

Creating a *premier* African gold producer



Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023

Presented in thousands of Canadian Dollars

MONTAGE GOLD CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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MONTAGE GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND
COMPREHENSIVE LOSS

(All amounts presented in thousands of Canadian Dollars, unless otherwise indicated - Unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Revenue	-	-	-	-
Administration costs (Note 10)	2,308	978	3,856	1,925
Exploration and project investigation costs (Note 11)	5,402	4,243	7,903	8,574
Share-based compensation (Note 9)	2,122	326	3,397	632
Restructuring costs (Note 12)	1,854	-	1,854	-
Gain on disposal of assets	-	-	(34)	-
Foreign exchange loss (gain)	2	61	(19)	19
Interest income	(469)	(179)	(642)	(243)
Total expenses and net loss for the period	11,219	5,429	16,315	10,907
Items that may be subsequently reclassified to net loss:				
Loss/(gain) on translation to presentation currency	(69)	800	(43)	(1,385)
Items that will not be subsequently reclassified to net loss:				
Change in fair value of marketable securities	-	32	-	99
Comprehensive loss for the period	11,150	6,261	16,272	9,621
Basic and diluted loss per common share	\$0.04	\$0.03	\$0.07	\$0.06
Basic and diluted weighted average number of shares outstanding (In thousands)	239,192	181,774	218,056	171,198

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 presented in thousands of Canadian Dollars, unless otherwise indicated - Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
CASH FLOWS FROM (USED IN)				
OPERATING ACTIVITIES				
Net loss for the period	\$ (11,219)	\$ (5,429)	\$ (16,315)	\$ (10,907)
Add non-cash items:				
Depreciation (Note 3)	55	63	108	121
Gain on disposal of assets	-	-	(34)	-
Share-based compensation expense (Note 9)	2,122	316	3,397	632
Operating cash flows before changes in working capital	(9,042)	(5,050)	(12,844)	(10,154)
Changes in non-cash working capital items:				
Prepaid expenses and other assets	(133)	200	(68)	275
Accounts payable and accrued liabilities	3,723	(352)	4,295	552
Cash flows used in operating activities	(5,452)	(5,202)	(8,617)	(9,327)
CASH FLOWS FROM (USED IN)				
INVESTING ACTIVITIES				
Additions to property, plant and equipment (Note 3)	(317)	(22)	(344)	(200)
Proceeds on disposal of assets	-	-	39	-
Lease payments (Note 6)	(28)	-	(38)	-
Sale of marketable securities	-	571	-	571
Cash flows generated from (used in) investing activities	(345)	549	(343)	371
CASH FLOWS FROM FINANCING				
ACTIVITIES				
Private placement - gross proceeds (Note 7)	-	17,150	35,210	17,150
Private placement - share issue costs (Note 7)	-	(1,286)	(73)	(1,286)
Exercise of share options	388	-	388	-
Cash flows generated from financing activities	388	15,864	35,525	15,864
Foreign exchange on cash and cash equivalents	(168)	114	(25)	40
Increase / (decrease) in cash and cash equivalents	(5,577)	11,325	26,540	6,948
Cash and cash equivalents, beginning of period	38,837	3,644	6,720	8,021
Cash and cash equivalents, end of period	\$ 33,260	\$ 14,969	\$ 33,260	\$ 14,969
Supplemental information				
Interest received	469	170	642	235

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

MONTAGE GOLD CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(All amounts presented in thousands of Canadian Dollars, unless otherwise indicated - Unaudited)

