

Montage Gold Corp

Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2023 and 2022

(Unaudited)

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

	June 30, 2023	December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 14,968,634	\$ 8,020,729
Receivables and other assets (Note 3)	391,887	1,330,578
	<u>15,360,521</u>	<u>9,351,307</u>
Equipment (Note 4)	493,957	412,553
Mineral properties (Note 5)	43,521,234	42,179,104
Other assets	19,326	23,422
	<u>\$ 59,395,038</u>	<u>\$ 51,966,386</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,721,854	\$ 2,168,255
EQUITY		
Equity attributed to common shareholders		
Share capital	118,858,309	102,993,680
Contributed surplus	2,627,487	1,995,625
Accumulated other comprehensive income	441,794	(843,354)
Deficit	<u>(65,254,406)</u>	<u>(54,347,820)</u>
	56,673,184	49,798,131
	<u>\$ 59,395,038</u>	<u>\$ 51,966,386</u>

Approved by the Board of Directors

(signed) "Alessandro Bitelli"
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		Six months ended	
	2023	June 30, 2022	2023	June 30, 2022
Administration costs (Note 8)	\$ 1,293,843	\$ 942,822	\$ 2,520,663	\$ 1,939,970
Exploration and project investigation costs (Note 9)	4,253,284	619,596	8,610,406	1,897,957
Foreign exchange loss	60,667	1,537	19,444	11,686
Interest income	(178,913)	-	(243,927)	(17,427)
Net loss for the period	<u>\$ 5,428,881</u>	<u>\$ 1,563,955</u>	<u>\$ 10,906,586</u>	<u>\$ 3,832,186</u>
Items that may be subsequently reclassified to net loss:				
Loss/(gain) on translation to presentation currency	799,692	422,739	(1,384,788)	869,184
Items that will not be subsequently reclassified to net loss:				
Change in fair value of marketable securities	32,151	94,528	99,640	234,445
Comprehensive loss for the period	<u>\$ 6,260,724</u>	<u>\$ 2,081,222</u>	<u>\$ 9,621,438</u>	<u>\$ 4,935,815</u>
Basic and diluted loss per common share	<u>\$ 0.03</u>	<u>\$ 0.02</u>	<u>\$ 0.06</u>	<u>\$ 0.04</u>
Basic and diluted weighted average number of shares outstanding	<u>181,774,042</u>	<u>105,340,004</u>	<u>171,197,922</u>	<u>105,237,249</u>

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

	Six months ended	
	2023	June 30, 2022
Cash flows for operating activities		
Net loss for the period	\$ (10,906,586)	\$ (3,832,186)
Add non-cash items		
Depreciation of equipment (Note 4)	120,993	95,323
Stock-based compensation expense (Note 7)	631,862	189,793
	<u>(10,153,731)</u>	<u>(3,547,070)</u>
Changes in non-cash working capital items		
Receivables and other assets	274,809	81,487
Accounts payable and accrued liabilities	552,323	(164,681)
	<u>(9,326,599)</u>	<u>(3,630,264)</u>
Cash flows for investing activities		
Purchase of equipment	(199,890)	(61,636)
Sale of marketable securities	570,436	
	<u>370,546</u>	<u>(61,636)</u>
Cash flows from financing activities		
Share option exercise	-	135,000
Private placement – gross proceeds (note 6)	17,150,000	-
Private placement – share issue costs (note 6)	(1,285,791)	-
	<u>15,864,209</u>	<u>135,000</u>
Foreign exchange on cash and cash equivalents	<u>39,749</u>	<u>(49,527)</u>
Increase in cash and cash equivalents	6,947,905	(3,606,427)
Cash and cash equivalents, beginning of period	8,020,729	9,774,417
Cash and cash equivalents, end of period	<u>\$ 14,968,634</u>	<u>\$ 6,167,990</u>
Supplemental information		
Interest received	\$ 234,927	-

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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	Accumulated Other Comprehensive Income	Deficit	Total
Balance January 1, 2023	160,504,290	\$ 102,993,680	\$ 1,995,625	\$ (843,354)	\$ (54,347,820)	\$ 49,798,131
Net loss and other comprehensive income	-	-	-	1,285,148	(10,906,586)	(9,621,438)
Stock based compensation expense (Note 7)	-	-	631,862	-	-	631,862
Private placement (Note 6)	24,500,600	17,150,420	-	-	-	17,150,420
Share Issue Costs (Note 6)	-	(1,285,791)	-	-	-	(1,285,791)
Balance June 30, 2023	185,004,890	\$ 118,858,309	\$ 2,627,487	\$ 441,794	\$ (65,254,406)	\$ 56,673,184
Balance January 1, 2022	105,040,004	\$ 65,460,448	\$ 2,068,802	\$ (655,893)	\$ (44,564,605)	\$ 22,308,752
Net loss and other comprehensive income	-	-	-	(1,103,630)	(3,832,186)	(4,935,816)
Stock based compensation expense (Note 7)	-	-	189,793	-	-	189,793
Share option exercise	300,000	183,847	(48,847)	-	-	135,000
Balance June 30, 2022	105,340,004	\$ 65,644,295	\$ 2,209,748	\$ (1,759,523)	\$ (48,396,791)	\$ 17,697,729

