LAKE VICTORIA GOLD LTD.

(*formerly Tembo Gold Corp.*)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022

(Expressed in Canadian Dollars)

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Independent auditor's report

To the Shareholders of Lake Victoria Gold Ltd. (formerly Tembo Gold Corp.)

Opinion

We have audited the consolidated financial statements of Lake Victoria Gold Ltd. (formerly Tembo Gold Corp.) (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022 and the consolidated statements of comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the financial position of Lake Victoria Gold Ltd. (formerly Tembo Gold Corp.) as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that additional funding will be necessary to advance the Company's ongoing operations. This condition, along with the matters set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ingrid Holbik.

Grant Thornton LLP

Toronto, Canada
April 30, 2024

Chartered Professional Accountants
Licensed Public Accountants

LAKE VICTORIA GOLD LTD. (*formerly Tembo Gold Corp.*)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Notes	December 31, 2023 $	December 31, 2022 $
ASSETS			
Current assets			
Cash		627,109	2,255,550
GST receivable		67,594	67,665
Prepaid expenses		222,451	94,180
Total current assets		917,154	2,417,395
Non-current assets			
Plant and equipment	4	158,384	178,078
Exploration and evaluation assets	5	5,666,160	3,880,403
Deposit	5	691,541	708,168
Total non-current assets		6,516,085	4,766,649
TOTAL ASSETS		7,433,239	7,184,044
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	737,718	704,573
Advances payable	6	44,000	44,000
Interest payable	7	48,992	16,570
Total current liabilities		830,710	765,143
Non-current liabilities			
Promissory note payable	7	345,199	353,498
TOTAL LIABILITIES		1,175,909	1,118,641
SHAREHOLDERS' EQUITY			
Share capital	8	45,258,326	44,034,856
Share subscriptions received	5(b)(ii)	2,227,069	-
Share-based payments reserve		15,455,171	15,617,035
Foreign currency translation reserve		6,101,764	6,258,421
Deficit		(62,785,000)	(59,844,909)
TOTAL SHAREHOLDERS' EQUITY		6,257,330	6,065,403
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		7,433,239	7,184,044

Nature of Operations and Going Concern - See Note 1

Events after the Reporting Period - See Note 14

These consolidated financial statements were approved for issue by the Board of Directors on April 29, 2024 and are signed on its behalf by:

/s/ ***Marc Cernovitch***	/s/ ***Simon Benstead***
Marc Cernovitch	Simon Benstead
Director	Director

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

LAKE VICTORIA GOLD LTD. (*formerly Tembo Gold Corp.*)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Note	Year Ended December 31 2023 $	2022 $
Expenses			
Accounting and administration		111,016	99,616
Audit		75,426	56,494
Corporate development		15,532	457,948
Depreciation	4	29,489	27,591
Executive management compensation	9(a)	595,171	559,030
General exploration		148,434	-
Interest expense	7	33,476	15,925
Investor relations		-	101,168
Legal		223,663	101,607
Office		51,374	48,363
Professional fees		456,018	383,805
Regulatory		44,150	36,058
Rent and housing	9(c)	41,359	92,394
Share-based compensation	8(c)	487,756	37,033
Shareholder costs		15,154	11,548
Transfer agent		6,585	13,559
Travel		52,772	85,148
Website updating and maintenance		60,000	66,842
		2,447,375	2,194,129
Loss before other items		(2,447,375)	(2,194,129)
Other items			
Interest income		7,698	5,739
Standstill agreement and related payments	5(b)(ii)	(499,232)	-
Other		13,515	-
Foreign exchange		(14,697)	17,269
Gain on disposition of exploration and evaluation assets	5	-	1,115,959
		(492,716)	1,138,967
Loss before income taxes		(2,940,091)	(1,055,162)
Income taxes on disposition	5	-	(2,241,074)
Net loss for the year		(2,940,091)	(3,296,236)
Other comprehensive (loss) income			
Change in currency translation of foreign subsidiary		(156,657)	520,011
Comprehensive loss for the year		(3,096,748)	(2,776,225)
Basic and diluted loss per common share		$(0.03)	$(0.03)
Weighted average number of common shares outstanding		103,493,871	99,508,950