	As at June 30, 2024	As at December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 33,260	\$ 6,720
Prepaid expenses and other assets	451	461
Total current assets	33,711	7,181
Non-current assets		
Property, plant and equipment (Note 3)	1,733	711
Mineral properties (Note 4)	37,850	37,776
Other assets	92	20
Total assets	\$ 73,386	\$ 45,688
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 5, 14)	\$ 5,645	\$ 1,204
Lease liabilities (Note 6)	215	41
Total current liabilities	5,860	1,245
Non-current liabilities		
Lease liabilities (Note 6)	531	98
Total liabilities	6,391	\$ 1,343
EQUITY		
Share capital (Note 7)	158,730	119,080
Contributed surplus	2,223	2,951
Deficit	(95,083)	(78,768)
Accumulated other comprehensive income	1,125	1,082
Equity attributable to shareholders of the Corporation	66,995	44,345
Non-controlling interests (Note 8)	-	-
Total equity	66,995	44,345
TOTAL EQUITY AND LIABILITIES	\$ 73,386	\$ 45,688

Subsequent events (Note 17)

Approved by the Board of Directors

"Alessandro Bitelli"
Director

"Martino De Ciccio"
Director

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

MONTAGE GOLD CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(All amounts presented in thousands of Canadian Dollars, unless otherwise indicated - Unaudited)

	Number of shares issued and outstanding (In thousands)	Share Capital	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total
Balance January 1, 2023	160,504	\$ 102,994	\$ 1,995	\$ (54,348)	\$ (843)	\$ 49,798
Net loss and other comprehensive income	-	-	-	(10,906)	1,285	(9,621)
Share-based compensation expense (Note 9)	-	-	632	-	-	632
Private placement (Note 7)	24,501	17,150	-	-	-	17,150
Share issue costs (Note 7)	-	(1,286)	-	-	-	(1,286)
Balance June 30, 2023	185,005	\$ 118,858	\$ 2,627	\$ (65,254)	\$ 442	\$ 56,673
Balance January 1, 2024	185,346	\$ 119,080	\$ 2,951	\$ (78,768)	\$ 1,082	\$ 44,345
Net loss and other comprehensive income	-	-	-	(16,315)	43	(16,272)
Incentive shares issued to escrow (Note 9)	3,377	3,850	(3,850)	-	-	-
Share-based compensation expense (Note 9)	-	-	3,397	-	-	3,397
Private placement (Note 7)	50,300	35,210	-	-	-	35,210
Share issue costs (Note 7)	-	(73)	-	-	-	(73)
Share options exercised (Note 9)	468	513	(125)	-	-	388
Deferred share units redeemed (Note 9)	231	150	(150)	-	-	-
Balance June 30, 2024	239,722	\$ 158,730	\$ 2,223	\$ (95,083)	\$ 1,125	\$ 66,995

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 and six months ended June 30, 2024 and 2023

(All amounts presented 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 ("Koné project") which is at the feasibility stage. The Koné project includes the Koné Exploitation Permit (PE0061), 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 Koné project. The Mankono Acquisition includes the Sisséplé Exploration Permit (PR 920), the Gbongogo Exploitation Permit (PE0062) and the Sissédougou Exploration Permit (PR 842).

Other mineral properties include the Diawala Exploration Permit Application and the Bobosso Gold Project, which comprises the Dabakala and the Wendené Exploration Permit (PR 572) applications. The Diawala Exploration Permit Application and the Korokaha South Permit were previously combined as the Korokaha Gold Project.

On July 10, 2024, the Council of Ministers of Côte d'Ivoire approved the mining permits for both its Koné and Gbongogo deposits, which are valid for 20 years and 8 years, respectively, with opportunities to extend as further mine life is added through exploration success. The official decrees were received on August 8, 2024, and the Mining licenses were granted under the 2014 Mining Code. The awarding of mining permits represents the last governmental authorisation required to enable the development and operation of the Koné project.

As required by the Mining Code in Côte d'Ivoire, the Company is in the process of incorporating two new operating companies, that will hold the mining licenses and in which the Government will have a 10% free carried interest.

Montage's registered office is located at Suite 2800, Four Bentall Center, 1055 Dunsmuir Street, Vancouver, BC Canada V7X 1L2.