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Montage Gold Corp.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2023 and 2022
(All amounts expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

1. NATURE OF OPERATIONS

Montage Gold Corp. (the "Company" or "Montage") was incorporated under the Business Corporations Act (British Columbia) on July 4, 2019. Montage is a Mineral Resource company engaged in the exploration and development of mineral properties in Côte d'Ivoire including the Koné Gold Project ("KGP") which is at Feasibility Stage. The KGP includes the Koné Exploration Permit (PR 262), the Farandougou Exploration Permit (PR 748), the Sisséplé North Exploration Permit (PR 879b), the Mankono acquired properties ("Mankono Acquisition") and two Exploration Permit applications located in the area near the KGP. The Mankono Acquisition includes the Sisséplé Exploration Permit (PR 920), the Gbongogo Exploration Permit (PR 919) and the Sissédougou Exploration Permit (PR 842). Montage owns 100% of the KGP and it is subject to a 2% NSR except for the Farandougou Exploration Permit and the Sisséplé North Exploration Permit (PR 879b), both of which are royalty free.

Other mineral properties include the Korokaha Gold Project, which comprises the Diawala Exploration Permit Application and the Korokaha South Exploration Permit (PR 333) as well as the Bobosso Gold Project, which comprises the Dabakala and the Wendené Exploration Permit (PR 572) applications. Montage owns 100% of these projects with the Bobosso Gold Project subject to a 2% NSR and the Korokaha Gold Project is royalty free.

Montage's registered office is located at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8.

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, 2022. 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, 2022.

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the parent company and a Canadian holding company is the Canadian dollar. The functional currency of Mankono Exploration SA, Orca Gold CDI, Shark Mining CDI S.a.r.l, Hammerhead Resources CDI and XMI S.a.r.l is the West African Franc. The consolidated financial statements are presented in Canadian dollars.

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

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3. RECEIVABLES AND OTHER ASSETS

	June 30, 2023	December 31, 2022
Prepaid expenses	391,887	660,502
Marketable securities	-	670,076
Total receivables and other assets	391,887	1,330,578

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4. EQUIPMENT

Cost	Camp and Office Equipment	Vehicles and Mobile Equipment	Field and Camp Equipment	Total
As at January 1, 2022	113,827	276,223	623,753	1,013,803
Additions	79,382	83,066	87,787	250,235
Effects of foreign exchange on translation to presentation currency	5,359	6,942	7,247	19,548
As at December 31, 2022	198,568	366,231	718,787	1,283,586
Additions	22,871	81,603	95,416	199,890
Effects of foreign exchange on translation to presentation currency	2,955	2,015	6,882	11,852
As at June 30, 2023	224,394	449,849	821,085	1,495,328
Accumulated depreciation				
As at January 1, 2022	(43,905)	(199,963)	(414,851)	(658,719)
Depreciation	(58,870)	(87,493)	(44,614)	(190,977)
Effects of foreign exchange on translation to presentation currency	(1,860)	(6,663)	(12,814)	(21,337)
As at December 31, 2022	(104,635)	(294,119)	(472,279)	(871,033)
Depreciation	(34,001)	(66,037)	(20,955)	(120,993)
Effects of foreign exchange on translation to presentation currency	(1,665)	(3,456)	(4,224)	(9,345)
As at June 30, 2023	(140,301)	(363,612)	(497,458)	(1,001,371)
Net book amount				
As at December 31, 2022	93,933	72,112	246,508	412,553
As at June 30, 2023	84,093	86,237	323,627	493,957

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5. MINERAL PROPERTIES

Cost	Total
As at January 1, 2022	11,767,954
Mankono Acquisition	30,327,278
Effects of foreign exchange on translation to presentation currency	83,872
As at December 31, 2022	42,179,104
Effects of foreign exchange on translation to presentation currency	1,342,130
As at June 30, 2023	43,521,234

Mineral properties include the Mankono Acquisition in 2022 for \$30.3 million and the acquisition of the Koné Exploration Permit (PR 262) for \$6.2 million in 2019 and the Wendené Exploration Permit (PR 572) for \$5.4 million in 2018.

6. SHARE CAPITAL

On April 12, 2023 the Company completed a bought deal private placement offering of 24,500,600 common shares (the "Offered Shares") at an issue price of \$0.70 per Offered Share for gross proceeds of \$17,150,420.