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

LAKE VICTORIA GOLD LTD. (*formerly Tembo Gold Corp.*)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Year Ended December 31, 2023						
	Share Capital						
	Number of Shares	Amount $	Share-Based Payments Reserve $	Share Subscriptions Received $	Foreign Currency Translation Reserve $	Deficit $	Total Shareholders' Equity $
Balance at December 31, 2022	101,771,345	44,034,856	15,617,035		6,258,421	(59,844,909)	6,065,403
Common shares issued for:							
- share options exercised	3,609,000	573,850	-	-	-	-	573,850
Transfer on exercise of share options	-	649,620	(649,620)	-	-	-	-
Share-based compensation - options	-	-	91,463	-	-	-	91,463
Share-based compensation - RSUs	-	-	396,293	-	-	-	396,293
Share subscriptions received (Note 5(b)(ii))	-	-	-	2,227,069	-	-	2,227,069
Currency translation adjustment	-	-	-	-	(156,657)	-	(156,657)
Net loss for the year	-	-	-	-	-	(2,940,091)	(2,940,091)
Balance at December 31, 2023	105,380,345	45,258,326	15,455,171	2,227,069	6,101,764	(62,785,000)	6,257,330

	Year Ended December 31, 2022					
	Share Capital					
	Number of Shares	Amount $	Share-Based Payments Reserve $	Foreign Currency Translation Reserve $	Deficit $	Total Shareholders' Equity $
Balance at December 31, 2021	95,167,581	42,251,621	15,580,002	5,738,410	(56,548,673)	7,021,360
Common shares issued for:						
- private placements	6,603,764	1,792,950	-	-	-	1,792,950
Share issue costs	-	(9,715)	-	-	-	(9,715)
Share-based compensation - options	-	-	37,033	-	-	37,033
Currency translation adjustment	-	-	-	520,011	-	520,011
Net loss for the year	-	-	-	-	(3,296,236)	(3,296,236)
Balance at December 31, 2022	101,771,345	44,034,856	15,617,035	6,258,421	(59,844,909)	6,065,403

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

LAKE VICTORIA GOLD LTD. (*formerly Tembo Gold Corp.*)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year Ended December 31	
	2023 $	2022 $
Operating activities		
Net loss for the year	(2,940,091)	(3,296,236)
Adjustments for:		
Depreciation	29,489	27,591
Share-based compensation	487,756	37,033
Gain on disposition of exploration and evaluation assets	-	(1,115,959)
Changes in non-cash working capital items:		
GST receivable	71	(37,646)
Prepaid expenses and deposits	(132,561)	(59,184)
Accounts payable and accrued liabilities	348,198	(238,791)
Interest payable	33,476	15,925
Net cash used in operating activities	(2,173,662)	(4,667,267)
Investing activities		
Expenditures on exploration and evaluation assets	(1,884,649)	(2,348,306)
Net proceeds from sale of exploration and evaluation assets	-	7,508,280
Deposit	-	(708,168)
Additions to plant and equipment	(13,660)	(34,897)
Net cash (used in) provided by investing activities	(1,898,309)	4,416,909
Financing activities		
Issuance of common shares	240,000	1,792,950
Share issue costs	-	(9,715)
Share subscriptions received	2,227,069	-
Advances received	-	12,496
Repayment of advances	-	(12,496)
Promissory note payable	-	353,498
Net cash provided by financing activities	2,467,069	2,136,733
Effect of exchange rate changes on cash	(23,539)	(281,305)
Net change in cash	(1,628,441)	1,605,070
Cash at beginning of year	2,255,550	650,480
Cash at end of year	627,109	2,255,550

Supplemental cash flow information - See Note 12

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

1. Nature of Operations and Going Concern

The Company is a public company incorporated on March 3, 1937 pursuant to the laws of the Province of Ontario, Canada and continued into British Columbia on October 14, 2020. On December 21, 2023 the Company changed its name from Tembo Gold Corp. to Lake Victoria Gold Ltd. See Note 5(b). The Company's common shares are listed and trade on the TSX Venture Exchange ("TSXV") under the new symbol "LVG", the OTCQB under the new symbol "LVGLF" and the Frankfurt Exchange under the symbol "T23".

The Company is a junior mineral exploration company currently engaged in the acquisition and exploration of mineral properties located in Tanzania. On the basis of information to date, the Company has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the exploration and evaluation assets is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. Exploration and evaluation assets represent costs incurred to date, less amounts depreciated and/or written off, and do not necessarily represent present or future values.

The Company's material mineral properties are located in Tanzania and consequently the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and governmental regulations relating to the mining industry.