2. MATERIAL ACCOUNTING POLICIES

a) 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 Accounting Standards"), applicable to the preparation of interim financial statements under International Accounting Standard 34, Interim Financial Reporting. As such, certain disclosures included in the annual financial statements prepared in accordance with IFRS Accounting Standards 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, 2023. 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, 2023.

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.

MONTAGE GOLD CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts presented in thousands of Canadian Dollars, unless otherwise indicated - Unaudited)

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on August 22, 2024.

b) New standards and interpretations adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the International Accounting Standards Board. The following was adopted by the Company on January 1, 2024:

- **IAS 1:** In October 2022, the IASB issued amendments to IAS 1 titled Non-current Liabilities with Covenants. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, Classification of Debt as Current or Non-current, issued in January 2020, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendment had no impact on adoption to the Company.
- **IFRS 18:** In April 2024, the IASB issued IFRS 18, Presentation and Disclosure of Financial Statements, which replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces new requirements for all companies to present specific categories and defined subtotals in the statement of profit and loss, disclose explanations of management defined performance measures if used in the financial statements, and improve aggregation and disaggregation. The standard is effective for periods beginning on or after January 1, 2027. Retrospective application is required and early adoption is permitted. The Company is currently evaluating the impact of this new standard on the Company's financial statements.

MONTAGE GOLD CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2024 and 2023

(All amounts presented in thousands of Canadian Dollars, unless otherwise indicated - Unaudited)

3. PROPERTY, PLANT AND EQUIPMENT

Cost	Computer and Office Equipment	Building	Vehicles and Mobile Equipment	Field and Camp Equipment	Total
As at January 1, 2023	199	-	366	719	1,284
Additions	52	-	131	199	382
Additions – leased assets	-	143	-	-	143
Effects of foreign exchange on translation to presentation currency	2	-	3	4	9
As at December 31, 2023	253	143	500	922	1,818
Additions	79	164	-	246	489
Additions – leased assets	-	644	-	-	644
Disposal	-	-	(44)	-	(44)
Effects of foreign exchange on translation to presentation currency	1	(1)	1	1	2
As at June 30, 2024	333	950	457	1,169	2,909
Accumulated depreciation					
As at January 1, 2023	(105)	-	(294)	(472)	(871)
Depreciation	(64)	(4)	(114)	(50)	(232)
Effects of foreign exchange on translation to presentation currency	(2)	-	(3)	-	(5)
As at December 31, 2023	(171)	(4)	(411)	(522)	(1,108)
Depreciation	(35)	(50)	(6)	(17)	(108)
Disposal	-	-	40	-	40
Effects of foreign exchange on translation to presentation currency	1	-	(1)	-	-
As at June 30, 2024	(205)	(54)	(378)	(539)	(1,176)
Net book amount					
As at December 31, 2023	82	139	90	400	711
As at June 30, 2024	128	896	79	630	1,733

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(All amounts presented in thousands of Canadian Dollars, unless otherwise indicated - Unaudited)

4. MINERAL PROPERTIES

Cost	Total
As at January 1, 2023	42,179
Additions:	
Effects of foreign exchange on translation to presentation currency	1,969
Less:	
Impairment charge on Wendené exploration permit	(6,372)
As at December 31, 2023	37,776
Additions:	
Effects of foreign exchange on translation to presentation currency	74
As at June 30, 2024	37,850

Mineral properties include the Mankono Acquisition in 2022 for \$30.3 million, and the Koné Exploration Permit (PR 262) acquired in 2019 for \$5.4 million.

Montage owns 100% of its projects, the majority of which are subject to a 2% net smelter royalty ("NSR"), except for the Farandougou Exploration Permit (PR 748) and the Sisséplé North Exploration Permit (PR 879b) both of which are royalty free.

