

Compass Gold Corporation
Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2023 and 2022

(Unaudited, Expressed in Canadian Dollars)

Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor, DMCL, LLP, has not performed a review of these unaudited condensed interim consolidated financial statements, in accordance with standards established by the Institute of Chartered Professional Accountants for a review of condensed interim consolidated financial statements by an entity's auditor.

Compass Gold Corporation

November 28, 2023

Compass Gold Corporation
Condensed interim consolidated statements of financial position
(Unaudited, expressed in Canadian dollars)

	Note	September 30 2023	December 31 2022
Assets			
Current assets			
Cash		\$ 252,578	\$ 338,501
Receivables	4,11	39,403	61,618
Prepays		121,636	75,582
Total Current Assets		413,617	475,701
Non-Current assets			
Exploration and evaluation asset	5,11	21,891,812	20,988,217
Equipment	6	33,450	41,146
Non-Current Assets		21,925,262	21,029,363
Total Assets		\$ 22,338,879	\$ 21,505,064
Liabilities			
Current liabilities			
Trade payables and accrued liabilities	7	\$ 469,831	\$ 206,657
Total current Liabilities		469,831	206,657
Convertible debenture	8	503,230	-
Total Liabilities		973,061	206,657
Shareholders' Equity			
Share capital	9	38,396,312	37,711,690
Share-based payment reserve	10	3,126,282	3,154,286
Contributed surplus		143,700	-
Obligation to issue shares		-	195,240
Deficit		(20,300,476)	(19,762,809)
Total Shareholders' Equity		21,365,818	21,298,407
Total Liabilities and Shareholders' Equity		\$ 22,338,879	\$ 21,505,064
Nature and continuance of operation	1		
Commitments related to project spending	5		

ON BEHALF OF THE BOARD

/s/ Larry Phillips

Larry Phillips, Chief Executive Office

/s/ Lou Nagy

Lou Nagy, Chief Financial Officer

Compass Gold Corporation
Condensed interim consolidated statements of comprehensive loss
(Unaudited, expressed in Canadian dollars)

	Three months ended		Nine months ended	
	September 30 2023	September 30 2022	September 30 2023	September 30 2022
	\$	\$	\$	\$
Expenses				
Management fees (Note 11)	109,000	109,664	329,839	334,812
Consulting fees	-	30,000	10,000	42,000
Listing and registration fees	8,054	20,032	23,558	41,140
Insurance	-	-	26,631	25,707
General office expenses	3,293	3,309	10,127	12,997
Professional fees	21,245	32,276	51,433	47,222
Travel	176	-	176	1,553
Interest and bank charges	315	302	2,208	1,665
Interest charges from convertible debenture	16,250	-	16,250	-
Accretion expense from convertible debenture	20,875	-	20,875	-
Share based payments (Note 10 & 11)	8,042	20,105	24,126	60,315
Foreign exchange (gain)loss	33,705	14,032	74,574	168,994
Total Expenses	220,955	229,720	589,797	736,405
Net and comprehensive loss	(220,955)	(229,720)	(589,797)	(736,405)
Loss per share –				
Basic and diluted (Note 8)	(0.005)	0.00	(0.01)	(0.01)
Weighted average number of shares outstanding -Basic and diluted (Note 8)	103,970,446	88,782,475	103,933,409	89,795,334

Compass Gold Corporation
Condensed Interim consolidated statements of changes in shareholders' equity
(Unaudited, expressed in Canadian dollars)

