

Montage Gold Corp

Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2021 and 2020

Montage Gold Corp.
Condensed Interim Consolidated Statements of Financial Position
(All amounts expressed in Canadian Dollars, unless otherwise indicated)

	September 30, 2021	December 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 12,689,975	\$ 32,751,159
Receivables and other assets (Note 3)	1,030,380	975,988
	<u>13,720,355</u>	<u>33,727,147</u>
Equipment (Note 4)	402,922	382,919
Mineral properties (Note 5)	12,034,202	12,561,587
Other assets	17,605	22,070
	<u>\$ 26,175,084</u>	<u>\$ 46,693,723</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 695,216	\$ 2,117,799
EQUITY		
Equity attributed to common shareholders		
Share capital	65,455,020	65,410,020
Contributed surplus	1,351,415	667,783
Accumulated other comprehensive income	(147,525)	(427,010)
Deficit	(41,179,042)	(21,074,869)
	<u>25,479,868</u>	<u>44,575,924</u>
	<u>\$ 26,175,084</u>	<u>\$ 46,693,723</u>

Approved by the Board of Directors

(signed) "Peter Mitchell"
Director

(signed) "Richard P Clark"
Director

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

Montage Gold Corp.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(All amounts expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Administration costs (Note 8)	\$ 832,462	\$ 823,652	\$ 2,468,942	\$ 1,577,604
Exploration and project investigation costs (Note 9)	2,567,357	1,550,981	17,481,240	3,795,613
Foreign exchange (gain)/loss	20,089	(116,393)	160,607	(137,729)
Interest income	(1,684)	(28,262)	(6,616)	(101,350)
Net loss for the period	<u>\$ 3,418,224</u>	<u>\$ 2,229,978</u>	<u>\$ 20,104,173</u>	<u>\$ 5,134,138</u>
Net loss for the period attributed to:				
Common shareholders of the Company	3,418,224	2,189,266	20,104,173	4,803,065
Non-controlling interest	-	40,712	-	331,073
	<u>\$ 3,418,224</u>	<u>\$ 2,229,978</u>	<u>\$ 20,104,173</u>	<u>\$ 5,134,138</u>
Net loss for the period	\$ 3,418,224	\$ 2,229,978	\$ 20,104,173	\$ 5,134,138
Items that may be subsequently reclassified to net loss:				
Loss (gain) on translation to presentation currency	60,887	(149,081)	365,514	(728,625)
Items that will not be subsequently reclassified to net loss:				
Change in fair value of marketable securities	(589,208)	-	(644,999)	-
Comprehensive loss for the period	<u>\$ 2,889,903</u>	<u>\$ 2,080,897</u>	<u>\$ 19,824,688</u>	<u>\$ 4,405,513</u>
Comprehensive loss for the period attributed to:				
Common shareholders of the Company	\$ 2,889,903	\$ 1,722,045	\$ 19,824,688	\$ 4,074,439
Non-controlling interest	-	358,852	-	331,074
	<u>\$ 2,889,903</u>	<u>\$ 2,080,897</u>	<u>\$ 19,824,688</u>	<u>\$ 4,405,513</u>
Basic and diluted loss per common share	<u>\$ 0.03</u>	<u>\$0.03</u>	<u>\$ 0.19</u>	<u>\$0.07</u>
Basic and diluted weighted average number of shares outstanding	<u>105,040,011</u>	<u>73,476,374</u>	<u>105,003,880</u>	<u>73,476,374</u>

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

Montage Gold Corp.
Condensed Interim Consolidated Statements of Cash Flows
(All amounts expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

