nigeria. The foreign exchange gains and losses from these trades are generated from the differences between the local currency values achieved on the trades versus the currency translation rate as at the time of the trade. All local currency obtained from these spot currency trades are utilized wholly and exclusively for the purchase of raw materials, spare parts and other operational inputs required to support and maintain local operations.

In Thousands of United States dollars, except where noted

5. PROFIT FROM OPERATIONS (continued)

5c. AMORTIZATION AND DEPRECIATION

	Year Ended December 31, 2024	2023
Amortization and depreciation - mining and operational assets - owned assets	**26,874**	22,778
Amortization and depreciation - mining and operational assets - right-of-use assets	**4,641**	4,639
Amortization and depreciation – owned assets	**1,052**	680
Amortization and depreciation – right-of-use assets	**147**	143
	$ 32,714	$ 28,240

5d. OTHER ADMINISTRATION EXPENSES

	Year Ended December 31, 2024	2023
Employee compensation	**3,439**	3,883
Professional services	**1,725**	1,895
Other corporate expenses	**5,176**	4,968
	$ 10,340	$ 10,746

5e. INTEREST EXPENSE AND NET LOSS ON FINANCIAL LIABILITIES DESIGNATED AS AT FVTPL

	Note	Year Ended December 31, 2024	2023
Interest on loan from the Africa Finance Corporation	10	**4,100**	5,735
Interest on deferred element of EPC contract	10	**446**	738
Interest on leases	8	**757**	1,078
Interest on provisions	11	**54**	47
Other		**140**	231
Interest expense		**5,497**	7,829
Fair value movements on Gold stream liability	9	**3,976**	5,245
Net loss on financial liabilities designated as at FVTPL		**3,976**	5,245

5f. BUY-OUT OF GOLD SALE AGREEMENT OPTION

On April 15, 2020, SROL entered into the Offtake Agreement for the Sale and Purchase of Gold (“Offtake Agreement”) with the AFC. The Offtake Agreement gave the AFC the right to purchase up to 89.73%, to a maximum of 375,376 ounces of SROL’s gold production at a “Low Reference Price,” being the lowest gold price per the London Bullion Market Association (“LBMA”) platform over an 8-day look back period from the date of delivery of the gold.

In November 2023, the Group exercised and paid off the buy-out option contained in the Offtake Agreement valued at $3,154,454, which was also deemed to be its fair value at that date.

In Thousands of United States dollars, except where noted

5. PROFIT FROM OPERATIONS (continued)
5g. INCOME TAX

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% (2023 - 27%) to the effective tax rate is as follows:

		Year Ended December 31,	
		2024	2023
Profit before income taxes		**91,170**	10,869
Expected income tax (recovery) expense		24,616	2,935
Effect of differences in tax rates globally[1]		3,188	867
Mining convention benefits[2]		(31,515)	(5,277)
Nigerian education tax		2,865	470
Non-deductible expenses		-	95
Change in tax benefits not recognized		847	910
Income tax credit/(charge)	**$**	**-**	**-**

1 Rate differential reflects the difference between tax expense calculated at the domestic tax rate of 27%, and the tax expense/(recovery) calculated using the statutory tax rate applicable to each entity, of which some are in low tax rate jurisdictions.

2 The Group benefits from a tax holiday at its Segilola mine as detailed below.

During the years ended December 31, 2024, and 2023 the Canadian federal corporate income tax rate remained unchanged at 15%. The British Columbia provincial corporate income tax rate also remained unchanged at 12%.

The Senegalese, Burkina Faso and Cote D'Ivoire income tax rates remained unchanged at 30%, 28% and 25% respectively.

The Nigerian corporate income tax rate remained unchanged at 30% however the Group benefits from a corporate tax holiday at its Segilola mine whereby earnings generated by SROL are not subjected to tax in Nigeria.

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	December 31, 2024	December 31, 2023
Property, plant & equipment	**(6)**	(6)
Unrealized losses from revaluation of assets	**226**	180
Share issuance costs	**3**	184
Canadian development expenses	**7**	10
Non-capital losses carried forward	**21,545**	18,266
Net capital tax losses carried forward	**28**	28
Other temporary differences	**397**	403
	22,200	19,065

The Company has available non-capital losses in Canada of approximately $21.5 million (2023: $18.3 million). These non-capital losses may be utilized to offset future taxable income and have carry forward periods of up to 20 years, with expiration periods ranging from 2026 to 2044.

Given the corporate tax holiday granted to the Segilola mine in Nigeria, no deferred tax is recognized on temporary differences related to SROL.

In Thousands of United States dollars, except where noted

6. INVENTORY

	December 31, 2024	December 31, 2023
Current:		
Plant spares and consumables	**11,123**	8,682
Gold ore in stockpile	**20,058**	20,768
Gold in CIL	**4,260**	8,405
Gold doré	**5,663**	3,915
	41,104	41,770
Non-current:		
Gold ore in stockpile	**57,124**	15,891
	57,124	**15,891**

The cost of inventories recognized as expense in the year ended December 31, 2024 was $46.0 million and was included in cost of sales (December 31, 2023 - $69.7 million)

7. TRADE AND OTHER RECEIVABLES

		December 31, 2024	December 31, 2023
Current:			
Advance deposits to vendors		**1,654**	5,770
Prepaid expenses		**1,991**	607
Other receivables		**377**	281
Other prepayments		**539**	1,273
	$	**4,561**	7,931
Non-current:			
Deposits		**208**	213
Other prepayments		**-**	8
	$	**208**	221

Included in advance deposits to vendors are payment deposits towards key equipment, materials and spare parts, with longer lead times to delivery, which are of critical importance to maintain efficient operations of the mine and process plant. These were made to mitigate against price volatility and inflation currently affecting the sector.

