

Condensed Consolidated Interim Financial Statements  
(In U.S. dollars) (Unaudited)

## **GOLCONDA GOLD LTD.**

For the three and nine month periods ended September 30, 2023 and September 30, 2022

The accompanying unaudited condensed consolidated financial statements of Golconda Gold Ltd. (the “Company”) have been prepared by and are the responsibility of the Company’s management and approved by the board of directors of the Company (the “Board”).

The Company’s independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity’s auditor.

# GOLCONDA GOLD LTD.

Condensed Consolidated Interim Statement of Financial Position  
(In U.S. dollars) (Unaudited)

As at September 30, 2023 and December 31, 2022

	Note	September 30, 2023	December 31, 2022
Assets			
Current assets:			
Cash		143,720	639,033
Trade receivables and other assets	6	1,102,236	962,627
Inventories	7	204,264	444,182
		1,450,220	2,045,842
Non-current assets:			
Mining properties and plant and equipment	8	40,766,184	40,573,511
		40,766,184	40,573,511
		42,216,404	42,619,353
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	9	3,772,363	3,870,141
Interest-bearing loans and borrowings	10	4,328,349	3,025,094
		8,100,712	6,895,235
Non-current liabilities:			
Restoration and rehabilitation provision	11	2,077,228	2,123,017
Warrants	13	-	253,597
		2,077,228	2,376,614
Equity			
Share capital	13	58,149,241	58,149,241
Reserves	13	2,887,377	2,829,896
Deficit		(28,998,154)	(27,631,633)
		32,038,464	33,347,504
		42,216,404	42,619,353

Going Concern (Note 2)

Approved and authorized by the Board for issue on November 27, 2023:

“Ravi Sood” Director “Dino Titaro” Director

See accompanying notes to the consolidated financial statements.

# GOLCONDA GOLD LTD.

Condensed Consolidated Interim Statement of Earnings (Loss) and Comprehensive Earnings (Loss)  
(In U.S. dollars) (Unaudited)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2023	2022	2023	2022
Revenue		3,003,349	2,531,524	7,467,587	10,575,591
Operating cost	14	(2,165,039)	(2,832,165)	(6,952,239)	(8,585,375)
Earnings / (loss) from operations		838,310	(300,641)	515,348	1,990,216
Foreign exchange gain / (loss)		12,964	398,338	209,135	177,329
Corporate general and administration	14	(560,370)	(613,483)	(1,586,161)	(1,807,742)
Net financing gain / (expense)	14	(296,898)	116,349	(404,640)	577,730
Other expenses	14	(8,180)	(500,000)	(100,203)	(500,000)
Other income / (expenses)		(852,484)	(598,796)	(1,881,869)	(1,552,683)
Net (loss) / earnings from continuing operations before taxation		(14,174)	(899,437)	(1,366,521)	437,533
Taxation	12	-	-	-	-
Net (loss) / earnings and comprehensive income (loss) from continuing operations		(14,174)	(899,437)	(1,366,521)	437,533
Net earnings (loss) and comprehensive income (loss) from discontinued operations	5	-	-	-	147,107
Net (loss) / and comprehensive (loss)		(14,174)	(899,437)	(1,366,521)	584,640
Basic and diluted (loss) / earnings per common share from continuing operations	13	0.00	(0.01)	(0.02)	0.01
Basic and diluted earnings (loss) per common share from discontinued operations	13	0.00	0.00	0.00	0.00
Total basic and diluted (loss) / earnings per common share		0.00	(0.01)	(0.02)	0.01
Weighted average number of common shares – basic	13	71,273,309	71,273,309	71,273,309	71,273,309
Weighted average number of common shares – diluted	13	72,707,318	72,707,318	72,707,318	72,932,498

See accompanying notes to the consolidated financial statements.

# GOLCONDA GOLD LTD.

Condensed Consolidated Interim Statement of Changes in Equity  
(In U.S. Dollars) (Unaudited)

Nine month periods ended September 30, 2023 and 2022

	Notes	Capital stock		Reserves		Total
		Number <sup>1</sup>	Amount	Stock based payments	Deficit	
Balance as at December 31, 2021		71,273,309	58,149,241	2,744,270	(26,661,193)	34,232,318
Stock-based compensation	13	-	-	33,001	-	33,001
Net income and comprehensive income for the period		-	-	-	584,640	584,640
<b>Balance as at September 30, 2022</b>		71,273,309	58,149,241	2,777,271	(26,076,553)	34,849,959
Balance as at December 31, 2022		71,273,309	58,149,241	2,829,896	(27,631,633)	33,347,504
Stock-based compensation	13	-	-	57,481	-	57,481
Net income and comprehensive income for the period		-	-	-	(1,366,521)	(1,366,521)
<b>Balance as at September 30, 2023</b>		71,273,309	58,149,241	2,887,377	(28,998,154)	32,038,464

<sup>1</sup> On October 21, 2022, the Company completed a share consolidation on the basis of one new common share for every five existing common shares (the "Consolidation"). All common share numbers referenced are expressed on a post-Consolidation basis, as have any associated common share prices.

See accompanying notes to the consolidated financial statements.