	Nine months ended	
	2021	September 30,
		2020
Cash flows for operating activities		
Net loss for the period	\$ (20,104,173)	\$ (5,134,138)
Add non-cash items		
Depreciation of equipment (Note 5)	131,671	100,492
Stock-based compensation expense (Note 6)	683,632	435,540
	<u>(19,288,870)</u>	<u>(4,598,106)</u>
Changes in non-cash working capital items		
Receivables and other assets	584,520	(415,755)
Accounts payable and accrued liabilities	(1,319,220)	171,511
	<u>(20,023,570)</u>	<u>(4,842,350)</u>
Cash flows for investing activities		
Purchase of equipment	(167,172)	-
	<u>(167,172)</u>	<u>-</u>
Cash flows from financing activities		
Share option exercise	45,000	-
	<u>45,000</u>	<u>-</u>
Foreign exchange on cash and cash equivalents	84,558	(58,325)
Decrease in cash and cash equivalents	(20,061,184)	(4,900,675)
Cash and cash equivalents, beginning of period	32,751,159	9,590,300
Cash and cash equivalents, end of period	<u>\$ 12,689,975</u>	<u>\$ 4,689,625</u>
Supplemental information		
Interest received	\$ 1,684	\$ 73,088

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Montage Gold Corp
Condensed Interim Consolidated Statements of Changes in Equity
(All amounts expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

	Number of shares issued and outstanding	Share Capital	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total	Non- Controlling Interest	Total
Balance January 1, 2021	104,940,011	\$ 65,410,020	\$ 667,783	\$ (21,074,869)	\$ (427,010)	\$ 44,575,924	-	\$ 44,575,924
Net loss and other comprehensive (loss)/income	-	-	-	(20,104,173)	279,485	(19,824,688)	-	(19,824,688)
Stock based compensation (Note 6)	-	-	683,632	-	-	683,632	-	683,632
Share option exercise	100,000	45,000	-	-	-	45,000	-	45,000
Balance September 30, 2021	105,040,011	\$ 65,455,020	\$ 1,351,415	\$ (41,179,042)	\$ (147,525)	\$ 25,479,868	-	\$ 25,479,868
Balance January 1, 2020	73,476,374	\$ 32,783,085	\$ 148,820	\$ (10,687,123)	\$ (1,201,459)	\$ 21,043,323	\$ 28,180	\$ 21,071,503
Net loss and other comprehensive (loss)/income	-	-	-	(4,803,065)	728,625	(4,074,440)	(331,073)	(4,405,513)
Share based compensation (Note 6)	-	-	435,540	-	-	435,540	-	435,540
Balance September 30, 2020	73,476,374	\$ 32,783,085	\$ 584,360	\$ (15,490,188)	\$ (472,834)	\$ 17,404,423	\$ (302,893)	\$ 17,101,530

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Montage Gold Corp.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2021 and 2020
(All amounts expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

1. NATURE OF OPERATIONS

Montage Gold Corp. ("Montage" or the "Company") is a resource company engaged in the acquisition and exploration of mineral properties in Africa and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The continued operations of Montage and the recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of Montage to obtain necessary financing to complete the exploration and development of such properties and upon future profitable production from or disposition of such properties

Montage was incorporated as a wholly owned subsidiary of Orca Gold Inc. ("Orca") under the Business Corporations Act (British Columbia) on July 4, 2019 and its registered office is located at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C3E8.

On October 23, 2020, Montage completed its initial public offering ("IPO") of an aggregate of 27,272,728 common shares at a price of \$1.10 per share for total proceeds of \$30 million and on October 30, 2020 the underwriters acquired an additional 4,090,909 shares for gross proceeds of approximately \$4.5 million.

Following the Montage IPO on October 23, 2020, Orca's percentage ownership in Montage decreased from 45% to 31.5% and following a reduction in board representation under a new investor agreement Orca has significant influence, rather than control over the Company.

On November 3, 2020 Montage completed the disposal of its 51% interest in its Burkina Faso properties to Predictive Discovery Limited ("Predictive") in exchange for 4,028,477 Predictive shares with a fair value of \$0.2 million at the date of transaction.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. As such, certain disclosures included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2020. In preparation of these condensed interim consolidated financial statements, the Company has consistently applied the same accounting policies as disclosed in Note 3 to the audited consolidated financial statements for the year ended December 31, 2020.