The 2% NSR that applies to the Sissédougou Exploration Permit (PR 842), the Gbongogo Exploration Permit (PR 919), and the Sisséplé Exploration Permit (PR 920), has a partial buy-back option in favour of the Company for a purchase price of US\$10 million, through which the Company can reduce the 2% NSR to a 1% NSR, with the option expiring on November 22, 2024.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities as at June 30, 2024 were \$5.6 million (December 31, 2023: \$1.2 million). The balances consist of trade payables and employee related payables for regular operations. All amounts are short term in nature.

6. LEASE LIABILITIES

The Company leases office space for its various locations. Future minimum payments under the lease obligations are as follows:

	As at June 30, 2024	As at December 31, 2023
No later than one year	280	55
Later than one year and no later than five years	598	109
Total minimum lease payments	878	163
Less: interest portion at a rate of 12%	132	24
Total lease liabilities	746	139
Less: current portion	215	41
Long-term portion	531	98

MONTAGE GOLD CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2024 and 2023

(All amounts presented in thousands of Canadian Dollars, unless otherwise indicated - Unaudited)

7. SHARE CAPITAL

On March 12, 2024, 50,300,000 common shares of the Company were issued through a non-brokered private placement at a price of \$0.70 per share, resulting in gross proceeds of \$35.2 million (the "Offering") and share issue costs of \$0.1 million.

Pursuant to the Offering, Nemesia S.à.r.l ("Nemesia") purchased 25,000,000 of the 50,300,000 common shares pursuant to the terms outlined above for gross proceeds of \$17,500,000. Nemesia is a private company controlled by a trust settled by the late Adolf H. Lundin. Nemesia holds 42,743,145 common shares of the Company representing an 18% interest in Montage.

On March 18, 2024, in connection with the appointment of two new executive officers, the Company issued an aggregate of 3,377,406 common shares which are subject to a three-year contractual escrow, to be released to the executives on each anniversary of the commencement date over the three-year period, provided that the executives remain employed by the Corporation on the applicable anniversary dates.

The Company has authorized an unlimited number of voting Common Shares without par value.

8. NON-CONTROLLING INTEREST

As of June 30, 2024, the Company owns 100% of its Mineral Properties (see note 4). On July 10th, 2024, the Council of Ministers in Côte d'Ivoire approved the mining licenses for Koné & Gbongogo for 20 and 8 years, respectively. The official decrees were received on August 8, 2024, with the permits awarded under the 2014 Mining Code

As a result, new operating companies will be created to hold the mining licenses, and the Government of Côte d'Ivoire will receive a 10% free carried equity interest in these operating companies. Once this structure has been completed, the Company will begin to record a non-controlling interest on its balance sheet.

9. SHARE-BASED COMPENSATION

On June 7, 2024, the company adopted a new Omnibus Plan that replaces the former Option Plan, RSU Plan and DSU Plan with one document. The new plan allows for additional award types such as PSUs.

Total share-based compensation expense for the three and six months ended June 30, 2024 was \$2.1 million and \$3.4 million (June 30, 2023: \$0.3 million and \$0.6 million)

a) Stock option plan

Montage has a stock option plan in which common shares of Montage have been made available for the grant of 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 options are at the discretion of the Montage Board of Directors.

The total share-based compensation expense related to the stock option plan for the three and six months ended June 30, 2024 was \$1.1 million and \$1.9 million (June 30, 2023: \$0.1 million and \$0.2 million).

MONTAGE GOLD CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2024 and 2023

(All amounts presented in thousands of Canadian Dollars, unless otherwise indicated - Unaudited)

Stock options outstanding

On February 2, 2024, the Company granted an aggregate 4,605,000 incentive stock options to certain officers, directors and other eligible persons of the Company. The options are exercisable, subject to vesting provisions, over a period of three years at a price of \$0.72 per share.

On February 22, 2024, the Company granted an aggregate 8,632,594 incentive stock options to certain officers, directors and other eligible persons of the Company. The options are exercisable, subject to vesting provisions, over a period of five years at a price of \$0.70 per share.

On March 22, 2024, the Company granted an aggregate 2,813,334 incentive stock options to an eligible person of the Company. The options are exercisable, subject to vesting provisions, over a period of five years at a price of \$0.91 per share.