Share Capital								
	Note	Number of shares	Amount	Obligation to issue shares	Contributed Surplus	Share-based payment reserve	Deficit	Total Equity
Balance at December 31, 2021		86,511,778	\$ 36,762,777	\$ -	\$ -	\$ 3,973,874	\$ (17,709,888)	\$ 23,026,763
Shares issued pursuant to private placement	9(a)	7,298,668	948,827	-	-	145,973	-	1,094,800
Share issue costs	9(a)	-	(18,723)	-	-	-	-	(18,723)
Shares issued for services	9(b)	160,000	24,000	-	-	-	-	24,000
Share based compensation	10	-	-	-	-	60,315	-	60,315
Net and comprehensive loss for the period		-	-	-	-	-	(736,405)	(736,405)
Balance at September 30, 2022		93,970,446	\$ 37,716,881	-	-	\$ 4,180,162	\$ (18,446,293)	\$ 23,450,750
Share issue costs	9(a)	-	(5,191)	-	-	-	-	(5,191)
Subscription proceeds received in advance	9(c)	-	-	195,240	-	-	-	195,240
Share based compensation	10	-	-	-	-	20,105	-	20,105
Expired options		-	-	-	-	(933,783)	933,783	-
Expired broker warrants		-	-	-	-	(112,198)	112,198	-
Net and comprehensive loss for the period		-	-	-	-	-	(2,362,497)	(2,362,497)
Balance at December 31, 2022		93,970,446	\$ 37,711,690	195,240	-	\$ 3,154,286	\$ (19,762,809)	\$ 21,298,407
Shares issued pursuant to private placement	9(c)	10,000,000	700,000	(195,240)	-	0	-	504,760
Share issue costs	9(c)	-	(15,378)	-	-	-	-	(15,378)
Discount on convertible debenture	8	-	-	-	143,700	-	-	143,700
Expired broker warrants		-	-	-	-	(52,130)	52,130	-
Share based compensation	10	-	-	-	-	24,126	-	24,126
Net and comprehensive loss for the period		-	-	-	-	-	(589,797)	(589,797)
Balance at September 30, 2023		103,970,446	\$ 38,396,312	\$ -	\$ 143,700	\$ 3,126,282	\$ (20,300,476)	\$ 21,365,818

See accompanying notes to the condensed interim consolidated financial statements

Compass Gold Corporation
Condensed interim consolidated statement of cash flows
(Unaudited, expressed in Canadian dollars)

	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Cash flows used in operating activities		
Net loss for the period	\$ (589,797)	\$ (736,405)
Adjustments for items not affecting cash:		
Share based payments	24,126	60,315
Accretion expense	20,875	-
Changes in non-cash working capital items:		
Receivables and prepayments	22,215	(57,840)
Prepays	(46,054)	(13,268)
Trade payable and accrued liabilities	263,174	19,520
Cash flows used in operating activities	(305,461)	(727,678)
Cash flows from investing activities		
Acquisition of equipment	(3,123)	(847)
Exploration and evaluation expenditures	(892,776)	(1,039,875)
Cash flows used in investing activities	(895,899)	(1,040,722)
Cash flows from financing activities		
Net Proceeds from equity private placements	489,382	1,100,077
Net proceeds from convertible debenture	626,055	-
Cash flows from financing activities	1,115,437	1,100,077
Net change in cash	(85,923)	(668,323)
Cash, beginning of the period	338,501	1,070,415
Cash, end of the period	\$ 252,578	\$ 402,092

1. Nature and continuance of operations

Compass Gold Corporation (the "Company") was incorporated on July 1, 2002, under the laws of Alberta and subsequently continued into Ontario, Canada, and its principal activity is the acquisition and exploration of mineral properties. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "CVB.V". The registered office of the Company is located at 365 Bay Street, Toronto, Ontario, Canada, M5H 2S8.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company has incurred cumulative net losses of \$20,300,476 as at September 30, 2023. The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations and, upon successful results from its exploration activities, to be able to attain profitable operations. There is no guarantee that the Company will be able to complete any of the above objectives. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with available cash on hand and, if required, through the private placement of common shares. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Significant accounting policies and basis of preparation

Statement of Compliance with International Financial Reporting Standards

These condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies the Company reported in Note 2 and 3 in its audited annual consolidated financial statements for the year ending December 31, 2022. These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on November 28, 2023.

Basis of preparation

The condensed interim consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The condensed interim consolidated financial statements are presented in Canadian dollars unless otherwise noted.

The accounting policies have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

Comparative information

Certain amounts of the prior period balances have been reclassified to conform with the presentation of the current period financial statements.

Consolidation

The condensed interim consolidated financial statements include the accounts of the Company and its controlled entities. Details of the controlled entities are as follows:

	Country of incorporation	Percentage owned*	
		September 30 2023	December 31, 2022
Compass Gold Exploration	Canada	100%	100%
Exploration Azteca S.A De.C.V	Mexico	100%	100%
Mali Gold Exploration PTY LTD	Australia	100%	100%
SERM S.A.	Republic of Mali	100%	100%
REM S.A.	Republic of Mali	100%	100%
ML Commodities Mali S.A.	Republic of Mali	100%	100%
Mali Gold Exploration SARL	Republic of Mali	100%	100%
Compass Gold Mining SARL	Republic of Mali	100%	100%

*Percentage of voting power is in proportion to ownership.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Significant estimates and assumptions

The preparation of the Company's condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ from these estimates.

