

Compass Gold Corporation
Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024 and 2023

(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 27, 2024

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

	Note	September 30 2024	December 31 2023
Assets			
Current assets			
Cash		\$ 19,630	\$ 125,901
Receivables	4	39,575	37,747
Prepays		12,138	50,293
Total Current Assets		71,343	213,941
Non-current assets			
Exploration and evaluation assets	5,11	22,590,020	22,110,285
Equipment	6	18,724	30,566
Non-Current Assets		22,608,744	22,140,851
Total Assets		\$ 22,680,087	\$ 22,354,792
Liabilities			
Current liabilities			
Trade payables and accrued liabilities	7,11	\$ 1,157,159	\$ 533,126
Total Current Liabilities		1,157,159	533,126
Convertible debenture	8	842,412	581,692
Total Liabilities		1,999,571	1,114,818
Shareholders' Equity			
Share capital	9	38,396,313	38,396,313
Share-based payment reserve	10	2,985,929	3,171,774
Contributed surplus		76,614	66,892
Obligation to issue shares		-	-
Deficit		(20,778,340)	(20,395,005)
Total Shareholders' Equity		20,680,516	21,239,974
Total Liabilities and Shareholders' Equity		\$ 22,680,087	\$ 22,354,792
Nature and continuance of operations	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 2024	September 30 2023	September 30 2024	September 30 2023
	\$	\$	\$	\$
Expenses				
Management fees (Note 11)	95,000	109,000	293,000	329,839
Consulting fees	-	-	-	10,000
Listing and registration fees	5,472	8,054	24,279	23,558
Insurance	-	-	34,555	26,631
General office expenses	3,378	3,469	10,149	10,303
Professional fees	19,990	21,245	81,055	51,433
Interest and bank charges	252	315	2,315	2,208
Interest from convertible debenture	20,793	16,250	53,203	16,250
Accretion from convertible debenture	19,929	20,875	50,192	20,875
Share based payments (Note 10 & 11)	-	8,042	-	24,126
Foreign exchange (gain)loss	24,664	33,705	25,293	74,574
Total Expenses	189,478	220,955	574,041	589,797
Net and comprehensive loss	(189,478)	(220,955)	(574,041)	(589,797)
Loss per share –				
Basic and diluted (Note 9)	0.00	(0.005)	(0.01)	(0.01)
Weighted average number of shares outstanding -Basic and diluted (Note 9)	103,970,446	103,970,446	103,970,446	103,933,409

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, 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(a)	10,000,000	700,000	(195,240)	-	0	-	504,760
Equity component of convertible debenture	8	-	-	-	66,892	37,451	-	104,343
Expired broker warrants		-	-	-	-	(52,131)	52,131	-
Share issue costs	9(a)	-	(15,377)	-	-	-	-	(15,377)
Share-based payments	10	-	-	-	-	24,126	-	24,126
Net and comprehensive loss for the period		-	-	-	-	-	(589,797)	(589,797)
Balance at September 30, 2023		103,970,446	38,396,313	-	66,892	3,163,732	(20,300,475)	21,326,462
Share-based payments	10	-	-	-	-	8,042	-	8,042
Net and comprehensive loss for the period		-	-	-	-	-	(94,530)	(94,530)
Balance at December 31, 2023		103,970,446	\$ 38,396,313	\$ -	\$ 66,892	\$ 3,171,774	\$ (20,395,005)	\$ 21,239,974
Equity component of convertible debenture	8	-	-	-	9,722	4,861	-	14,583
Expired options		-	-	-	-	(190,706)	190,706	-
Net and comprehensive loss for the period		-	-	-	-	-	(574,041)	(574,041)
Balance at September 30, 2024		103,970,446	\$ 38,396,313	\$ -	\$ 76,614	\$ 2,985,929	\$ (20,778,340)	\$ 20,680,516

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, 2024	Nine months ended September 30, 2023
Cash flows used in operating activities		
Net loss for the period	\$ (574,041)	\$ (589,797)
Adjustments for items not affecting cash:		
Share-based payments	-	24,126
Accretion expense	50,192	20,875
Interest accrual	53,203	16,250
Changes in non-cash working capital items:		
Receivables	(1,828)	22,215
Prepays	38,155	(46,054)
Trade payable and accrued liabilities	339,803	246,924
Cash flows used in operating activities	(94,516)	(305,461)
Cash flows from investing activities		
Acquisition of equipment	-	(3,123)
Exploration and evaluation expenditures	(183,662)	(892,776)
Cash flows used in investing activities	(183,662)	(895,899)
Cash flows from financing activities		
Net proceeds from equity private placements	-	489,382
Proceeds from convertible debenture	171,907	626,055
Cash flows from financing activities	171,907	1,115,437
Net change in cash	(106,271)	(85,923)
Cash, beginning of the period	125,901	338,501
Cash, end of the period	\$ 19,630	\$ 252,578

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 \$20,778,340 as at September 30, 2024. 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. Material accounting policy information 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, 2023. 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 27, 2024.