These consolidated financial statements have been prepared on a going concern basis. As at December 31, 2023 the Company had working capital of $86,444 and an accumulated deficit of $62,785,000. The Company has not yet produced any revenues from its mineral interests and further funds will be required to fund existing levels of overhead and planned exploration expenditures over the course of the next twelve months. The Company will need to raise additional capital from the sale of common shares or other equity or debt instruments. If the Company is unable to raise the necessary capital and generate sufficient cash flows to meet obligations as they come due, the Company may have to reduce or curtail its operations or obtain financing at unfavourable terms. The material uncertainty may cast significant doubt about the Company's ability to continue as a going concern. Furthermore, failure to continue as a going concern would require the Company's assets and liabilities be restated on a liquidation basis which would differ significantly from the going concern basis. These condensed consolidated interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern.

2. Basis of Preparation

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards"), as issued by the International Accounting Standards Board ("IASB").

Basis of Measurement

The Company's consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. The consolidated financial statements are presented in Canadian dollars unless otherwise stated.

Details of the Group

In addition to the Company, the consolidated financial statements include all subsidiaries. Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are deconsolidated from the date that control by the Company ceases.

2. Basis of Preparation (continued)

As at December 31, 2023 the subsidiaries of the Company are:

Company	Location of Incorporation	Ownership Interest
Tembo Gold (T) Ltd.	Tanzania	100%
Mineral Industry Promotion & Consulting Company Ltd.	Tanzania	100%

3. Material Accounting Policies

Critical Judgments and Sources of Estimation Uncertainty

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

(i) The determination of a subsidiary's functional currency often requires significant judgment when the primary economic environment in which they operate may not be clear. This can have a significant impact on the consolidated results of the Company based on the foreign currency translation methods used.

(ii) Management is required to assess impairment in respect of intangible exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

(iii) The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's estimate of future profits or losses adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(i) Depreciation expense is allocated based on assumed useful life of property, plant and equipment. Should the useful life differ from the initial estimate, an adjustment would be made in the statement of operations.

3. Material Accounting Policies (continued)

(ii) The calculation of share-based compensation requires estimates of volatility, interest rates, forfeiture rates and market prices surrounding the issuance of share options. These estimates impact share-based compensation expense and share-based compensation reserve.

(iii) The assessment of any impairment of plant and equipment and exploration and evaluation assets is dependent upon estimates of the recoverable amounts that take into account factors such as reserves, economic and market conditions and the useful lives of assets. In fiscal 2023 and 2022 management concluded there were no impairment indicators and no impairment charge was required.

Exploration and Evaluation Assets

Pre-exploration costs incurred prior to acquiring the legal rights to explore are expensed in general exploration in the period in which they are incurred. Subsequent to obtaining the legal right to explore, the Company follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral properties. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment, or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farm out of the property result in a revised estimate of the recoverable amount, but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company credits all proceeds received against the cost of the related mineral properties. To the extent that the amounts received or receivable are in excess of the carrying amount, the Company will recognize the excess recovered amount in income.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditures are not expected to be recovered, they are charged to the results of operations.

Plant and Equipment

Plant and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of plant and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Plant and equipment are depreciated annually on a straight-line basis over the estimated useful lives of the assets with annual rates from 5% to 25%.

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of comprehensive income or loss.

3. Material Accounting Policies (continued)

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment. Expenditures incurred to replace a component of an item of plant and equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized.

The Company compares the carrying value of plant and equipment to estimated net recoverable amounts, based on estimated future cash flows, to determine whether there is any indication of impairment whenever events or circumstances warrant.

Impairment of Non-financial Assets

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is determined as the price that would be received to sell an asset in an orderly transaction between market participants. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Decommissioning Provision

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral interest by or on behalf of the Company. Costs for restoration of site damage which is created on an ongoing basis during exploration and evaluation are provided for at their net present values and charged against profits in the period such exploration and evaluation occurs. Discount rates using a risk-free rate that reflects the time value of money are used to calculate the net present value. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. As at December 31, 2023 and 2022 the Company does not have any decommissioning obligations.

Financial Instruments

The Company classifies its financial assets and financial liabilities in the following measurement categories: (i) those to be measured subsequently at fair value through profit or loss ("FVTPL"); (ii) those to be measured subsequently at fair value through other comprehensive income ("FVOCI"); and (iii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

3. Material Accounting Policies (continued)

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income.

Under the expected credit loss ("ECL") model, the measurement options are lifetime expected credit losses and 12 month expected credit losses. The Company adopted the practical expedient to determine ECL on trade and other receivables using a provision matrix based on historical credit loss experiences adjusted for forward-looking factors specific to the debtors and to the economic environment to estimate lifetime ECL.