Areas requiring a significant degree of estimation relate to fair value measurements for financial instruments and stock-based compensation and other equity-based payments, the recoverability of its exploration and evaluation assets and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification of financial instruments; and,
- the determination of the functional currency of the parent company and its subsidiaries.

3. Adoption and future changes in accounting standards

Certain pronouncements were issued by the IASB that are mandatory for accounting years on or after January 1, 2023 or later years. Many are not applicable or do not have significant impact on the Company and have been excluded being reported.

4. Receivables

	September 30 2023	December 31 2022
Taxes recoverable	\$ 12,403	\$ 18,618
Other receivables (Note 10)	27,000	43,000
	\$ 39,403	\$ 61,618

5. Exploration and evaluation assets

	September 30 2023	December 31 2022
Acquisition of Sikasso Property	\$ 6,172,837	\$ 6,172,837
Exploration expenditure incurred and capitalized	17,951,975	17,048,380
less write down of exploration expenditure	(2,233,000)	(2,233,000)
	\$ 21,891,812	\$ 20,988,217

The exploration and evaluation assets comprise the Faraba-Koura, Ouassada, Kalé, Sankarani, Kourou, Lontola, Badogo, Kapélégué, Tiélouléna, Sankarani Est, Moribala, Koroféréla, N'Tjila and Kouma gold exploration permits, collectively referred to as the Sikasso Property. All permits are for properties located in Mali.

During the year ended December 31, 2022, the Company relinquished the permits for the Kalé and Kapélégué areas. As a result, the capitalized exploration costs of \$923,500 and acquisition costs of \$1,309,500 related to these permit areas have been written down to \$nil as December 31, 2022. A total of \$2,233,000 of mineral exploration costs and acquisition costs were written down and expensed for the year ended December 31, 2022.

The permits were all granted to subsidiaries of the Company or held in trust by third parties under binding memorandum of understanding for permit purchase. The permits are effective for three years, and the Company may renew the permits twice for additional three and nine years. In order to maintain these permits in good standing, the Company is required to incur minimum exploration expenditures on each of the permits.

During the ended December 31, 2021, the Company renewed the permits held to extend the life of the licenses in order to continue mineral exploration. As a result of this process, the permits have been renewed from their initial expiry date in fiscal 2021 to 2024. The Company commitment to exploration expenditures from the permit from 2021 to 2024 were as follows:

First year	\$2,019,918
Second year	\$3,255,738
Third year	\$4,264,710

In May 2012, Mali Gold Exploration PTY Ltd. ("MGE") granted certain shareholders who are now directors of the Company, a joint 2% Net Smelter Royalty over the Ouassada, Kalé, Sankarani, Kourou and Tiélouléna permits.

6. Equipment

Equipment consists of the following:

Cost	Machinery	Equipment	Total
Balance, December 31, 2021	\$ 238,637	\$ 73,421	\$ 312,058
Additions	-	915	915
Balance, December 31, 2022	\$ 238,637	\$ 74,336	\$ 312,973
Additions	-	3,123	3,123
Balance, September 30, 2023	\$ 238,637	\$ 77,459	\$ 316,096
Accumulated Depreciation	Machinery	Equipment	Total
Balance, December 31, 2021	\$ 207,016	\$ 44,577	\$ 251,593
Amortization	6,671	13,563	20,234
Balance, December 31, 2022	\$ 213,687	\$ 58,140	\$ 271,827
Amortization	-	10,819	10,819
Balance, September 30, 2023	\$ 213,687	\$ 68,959	\$ 282,646
Net Book Value	Machinery	Equipment	Total
December 31, 2022	\$ 24,950	\$ 16,196	\$ 41,146
September 30, 2023	\$ 24,950	\$ 8,500	\$ 33,450

Depreciation is included with exploration expenditure incurred and capitalized.

7. Trade payable and accrued liabilities

	September 30 2023	December 31 2022
Trade payables	\$ 302,120	\$ 29,043
Due to related parties (Note 10)	42,414	87,777
Accruals	125,297	89,837
	\$ 469,831	\$ 206,657

8. Convertible Debenture

On June 30, 2023, the Company completed convertible debenture issuance for gross proceeds of \$650,000 accompanied by the issuance of 3,250,00 common share purchase warrants. The terms of the convertible debentures allow for a conversion at \$0.08 per share at the option of the holder in the first year and for a conversion at \$0.10 in the second year, with an annual interest rate of 10% and for a term of 24 months from the date of closing. Each common share purchase warrants is exercisable by the holder to acquire one common share at price of \$0.10 for a period of 24 months.