In Thousands of United States dollars, except where noted

8. LEASES

Leases relate principally to corporate offices and the mining fleet at the Segilola mine. Corporate offices are depreciated over 5 years and mining fleet over the life of mine of Segilola.

The key impacts on the consolidated statements of comprehensive income and the Statement of Financial Position for the year ended December 31, 2024, were as follows:

	Right-of-use asset	Lease liability	Income statement
Carrying value December 31, 2023	12,096	(11,490)	
Depreciation	(4,788)	-	(4,788)
Interest	-	(757)	(757)
Lease payments	-	5,032	-
Foreign exchange movement	(6)	5	5
Carrying value at December 31, 2024	7,302	(7,210)	(5,540)
Current liability		(4,818)	
Non-current liability		(2,392)	

The key impacts on the consolidated statements of comprehensive income and the Statement of Financial Position for the year ended December 31, 2023, were as follows:

	Right-of-use asset	Lease liability	Income statement
Carrying value December 31, 2022	16,849	(15,409)	
New leases entered into during the period	-	-	-
Depreciation	(4,782)	-	(4,782)
Interest	-	(1,078)	(1,078)
Lease payments	-	5,027	-
Foreign exchange movement	29	(30)	(30)
Carrying value at December 31, 2023	12,096	(11,490)	(5,890)
Current liability		(4,820)	
Non-current liability		(6,670)	

In Thousands of United States dollars, except where noted

9. GOLD STREAM LIABILITY

Gold stream liability

	December 31, 2024	**December 31, 2023**
Balance at beginning of period	**20,043**	25,040
Repayments	**(14,661)**	(10,241)
Fair value movements	**3,976**	5,244
Balance at end of period	**9,358**	20,043
Current liability	**9,358**	12,343
Non-current liability	**-**	7,700

On April 29, 2020, the Group announced the closing of project financing for its flagship Segilola Gold Project (“Segilola”) in Osun State, Nigeria. The financing included a $21.0 million gold stream upfront deposit (“the Prepayment") over future gold production at Segilola under the terms of a Gold Purchase and Sale Agreement (“GSA”) entered into between the Group’s wholly owned subsidiary SROL and the AFC. The Prepayment is secured over the shares in SROL as well as over SROL’s assets and is not subject to interest. The initial term of the GSA is for ten years with an automatic extension of a further ten years. The AFC will receive 10.27% of gold production from the Segilola ML41 mining license until the $21 million Prepayment has been repaid in full. Thereafter the AFC will continue to receive 10.27% of gold production from material mined within the ML41 mining license until a further $26.25 million is received, representing a total money multiple of 2.25 times the value of the Prepayment, at which point the GSA will terminate. The AFC are not entitled to receive an allocation of gold production from material mined from any of the Group’s other gold tenements under the terms of the GSA.

The $26.25 million represents interest on the Prepayment. A calculation of the implied interest rate was made as at drawdown date with interest being apportioned over the expected life of the Stream Facility. The principal input variables used in calculating the fair value and repayment profile were the production profile and gold price. The future gold price estimates were based on market forecast reports for the years 2024 to 2025 and, the production profile was based on the latest budgets and life of mine plan model. The liability is re-estimated on a periodic basis to include changes to the production profile, any extension to the life of mine plan and movement in the gold price. Any changes to the fair value of the liability are charged through the Consolidated Statements of Income (Loss).

Fair value movements of $3.9 million were recognized for the year ended December 31, 2024 (2023: $5.2 million) and have been charged to the consolidated statement of comprehensive income.

In December 2021, the Group entered into a cash settlement agreement with the AFC where the gold sold to the AFC is settled in a net-cash sum payable to the AFC instead of delivery of bullion in repayment of the gold stream arrangement. Refer to Note 3d for further information on the accounting treatment of the gold stream liability.

As of December 31, 2024, accounts payable includes a balance of $18.2 million related to amounts owed to AFC for gold already sold under the GSA (December 31, 2023 - $15.6 million).

The fair value of the liability is calculated by present value techniques as per the income approach in accordance with “IFRS 13 Fair value measurement”.

Key inputs to the valuation include:

- Production profiles based on Segilola life-of-mine forecasts
- Gold price ranging from $2,671/oz to 2,691/oz
- Discount rate of 28%

In Thousands of United States dollars, except where noted

10. LOANS AND BORROWINGS

	December 31, 2024	December 31, 2023
Current liabilities:		
Loans from the Africa Finance Corporation	**-**	20,361
Deferred element of EPC contract	**860**	2,887
	860	23,248
Non-current liabilities:		
Loans from the Africa Finance Corporation	**-**	-
Deferred element of EPC contract	**-**	518
	-	518

Loans from the Africa Finance Corporation

		December 31, 2024		December 31, 2023
Balance at beginning of period	**$**	**20,361**	$	24,460
Principal repayments		**(22,622)**		(5,776)
Interest paid		**(1,839)**		(3,931)
Arrangement fees		**-**		(127)
Unwinding of interest in the period		**4,100**		5,735
Balance at end of period	**$**	**-**	**$**	**20,361**
Current liability		**-**		20,361
Non-current liability		**-**		-

On December 1, 2020, the Group announced that its subsidiary Segilola Resources Operating Limited (“SROL”) had completed the financial closing of a $54.0 million project finance senior debt facility (“the Facility”) from the Africa Finance Corporation (“AFC”) for the construction of the Segilola Gold Project in Nigeria. The Facility is secured over the share capital of SROL and its assets, with repayments commencing in March 2023 and to conclude in March 2025.

