

**African Energy Metals Inc.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Nine months ended September 30, 2024 and 2023**

**(Unaudited - Expressed in United States Dollars, unless otherwise noted)**

**African Energy Metals Inc.**  
**(the “Company”)**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Nine months ended September 30, 2024 and 2023**

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

The management of African Energy Metals Inc. (formerly Central African Gold Inc.) is responsible for the preparation of the accompanying unaudited condensed consolidated interim financial statements. The unaudited condensed consolidated interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of condensed consolidated interim financial statements and are in accordance with IAS 34 - Interim Financial Reporting.

The Company’s auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditor.

November 29, 2024

African Energy Metals Inc.  
Condensed Consolidated Interim Statements of Financial Position  
(Unaudited - Expressed in United States dollars unless otherwise noted)

	Notes	September 30, 2024	December 31, 2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 12,605	\$ 1,045
Accounts receivable		9,954	5,256
Prepaid expenses		4,902	1,636
<b>TOTAL ASSETS</b>		<b>\$ 27,461</b>	<b>\$ 7,937</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables and accrued liabilities	3,5	\$ 440,675	\$ 666,284
Loans payable	6	4,392	21,416
<b>TOTAL LIABILITIES</b>		<b>445,067</b>	<b>687,700</b>
<b>SHAREHOLDERS' DEFICIT</b>			
Share capital	4	19,951,931	19,951,931
Reserves	4	8,442,791	8,442,791
Share subscriptions receivable	4	81,488	-
Accumulated other comprehensive income		95,659	80,864
Deficit		(28,989,475)	(29,155,349)
<b>SHAREHOLDERS' DEFICIT</b>		<b>(417,606)</b>	<b>(679,763)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT</b>		<b>\$ 27,461</b>	<b>\$ 7,937</b>

Nature of operations and going concern (Note 1)

Subsequent events (Note 8)

On behalf of the Board of Directors:

"Stephen Barley" Director

"Joe Sandberg" Director

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

African Energy Metals Inc.  
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss  
(Unaudited - Expressed in United States dollars unless otherwise noted)

		Three months ended	Three months ended	ended	Nine months ended
	Note	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
<b>EXPENSES</b>					
Filing fees		\$ 9,524	\$ 1,339	\$ 14,411	\$ 27,220
Investor relations		3,990	4	4,173	2,869
Management fees and consulting fees	5	23,735	53,412	41,831	172,148
Office expense		1,085	2,891	2,718	11,751
Professional fees		19,127	9,131	38,705	106,308
Project generation		7,856	84	9,045	51,749
Share-based payments	4	-	-	-	12,322
Travel and accommodation		-	9,337	1,404	67,604
<b>TOTAL EXPENSES</b>		<b>65,317</b>	<b>76,198</b>	<b>112,287</b>	<b>451,971</b>
<b>NET LOSS BEFORE OTHER INCOME</b>					
<b>(EXPENSE)</b>		<b>(65,317)</b>	<b>(76,198)</b>	<b>(112,287)</b>	<b>(451,971)</b>
<b>OTHER INCOME (EXPENSE)</b>					
Interest expense		(4,021)	-	(5,254)	(393)
Write off of payables	3	283,697	-	283,697	-
Gain (loss) on foreign exchange		1,333	(1,024)	(282)	(1,774)
<b>TOTAL OTHER INCOME (EXPENSE)</b>		<b>281,009</b>	<b>(1,024)</b>	<b>278,161</b>	<b>(2,167)</b>
<b>NET INCOME (LOSS)</b>		<b>\$ 215,692</b>	<b>\$ (77,222)</b>	<b>\$ 165,874</b>	<b>\$ (454,138)</b>
Exchange difference on translation		(8,427)	(948)	14,795	(4,661)
<b>(LOSS)</b>		<b>\$ 207,265</b>	<b>\$ (78,170)</b>	<b>\$ 180,669</b>	<b>\$ (458,799)</b>
Basic and diluted income (loss) per share					
		<b>\$ 0.04</b>	<b>\$ (0.02)</b>	<b>\$ 0.03</b>	<b>\$ (0.09)</b>
Weighted average number of shares outstanding					
		<b>5,016,970</b>	<b>5,016,970</b>	<b>5,016,970</b>	<b>5,015,477</b>