Transaction costs included legal and filing fees as well as value for the 3,250,000 warrants issued to debenture holders. The fair value of the warrants was calculated using the Black Sholes valuation model with a value of \$143,700. In addition, the fair value of the convertible debenture conversion option was Nil. The aggregate transaction cost was recorded against the debenture and is being amortized over the life of the debenture and shown as accretion expense.

	September 30 2023	December 31 2022
Face value of debentures	\$ 650,000	\$ -
Transaction costs allocated to the convertible debenture	(167,645)	-
Accretion	20,875	-
	\$ 503,230	\$ -

9. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At September 30, 2023 there were 103,970,446 issued and fully paid common shares (December 31, 2022 – 93,970,446).

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the nine month ended September 30, 2023 was based on the loss attributable to common shareholders of \$589,797 (2022 - \$736,405) and the weighted average number of common shares outstanding of 103,933,409 (2022 – 89,795,334). For the three months ended September 30, 2023, basic and diluted loss per share was based on the loss attributable to common shareholders of \$220,955 (2022 - \$229,720) and the weighted average number of common shares outstanding of 103,970,446 (2022 – 88,782,475). Fully diluted loss per share did not include the effect of stock options and warrants outstanding as the effect would be anti-dilutive.

(a) Private Placement June 2, 2022

On June 2, 2022, the Company closed a private placement with gross proceeds of \$1,094,800 through the issue of 7,298,668 common shares and 7,298,668 common share purchase warrants at a price of \$0.15 per unit. Each share purchase warrant is exercisable into one common share at a price of \$0.30 per share until June 2, 2025. Included in the private placement, there were 25,000 units issued with a fair value of \$3,750 to settle management fees of \$3,750 and 25,000 units issued with a fair value of \$3,750 to settle accounts payable.

As part of the private placement, share issuance costs of \$23,914 were incurred for this private placement.

Insiders of the Company purchased an aggregate of 1,600,000 units for aggregate consideration of \$240,000.

(b) Issue of commons shares for services

During the year ended December 31, 2022, 160,000 commons shares were issued for services valued at \$24,000 with no gain or loss.

(c) Private placement January 4, 2023

On January 4, 2023, the Company issued a total of 10,000,000 common shares of the Company, at a price of \$0.07 per share, for aggregate gross proceeds of \$700,000. A portion of the gross proceeds, \$195,240 were received prior to December 31, 2022 and reported as obligation to issue shares.

As part of the private placement, share issuance costs of \$14,905 were for this private placement.

Insiders of the Company purchased an aggregate of 2,782,285 common shares for aggregate consideration of \$194,760.

Compass Gold Corporation
Notes to the condensed interim consolidated financial statements
For the three and nine months ended September 30, 2023 and 2022

Warrants

The changes in warrants during the nine months ended September 30, 2023 and the year ended December 31, 2022 are as follows:

	September 30, 2023		December 31, 2022	
	Number of warrants	Weighted average exercise price (\$)	Number of warrants	Weighted average exercise price (\$)
Warrants outstanding, beginning	7,298,668	0.30	-	-
Warrants issued	3,250,000	0.10	7,298,668	0.30
Warrants outstanding, ending	10,548,668	0.24	7,298,668	0.30

Details of warrants outstanding as at September 30, 2023 are as follows:

Expiry Date	Weighted average exercise price (\$)	Warrants Outstanding	Weighted average Contractual Life (Years)
June 2, 2025	0.30	7,298,668	1.68
June 30, 2025	0.10	3,250,000	1.76
	0.24	10,548,668	1.72

Broker warrants

The changes in broker warrants during the nine months ended September 30, 2023 and year ended December 31, 2022 are as follows:

	September 30, 2023		December 31, 2022	
	Number of warrants	Weighted average exercise price (\$)	Number of warrants	Weighted average exercise price (\$)
Warrants outstanding, beginning	526,500	0.20	1,192,500	0.20
Warrants expired	(526,500)	-	(666,000)	0.20
Warrants outstanding, ending	-	-	526,500	0.20

10. Reserves

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense until such time that the stock options or broker warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised and cancelled, the amount recorded is transferred to deficit.

Stock options

The Company has a stock option plan (the "Plan"), under which the Company may grant options to directors, officers, employees, and third-party service providers. Under the terms of the Plan, which was re-approved by the shareholders on August 29, 2023, the Company is authorized to issue a maximum of 10% of the issued and outstanding shares.