Repayment of the aggregate Facility was made in instalments over a 36-month period by repaying an amount on a series of repayment dates, as set out in the Facility Agreement, which reduces the amount of the outstanding aggregate Facility by the amount equal to the relevant percentage of Loans borrowed as at the close of business in London on the date of Financial Close. Interest accrued at SOFR plus 9% and was payable on a quarterly basis in arrears.

In conjunction with the granting of the Facility, Thor issued 33,329,480 bonus shares to the AFC. Thor also incurred transaction costs of $4,664 in relation to the Facility. The fair value of the liability at inception was determined at $45,823 taking into account the transaction costs and equity component and recognized at amortized cost using an effective rate of interest, with the fair value of the shares issued in April 2020 of $5,666 recognized within equity. The remaining balance of the Facility was fully repaid in December 2024. As a result, as of December 31, 2024, there are no outstanding loan balances due to the AFC.

Deferred payment facility on EPC contract for the construction of the Segilola Gold Mine

The Group has constructed its Segilola Gold Mine through an engineering, procurement, and construction contract (“EPC Contract”) signed with Norinco International Cooperation Limited. The EPC Contract has been agreed on a lump sum turnkey basis which provides Thor with a fixed price of $67.5 million for the full delivery of design, engineering, procurement, construction, and commissioning of the proposed 715,000 ton per annum gold ore processing plant.

In Thousands of United States dollars, except where noted

10. LOANS AND BORROWINGS (continued)

The EPC Contract includes a deferred element ("the Deferred element of EPC contract") of 10% of the fixed price. As at December 31, 2024, a total of $0.9 million (December 31, 2023: $3.4 million) was deferred under the facility. The 10% deferred element is repayable in instalments over a 36-month period by repaying an amount on a series of repayment dates, as set out in the Deferred Payment Facility. Repayments commenced in March 2023 and will conclude in 2025. Interest on this element of the EPC deferred facility accrues at 8% per annum from the time the Facility taking-over Certificate was issued.

		December 31, 2024 Total		December 31, 2023 Total
Balance at beginning of period	$	**3,405**	$	3,683
Offset against EPC payment		**-**		-
Principal repayments		**(2,860)**		(732)
Interest paid		**(131)**		(284)
Unwinding of interest in the period		**446**		738
Balance period end	$	**860**	$	3,405
Current liability		**860**		2,887
Non-current liability		**-**		518

11. PROVISIONS

December 31, 2024		Other		Fleet demobilization costs		Restoration costs		Total
Balance at beginning of period	$	20	$	173	$	4,815	$	5,008
Unwinding of discount		-		-		54		54
Foreign exchange movements		(1)		-		-		(1)
Balance at period end	$	19	$	173	$	4,869	$	5,061
Current liability		-		-		-		-
Non-current liability		19		173		4,869		5,061

December 31, 2023		Other		Fleet demobilization costs		Restoration costs		Total
Balance at beginning of period	$	19	$	173	$	4,768	$	4,960
Unwinding of discount		-		-		47		47
Foreign exchange movements		1		-		-		1
Balance at period end	$	20	$	173	$	4,815	$	5,008
Current liability		-		-		-		-
Non-current liability		20		173		4,815		5,008

The restoration costs provision is for the site restoration at Segilola Gold Project in Osun State Nigeria. The value of the above provision is measured by unwinding the discount on expected future cash flows using a discount factor that reflects the credit-adjusted risk-free rate of interest.

It is expected that the restoration costs will be paid in US dollars, and as such US forecast inflation rates of 2.5% and the interest rate of 4.25% on 2-year US bonds were used to calculate the expected future cash flows, which are in line with the life of mine. The provision represents the net present value of the best estimate of the expenditure required to settle the obligation to rehabilitate environmental disturbances caused by mining operations at mine closure.

In Thousands of United States dollars, except where noted

The fleet demobilization costs provision is the value of the cost to demobilize the mining fleet upon closure of the mine.

12. PROPERTY, PLANT AND EQUIPMENT

	Segilola Mine			Other			
	Depletable	Non-Depletable	Assets under construction	Motor vehicles	Plant and machinery	Office furniture	Total
Costs							
Balance, January 1, 2023[1]	174,724	17	1,884	604	209	237	177,675
Transfers	1,884	-	(1,884)	-	-	-	-
Additions[2]	17,718	-	-	230	73	71	18,092
Foreign exchange movement	-	-	-	(111)	8	3	(100)
Balance, December 31, 2023[1]	194,326	17	-	723	290	311	195,667
Transfers	-	-	-	-	-	-	-
Additions[2]	3,974	-	-	-	11	31	4,016
Disposals	-	-	-	(65)	-	-	(65)
Foreign exchange movement	-	-	-	(84)	(17)	(25)	(126)
Balance, December 31, 2024	**198,300**	**17**	**-**	**574**	**284**	**317**	**199,492**
Accumulated depreciation and impairment losses							
Balance, January 1, 2023[1]	27,574	-	-	327	192	67	28,160
Depletion and depreciation	22,979	-		136	8	65	23,188
Foreign exchange movement				(55)	6	5	(44)
Balance, December 31, 2023[1]	50,553	-	-	408	206	137	51,304
Transfers	-	-	-	-	-	-	-
Depletion and depreciation	27,770	-	-	17	1	50	27,838
Disposals	-	-	-	(65)	-	-	(65)
Foreign exchange movement	-	-	-	(50)	(12)	(18)	(80)
Balance, December 31, 2024	**78,323**	**-**	**-**	**310**	**195**	**169**	**78,997**
Carrying amounts							
Balance, December 31, 2023	143,773	17	-	315	84	174	144,363
Balance, December 31, 2024	**119,977**	**17**	**-**	**264**	**89**	**148**	**120,495**