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

African Energy Metals Inc.  
Condensed Consolidated Interim Statements of Changes in Shareholders' Deficit  
(Unaudited - Expressed in United States dollars unless otherwise noted)

	<u>Share Capital</u>		Reserves	Accumulated		Deficit	Total
	Number	Amount		Share subscriptions receivable	other comprehensive income		
Balance at December 31, 2022	4,810,720	\$ 19,756,172	\$ 8,430,469	\$ (36,881)	\$ 92,922	\$ (28,398,615)	\$ (155,933)
Shares issued for property purchased	206,250	195,759	-	-	-	-	195,759
Share subscription received	-	-	-	36,881	-	-	36,881
Share-based payments	-	-	12,322	-	-	-	12,322
Exchange difference on translation	-	-	-	-	(4,661)	-	(4,661)
Net loss	-	-	-	-	-	(454,138)	(454,138)
<b>Balance at September 30, 2023</b>	<b>5,016,970</b>	<b>\$ 19,951,931</b>	<b>\$ 8,442,791</b>	<b>\$ -</b>	<b>\$ 88,261</b>	<b>\$ (28,852,753)</b>	<b>\$ (369,770)</b>
Balance at December 31, 2023	5,016,970	\$ 19,951,931	\$ 8,442,791	\$ -	\$ 80,864	\$ (29,155,349)	(679,763)
Share subscription received	-	-	-	81,488	-	-	81,488
Exchange difference on translation	-	-	-	-	14,795	-	14,795
Net income	-	-	-	-	-	165,874	165,874
<b>Balance at September 30, 2024</b>	<b>5,016,970</b>	<b>\$ 19,951,931</b>	<b>\$ 8,442,791</b>	<b>\$ 81,488</b>	<b>\$ 95,659</b>	<b>\$ (28,989,475)</b>	<b>\$ (417,606)</b>

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

African Energy Metals Inc.  
Condensed Consolidated Interim Statements of Cash Flows  
(Unaudited - Expressed in United States dollars unless otherwise noted)

	Nine months ended September 30, 2024	Nine months ended September 30, 2023
<b>Operating activities</b>		
Net income (loss)	\$ 165,874	\$ (454,138)
Items not affecting cash		
Share-based payments	-	12,322
Unrealized foreign exchange	(282)	-
Write off of payables	(283,697)	-
Interest expense	(5,254)	-
Changes in non-cash working capital items:		
Accounts receivable	(4,630)	12,236
Prepaid expenses	(3,259)	11,833
Trade payables and accrued liabilities	58,171	310,196
<b>Net cash outflow from operating activities</b>	<b>(73,077)</b>	<b>(107,551)</b>
<b>Investing activities</b>		
Share subscription received	81,488	36,881
Loans from related parties	-	12,943
<b>Net cash inflow from investing activities</b>	<b>81,488</b>	<b>49,824</b>
Effect of foreign exchange rate changes on cash	3,149	(4,542)
Increase (decrease) in cash	11,560	(62,269)
Cash, beginning of period	1,045	62,745
<b>Cash, end of period</b>	<b>\$ 12,605</b>	<b>\$ 476</b>
Significant non-cash transaction		
Issuance of common shares in advance of closing of the assignment transaction	\$ -	\$ 195,759

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

## 1. Nature of Operations and Going Concern

On March 27, 2007, African Energy Metals Inc. (“the Company”), was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia). The Company’s registered office is located at 2900 – 550 Burrard Street, Vancouver, BC V6C 0A3 and was trading on the TSX Venture Exchange (“TSX-V”) under the symbol CUCO. The Company’s principal activity is the acquisition and exploration of mineral properties.

### Going Concern

These condensed consolidated interim financial statements have been prepared on a going concern basis which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future.

As at September 30, 2024, the Company had not yet achieved profitable operations. During the nine months ended September 30, 2024, the Company incurred net income of \$165,874 (September 30, 2023 – loss of \$454,138) and had a cash outflow from operating activities of \$73,077 (September 30, 2023 - \$107,551). As of September 30, 2024, the Company had a working capital deficit of \$417,606 (December 31, 2023 –\$679,763) and an accumulated deficit of \$28,989,475 (December 31, 2023 – \$29,155,349).