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 years 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 2024	December 31 2023
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;
- whether there are indicators of impairment of the Company's exploration and evaluation assets; 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, 2024 or later years. Many are not applicable or do not have significant impact on the Company and have been excluded from being reported.

4. Receivables

	September 30 2024	December 31 2023
Taxes recoverable	\$ 12,575	\$ 10,747
Other receivable	27,000	27,000
	\$ 39,575	\$ 37,747

5. Exploration and evaluation assets

	September 30 2024	December 31 2023
Acquisition of Sikasso Property	\$ 6,172,837	\$ 6,172,837
Exploration expenditure incurred and capitalized	18,650,183	18,170,448
Less write down of exploration expenditure	(2,233,000)	(2,233,000)
	\$ 22,590,020	\$ 22,110,285

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 ("MOU") for permit purchase. The permits held in trust under the binding MOU require additional payments in an aggregate of \$301,012. 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 and 2025. The renewals indicate minimum amounts to be incurred on exploration and evaluation work on the properties to be distributed over the duration of the permits as follows:

First year	\$1,797,330
Second year	\$2,841,999
Third year	\$3,700,622

On November 28, 2022, Mali's interim government suspended the issuance of mining permits. In August 2023, Mali's interim government introduced a new mining code, but has continued the moratorium to issue and renew permits. By suspending the issuance of mining permits on November 28, 2022, the validity of the existing permits is effectively extended until the process resumes.

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, 2022	\$ 238,637	\$ 74,336	\$ 312,973
Additions	-	1,895	1,895
Balance, December 31, 2023	\$ 238,637	\$ 76,231	\$ 314,868
Additions	-	-	-
Balance, September 30, 2024	\$ 238,637	\$ 76,231	\$ 314,868
Accumulated Depreciation	Machinery	Equipment	Total
Balance, December 31, 2022	\$ 213,687	\$ 58,140	\$ 271,827
Amortization	-	12,475	12,475
Balance, December 31, 2023	\$ 213,687	\$ 70,615	\$ 284,302
Amortization	6,226	5,616	11,842
Balance, September 30, 2024	\$219,913	\$ 76,231	\$ 296,144
Net Book Value	Machinery	Equipment	Total
December 31, 2023	\$ 24,950	\$ 5,616	\$ 30,566
September 30, 2024	\$ 18,724	\$ -	\$ 18,724

Depreciation is included with exploration expenditure incurred and capitalized (Note 5).

7. Trade payable and accrued liabilities

	September 30 2024	December 31 2023
Trade payables and accruals	\$ 349,253	\$ 26,587
Due to related parties (Note 11)	666,683	347,277
Taxes payable	141,223	159,262
	\$ 1,157,159	\$ 533,126

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 warrant is exercisable by the holder to acquire one common share at price of \$0.10 for 24 months (Note 9).

The Company used the residual value method to allocate the proceeds between the liability and equity components. Under this method, the fair value of the liability component (the "Debenture Liability") of \$541,667 was computed as the present value of future principal and interest payments discounted at a rate of 20% per annum. The residual value of \$108,333 was proportionately allocated between the 3,250,000 warrants issued and the option to convert the debentures into common shares (the "Conversion Feature") at their exercise prices and expected lives. The transaction costs totalling \$23,945 were then allocated proportionally to each component with the Debenture Liability being allocated \$19,955 and the remaining \$3,990 allocated equally between the warrants and the Conversion Feature.

On June 30, 2024, the Company completed a second tranche of the convertible debenture issuance for gross proceeds of \$175,000 accompanied by the issuance of 875,000 common share purchase warrants. The terms of the convertible debentures allow for a conversion at \$0.10 per share at the option of the holder, with an annual interest rate of 10% and for a term of 12 months from the date of closing. Each common share purchase warrant is exercisable by the holder to acquire one common share at price of \$0.10 for 12 months (Note 9). The terms of this debenture are the same terms as year two of the initial debenture with all maturities for the debenture and warrant having a date of June 30, 2025.

The Company used the residual value method to allocate the proceeds between the liability and equity components. Under this method, the fair value of the liability component (the "Debenture Liability") of \$160,416 was computed as the present value of future principal and interest payments discounted at a rate of 20% per annum. The residual value of \$14,583 was proportionately allocated between the 875,000 warrants issued and the option to convert the debentures into common shares (the "Conversion Feature") at their exercise prices and expected lives.