1 During the year ended December 31, 2024, the Group revised the presentation of the Property, Plant, and Equipment movements table to enhance clarity and alignment with internal reporting. While the format has changed, there has been no impact on the previously reported balances. Comparative figures have been presented accordingly for consistency.

a) Segilola production stripping costs

During the year ended December 31, 2024, the Company capitalized $0.7 million (2023: $9.4 million) of production stripping costs to the Segilola mine.

The depreciation expense related to production stripping costs deferred for the year ended December 31, 2024, was $2.4 million (year ended December 31, 2023 - $1.8 million).

Included in the Segilola mine balance at December 31, 2024, is $16.2 million (December 31, 2023 - $15.5 million) related to production stripping costs.

In Thousands of United States dollars, except where noted

13. INTANGIBLE ASSETS

The Group's intangible assets costs are as follows:

	Douta Gold Project, Senegal	Lithium exploration licenses	Gold exploratio n licenses	Other Exploration	Software	Total
Balance, December 31, 2022	**16,538**	**-**	**2,543**	**-**	**151**	**19,232**
Acquistion costs	-	508	61	-	-	569
Exploration costs	5,283	1,473	2,052	12	-	8,820
Additions	-	-	-	-	141	141
Amortisation	-	-	-	-	(129)	(129)
Impairment	-	-	-	(12)	-	(12)
Foreign exchange movement	898	-	(606)	-	-	292
Balance, December 31, 2023	**22,719**	**1,981**	**4,050**	**-**	**163**	**28,913**
Acquistion costs	120	-	50	-	-	170
Exploration costs	3,623	989	4,017	-	-	8,629
Additions	-	-	-	-	80	80
Amortisation	-	-	-	-	(109)	(109)
Impairment	-	-	-	-	-	-
Foreign exchange movement	(1,366)	-	(79)	-	-	(1,445)
Balance, December 31, 2024	**25,096**	**2,970**	**8,038**	**-**	**134**	**36,238**

a) Douta Gold Project, Senegal:

The Douta Gold Project consists of two gold exploration permits, E02038 and E03709, located within the Kéniéba inlier, eastern Senegal, which it is currently advancing to preliminary feasibility stage.

The Group is party to an option agreement (the "Option Agreement") with International Mining Company ("IMC"), by which the Group has acquired a 70% interest in the Douta Gold Project.

Pursuant to the terms of the Option Agreement, IMC's 30% interest will be a "free carry" interest until such time as the Group announces probable reserves on the Douta Gold Project (the "Free Carry Period"). Following the Free Carry Period, IMC must either elect to sell its 30% interest to African Star at a purchase price determined by an independent valuer commissioned by African Star or fund its 30% share of the exploration and operating expenses.

On April 3, 2024, the Group completed the acquisition of two additional licenses in southeast Senegal to further advance the Douta Gold Project. These include an up to 85% interest in the Douta-West Licence, located contiguous to the Douta Gold Project, for $120,000, and an up to 80% interest in the Sofita Licence, approximately 20 kilometers south of Douta. These strategic acquisitions have been fully paid during the year ended December 31, 2024 and are intended to enhance and expand the Group's ongoing exploration efforts in Douta Gold Project.

In Thousands of United States dollars, except where noted

13. INTANGIBLE ASSETS (continued)

b) Lithium exploration Licenses, Nigeria

As at December 31, 2024, the Group has over 600 km² of granted tenure in south-west Nigeria that covers both known lithium bearing pegmatite deposits and a large unexplored prospective pegmatite-rich belt.

c) Gold exploration Licenses

Nigeria
As at December 31, 2024, the Group's gold exploration tenure in Nigeria currently primarily comprises 16 wholly owned exploration licenses and 13 partnership exploration licenses. Together with the mining lease over the Segilola Gold Deposit, Thor's total gold exploration tenure amounts to 1,697 km².

Cote D'Ivoire
In addition, during the year ended in December 31, 2024 the Group expanded its operations into Cote d'Ivoire via the agreements detailed below:

Guitry

The Group signed a binding sale and purchase agreement ("SPA") with Endeavour Mining Corporation ("Endeavour") to acquire a 100% interest in the Guitry Gold Exploration Project ("Guitry").

The acquisition is still subject to the completion of certain conditions precedent including final approval of the Minister of Mines. The total consideration for the acquisition is a cash payment of US$100,000 in cash at completion and a 2% Net Smelter Royalty.

Boundiali

The Group entered into an option agreement with Goldridge Resources SARL to acquire up to 80% interest in the Boundiali Exploration Permit. This early-stage gold exploration project is located in northwest Côte d'Ivoire and comprises a 160 km² exploration permit.