Share Capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

Share-Based Payment Transactions

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of share options granted is recognized as a share-based compensation expense with a corresponding increase in the equity settled share-based payments reserve in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

For employees the fair value is measured at grant date and each tranche is recognized separately on a straight line basis over the period during which the share options vest. The fair value of the share options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the share options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Equity-settled share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

Current and Deferred Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the statement of comprehensive loss, except to the extent that it relates to items recognized in other comprehensive loss or directly in equity. In this case the income tax is also recognized in other comprehensive loss or directly in equity, respectively.

Current Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

3. Material Accounting Policies (continued)

Deferred Income Tax

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Loss Per Share

Basic loss per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the “if converted” method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method.

Foreign Currency Translation

Functional and Presentation Currency

The consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the parent Company. The functional currency of the Company’s Tanzanian subsidiaries is US dollars.

Foreign currency transactions are translated into the functional currency of the respective entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognized in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

In the Company’s financial statements, all assets, liabilities and transactions of the Company’s entities with a functional currency other than the Canadian dollars are translated into Canadian dollars upon consolidation. The functional currency of the entities in the Company have remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into Canadian dollars at the closing rate at the reporting date. Income and expenses have been translated into Canadian dollars at the average rate over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognized in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognized in equity are reclassified to profit or loss and recognized as part of the gain or loss on disposal.

3. Material Accounting Policies (continued)

Adoption of New Accounting Standards

Provisions, Contingent Liabilities and Contingent Assets (Amendment to IAS 37)

The IASB has published *Onerous Contracts - Cost of Fulfilling a Contract* (Amendments to IAS 37) which clarifies the guidance regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendments:

(i) specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract"; and
(ii) clarify that costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

This amendment is effective for annual periods beginning on or after January 1, 2022. There was no material impact to the Company's consolidated financial statements from the adoption of this amendment.

Accounting Standards and Interpretations Issued but Not Yet Effective

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published *Classification of Liabilities as Current or Non-Current* (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

(i) clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period";

(ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
(iii) make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2024. The Company does not expect the adoption of the amendment to have a material impact.

(Expressed in Canadian Dollars)

4. Plant and Equipment

	Exploration Equipment and Camp Facility $	Vehicles $	Total $
Cost:			
Balance at December 31, 2021	457,920	29,132	487,052
Additions	17,833	17,064	34,897
Foreign exchange movement	32,002	2,680	34,682
Balance at December 31, 2022	507,755	48,876	556,631
Additions	13,660	-	13,660
Foreign exchange movement	(12,193)	(1,147)	(13,340)
Balance at December 31, 2023	509,222	47,729	556,951
Accumulated Depreciation:			
Balance at December 31, 2021	(298,344)	(29,132)	(327,476)
Depreciation	(23,325)	(4,266)	(27,591)
Foreign exchange movement	(21,324)	(2,162)	(23,486)
Balance at December 31, 2022	(342,993)	(35,560)	(378,553)
Depreciation	(26,172)	(3,315)	(29,487)
Foreign exchange movement	7,059	2,414	9,473
Balance at December 31, 2023	(362,106)	(36,461)	(398,567)
Carrying Value:			
Balance at December 31, 2022	164,762	13,316	178,078
Balance at December 31, 2023	147,116	11,268	158,384

5. Exploration and Evaluation Assets

	Tembo Project $	Imwelo Project $	Total $
Balance at December 31, 2021	6,722,872	-	6,722,872
Exploration costs	2,746,142	-	2,746,142
Disposition of non-core licences	(5,762,462)	-	(5,762,462)
Foreign exchange movement	173,851	-	173,851
Balance at December 31, 2022	3,880,403	-	3,880,403
Acquisition costs	-	431,808	431,808
Exploration costs	1,136,919	345,141	1,482,060
Foreign exchange movement	(112,682)	(15,429)	(128,111)
Balance at December 31, 2023	4,904,640	761,520	5,666,160

5. Exploration and Evaluation Assets (continued)

(a) ***Tembo Project***

The Tembo Project originally consisted of seven prospecting licences located in northwest Tanzania. On December 7, 2021 the Company and Barrick Gold Corporation and Bulyanhulu Gold Mine Limited (collectively "Barrick") entered into an asset purchase agreement (the "Sale Transaction") whereby the Company agreed to sell to Barrick six of its non-core prospecting licences (the "Non-core Licences") in the Tembo Gold Project for an agreed amount of US $6,000,000. On April 22, 2022 (the "Closing") the Company closed on the Sale Transaction and received $7,508,280 (US $6,000,000) and paid legal and filing costs totalling $38,279 and an advisory fee of $300,000 associated with the Sale Transaction and, accordingly, recorded a gain on disposal of exploration and evaluation assets of $1,115,959. The Company also paid $2,241,074 (US $1,790,882) for capital gains tax remitted to the Tanzanian government.