On March 25, 2024, the Company granted an aggregate 1,000,000 incentive stock options to an eligible person of the Company. The options are exercisable, subject to vesting provisions, over a period of five years at a price of \$1.17 per share.

On June 28, 2024, the Company granted an aggregate 983,680 incentive stock options to certain officers, directors and other eligible persons of the Company. The options are exercisable, subject to vesting provisions, over a period of five years at a price of \$1.32 per share.

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

	Number of Options (In thousands)	Weighted average exercise price CDN\$
Outstanding at January 1, 2023	8,500	\$0.94
Expired	(3,600)	\$1.28
Outstanding at December 31, 2023	4,900	\$0.68
Issued	18,034	\$0.80
Exercised	(468)	\$0.83
Outstanding at June 30, 2024	22,466	\$0.77
Exercisable at June 30, 2024	4,666	\$0.69

MONTAGE GOLD CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2024 and 2023

(All amounts presented in thousands of Canadian Dollars, unless otherwise indicated - Unaudited)

The following summarizes information about the stock options outstanding and exercisable at June 30, 2024:

Exercise prices (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\$)
\$0.75	400	0.19	\$0.75	400	0.19	\$0.75
\$0.81	300	0.84	\$0.81	300	0.84	\$0.81
\$0.60	200	1.19	\$0.60	133	1.19	\$0.60
\$0.65	3,532	1.42	\$0.65	2,298	1.42	\$0.65
\$0.72	4,605	2.08	\$0.72	1,535	2.08	\$0.72
\$0.70	8,633	4.65	\$0.70	-	-	-
\$0.91	2,813	4.71	\$0.91	-	-	-
\$1.17	1,000	4.73	\$1.17	-	-	-
\$1.32	983	4.99	\$1.32	-	-	-
	22,466	3.48	\$0.77	4,666	1.49	\$0.69

The fair value method of accounting was applied to options granted to employees and directors on the date of the grant using the Black Scholes pricing model with the following weighted average assumptions.

	February 2, 2024	February 22, 2024	March 18, 2024	March 25, 2024	June 28, 2024
Risk-free interest rate:	3.52%	3.24%	3.42%	3.42%	3.49%
Volatility:	53.33%	54.35%	56.04%	55.91%	55.13%
Expected life:	3 years	5 years	5 years	5 years	5 years
Expected dividends:	nil	nil	nil	nil	Nil
Weighted average fair value per option:	\$0.27	\$0.33	\$0.65	\$0.61	\$0.67

b) Restricted Share Units

On February 2, 2024, the Company granted a total of 193,615 Restricted Share Units ("RSUs") to executives and senior management and on February 22, 2024, the Company granted a total of 2,400,000 RSUs to senior management. The RSUs were granted in accordance with the Company's Restricted Share Unit Plan.

Total share-based compensation expensed to the Condensed Interim Statement of Loss and Comprehensive Loss related to the RSU plan for the three and six months ended June 30, 2024 was \$0.5 million and \$0.7 million (June 30, 2023: \$0.1 million and \$0.2 million).

Movements in the number of RSUs outstanding and their related weighted average share prices at grant date are as follows:

	Number of RSUs (In thousands)	Weighted average price at grant date (CDN\$)
Outstanding at January 1, 2023	1,023	\$0.65
RSUs converted into common shares on vesting	(341)	\$0.65
Outstanding at December 31, 2023	682	\$0.65
RSUs granted	2,594	\$0.67
Outstanding at June 30, 2024	3,276	\$0.67

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2024 and 2023

(All amounts presented in thousands of Canadian Dollars, unless otherwise indicated - Unaudited)

c) Performance Share Units

On June 28, 2024, the Company granted a total of 1,636,200 Performance Share Units ("PSUs") to executives in accordance with the Company's Omnibus Plan. The PSUs vest over a period of 3 years based on specified performance criteria.

