

Montage Gold Corp.

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

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

	March 31, 2023	December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,644,280	\$ 8,020,729
Receivables and other assets (Note 3)	1,193,953	1,330,578
	<u>4,838,233</u>	<u>9,351,307</u>
Equipment (Note 4)	544,678	412,553
Mineral properties (Note 5)	44,414,142	42,179,104
Other assets	19,723	23,422
	<u>49,816,776</u>	<u>51,966,386</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	3,063,477	\$2,168,255
EQUITY		
Equity attributed to common shareholders		
Share capital	102,993,680	102,993,680
Contributed surplus	2,311,507	1,995,625
Accumulated other comprehensive income	1,273,637	(843,354)
Deficit	(59,825,525)	(54,347,820)
	<u>46,753,299</u>	<u>49,798,131</u>
	<u>\$ 49,816,776</u>	<u>\$ 51,966,386</u>

Subsequent Event (Note 11)

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 March 31, 2023	Three months ended March 31, 2022
Administration costs (Note 7)	\$ 1,226,820	\$ 997,149
Exploration and project investigation costs (Note 8)	4,357,122	1,278,361
Foreign exchange (gain)/loss	(41,223)	10,148
Interest income	(65,014)	(17,426)
Net loss for the period	<u>5,477,705</u>	<u>2,268,232</u>
Items that may be subsequently reclassified to net loss:		
(Gain)/loss on translation to presentation currency	(2,184,480)	446,445
Items that will not be subsequently reclassified to net loss:		
Loss in fair value of marketable securities	67,489	139,917
Comprehensive loss for the period	<u>\$ 3,360,714</u>	<u>\$ 2,854,594</u>
Basic and diluted loss per common share	<u>\$0.03</u>	<u>\$0.02</u>
Basic and diluted weighted average number of shares outstanding	<u>160,504,290</u>	<u>105,133,344</u>

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

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

	Three months ended March 31, 2023	Three months ended March 31, 2022
Cash flows from (used in) operating activities		
Net loss for the period	\$ (5,477,705)	\$ (2,268,232)
Add non-cash items		
Depreciation of equipment (Note 4)	58,176	50,057
Stock-based compensation expense (Note 6)	315,882	80,549
	<u>(5,103,647)</u>	<u>(2,137,626)</u>
Changes in non-cash working capital items		
Receivables and other assets	75,148	111,758
Accounts payable and accrued liabilities	903,574	(2,747)
	<u>(4,124,925)</u>	<u>(2,028,615)</u>
Cash flows used in investing activities		
Purchase of equipment (Note 4)	<u>(177,363)</u>	<u>(7,211)</u>
Cash flows from financing activities		
Proceeds from exercise of stock options	<u>-</u>	<u>135,000</u>
	<u>-</u>	<u>135,000</u>
Foreign exchange on cash and cash equivalents	<u>(74,161)</u>	<u>1,858</u>
Decrease in cash and cash equivalents	(4,376,449)	(1,898,968)
Cash and cash equivalents, beginning of period	8,020,729	9,774,417
Cash and cash equivalents, end of the period	<u>\$ 3,644,280</u>	<u>\$ 7,875,449</u>
Supplemental information		
Interest received	<u>65,014</u>	<u>17,427</u>

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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, 2022	105,040,011	\$ 65,460,448	\$ 2,068,802	\$ (655,893)	\$ (44,564,605)	22,308,752
Net loss and other comprehensive loss	-	-	-	(586,362)	(2,268,229)	(2,854,591)
Stock option exercise	300,000	183,847	(48,847)	-	-	135,000
Stock-based compensation expense	-	-	80,549	-	-	80,549
Balance March 31, 2022	105,340,011	\$ 65,644,295	\$ 2,100,504	\$ (1,242,255)	\$ (46,832,834)	\$ 19,669,710
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 loss	-	-	-	2,116,991	(5,477,705)	(3,360,714)
Stock-based compensation expense (Note 6)	-	-	315,882	-	-	315,882
Balance March 31, 2023	160,504,290	\$ 102,993,680	\$ 2,311,507	\$ 1,273,637	\$ (59,825,525)	\$ 46,753,299

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

Montage Gold Corp.
Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 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, V6C3E8.