The purpose of the Plan is to attract, retain and motivate directors, officers, and certain third-party service providers by providing them with the opportunity to acquire a proprietary interest in the Company and benefit from its growth. The options granted under the Plan are non-assignable, have a term of up to 10 years and vest over years of up to two years from the date of issue.

The changes in options during the nine months ended September 30, 2023 and year ended December 31, 2022 are as follows:

	September 30, 2023		December 31, 2022	
	Number of options	Weighted average exercise price (\$)	Number of options	Weighted average exercise price (\$)
Options outstanding, beginning	3,226,000	0.34	5,251,000	0.40
Options granted	-	-	-	-
Options expired	-	-	(2,025,000)	0.50
Options outstanding, ending	3,226,000	0.34	3,226,000	0.34

Details of options outstanding as at September 30, 2023 are as follows:

Expiry Date	Weighted average exercise price (\$)	Options Outstanding	Options Exercisable	Weighted average Contractual Life (Years)
May 20, 2024	0.30	775,000	775,000	0.64
December 14, 2024	0.50	935,000	935,000	1.21
January 31, 2025	0.325	75,000	75,000	1.34
January 5, 2026	0.25	1,126,000	750,667	2.27
January 8, 2026	0.25	315,000	210,000	2.28
	0.34	3,226,000	2,745,667	1.55

During the nine month ended September 30, 2023, the Company granted no new stock options and recognized a total share-based payment expenses of \$24,126 from the vesting of options granted in prior years. During the year ended December 31, 2022, the Company granted no new stock option and recognized a total share-based payment expense of \$80,420 from the vesting of options granted.

11. Related party transactions

The Company considers its officers (CEO and CFO) and directors to be key management. Key management are those persons having authority and responsibility for planning, directing, and controlling activities, directly or indirectly, of the Company.

Related party balances

The following amounts due from/(to) related parties:

	September 30 2023	December 31 2022
Directors and officers of the Company – due to related parties (Note 7)	\$ 184,201	\$ 87,777
Directors and officers of the Company – subscription receivable and other receivable	-	(16,000)
	\$ 184,201	\$ 71,777

These amounts are unsecured, non-interest bearing and are payable on demand.

Related party transactions

The Company incurred the following transactions with directors and companies that are controlled by directors of the Company.

	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Management, officers and director fees	\$ 291,000	\$ 291,000
Share based payments (Note 9)	20,997	52,494
Management fees in exploration and evaluation asset (Note 5)	108,226	101,291
Total	\$ 420,223	\$ 444,785

12. Segmented information

Operating segments

The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties.

Geographic segments

The Company's exploration and evaluation assets are based solely in Mali.

13. Financial instruments and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in its bank account. The majority of cash is held in an account with a major bank in Canada. As the Company's cash is held by one bank, there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company has

secondary exposure to credit risk on its receivables. The taxes recoverable consists of refundable harmonized sales tax from the government. Credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

All of the Company's financial liabilities as at September 30, 2023 are due within one year of the financial period end date, except for the convertible debenture which has a term of two years from September 30, 2023.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's subsidiaries located in Mali are exposed to currency risk as it incurs expenditures that are denominated in the West African CFA Franc ("CFA"), which is the currency of Mali, while its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates.

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

	September 30 2023	December 31 2022
Cash	\$ 24,736	\$ 37,759
Trade payables	(95,153)	(14,043)
Net exposure	\$ (70,417)	\$ 23,716

Based on the above net exposures, as at September 30, 2023, a 10% change in the CFA franc exchange rate would impact the Company's net income by \$7,041 (December 31, 2022 – \$2,372).

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At September 30, 2023, The Company has cash earning interest at a low variable interest rate and debentures bearing interest at 10% per annum.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	September 30 2023	December 31 2022
Financial assets at FVTPL:		
Cash	\$ 252,578	\$ 338,501
Financial assets at amortized cost:		
Receivables	\$ 39,403	\$ 43,000

Financial liabilities included in the statement of financial position are as follows. All of the financial liabilities are reflected at amortized costs:

	September 30 2023	December 31 2022
Financial liabilities at amortized cost:		
Trade payables and due to related parties	\$ 323,475	\$ 116,820

Fair value

The carrying amounts for cash, receivables, trade payables and amounts due to related parties, approximate fair value due to their short-term nature.

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

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

Cash is measured using Level 1 inputs.

There were no transfers between levels during the nine month ended September 30, 2023.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of share and working capital.

There were no changes in the Company's approach to capital management during the year and the Company is not subject to any externally imposed capital requirements.