	September 30	December 31
	2024	2023
Face value of debentures	\$ 825,000	\$ 650,000
Discount on face value of debentures	(122,916)	(108,333)
Transaction costs allocated to debentures	(19,955)	(19,955)
Interest	82,611	32,500
Accretion	77,672	27,480
	\$ 842,412	\$ 581,692

9. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At September 30, 2024 there were 103,970,446 issued and fully paid common shares (December 31, 2023 – 103,970,446).

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the nine month ended September 30, 2024 was based on the loss attributable to common shareholders of \$574,041 (2023 - \$589,797) and the weighted average number of common shares outstanding of 103,970,446 (2023 – 103,933,409). For the three months ended September 30, 2024, basic and diluted loss per share was based on the loss attributable to common shareholders of \$189,478 (2023 - \$220,955) and the weighted average number of common shares outstanding of 103,970,446 (2023 – 103,970,446). 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 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 \$15,377 were for this private placement.

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

Warrants

The changes in warrants during the nine months ended September 30, 2024 and the year ended December 31, 2023 are as follows:

	September 30, 2024		December 31, 2023	
	Number of warrants	Weighted average exercise price (\$)	Number of warrants	Weighted average exercise price (\$)
Warrants outstanding, beginning	10,548,668	0.24	7,298,668	0.30
Warrants issued (Note 8)	875,000	0.10	3,250,000	0.10
Warrants outstanding, ending	11,423,668	0.23	10,548,668	0.24

Details of warrants outstanding as at September 30, 2024 are as follows:

Expiry Date	Weighted average exercise price (\$)	Warrants Outstanding	Weighted average Contractual Life (Years)
June 2, 2025	0.30	7,298,668	0.67
June 30, 2025	0.10	3,250,000	0.75
June 30, 2025	0.10	875,000	0.75
	0.23	11,423,668	0.70

10. Reserves

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based payments 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 July 23, 2024, 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, 2024 and year ended December 31, 2023 are as follows:

	September 30, 2024		December 31, 2023	
	Number of options	Weighted average exercise price (\$)	Number of options	Weighted average exercise price (\$)
Options outstanding, beginning	3,226,000	0.34	3,226,000	0.34
Options expired	(775,000)	0.30	-	-
Options outstanding, ending	2,451,000	0.35	3,226,000	0.34

Details of options outstanding as at September 30, 2024 are as follows:

Expiry Date	Weighted average exercise price (\$)	Options Outstanding	Options Exercisable	Weighted average Contractual Life (Years)
December 14, 2024	0.50	935,000	935,000	0.21
January 31, 2025	0.325	75,000	75,000	0.34
January 5, 2026	0.25	1,126,000	1,126,000	1.27
January 8, 2026	0.25	315,000	315,000	1.27
	0.35	2,451,000	2,451,000	0.83

During the nine months ended September 30, 2024, the Company granted no new stock options (2023 – NIL) and recognized a total share-based payment expenses of \$Nil (2023- \$24,126) from the vesting of options granted in prior years.

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 2024	December 31 2023
Directors and officers of the Company – due to related parties (Note 7)	\$ 666,883	\$ 347,277
	\$ 666,883	\$ 347,277

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, 2024	Nine months ended September 30, 2023
Management, officers and director fees	\$ 261,000	\$ 291,000
Share-based payments (Note 10)	-	20,997
Management fees in exploration and evaluation asset (Note 5)	109,771	108,226
Total	\$ 370,771	\$ 420,223

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, 2024 are due within one year of the financial year end date.

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 2024	December 31 2023
Cash	\$ (2,954)	\$ 4,506
Trade payables	(538,152)	(3,527)
Net exposure	\$ (541,107)	\$ 979

Based on the above net exposures, as at September 30, 2024, a 10% change in the CFA franc exchange rate would impact the Company's net income by \$54,111 (December 31, 2022 – \$98).

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, 2024, The Company has cash earning interest at a low variable interest rate and debentures bearing interest at 10% per annum. Interest rate risk is assessed as low.

Classification of financial instruments

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

	September 30 2024	December 31 2023
Financial assets at FVTPL:		
Cash	\$ 19,630	\$ 125,901
Financial assets at amortized cost:		
Receivables	\$ 27,000	\$ 27,000

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

	September 30 2024	December 31 2023
Financial liabilities at amortized cost:		
Trade payables and due to related parties	\$ 1,157,159	\$ 373,864

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 three and nine months ended September 30, 2024.

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.