Marahui

The Group entered into an option agreement with Compagnie Africaine de Recherche et d'Exploitation Minière ("CAREM") to acquire up to 80% interest in the Marahui permit. The permit covers an area of approximately 250 km² in the Bondoukou region in northeastern Côte d'Ivoire, approximately 450 km from Abidjan. The Group paid an initial consideration of US$50,000 in cash.

14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2024	December 31, 2023
Accounts payable	**46,273**	58,713
Accrued liabilities	**2,523**	14,116
Other payables	**171**	1,945
	48,967	74,774

Accounts payable and accrued liabilities are classified as financial liabilities and approximate their fair values.

In Thousands of United States dollars, except where noted

15. DEFERRED REVENUE

	December 31, 2024	December 31, 2023
Deferred revenue	**4,463**	11,839

The deferred revenue for the years ended December 31, 2024, and 2023 relates to cash received in advance of delivery of gold and not yet recognized as revenue.

The advance sales as at December 31, 2024, represents 2,000 oz of gold that was delivered in January 2025 (2023: 5,928 oz delivered in January 2024).

16. CAPITAL AND RESERVES

a) Authorized

Unlimited common shares without par value.

b) Issued

	December 31, 2024 Number	**December 31, 2024 $**	**December 31, 2023 Number**	**December 31, 2023 $**
As at start of the year	656,064,724	81,491	644,696,185	80,440
Issue of new shares:				
- Share options exercised[1 2]	1,000,000	142	11,368,539	1,051
	657,064,724	81,633	656,064,724	81,491

1. Value of:

1,000,000 options exercised at a price of CAD$0.20 per share on November 22, 2024;

2. Value of:

1,500,000 options exercised at a price of CAD$0.145 per share on June 5, 2023;

9,118,539 options exercised at a price of CAD$0.145 per share on June 14, 2023; and,

750,000 options exercised at a price of CAD$0.14 per share on September 28, 2023

c) Share-based compensation

Stock option plan

The Group has granted directors, officers and consultants share purchase options. These options were granted pursuant to the Group's stock option plan.

Under the current Share Option Plan, 44,900,000 common shares of the Company are reserved for issuance upon exercise of options.

All of the stock options granted were vested as at the balance sheet date. These options did not contain any market conditions and the fair value of the options were charged to the consolidated statements of comprehensive income or capitalized as to assets under construction in the period where granted to personnel whose cost is capitalized on the same basis

The following is a summary of changes in stock options from January 1, 2024, to December 31, 2024, and the outstanding and exercisable options at December 31, 2024:

In Thousands of United States dollars, except where noted

16. CAPITAL AND RESERVES (continued)

Grant Date	Expiry Date	Exercise Price	Contractual Lives Remaining (Years)	January 1, 2024 Opening Balance	During the year Granted	Exercised	Expired / Forfeited	December 31, 2024 Closing Balance	December 31, 2024 Number of Options Vested and Exercisable
January 16, 2020	January 16, 2025	$0.20	0.04	14,040,000	-	(1,000,000)	-	13,040,000	13,040,000
Totals			**0.04**	**14,040,000**	**-**	**(1,000,000)**	**-**	**13,040,000**	**13,040,000**
Weighted Average Exercise Price				**$0.200**	**-**	**$0.200**	**-**	**$0.200**	**$0.200**

In Canadian dollars

The following is a summary of changes in options from January 1, 2023, to December 31, 2023, and the outstanding and exercisable options at December 31, 2023:

Grant Date	Expiry Date	Exercise Price	Remaining (Years)	Opening Balance	Granted	Exercised	Expired / Forfeited	Closing Balance	Vested and Exercisable
March 12, 2018	June 15, 2023	$0.145	-	12,111,000	-	(12,111,000)	-	-	-
October 5, 2018	October 5, 2023	$0.14	-	750,000	-	(750,000)	-	-	-
January 16, 2020	January 16, 2025	$0.20	1.05	14,040,000	-	-	-	14,040,000	14,040,000
Totals			**1.05**	**26,901,000**	**-**	**(12,861,000)**	**-**	**14,040,000**	**14,040,000**
Weighted Average Exercise Price				**$0.174**	**-**	**-**	**-**	**$0.200**	**$0.200**

In Canadian dollars

d) Nature and purpose of equity and reserves

The reserves recorded in equity on the Group's statement of financial position include 'Option reserve,' 'Currency translation reserve,' 'Retained earnings'.'

'Option reserve' is used to recognize the value of stock option grants prior to exercise or forfeiture.

'Currency translation reserve' is used to recognize the exchange differences arising on translation of the assets and liabilities of foreign branches and subsidiaries with functional currencies other than US dollars.

'Retained earnings' is used to record the Group's accumulated earnings.

17. EARNINGS PER SHARE

Diluted earnings per share was calculated based on the following:

	December 31, 2024	December 31, 2023
Basic weighted average number of shares outstanding	**656,171,573**	**650,707,714**
Stock options	3,044,459	4,492,876
Diluted weighted average number of shares outstanding	659,216,032	**655,200,590**
Total common shares outstanding	**657,064,724**	**656,064,724**
Total potential diluted common shares	**670,104,724**	**670,104,724**

In Thousands of United States dollars, except where noted

18. RELATED PARTY DISCLOSURES

A number of key management personnel, or their related parties, hold or held positions in other entities that result in them having control or significant influence over the financial or operating policies of the entities outlined below.

a) Trading transactions

The Africa Finance Corporation ("AFC") is deemed to be a related party given the size of its shareholding in the Company. There have been no other transactions with the AFC other than the Gold Stream liability as disclosed in Note 9, and the secured loan as disclosed in Note 10.

b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year ended December 31, 2024, and 2023 were as follows:

			Year Ended December 31,		
			2024		**2023**
Salaries and bonuses					
Current directors and officers	(i) (ii)	$	**1,487**	$	1,673
Directors' fees					
Current directors and officers	(i) (ii)		**482**		456
		$	**1,969**	$	2,129

(i) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the years ended December 31, 2024, and 2023.