Total share-based compensation expensed to the Condensed Interim Statement of Loss and Comprehensive Loss related to the PSU plan for the three and six months ended June 30, 2024 was insignificant (June 30, 2023: Nil and Nil).

d) Deferred Share Units

The Company did not grant any new deferred share units ("DSU"s) during the three and six months ended June 30, 2024 or June 30, 2023. Total share-based compensation expensed to the Condensed Interim Statement of Loss and Comprehensive Loss related to the DSU plan for the three and six months ended June 30, 2024 was Nil (June 30, 2023: \$0.1 million and \$0.2 million).

Movements in the number of DSUs outstanding and their related weighted average share prices at grant date are as follows:

	Number of RSUs (In thousands)	Weighted average price at grant date CDN\$
Outstanding at January 1, 2023	577	\$0.65
DSUs granted	-	-
Outstanding at December 31, 2023	577	\$0.65
DSUs granted	-	-
DSUs redeemed	(231)	\$0.65
Outstanding at June 30, 2024	346	\$0.65

e) Incentive Shares

On March 18, 2024, in connection with the appointment of two new executive officers, the Company issued an aggregate of 3,377,406 common shares which are subject to a three-year contractual escrow to be released to the executives on each anniversary of the commencement date over the three-year period, provided that the executives remain employed by the Corporation on the applicable anniversary dates. The common shares issued resulted in total share-based compensation expense to the Condensed Interim Statement of Loss and Comprehensive Loss for the three and six months ended June 30, 2024 of \$0.5 million and \$0.8 million (June 30, 2023: Nil and Nil).

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2024 and 2023

(All amounts presented in thousands of Canadian Dollars, unless otherwise indicated - Unaudited)

10. ADMINISTRATION COSTS

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Interest expense	15	-	19	-
Management and director fees	948	507	1,629	952
Office and administration	91	26	205	90
Professional fees	684	205	1,006	447
Salaries and benefits	111	30	209	58
Travel and promotion	459	210	788	378
Total administration costs	2,308	978	3,856	1,925

11. EXPLORATION AND PROJECT INVESTIGATION COSTS

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Depreciation	55	63	108	121
Drilling	2,141	3,015	2,728	6,243
Exploration and project support and administration	352	197	614	363
Field operation and consumables	299	228	480	575
Geological consulting	1,888	300	2,780	469
Permitting and licensing fees	64	53	66	57
Salaries and benefits	534	377	989	704
Travel and accommodation	69	10	138	42
Total exploration and project investigation costs	5,402	4,243	7,903	8,574

12. RESTRUCTURING COSTS

The Company has incurred \$1.9 million of costs related to terminations of former management team members.

13. RELATED PARTY TRANSACTIONS

Under the normal course of operations, the Company may undertake transactions or hold balances with related parties. During the three and six months ended June 30, 2024, the following related party transactions were recorded:

Orange Mining Pty Ltd.

Effective June 14, 2024, the company has signed a Master Service Agreement ("MSA") with Orange Mining Pty Ltd. ("Orange Mining"), a related party to the Company by way of directors, officers and shareholders in common. Under the terms of this arrangement, Orange Mining will provide comprehensive services aimed at development of the Kone Gold Project towards construction and operational status.

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(All amounts presented in thousands of Canadian Dollars, unless otherwise indicated - Unaudited)

In connection with the MSA, for the 3 and 6 months ended June 30, 2024, net consulting fees of \$0.4 million were charged by Orange Mining relating to study and design management (December 31, 2023 - \$Nil). The net payable balances to Orange Mining as of June 30, 2024 are \$0.4 million (December 31, 2023 - \$Nil).

14. 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 4 and 11, 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 seven permits and six permit applications in Côte d'Ivoire. The Company's non-current assets, excluding financial instruments and exploration and project investigation costs are located in Côte d'Ivoire.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company has estimated the fair values of its financial instruments based on appropriate valuation methodologies. These values are not materially different from their carrying value.