Barrick has also agreed to conduct minimum exploration expenditures totalling US $9,000,000 (the "Expenditure Commitment") on the Non-core Licences over the next four years. Any underfunded exploration work commitment may be made up in the following years. In the event that the Expenditure Commitment is not funded by April 22, 2026, then Barrick must pay the Company the deficiency.

Barrick also agreed to pay the Company contingent payments ("Contingent Payments") totalling a maximum aggregate of US $45,000,000, calculated based on the inferred, indicated and measured gold mineral resources ("Mineral Resources") identified on the Non-core Licences, as follows:

(i) US $20 per ounce for the initial 1,000,000 ounces of Mineral Resources;
(ii) US $10 per ounce for the second 1,000,000 ounces of Mineral Resources; and
(iii) US $5 per ounce for the remaining ounces of Mineral Resources.

The Company has deposited $691,541 (US $522,865) in escrow in respect of taxes which may be payable in respect of any Contingent Payments received on or before April 22, 2027, after which any remaining deposit balance will be returned to the Company.

(b) ***Imwelo Gold Project***

The Company has entered into a licence purchase agreement (the "Imwelo LP Agreement") dated August 9, 2023, with Lake Victoria Gold Ltd. ("Old LVG"), a private Australian company, and its Tanzanian subsidiary, Tanzoz Mineral Limited ("Tanzoz") (collectively the "Vendors"), pursuant to which the Company will acquire (the "Imwelo Acquisition") the Vendors' interest in a mining license (the "Imwelo Gold Project") located in Tanzania. The Company has also entered into a binding letter of intent, dated August 8, 2023, for financings totalling $11,520,000 (the "Financings") with Taifa Mining and Civils Limited ("Taifa"), a private Tanzanian mining contracting firm.

(i) Under the terms of the Imwelo LP Agreement the Company will acquire the Imwelo Gold Project for consideration of $5,500,000, consisting of the issuance of approximately 23,600,000 common shares of the Company (the "Tembo Shares"), plus approximately US $221,000 cash for certain taxes to be incurred on closing of the Imwelo LP Agreement.

Old LVG will be required to hold the Tembo Shares in escrow in accordance with the share release conditions outlined below:

- one third of the Tembo Shares released from escrow upon commercial production being achieved on the Imwelo Gold Project;
- one third of the Tembo Shares released six months after commercial production; and
- one third of the Tembo Shares released twelve months after commercial production.

5. Exploration and Evaluation Assets (continued)

If commercial production is not achieved within three years of closing, the escrow shares will be released to Old LVG. During the escrow period the Company will retain voting rights over the escrowed shares.

Conditions to closing of the Imwelo Acquisition include:

- satisfactory completion of due diligence by the Company;
- receipt of a legal title opinion;
- the Company obtaining all necessary shareholder approvals to complete the Imwelo Acquisition;
- the Company and Old LVG obtaining all Tanzanian government and required regulatory approvals;
- completion of the initial tranche of the Financings;
- completion of a technical report on the Imwelo Gold Project and acceptance of the report by the TSXV; and
- other customary conditions precedent for a transaction of this nature.

(ii) The Financings will be conducted in the following tranches;

- Prior to completion of the Imwelo Acquisition Taifa, or its affiliates, will initially subscribe for 16,000,000 shares of the Company at $0.22 per share for gross proceeds of $3,520,000 (the "First Private Placement"). On September 12, 2023 the Company received conditional approval to complete the First Private Placement. On November 7, 2023 the Company received an initial $2,227,069 (US $1,630,000) towards the First Private Placement.
- Upon completion of final engineering and closing of the Imwelo Acquisition Taifa will have twenty days to complete a second private placement of 16,000,000 units (the "Units") at a price of $0.24 per Unit (subject to TSXV pricing rules) for gross proceeds of $3,840,000. Each Unit will consist of one common share of the Company and one warrant ("Warrant") exercisable to purchase one additional common share of the Company for two years at a price of $0.26 per share (subject to TSXV pricing rules).
- On the date that is six months after the Company breaks ground on the Imwelo Gold Project, Taifa will have twenty days to exercise the Warrants which will result in the issuance of an additional 16,000,000 shares of the Company for gross proceeds to the Company of $4,160,000.