(ii) The Group paid consulting and director fees to both individuals and private companies controlled by directors and officers of the Group for services. Accounts payable and accrued liabilities at December 31, 2024, include $85 (December 31, 2023 - $82) due to directors or private companies controlled by an officer and director of the Group. Amounts due to or from related parties are unsecured, non-interest bearing and due on demand.

19. FINANCIAL INSTRUMENTS

The Group's financial instruments consist of cash, amounts receivable, accounts payable, accrued liabilities, gold stream liability, loans and other borrowings and lease liabilities.

Fair value of financial assets and liabilities
Fair values have been determined for measurement and/or disclosure purposes. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amount for cash, amounts receivable, and accounts payable, accrued liabilities, loans and borrowings and lease liabilities on the statement of financial position approximate their fair value because of the limited term of these instruments.

Financial risk management objectives and policies
The Group has exposure to the following risks from its use of financial instruments

- Interest rate risk
- Credit risk
- Liquidity and funding risk

In Thousands of United States dollars, except where noted

- Market risk

19. FINANCIAL INSTRUMENTS (continued)

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in these notes.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

Financial instruments by category
The accounting policies for financial instruments have been applied to the line items below:

December 31, 2024	Measured at amortized cost	Measured at fair value through profit and loss	Total
Assets			
Cash and cash equivalents	12,040	-	12,040
Amounts receivable	377	-	377
Total assets	**12,417**	**-**	**12,417**
Liabilities			
Accounts payable and accrued liabilities	48,967	-	48,967
Loans and borrowings	860	-	860
Gold stream liability	-	9,358	9,358
Lease liabilities	7,210	-	7,210
Other financial liabilities	-	1,900	1,900
Total liabilities	**57,037**	**11,258**	**68,295**

December 31, 2023	Measured at amortized cost	Measured at fair value through profit and loss	Total
Assets			
Cash and cash equivalents	7,840	-	7,840
Amounts receivable	281	-	281
Total assets	**8,121**	**-**	**8,121**
Liabilities			
Accounts payable and accrued liabilities	74,774	-	74,774
Loans and borrowings	23,766	-	23,766
Gold stream liability	-	20,043	20,043
Lease liabilities	11,490	-	11,490
Total liabilities	**110,030**	**20,043**	**130,073**

In Thousands of United States dollars, except where noted

19. FINANCIAL INSTRUMENTS (continued)

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows will be impacted by changes in market interest rates as the Group's secured loans from the AFC incur Interest at Secured Overnight Financing Rate ("SOFR") plus 9% (Refer to Note 10). The Group's management monitors the interest rate fluctuations on a continuous basis and assesses the impact of interest rate fluctuations on the Group's cash position and acts to ensure that sufficient cash reserves are maintained in order to meet interest payment obligations.

The following table discusses the Group's sensitivity to a 5% increase or decrease in interest rates:

	Interest rate Appreciation By 5%	Interest rate Depreciation By 5%
December 31, 2024		
Comprehensive income (loss)		
Financial assets and liabilities	$ nil	$ nil
December 31, 2023		
Comprehensive income (loss)		
Financial assets and liabilities	$ (622)	$ 622

Credit risk

Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations.

The Group manages the credit risk associated with cash by investing these funds with highly rated financial institutions, and by monitoring its concentration of cash held in any one institution. As such, the Group deems the credit risk on its cash to be low. At December 31, 2024, 1% of the Group's cash balances were invested in AAA rated financial institutions (2023: 1%), 86% in AA+ rated financial institutions (2023: nil), 1% in AA rated financial institutions (2023: 77%), 3% in AA- rated financial institutions (2023: 1%), 6% in A rated financial institutions (2023: 1%), 2% in BBB rated financial institutions (2023: nil) and 1% in B-rated institutions (2023: 3%).

The Group sells its gold to large international organizations with strong credit ratings, and the historical level of customer defaults is minimal. As a result, the credit risk associated with gold trade receivables at December 31, 2024 is considered to be negligible.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at December 31, 2024, and December 31, 2023, were as follows:

	December 31, 2024	December 31, 2023
Cash	$ 12,040	$ 6,688
Trade and other receivables	377	281
Total	**$ 12,417**	**$ 6,969**

In Thousands of United States dollars, except where noted

19. FINANCIAL INSTRUMENTS (continued)

Liquidity and funding risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Group's holdings of cash. The Group's cash is held in business accounts and is available on demand.

In the normal course of business, the Group enters into contracts and performs business activities that give rise to commitments for future minimum payments.

The following table summarizes the Group's significant remaining contractual maturities for financial liabilities at December 31, 2024, and December 31, 2023.