The Company classifies the fair values of its financial instruments according to the following hierarchy based on the significance of observable inputs used to value the instrument:

Level 1 – Quoted price (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted market prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash, accounts receivable, trade payables and accrued liabilities with carrying values considered to be reasonable approximations of fair value due to the short-term nature of these instruments.

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16. MANAGEMENT OF FINANCIAL RISK

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

a) Currency risk

Foreign currency risk is the risk that the fair value of the Company's financial instruments will fluctuate due to changes in exchange rates. The Company carries cash, receivables, and accounts payable balances denominated in West African Franc which is pegged to the Euro, British pounds and U.S. dollars which are subject to currency risk due to fluctuations in the exchange rates with the Canadian dollar.

Due to the volatility of the exchange rates between the Canadian dollar, the West African Franc, British pounds, and the U.S. dollar, such currency risk could result in future gains or losses to the Company. Based on the Company's net monetary assets denominated in foreign currencies as at June 30, 2024, a 10% fluctuation in the exchange rates of these currencies would result in a gain or loss of approximately \$0.1 million (December 31, 2023 - \$0.1 million).

To manage currency risk, the Company maintains only the minimum amount of foreign cash that is necessary to fund its ongoing exploration activities. Accounts payable denominated in foreign currencies are settled in a timely manner.

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, 2024, the majority of the Company's cash and cash equivalents was held through Canadian institutions with investment grade ratings with \$0.5 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.

The maturities of the Company's financial liabilities as at June 30, 2024 are as follows:

	Total	Less than 1 year	1-5 years	More than 5 years
Accounts payable and accrued liabilities	5,645	5,645	-	-
Lease liabilities	746	215	531	-
Total	6,391	5,860	531	-

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(All amounts presented in thousands of Canadian Dollars, unless otherwise indicated - Unaudited)

17. SUBSEQUENT EVENTS

a) Equity private placement

On July 16, 2024, the Company launched a brokered private placement of up to 97,142,857 common shares of the Company (the "Common Shares") at a price of C\$1.75 per Common Share for aggregate gross proceeds of up to C\$170 million (the "Offering"), which included a strategic investment from Zijin Mining Group Co. Ltd. (together with its affiliates, "Zijin"), in addition to the Lundin Family Trusts increasing their stake. On July 17, 2024, the Company announced that the brokered private placement previously announced was increased to 102,857,143 common shares of the Company for gross proceeds of approximately C\$180 million and that the oversubscribed book had closed. The Lundin Family Trusts and Zijin have agreed to subscribe for such number of Common Shares that resulted in them holding ownership interests in Montage of 19.9% and 9.9%, respectively, following completion of the Offering.

The Offering closed on August 14, 2024, and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals, including the acceptance of the TSX Venture Exchange. The Common Shares issued pursuant to the Offering are subject to a four-month hold period under applicable Canadian securities laws commencing on the Closing.

The net proceeds of the Offering will be used for development expenditures at the Company's Koné Project, exploration, and for working capital and general corporate purposes.

b) Share-based compensation

On July 1, 2024, in connection with the appointment of two new executive officers the Company granted an aggregate 1,350,000 Restricted Share Units ("RSUs"). The RSUs are granted in accordance with the Company's Restricted Share Unit Plan. The Company also issued 1,186,656 common shares which are subject to a three-year contractual escrow, to be released to the executive on each anniversary of the commencement date over the three-year period, provided that the executive remains employed by the Corporation on the applicable anniversary dates.

c) Mining permits approval

On July 10, 2024, the Council of Ministers of Côte d'Ivoire approved the mining permits for both its Koné and Gbongogo deposits, which are valid for 20 years and 8 years, respectively, with opportunities to extend as further mine life is added through exploration success. The awarding of mining permits represents the last governmental authorisation required to enable the development and operation of the Koné project. The official decrees were issued under the 2014 Mining Code.