On September 28, 2023 the TSXV acknowledged receipt and acceptance of the technical report and has conditionally accepted the Company's submission,

Prior to entering into the Imwelo LP Agreement the Company paid a total of $499,232 (US $371,000) for the exclusive right to negotiate and finalization of the Imwelo LP Agreement and prior ongoing maintenance and overhead costs. The amounts paid have been expensed as standstill agreement and related payments.

On December 7, 2023 the Company entered into a license purchase agreement with an arm's length private Tanzanian citizen, pursuant to which the Company has purchased a prospecting license (the "Dora License") located in Tanzania, for $132,260 (US $100,000). The Dora License is contiguous to the Imwelo Gold Project.

(Expressed in Canadian Dollars)

6. Advances Payable

	$
Balance December 31, 2021	44,000
Advances received	12,496
Advances repaid	(12,496)
Balance December 31, 2022	44,000
Advances received	131,427
Advances repaid	(131,427)
Balance December 31, 2023	44,000

The Company has received ongoing advances from directors and shareholders of the Company. As at December 31, 2023 the $44,000 remaining advance balance is due to a shareholder of the Company. The advance is non-interest bearing and is due on demand.

7. Promissory Note Payable

On April 20, 2022 the Company issued a promissory note (the "Promissory Note") for $345,199 (US $261,000) for advances made by Barrick. The Promissory Note bears interest at the variable rate per annum equal to the Royal Bank of Canada base rate for US dollar loans. Interest accrued will be due and payable on December 31st of each year and on the date of repayment of the Promissory Note. The maturity date of the Promissory Note is dependent upon the Contingent Payments made as described in Note 6, but no later than April 22, 2025.

During fiscal 2023 the Company recorded interest expense of $33,476 (2022 - $15,925). No payments on interest has been made and, as at December 31, 2023, $48,992 (2022 - $16,570) of accrued interest was outstanding.

8. Share Capital

(a) ***Authorized Share Capital***

The Company's authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares. All issued common shares are fully paid.

(b) ***Equity Financings***

Fiscal 2023

No equity financings were completed during fiscal 2023. See also Note 5(b)(ii).

Fiscal 2022

During fiscal 2022 the Company:

(i) completed the Barrick Private Placement and issued 5,518,764 common shares of the Company to Barrick for $1,500,000 cash; and
(ii) completed a non-brokered private placement financing and issued a total of 1,085,000 common shares at $0.27 per share for $292,950.

The Company incurred a total of $9,715 for filing and other costs associated with these financings.

(Expressed in Canadian Dollars)

8. Share Capital (continued)

(c) ***Share Option Plan***

On August 9, 2022 the Company amended and adopted a rolling share option plan (the "Plan") in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of ten years.

During fiscal 2023 the Company granted share options to purchase 750,000 (2022 - 275,000) common shares and recorded share-based compensation expense of $82,500 (2022 - $21,475).

During fiscal 2023 the Company recorded share-based compensation expense of $8,963 (2022- $15,558) on the vesting of share options previously granted.

The fair value of share options granted and/or vested during fiscal 2023 and 2022 was estimated using the Black-Scholes Option Pricing Model using the following assumptions:

	2023	2022
Risk-free interest rate	3.22% - 4.51%	2.86% - 3.25%
Estimated volatility	59% - 121%	103% - 145%
Expected life	2.25 years - 4 years	2.25 years - 5 years
Expected dividend yield	0%	0%
Estimated forfeiture rate	0%	0%

The estimated volatility was based on the historical share prices of the Company. The weighted average grant date fair value of all share options granted and/or vested during fiscal 2023 was $0.10 (2022 - $0.19) per share option.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide a reliable measure of the fair value of the Company's share options.