Contractual maturity analysis as at December 31, 2024

	Less than 3 months $	3 – 12 Months $	1 – 5 Year $	Longer than 5 years $	Total $
Accounts payable and accrued liabilities	47,684	1,283	-	-	48,967
Lease liabilities	1,214	3,641	2,427	-	7,282
Gold stream liability	6,534	3,447	-	-	9,981
Loans and borrowings	-	932	-	-	932
Other liabilities	1,900	-	-	-	1,900
	57,332	**9,303**	**2,427**	**-**	**69,062**

Contractual maturity analysis as at December 31, 2023

	Less than 3 months $	3 – 12 Months $	1 – 5 Year $	Longer than 5 years $	Total $
Accounts payable and accrued liabilities	55,368	1,002	-	-	56,370
Lease liabilities	1,256	3,767	12,682	-	17,705
Gold stream liability	2,987	8,476	23,420	-	34,883
Loans and borrowings	1,642	4,810	33,337	-	39,789
	61,253	**18,055**	**69,439**	**-**	**148,747**

Market risk

The Group is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Group manages its operations in order to minimize exposure to these risks, the Group has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

a) Foreign currency risk

The Group seeks to manage its exposure to this risk by holding its cash balances in the same denomination as that of the majority of expenditure to be incurred. The Group also seeks to ensure that the majority of expenditure and cash of individual subsidiaries within the Group are denominated in the same currency as the functional currency of that subsidiary.

In Thousands of United States dollars, except where noted

19. FINANCIAL INSTRUMENTS (continued)

The Group's loan facilities, certain exploration expenditures, certain acquisition costs and operating expenses are denominated in United States Dollars, Nigerian Naira, UK Pounds Sterling and West African Franc. The Group's exposure to foreign currency risk arises primarily on fluctuations between the United States Dollar and the Canadian Dollar, Nigerian Naira, UK Pounds Sterling and West African Franc. The Group has not entered into any derivative instruments to manage foreign exchange fluctuations. The Group does enter into foreign exchange agreements during the ordinary course of operations in order to ensure that it has sufficient funds in order to meet payment obligations in individual currencies. These agreements are entered into at agreed rates and are not subject to exchange rate fluctuations between the agreement and settlement dates.

The following table shows the currency of net monetary assets and liabilities by functional currency of the underlying companies for the year ended December 31, 2024:

	Functional Currency			
	US dollar	Nigerian Naira	West African Franc	Total
Currency of net monetary asset/(liability)	December 31, 2024 USD$	December 31, 2024 USD$	December 31, 2024 USD$	December 31, 2024 USD$
Canadian dollar	(240)	-	-	(240)
US dollar	(52,645)	-	-	(52,645)
Pound Sterling	(216)	-	-	(216)
Nigerian Naira	(2,637)	(35)	-	(2,672)
West African Franc	49	-	83	132
Euro	(407)	-	-	(407)
Australian dollar	(82)	-	-	(82)
Total	(56,178)	(35)	83	(56,130)

The following table shows the currency of net monetary assets and liabilities by functional currency of the underlying companies for the year ended December 31, 2023:

	Functional Currency			
	US dollar	Nigerian Naira	West African Franc	Total
Currency of net monetary asset/(liability)	December 31, 2023 USD$	December 31, 2023 USD$	December 31, 2023 USD$	December 31, 2023 USD$
Canadian dollar	(23)	-	-	(23)
US dollar	(121,109)	-	-	(121,109)
Pound Sterling	(349)	-	-	(349)
Nigerian Naira	(616)	70	-	(546)
West African Franc	-	-	12	12
Euro	143	-	-	143
Australian dollar	(81)	-	-	(81)
Total	(122,035)	70	12	(121,953)

In Thousands of United States dollars, except where noted

19. FINANCIAL INSTRUMENTS (continued)

The following table discusses the Group's sensitivity to a 5% increase or decrease in the United States Dollar against the Nigerian Naira:

December 31, 2024		United States Dollar Appreciation By 5%		United States Dollar Depreciation By 5%
Comprehensive income (loss)				
Financial assets and liabilities	$	126	$	(126)
December 31, 2023				
Comprehensive income (loss)				
Financial assets and liabilities	$	113	$	(113)

20. CAPITAL MANAGEMENT

The Group manages, as capital, the components of shareholders' equity. The Group's objectives, when managing capital, are to safeguard its ability to continue as a going concern in order to develop and its mineral interests through the use of capital received via the issue of common shares and via debt instruments where the Board determines that the risk is acceptable and, in the shareholders' best interest to do so.

The Group manages its capital structure, and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Group may attempt to issue common shares, borrow, acquire or dispose of assets or adjust the amount of cash.

21. CONTRACTUAL COMMITMENTS AND CONTINGENT LIABILITIES

Contractual Commitments
The Group has no contractual obligations that are not disclosed on the consolidated statement of financial position.

Contingent liabilities
The Group is involved in various legal proceedings arising in the ordinary course of business. Management has assessed these contingencies and determined that, in accordance with International Financial Reporting Standards, all cases are considered remote. As a result, no provision has been made in the financial statements for any potential liabilities that may arise from these legal proceedings.

Although the Group believes that it has valid defenses in these matters, the outcome of these proceedings is uncertain, and there can be no assurance that the Group will prevail in these matters. The Group will continue to assess the likelihood of any loss, the range of potential outcomes, and whether or not a provision is necessary in the future, as new information becomes available.

Based on the information available, the Group does not believe that the outcome of these legal proceedings will have a material adverse effect on the financial position or results of operations of the Group. However, there can be no assurance that future developments will not materially affect the Group's financial position or results of operations.