The Company’s continuing existence and its ability to discharge its liabilities and fulfill its commitments as they come due is dependent upon the ability of the Company to obtain equity and/or debt financing and the successful discovery of mineral resources that the Company can profitably commercialize. Management plans to continue exploring the Company’s mineral concessions in order to achieve a commercial discovery that will generate sustainable, long-term profitability and obtain additional financing, if needed. While the Company has been successful at securing financing in the past, there can be no assurance that it will be able to do so in the future. These material uncertainties cast significant doubt upon the Company’s ability to continue as a going concern. Such adjustments could be material.

## 2. Material Accounting Policy Information

These condensed consolidated interim financial statements were authorized for issuance by the directors of the Company on November 29, 2024.

### ***Statement of compliance with International Financial Reporting Standards***

The condensed consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standards 34, “Interim Financial Reporting” (“IAS 34”), using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company’s annual financial statements as at and for the year ended December 31, 2023.

**2. Material Accounting Policy Information (continued)**

***Basis of preparation***

These condensed consolidated interim financial statements of the Company have been prepared on a historical cost basis. These condensed consolidated interim financial statements are presented in United States dollars unless otherwise specified.

On October 16, 2024, the Company completed a one-for-four (1:4) share split of all of its issued and outstanding common shares (“Share Consolidation”), resulting in a reduction in the issued and outstanding shares from 20,067,952 to 5,016,970. Shares reserved under the Company’s equity and incentive plans were adjusted to reflect the Share Consolidation. All share and per share data presented in the Company’s consolidated financial statements have been retroactively adjusted to reflect the Share Consolidation unless otherwise noted.

***Basis of consolidation***

The condensed consolidated interim financial statements of the Company as at September 30, 2024, include the accounts of its wholly-owned subsidiary, Bankers Cobalt Acquisition Corp., located in Canada.

All significant intercompany transactions and balances are eliminated on consolidation.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

***Recent Accounting Pronouncements***

As of the date of authorization of these condensed consolidated interim financial statements, certain new standards and amendments to existing standards have been published by the IASB that are not yet effective and have not been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted in the Company’s accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments are either not adopted or are not expected to have a material impact on the Company’s condensed consolidated interim financial statements.

**3. Trade Payables and Accrued Liabilities**

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Trade payables (Note 5)	\$ 427,711	\$ 618,631
Accrued and other liabilities	12,964	47,653
<b>Total</b>	<b>\$ 440,675</b>	<b>\$ 666,284</b>

#### 4. Share Capital and Reserves

##### *Authorized share capital*

An unlimited number of common shares without par value.

As at September 30, 2024, there were 5,016,970 (December 31, 2023 – 5,016,970) common shares issued and outstanding (Note 2).

##### *Issued share capital*

##### Shares transactions during the nine months ended September 30, 2024

There were no share transactions during the nine months ended September 30, 2024.

##### *Warrants*

On June 24, 2024, 187,500 share purchase warrants with an exercise price of \$2.40 per share expired unexercised.

Warrant transactions for the nine months ended September 30, 2024:

	Warrants	Price (CDN\$)
<b>Balance, December 31, 2023</b>	<b>437,500</b>	<b>1.94</b>
Expired	(187,500)	2.40
<b>Balance, September 30, 2024</b>	<b>250,000</b>	<b>1.60</b>

Warrants outstanding at September 30, 2024, are as follows:

Outstanding Warrants	Exercise Price (CDN\$)	Expiry Date
81,250	1.60	October 19, 2024
75,000	1.60	December 16, 2024
93,750	1.60	December 29, 2024
<b>250,000</b>		

##### *Stock Options*

The Company adopted a stock option plan whereby the Board of Directors may grant employees, consultants, directors and officers share purchase options. The aggregate number of options reserved for issuance may not exceed 10% of the Company's issued and outstanding shares at the date of the grant. In any twelve-month period, the Company will not grant more than 2% of the issued and outstanding shares of the Company to any one consultant or any one individual performing investor relations activities. The options vest in stages over twelve months, with no more than one-quarter of the options vesting over any three-month period.

Stock option transactions for the nine months ended September 30, 2024:

	Stock Options	Price (CDN\$)
<b>Balance, December 31, 2023</b>	<b>321,562</b>	<b>1.84</b>
Cancelled	(321,562)	1.84
<b>Balance, September 30, 2024</b>	<b>-</b>	<b>-</b>

**4. Share Capital and Reserves (continued)**

The Company had no stock options outstanding at September 30, 2024.