A summary of the Company's share options at December 31, 2023 and 2022 and the changes for the years ended on those dates, is as follows:

	2023		2022	
	Number of Options Outstanding	Weighted Average Exercise Price $	Number of Options Outstanding	Weighted Average Exercise Price $
Balance, beginning of year	8,832,334	0.19	8,957,334	0.19
Granted	750,000	0.18	275,000	0.22
Exercised	(3,609,000)	0.16	-	-
Expired	(2,701,000)	0.16	(400,000)	0.15
Balance, end of year	3,272,334	0.17	8,832,334	0.16

(Expressed in Canadian Dollars)

8. Share Capital (continued)

The following table summarizes information about the share options outstanding and exercisable at December 31, 2023:

Number	Exercise Price $	Expiry Date
1,150,334	0.15	August 27, 2024
1,372,000	0.185	September 1, 2024
750,000	0.18	May 11, 2026
3,272,334		

See also Note 14.

(d) ***Equity Incentive Plan***

On August 9, 2022 the Company adopted an equity incentive plan (the "EIP Plan"), pursuant to which the Company may grant restricted share units ("RSUs"), performance share units ("PSUs") and deferred share units ("DSUs") (collectively, the "Awards") to directors, officers, employees and consultants of the Company (excluding investor relations consultants). The EIP Plan is a fixed number plan, and the number of common shares issued under the EIP Plan, when combined with the number of stock options available under the Company's share option plan, will not exceed 10% of the Company's outstanding common shares.

On December 8, 2023 the Company awarded 9,600,000 RSUs, of which 500,000 RSUs vested immediately and the remaining 9,100,000 RSUs will vest on April 8, 2024. During fiscal 2023 the Company recorded share-based compensation of $396,293 (2022 - $nil) relating to the RSUs.

A summary of the Company's RSUs at December 31, 2023 and 2022 and the changes for the years ended on those dates, is as follows:

	2023 Number of RSUs	2022 Number of RSUs
Balance, beginning of year	-	-
Awarded	9,600,000	-
Balance, end of year	9,600,000	-

See also Note 14 (i).

9. Related Party Disclosures

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period. Transactions made with related parties are made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Transactions with Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and executive officers.

(Expressed in Canadian Dollars)

9. Related Party Disclosures (continued)

(a) During fiscal 2023 the Company incurred $724,713 (2022 - $683,993) for executive management compensation which have been allocated based on the nature of the services provided: expensed $595,171 (2022 - $559,030) to executive management compensation and capitalized $129,542 (2022 - $124,963) to exploration and evaluation assets. As at December 31, 2023 $253,158 (2022 - $215,759) remained unpaid and has been included in accounts payable and accrued liabilities. In addition, the Company recorded share-based compensation of $318,110 (2022 - $nil) on the granting of share options to a key management personnel.

(b) The Company previously had an arrangement to provide the President of hte Company with a monthly housing allowance of US $3,500. Effective August 31, 2023 this arrangement was mutually terminated. During fiscal 2023 the Company incurred $37,688 (2022 - $39,146) for the housing allowance. As at December 31, 2023 $3,756 (2022 - $13,488) remained unpaid and has been included in accounts payable and accrued liabilities.

(c) During fiscal 2023 the Company incurred $56,500 (2022 - $64,600) for accounting and administration services provided by a private corporation owned by the Corporate Secretary of the Company. As at December 31, 2023 $nil (2022 - $3,000) remained unpaid and has been included in accounts payable and accrued liabilities.

(d) See also Note 6.

10. Income Taxes

The Company's provision for income taxes differs from the amounts computed by applying the basic current rate of 27% (2022 - 27%) to the loss for the year before taxes as shown in the following table at December 31:

	For the Year Ended December 31,	
	2023 $	2022 $
Income (loss) before taxes	(2,940,091)	(3,296,236)
Expected income tax benefit based on statutory rate	(793,825)	(890,744)
Effect of higher tax rate in foreign jurisdiction	(38,044)	(35,214)
True up of prior year balances	(501,507)	(244,886)
Increase in unrecognized portion of deferred tax assets	1,333,376	1,170,844
Tax on Sale Transaction	-	(2,241,074)
Income tax benefit (expense) recorded	-	(2,241,074)

The following temporary differences and non-capital losses have not been recognized in the consolidated financial statements:

	2023 $	2022 $
Non-capital losses carried forward	5,370,540	5,171,873
Exploration and evaluation assets	495,309	495,309
Other	-	25,405
Total deductible temporary differences	5,865,849	5,692,587

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

The Company has non-capital losses in Canada of approximately $17,208,000 (2022 - $15,894,100) which expire through 2026-2043. The benefit of these losses has not been recognized for financial statements purposes. During fiscal 2023 the Company paid $nil (2022 - $2,241,074) in respect of income taxes.