These condensed interim financial statements were authorized for issuance by the Board of Directors of the Company on **November 19, 2021.**

3. RECEIVABLES AND OTHER ASSETS

	September 30, 2021	December 31, 2020
Prepaid expenses	143,977	734,584
Marketable securities	886,403	241,404
Total receivables and other assets	1,030,380	975,988

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4. EQUIPMENT

Cost	Camp and Office Equipment	Vehicles and Mobile Equipment	Field and Camp Equipment	Total
As at January 1, 2020	25,199	277,021	545,856	848,076
Additions	16,040	-	6,109	22,149
Effects of foreign exchange on translation to presentation currency	1,317	19,513	4,798	25,628
As at December 31, 2020	42,556	296,534	556,763	895,853
Additions	78,929	2,951	85,292	167,172
Effects of foreign exchange on translation to presentation currency	(11,858)	(17,013)	(12,186)	(41,057)
As at September 30, 2021	109,627	282,472	629,869	1,021,968
Accumulated depreciation				
As at January 1, 2020	(16,365)	(17,165)	(346,135)	(379,665)
Depreciation	(5,791)	(96,698)	(35,574)	(138,063)
Effects of foreign exchange on translation to presentation currency	(468)	(3,356)	8,618	4,794
As at December 31, 2020	(22,624)	(117,219)	(373,091)	(512,934)
Depreciation	(16,327)	(71,412)	(43,932)	(131,671)
Effects of foreign exchange on translation to presentation currency	10,749	7,847	6,963	25,559
As at September 30, 2021	(28,202)	(180,784)	(410,060)	(619,046)
Net book amount				
As at December 31, 2020	19,932	179,315	183,672	382,919
As at September 30, 2021	81,425	101,688	219,809	402,922

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5. MINERAL PROPERTIES

Cost	Total
As at January 1, 2020	11,734,994
Effects of foreign exchange on translation to presentation currency	826,593
As at December 31, 2020	12,561,587
Effects of foreign exchange on translation to presentation currency	(527,385)
As at September 30, 2021	12,034,202

Mineral properties includes the Company's predecessor, Orca's acquisition of properties in Côte d'Ivoire for \$5.4 million in 2018 and the acquisition of Avant Minerals Inc's, Côte d'Ivoire permits for \$6.2 million as part of the formation of Montage in 2019.

6. STOCK OPTIONS

Stock option plan

Montage has a stock option plan in which common shares of Montage have been made available for Montage to grant incentive stock options to certain directors, officers, employees and consultants of Montage. Under this stock option plan, the total number of options outstanding at any given point in time cannot exceed 10% of Montage's issued and outstanding common shares. Vesting and terms of the option agreements are at the discretion of the Montage Board of Directors.

The total stock based compensation for the three and nine months ended September 30, 2021 was \$227,481 (2020: \$106,887) and \$683,632 (2020:\$435,540), respectively. For the three and nine months ended September 30, 2021, stock based compensation of \$193,818 (2020:\$93,148) and \$605,571 (2020:\$294,100) has been allocated to administration, respectively and \$33,663 (2020:\$13,739) and \$78,061 (2020:\$141,440), respectively to exploration and project investigation costs, for employees directly involved in exploration activities.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Number of shares (In thousands)	Weighted average exercise price CDN\$
Outstanding at January 1, 2020	5,150	\$0.45
Granted	3,900	\$1.30
Exercised	(100)	\$0.45
Cancelled	(200)	\$0.45
Outstanding at December 31, 2020	8,750	\$0.82
Exercised	(100)	\$0.45
Granted	700	\$0.83
Cancelled	(200)	\$1.30
Expired	(100)	\$1.30
Outstanding at September 30, 2021	9,050	\$0.81
Exercisable at September 30, 2021	4,567	\$0.69

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The following summarizes information about the stock options outstanding and exercisable at September 30, 2021:

Number of options outstanding (In thousands)	Outstanding options			Exercisable options		
	Weighted Average remaining contractual life (Years)	Weighted average exercise price (CDN\$)	Number of options exercisable (In thousands)	Weighted average remaining contractual life (Years)	Weighted average exercise price (CDN\$)	
4,750	1.04	\$0.45	3,167	1.04	\$0.45	
100	1.96	\$0.55	33	1.96	\$0.55	
3,500	2.11	\$1.30	1,167	2.11	\$1.30	
300	2.69	\$0.93	100	2.69	\$0.93	
400	2.94	\$0.75	100	2.94	\$0.75	
<u>9,050</u>	1.60	\$0.81	<u>4,567</u>	1.40	\$0.69	

On June 9, 2021 Company granted 300,000 options to certain officers, directors and eligible persons of the Company. The options are exercisable subject to vesting provisions, over a period of three years at a price of \$0.93 per share. On September 7, 2021 Company granted 400,000 options to certain officers, directors and eligible persons of the Company. The options are exercisable subject to vesting provisions, over a period of three years at a price of \$0.75 per share.

7. ADMINISTRATION COSTS

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Management and consulting fees	318,354	176,500	949,346	460,086
Office and administration	32,995	43,812	93,935	102,523
Professional fees	190,450	465,689	610,281	574,032
Salaries and benefits	8,923	7,362	40,154	22,334
Stock based compensation expense	193,818	93,148	605,571	294,100
Travel and promotion	87,922	37,141	169,655	124,529
Total administration costs	\$ 832,462	\$823,652	\$ 2,468,942	\$ 1,577,604

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8. EXPLORATION AND PROJECT INVESTIGATION COSTS

Three months ended September 30, 2021	Côte d'Ivoire	Burkina Faso	Total
Depreciation	54,520	-	54,520
Drilling	1,076,153	-	1,076,153
Exploration support and administration	136,238	-	136,238
Field operation and consumables	95,295	-	95,295
Geological consulting	12,074	-	12,074
Permitting and licensing fees	2,415	-	2,415
Salaries and benefits	228,772	-	228,772
Sampling, geological and other evaluation costs	899,343	-	899,343
Stock-based compensation expense	33,663	-	33,663
Travel and accommodation	28,884	-	28,884
Total exploration and project investigation costs	2,567,357	-	2,567,357
2020			
Depreciation	33,644	-	33,644
Drilling	986,924	-	986,924
Exploration support and administration	116,283	6,818	123,101
Field operation and consumables	41,129	-	41,129
Geological consulting	8,243	3,286	11,529
Permitting and licensing fees	1,131	32,685	33,816
Salaries and benefits	153,862	20,035	173,897
Sampling, geological and other evaluation costs	114,178	-	114,178
Stock-based compensation expense	13,739	-	13,739
Travel and accommodation	11,694	7,330	19,024
Total exploration and project investigation costs	1,480,827	70,154	1,550,981

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Nine months ended September 30,		Côte d'Ivoire	Burkina Faso	Total
2021	Depreciation	131,671	-	131,671
	Drilling	11,851,806	-	11,851,806
	Exploration support and administration	782,470	-	782,470
	Field operation and consumables	509,416	-	509,416
	Geological consulting	27,230	-	27,230
	Permitting and licensing fees	16,921	-	16,921
	Salaries and benefits	920,424	-	920,424
	Sampling, geological and other evaluation costs	3,068,298	-	3,068,298
	Stock-based compensation expense	78,061	-	78,061
	Travel and accommodation	94,943	-	94,943
	Total exploration and project investigation costs	17,481,240	-	17,481,240
2020	Depreciation	100,631	-	100,631
	Drilling	1,739,152	-	1,739,152
	Exploration support and administration	272,747	113,022	385,769
	Field operation and consumables	121,419	-	121,419
	Geological consulting	18,808	23,449	42,257
	Permitting and licensing fees	13,003	37,083	50,086
	Salaries and benefits	541,744	467,615	1,009,359
	Sampling, geological and other evaluation costs	164,744	-	164,744
	Stock-based compensation expense	141,440	-	141,440
	Travel and accommodation	17,855	22,901	40,756
	Total exploration and project investigation costs	3,131,543	664,070	3,795,613