7. STOCK OPTIONS

Stock option plan

Total stock based compensation for share options and restricted and deferred share units for the period ended June 30, 2023 was \$0.6m (2022: \$0.2m).

Stock options outstanding

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, 2022	9,050	\$0.81
Granted	4,200	\$0.66
Exercised	(4,750)	\$0.45
Outstanding at December 31, 2022	8,500	\$0.94
Outstanding at June 30, 2023	8,500	\$0.94
Exercisable at June 30, 2023	5,236	\$0.83

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The following summarizes information about the stock options outstanding and exercisable at June 30, 2023:

Exercise price (CDA\$)	Outstanding options			Exercisable Options		
	Number of options outstanding (In thousands)	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\$)
\$0.55	100	0.21	\$0.55	100	0.21	\$0.55
\$1.30	3,500	0.36	\$1.30	3,500	0.36	\$1.30
\$0.93	300	0.94	\$0.93	300	0.94	\$0.93
\$0.75	400	1.19	\$0.75	267	1.19	\$0.75
\$0.81	300	1.84	\$0.81	200	1.84	\$0.81
\$0.60	200	2.19	\$0.60	67	2.19	\$0.60
\$0.65	3,700	2.42	\$0.65	802	2.42	\$0.65
	<u>8,500</u>	<u>1.41</u>	<u>\$0.94</u>	<u>5,236</u>	<u>0.83</u>	<u>\$1.11</u>

Restricted and Deferred Share Units

The Company had 1,023,096 restricted share units ("RSU"s) outstanding and no units were exercisable as at June 30, 2023. The RSU's have a 3-year vesting period and the person will receive RSUs on each vesting date over the three year period. Total stock based compensation for the six months to June 30, 2023 was \$0.2 million (2022: nil).

The Company had 576,925 deferred share units ("DSU"s) outstanding and no units were exercisable as at June 30, 2023. Total stock based compensation was \$0.2 million for the six months to June 30, 2023 (2022: nil).

8. ADMINISTRATION COSTS

	Three months ended		Six months ended	
	2023	June 30, 2022	2023	June 30, 2022
Management and consulting fees	506,793	429,402	951,587	841,808
Office and administration	25,865	7,308	90,409	42,113
Professional fees	205,186	349,631	447,571	679,948
Salaries and benefits	29,789	12,249	57,611	30,964
Stock based compensation expense	315,580	100,366	595,523	172,136
Travel and promotion	210,630	43,866	377,962	173,001
Total administration costs	1,293,843	942,822	2,520,663	1,939,970

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9. EXPLORATION AND PROJECT INVESTIGATION COSTS

Three months ended June 30,	2023	2022
Depreciation	62,817	45,266
Drilling	3,014,959	-
Exploration support and administration	197,173	100,919
Field operation and consumables	204,754	80,127
Geological consulting	299,440	108,704
Permitting and licensing fees	53,401	1,077
Salaries and benefits	377,108	169,446
Sampling, geological and other evaluation costs	23,315	84,394
Stock-based compensation expense	10,060	8,877
Travel and accommodation	10,257	20,786
Total exploration and project investigation costs	4,253,284	619,596

Six months ended June 30,	2023	2022
Depreciation	120,993	95,323
Drilling	6,242,864	137,191
Exploration support and administration	363,468	161,730
Field operation and consumables	512,938	184,732
Geological consulting	469,063	750,012
Permitting and licensing fees	56,907	7,704
Salaries and benefits	703,563	368,326
Sampling, geological and other evaluation costs	61,945	129,961
Stock-based compensation expense	36,339	17,657
Travel and accommodation	42,326	45,321
Total exploration and project investigation costs	8,610,406	1,897,957

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10. SEGMENT INFORMATION

The Company is principally engaged in the acquisition, exploration and development of mineral properties in Côte d'Ivoire. The information regarding mineral properties and exploration and project investigation costs presented in Notes 5 and 9, respectively, represent the manner in which management reviews its business performance. The Company's mineral properties and exploration and project investigation costs are located in Côte d'Ivoire. The Company owns five permits and seven permit applications in Côte d'Ivoire. The Company's non-current assets are located in Côte d'Ivoire.

11. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, marketable securities, other receivables, 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 June 30, 2023, the Company did not have any material foreign currency risk exposure.

b) Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. As at June 30, 2023, the majority of the Company's cash and cash equivalents was held through Canadian institutions with investment grade ratings with \$0.4 million or 2% held in accounts with a rating of B or lower.

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.

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The maturities of the Company's financial liabilities as at June 30, 2023 are as follows:

	Total	Less than 1 year	1-5 years	More than 5 years
Accounts payable and accrued liabilities	2,721,854	2,721,854	-	-