21. CONTRACTUAL COMMITMENTS AND CONTINGENT LIABILITIES (continued)

Osun State Tax Dispute

On September 30, 2024 the representatives of Osun State served a notice to the Group`s subsidiary, Segilola Resources Operating Limited ("SROL") from a state magistrates court to seal the Segilola Mine site over unpaid outstanding taxes amounting to N98,347,105 (approximately US$61,900). SROL paid the full outstanding amount, under protest, despite not being given the stipulated 30 days to review.

Following this, the Minister of Mines in Nigeria commissioned a fact-finding committee (the "Committee") to look into the claims made by the Osun State Government.

Subsequent to the period, a meeting was held on the March 25, 2025 in Abuja with all relevant parties, the report was formally released to the Group. Importantly, the report affirmed the Group's compliance with its legal and regulatory obligations, and that the allegations of wrongdoing were unfounded. The full report can be found on the Group's website.

SROL continues to engage with the Osun State Government through the appropriate legislative processes to ensure that tax assessments are conducted in accordance with applicable laws. Management does not expect any material impact on the Group's financial statements as a result of these ongoing discussions. Updates will be provided once a final and undisputed assessment is agreed upon.

In Thousands of United States dollars, except where noted

22. SEGMENTED DISCLOSURES

Segment Information

The Group's operations comprise three reportable segments, the Segilola Mine Project, Exploration Projects, and Corporate. These three reporting segments have been identified based on operational focuses of the Group following the decision to develop the Segilola Mine Project. The following table provides the Group's results by operating segment in the way information is provided to and used by the Group's chief operating decision maker, which is the CEO, to make decisions about the allocation of resources to the segments and assess their performance.

December 31, 2024	**Segilola Mine Project**	**Exploration Projects**	**Corporate**	**Total**
Current assets	**56,349**	**325**	**1,031**	**57,705**
Non-current assets				
Inventory	57,124	-	-	57,124
Deferred income tax assets	-	-	-	-
Prepaid expenses, advances and deposits	-	-	208	208
Right-of-use assets	6,952	-	350	7,302
Property, plant and equipment	119,992	427	76	120,495
Intangible assets	134	36,104	-	36,238
Total assets	**240,551**	**36,856**	**1,665**	**279,072**
Non-current asset additions	**4,054**	**8,841**	**-**	**12,895**
Liabilities	**76,347**	**178**	**1,294**	**77,819**
Profit (loss) for the period	**96,111**	**(121)**	**(4,818)**	**91,172**
- revenue	193,130	-	-	193,130
- production costs	(45,970)	-	-	(45,970)
- royalties	(1,156)	-	-	(1,156)
- amortization and depreciation	(32,520)	(1)	(193)	(32,714)
- other administration expenses	(5,595)	(120)	(4,625)	(10,340)
- impairments	-	-	-	-
- interest expense	(9,473)	-	-	(9,473)

Non-current assets by geographical location:

December 31, 2024	**Senegal**	**Cote D`Ivoire**	**Nigeria**	**United Kingdom**	**Total**
Inventory	-	-	57,124	-	57,124
Trade and other receivables	-	-	-	208	208
Right-of-use assets	-	-	6,952	350	7,302
Property, plant and equipment	401	-	120,018	76	120,495
Intangible assets	25,096	589	10,553	-	36,238
Total non-current assets	25,497	589	194,647	634	221,367

In Thousands of United States dollars, except where noted

22. SEGMENTED DISCLOSURES (continued)

December 31, 2023		Segilola Mine Project		Exploration Projects		Corporate		Total
Current assets	$	**56,791**	$	**149**	$	**601**	$	**57,541**
Non-current assets								
Inventory		15,891		-		-		15,891
Deferred income tax assets		-		89		-		89
Prepaid expenses, advances and deposits		10		-		211		221
Right-of-use assets		11,594		-		502		12,096
Property, plant and equipment		143,790		455		118		144,363
Intangible assets		3,050		25,863		-		28,913
Total assets	**$**	**231,126**	**$**	**26,556**	**$**	**1,432**	**$**	**259,114**
Non-current asset additions	**$**	**33,345**	**$**	**7,599**	**$**	**52**	**$**	**40,996**
Liabilities	**$**	**(145,299)**	**$**	**(149)**	**$**	**(1,472)**	**$**	**(146,920)**
Profit (loss) for the period	**$**	**15,713**	**$**	**(44)**	**$**	**(4,800)**	**$**	**10,869**
- revenue		141,245		-		-		141,245
- production costs		(69,675)		-		-		(69,675)
- royalties		(1,866)		-		-		(1,866)
- amortization and depreciation		(28,049)		(6)		(185)		(28,240)
- other administration expenses		(6,105)		(26)		(4,615)		(10,746)
- impairment		-		(12)		-		(12)
- interest expense		(13,074)		-		-		(13,074)

Non-current assets by geographical location:

December 31, 2023	Senegal	British Virgin Islands	Nigeria	United Kingdom	Canada	Total
Inventory	-	-	15,891	-	-	15,891
Trade and other receivables	-	1	8	212	-	221
Right of use assets	-	-	11,594	502	-	12,096
Property, plant and equipment	409	-	143,836	115	3	144,363
Intangible	22,720	-	6,193	-	-	28,913
Total non-current assets	23,129	1	177,522	829	3	201,484

23. SUPPLEMENTAL CASH FLOW INFORMATION

	Year Ended December 31, 2024	2023
Non-cash items:		
Exploration & Evaluation assets expenditures	**29**	(20)
Proceeds from loans and borrowings	**2,302**	-