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.

These condensed interim financial statements were authorized for issuance by the Board of Directors of the Company on May 26, 2023.

3. RECEIVABLES AND OTHER ASSETS

	March 31, 2023	December 31, 2022
Prepaid expenses	591,365	660,502
Marketable securities	602,588	670,076
Total receivables and other assets	1,193,953	1,330,578

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4. EQUIPMENT

Cost	Computer 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	2,532	94,189	80,642	177,363
Effects of foreign exchange on translation to presentation currency	9,855	6,703	16,624	33,182
As at March 31, 2023	210,955	467,123	816,053	1,494,131
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	(19,779)	(28,071)	(10,326)	(58,176)
Effects of foreign exchange on translation to presentation currency	(9,466)	(4,688)	(6,090)	(20,244)
As at March 31, 2023	(133,880)	(326,878)	(488,695)	(949,453)
Net book amount				
As at December 31, 2022	93,933	72,112	246,508	412,553
As at March 31, 2023	77,075	140,245	327,358	544,678

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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	2,235,038
As at March 31, 2023	44,414,142

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. STOCK OPTIONS

a) Stock option plan

The total stock-based compensation reported for the period ended March 31, 2023 was \$0.3 million (2022: \$0.1 million).

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 March 31, 2023	8,500	\$0.94
Exercisable at March 31, 2023	4,936	\$1.12

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The following summarizes information about the stock options outstanding and exercisable at March 31, 2023:

Exercise price (CDN\$)	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	0.46	\$0.55	100	0.46	\$0.55
\$1.30	3,500	0.61	\$1.30	3,500	0.61	\$1.30
\$0.93	300	1.19	\$0.93	100	1.19	\$0.93
\$0.75	400	1.44	\$0.75	267	1.44	\$0.75
\$0.81	300	2.09	\$0.81	100	2.09	\$0.81
\$0.60	200	2.44	\$0.60	67	2.44	\$0.60
\$0.65	3,700	2.67	\$0.65	802	2.67	\$0.65
	<u>8,500</u>	1.66	\$0.94	<u>4,936</u>	1.05	\$1.12

7. ADMINISTRATION COSTS

	Three months ended March 31, 2023	Three months ended March 31, 2022
Management and consulting fees	444,794	412,406
Office and administration	64,544	176,759
Professional fees	242,385	188,364
Salaries and benefits	27,822	18,715
Stock based compensation expense (Note 6)	279,943	71,770
Travel and promotion	167,332	129,135
Total administration costs	1,226,820	997,149

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8. EXPLORATION AND PROJECT INVESTIGATION COSTS

	Three months ended March 31, 2023	Three months ended March 31, 2022
Depreciation	58,176	50,057
Drilling	3,227,905	137,191
Exploration support and administration	166,295	114,364
Field operation and consumables	308,184	56,234
Geological consulting	169,623	5,673
Permitting and licensing fees	3,506	6,627
Salaries and benefits	326,455	198,880
Sampling, geological and other evaluation costs	38,630	681,202
Stock-based compensation expense (Note 6)	26,279	8,779
Travel and accommodation	32,069	19,354
Total exploration and project investigation costs	4,357,122	1,278,361

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9. SEGMENT INFORMATION

The Company is principally engaged in the acquisition, exploration and development of mineral properties in Africa. The information regarding mineral properties and exploration and project investigation costs presented in Notes 5 and 8, 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.

10. 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 March 31, 2023, the Company did not have any material foreign currency risk exposure at its operations in Cote d'Ivoire.

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 March 31, 2023, the majority of the Company's cash and cash equivalents was held through Canadian institutions with investment grade ratings with \$0.3 million or 7% 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 March 31, 2023 are as follows:

	Total	Less than 1 year	1-5 years	More than 5 years
Accounts payable and accrued liabilities	3,063,477	3,063,477	-	-

11. SUBSEQUENT EVENT

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.