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9. SEGMENT INFORMATION

The Company is principally engaged in the acquisition, exploration and development of mineral properties in Côte d'Ivoire. The Company holds four permits and eight permit applications in Côte d'Ivoire. Materially all of the Company's administrative costs are incurred by Montage's Canadian legal entities, where materially all of the Company's cash is held in the normal course of business until it is required to be deployed to the Company's operating subsidiaries in support of ongoing and planned work programs. The following are summaries of the Company's current and non-current assets, current liabilities, and net losses by geographical area:

		Côte d'Ivoire	Corporate & Other	Total
September 30, 2021	Current assets	688,945	13,031,410	13,720,355
	Equipment	401,441	1,481	402,922
	Mineral properties	12,034,202	-	12,034,202
	Other assets	17,605	-	17,605
	Total assets	13,142,193	13,032,891	26,175,084
	Current liabilities	420,818	274,398	695,216
December 31, 2020	Current assets	886,693	32,840,454	33,727,147
	Equipment	382,919	-	382,919
	Mineral properties	12,561,587	-	12,561,587
	Other assets	22,070	-	22,070
	Total assets	13,853,269	32,840,454	46,693,723
	Current liabilities	1,801,548	316,251	2,117,799

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Three months ended September 30,		Côte d'Ivoire	Burkina Faso	Corporate & Other	Total
2021	Exploration and project investigation	2,567,357	-		2,567,357
	General administration and other items	-	-	850,867	850,867
	Net loss	2,567,357	-	850,867	3,418,224
2020	Exploration and project investigation	1,480,827	70,154	-	1,550,981
	General administration and other items	-	-	678,997	678,997
	Net loss	1,480,827	70,154	678,997	2,229,978

Nine months ended September 30,		Côte d'Ivoire	Burkina Faso	Corporate & Other	Total
2021	Exploration and project investigation	17,481,240	-	-	17,481,240
	General administration and other items	-	-	2,622,933	2,622,933
	Net loss	17,481,240	-	2,622,933	20,104,173
2020	Exploration and project investigation	3,131,543	664,070	-	3,795,613
	General administration and other items	-	-	1,338,525	1,338,525
	Net loss	3,131,543	664,070	1,338,525	5,134,138

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10. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, marketable securities and accounts payable and accrued liabilities. The carrying amounts of cash and cash equivalents, accounts payable and accrued liabilities approximate their fair value because of the immediate or short-term maturity of these financial instruments. The fair value of marketable securities is measured using Level 1 inputs using quoted market prices.

The Company's financial instruments are exposed to certain financial risks, including currency, credit and liquidity risk.

a) Currency risk

Foreign currency risk can arise when the Company or its subsidiaries transact in currencies other than their functional currencies or have net financial assets or liabilities which are denominated in currencies other than their respective functional currencies.

As at September 30, 2021, the Company did not have any material foreign currency risk exposure at its operations in Cote d'Ivoire.

b) Credit risk

As at September 30, 2021, the majority of the Company's cash and cash equivalents was held through Canadian institutions with investment grade ratings.

c) 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's financial liabilities are comprised of accounts payable and accrued liabilities. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and the Company's current cash flow position to meet its obligations. The Company manages its liquidity risk by maintaining sufficient cash and cash equivalents balances to meet its anticipated operational needs. The Company's accounts payable and accrued liabilities arose as a result of exploration and development of its exploration and evaluation assets and other corporate expenses.

The maturities of the Company's financial liabilities as at September 30, 2021 are as follows:

	Total	Less than 1 year	1-5 years	More than 5 years
Accounts payable and accrued liabilities	695,216	695,216		-
Total	695,216	695,216	-	-