Stock-based compensation for the nine months ended September 30, 2024, was \$Nil (September 30, 2023 – \$12,322).

During the nine months ended September 30, 2024, 321,562 stock options with an exercise price ranging from CDN\$0.20 to CDN\$3.20 per share were either cancelled or forfeited.

**5. Related Party Transactions**

Related party transactions for the nine months ended September 30, 2024 and 2023 are as follows:

	<b>September 30, 2024</b>	<b>September 30, 2023</b>
Management fees and consulting fees	\$ 29,403	\$ 67,029

As at September 30, 2024, the Company owes \$127,738 (December 31, 2023 - \$117,203) to a company controlled by a director of the Company.

As at September 30, 2024, the Company owes \$2,857 (December 31, 2023 - \$30,621) to a company controlled by the former Chief Financial Officer of the Company.

**6. Loans Payable**

As at September 30, 2024, the Company owes a balance of \$1,579 (December 31, 2023 - \$7,574) to a former related party. During the nine months ended September 30, 2024, the Company accrued interest of \$326 (September 30, 2023 - \$Nil). The loan is unsecured, bears interest at 8% per annum compounded semi-annually, and due on demand. During the nine months ended September 30, 2024, the Company wrote off \$6,321 of the loan.

As at September 30, 2024, the Company owes a balance of \$2,665 (CDN\$3,598) (December 31, 2023 - \$13,086 (CDN\$17,297)) to a company controlled by the former Chief Financial Officer of the Company. During the nine months ended September 30, 2024, the Company accrued interest of \$513 (CDN\$692) (September 30, 2023 - \$312 (CDN\$420)) in relation to this loan. The loans are unsecured, bears interest at 8% per annum compounded semi-annually with maturity on May 17, 2024. After maturity, the loan became due on demand and the loan balance remains unpaid as of September 30, 2024. During the nine months ended September 30, 2024, the Company wrote off \$13,641 (CDN\$14,391) of the loan.

As at September 30, 2024, the Company owes \$148 (CDN\$200) (December 31, 2023 - \$756 (CDN\$1,000)) to a company controlled by a former director of the Company, which is unsecured, non-interest bearing, and due on demand. During the nine months ended September 30, 2024, the Company wrote off \$593 (CDN\$800) of the loan.

## **7. Financial Risk and Capital Management**

The Company is exposed in varying degrees to a variety of financial instrument-related risks. Management 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 summarized 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 bank accounts. The cash is deposited in a bank account in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a bank that is a high credit quality financial institution as determined by rating agencies.

### ***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 financing and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements or through proceeds from loans. The Company's access to financing is uncertain. There can be no assurance of continued access to necessary levels of equity funding (Note 1). Management may require seeking additional sources of financing in the form of equity or debt financing in the future. These uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

### ***Foreign exchange risk***

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company does not hedge its exposure to fluctuations in exchange rates.

A significant change in the currency exchange rate between the Canadian dollar relative to the U.S. dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not entered into foreign currency contracts to hedge its risk against foreign currency fluctuations.

A 10% change in the Canadian dollar to the U.S. dollar exchange rate would impact the Company's net gain or loss by \$40,753.

### ***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. The Company is not exposed to significant interest rate risk.

## **7. Financial Risk and Capital Management (continued)**

### ***Capital Management***

The Company's policy is, if permitted by market conditions, to maintain a strong capital base so as to support investor and creditor confidence and support future development of the business. The capital structure of the Company consists of equity, comprising share capital and reserves net of accumulated deficit. The Company is not subject to any externally imposed capital requirements.

### ***Fair value***

The Company's financial instruments consist of cash, trade payables and accrued liabilities and loans payable. The fair values of cash, trade payables and accrued liabilities and loans payable approximate their carrying values due to their short-term maturity.

IFRS establishes a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 – Quoted prices in active markets for the same instrument.

Level 2 – Valuation techniques for which significant inputs are based on observable market data.

Level 3 – Valuation techniques for which any significant input is not based on observable market data.

## **8. Subsequent events**

- On October 19, 2024, 81,250 share purchase warrants with an exercise price of \$1.60 per share expired unexercised.
- On October 23, 2024, the Company has agreed to settle \$60,000 of debt owing to consultants, creditors and insiders by issuing 1,000,000 shares at a deemed price of \$0.06 per share.