(Expressed in Canadian Dollars)

11. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: FVTPL; amortized cost; and FVOCI. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	December 31, 2023 $	December 31, 2022 $
Cash	Amortized cost	627,109	2,255,550
Accounts payable and accrued liabilities	Amortized cost	(737,718)	(704,573)
Advances payable	Amortized cost	(44,000)	(44,000)
Interest payable	Amortized cost	(48,992)	(16,570)
Promissory note payable	Amortized cost	(345,199)	(353,498)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities and time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for cash, accounts payable and accrued liabilities, advances payable and interest payable approximate their fair value due to their short-term nature. The promissory note payable approximates its fair value due to the instrument being due on demand.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Management believes that the potential loss related to the credit risk included in cash is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. The following table is based on the contractual maturity dates of financial assets and liabilities and the earliest date on which the Company can be required to settle financial liabilities.

11. Financial Instruments and Risk Management (continued)

	Contractual Maturity Analysis at December 31, 2023				
	Carrying Amount $	Contractual Cash Flows $	Less than 3 Months $	3 -12 Months $	1 - 5 Years $
Cash	627,109	627,109	627,109	-	-
Accounts payable and accrued liabilities	(737,718)	(737,718)	(737,718)	-	-
Advances payable	(44,000)	(44,000)	(44,000)	-	-
Interest payable	(48,992)	(48,992)	-	(48,992)	-
Promissory note payable	(345,199)	(345,199)	-	-	(345,199)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash bears floating rates of interest. There is no interest rate risk associated with the advances payable as they are non-interest bearing. The interest rate risk on cash and on the Company's obligations are not considered significant.

(b) Foreign Currency Risk

The Company's significant subsidiaries are located in Tanzania and have considered the US Dollar as their functional currency. The Company also maintains cash deposits in US Dollars with its Canadian bank. As such, the fluctuation of the Canadian Dollar in relation to the US Dollar will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks. At December 31, 2023 , 1 Canadian Dollar was equal to 0.76 US Dollar (2022 - 0.74 US Dollar).

Balances are as follows:

	December 31, 2023		December 31, 2022	
	US $	CDN $ Equivalent	US $	CDN $ Equivalent
Cash	438,322	576,739	1,652,781	2,233,487
Deposit	522,865	691,541	522,865	708,168
Accounts payable	(369,683)	(486,425)	(462,288)	(624,713)
Interest payable	(37,042)	(48,992)	(12,234)	(16,570)
Promissory note payable	(261,000)	(345,199)	(261,000)	(353,498)
	293,462	387,664	1,440,124	1,946,874

Based on the net exposures as of December 31, 2023 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the US Dollar would result in the Company's net income or loss being approximately $39,000 (2022 - $214,000) higher (or lower).

(Expressed in Canadian Dollars)

11. Financial Instruments and Risk Management (continued)

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital and cash. As at December 31, 2023 total amount of capital was $45,885,435 (2022 - $$46,290,406). The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

12. Supplemental Cash Flow Information

During fiscal 2023 and 2022 non-cash activities were conducted by the Company as follows:

	2023 $	2022 $
Operating activity		
Accounts payable and accrued liabilities	(304,631)	397,836
Investing activity		
Exploration and evaluation assets	(29,219)	(397,836)
Financing activities		
Issuance of share capital	983,470	-
Exercise of share options	(649,620)	-
	333,850	-

13. Segmented Information

The Company operates in one reportable segment, the exploration and development of unproven exploration and evaluation assets. The Company's exploration and evaluation assets are located in Tanzania and its corporate assets are located in Canada.

The Company's total assets are segmented geographically as follows:

	As at December 31, 2023		
	Canada $	Tanzania $	Total $
Current assets	672,128	245,026	917,154
Plant and equipment	-	158,384	158,384
Exploration and evaluation assets	-	5,666,160	5,666,160
Deposit	-	691,541	691,541
	672,128	6,761,111	7,433,239

(Expressed in Canadian Dollars)

13. Segmented Information (continued)

	As at December 31, 2022		
	Canada **$**	**Tanzania** **$**	**Total** **$**
Current assets	138,764	2,278,631	2,417,395
Plant and equipment	-	178,078	178,078
Exploration and evaluation assets	-	3,880,403	3,880,403
Deposit	-	708,168	708,168
	138,764	7,045,280	7,184,044

14. Events after the Reporting Period

Subsequent to December 31, 2023 the Company:

(i) granted 250,000 RSUs to a consultant to the Company; and
(ii) issued 250,334 common shares on the exercise of share options for $37,550 cash.