# GOLCONDA GOLD LTD.

Condensed Consolidated Interim Statement of Cash Flows  
(In U.S. Dollars) (Unaudited)

Nine month periods ended September 30, 2023 and 2022

	Notes	Nine months ended September 30,	
		2023	2022
Cash flows from operating activities:			
Net earnings (loss) for the period		(1,366,521)	437,533
Items not involving cash:			
Depreciation and amortization	14	544,374	873,054
Share based compensation	13	57,481	33,001
Accretion	11	119,618	193,158
Interest expense	14	538,619	165,043
Foreign exchange loss (gain)		(159,482)	(257,983)
Change in fair value of warrants	13	(253,597)	(935,931)
Deferred financing charges		-	(26,591)
Other income		-	300,000
Working capital adjustments:			
Change in trade and other receivables		269,769	(263,904)
Change in inventories		239,917	(102,365)
Change in trade and other payables		(97,776)	634,550
Cash flows from operating activities			
Continuing operations		(516,978)	1,049,565
Discontinuing operations		-	714,765
Cash flows from investing activities:			
Mining assets acquired		(737,047)	(1,033,470)
Cash flows used in investing activities			
Continuing operations		(737,047)	(1,033,470)
Discontinuing operations		-	(317,737)
Cash flow from financing activities:			
Barak facility repayment and royalty	10	-	(2,273,349)
Short-term borrowings	10	1,000,000	1,831,500
Interest paid		(235,364)	(124,967)
Cash flows from financing activities			
Continuing operations		764,636	(566,816)
Discontinuing operations			(248,859)
(Decrease) Increase in cash			
		(489,389)	(402,552)
Effect of unrealized foreign exchange gain/(loss) on cash		(5,924)	5,097
Cash, at January 1		639,033	963,350
Disposal of Mupane	5	-	(222,042)
Cash, at September 30		143,720	343,853

See accompanying notes to the consolidated financial statements.

# GOLCONDA GOLD LTD.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements  
(in U.S. Dollars)

For the three and nine months ended September 30, 2023 and 2022

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## 1. Corporate Information

The Company was incorporated under the *Business Corporations Act* (Ontario) on October 24, 2007 and its principal business activities are the exploration for, development of, and operation of gold mining properties. The Company's registered and head office is located at Suite 1800, 181 Bay St., Toronto, Ontario, Canada.

## 2. Going Concern

The condensed consolidated interim financial statements were prepared using International Financial Reporting Standards ("IFRS") that are applicable to a going concern.

As at September 30, 2023, the Company had a working capital deficiency (current assets less current liabilities) of \$6.7 million, including a \$3 million rolling prepayment loan facility that is expected to be re-drawn on maturity, compared to a working capital deficiency of \$4.8 million at December 31, 2022. The gain from mining operations was \$0.5 million for the nine months ended September 30, 2023. Cashflow from operating activities was negative \$0.5 million for the nine months ended September 30, 2023. The Company has no material commitments for capital expenditures as at September 30, 2023.

The current commodity price and exchange rate environment can be volatile, which may have an impact on the Company's cash flows and the Company continues to review its near-term operating plans and to take steps to reduce costs and maximize cash flow generated from operations. These steps include assessing viable financing options for both the near and longer term to support the Company's growth plans.

The Company's financial position and the ability to generate sufficient positive cash flow from operating activities result in material uncertainties that give rise to significant doubt as to the ability of the Company to continue as a going concern. Because of these uncertainties, there can be no assurance that the measures that management is taking to mitigate risks to the Company's liquidity position will be successful.

These condensed consolidated interim financial statements do not reflect adjustments to the carrying values of the assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used, that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

## 3. Basis of preparation

### (a) Statement of compliance

The unaudited condensed consolidated interim financial statements (the "**Financial Statements**") of the Company as at and for the three and nine months ended September 30, 2023 have been prepared in accordance with IAS 34, *Interim Financial Reporting*, and do not include all of the information required for full annual consolidated financial statements. Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed.

### (b) Significant accounting judgments, estimates and assumptions

The preparation of the Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the Financial Statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are regularly evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from

# GOLCONDA GOLD LTD.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements  
(In U.S. Dollars)

For the three and nine months ended September 30, 2023 and 2022

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these estimates. The particular areas of estimation uncertainty and critical judgments are outlined in detail in Note 3(e) in the annual audited consolidated financial statements for the year ended December 31, 2022 (the “**Annual Financial Statements**”).

## (c) Functional and presentation currency

These Financial Statements are presented in U.S. dollars, which is the functional currency of the Company and each of its subsidiaries. All amounts are in U.S. dollars, except where otherwise indicated.

## 4. Significant Accounting Policies

These Financial Statements have been prepared following the same accounting policies and methods of computation as the Annual Financial Statements. Please see Note 4 in the Annual Financial Statements for further information.

## 5. Disposal of the Mupane Property

On November 29, 2021, the Board approved the disposition of the Company’s interests in Botswana, namely the Mupane gold mine in Botswana (the “**Mupane Property**”).

On February 7, 2022, the Company entered into definitive agreements to sell 100% of the issued and outstanding share capital of the Company’s subsidiaries that own the Mupane Property to Hawks Mining Company Proprietary Limited, a company registered under the laws of Botswana and owned by certain individuals forming part of the Company’s local Botswana management team. On May 3, 2022, the disposal of the Mupane Property was completed.

The net earnings from discontinued operations for the nine month period ended September 30, 2022 were as follows:

	Nine months ended September 30, 2022
Revenue	9,842,724
Operating cost	(8,690,347)
Earnings from mining operations	1,152,377
Expenses:	
Foreign exchange gain (loss)	(143,407)
Financing costs	(157,715)
Impairment	(362,334)
Other income	2,862
Loss on sale	(344,676)
	(1,005,270)
Earnings (loss) from discontinuing operations before taxation	147,107
Taxation	-
Net earnings (loss) and comprehensive income (loss) from discontinuing operations	147,107

# GOLCONDA GOLD LTD.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements  
(In U.S. Dollars)

For the three and nine months ended September 30, 2023 and 2022

## 6. Trade receivables and other assets

	September 30, 2023	December 31, 2022
Trade receivables	99,429	762,677
Taxes recoverable	751,816	41,143
Prepaid expenses	117,826	38,984
Other receivables	133,165	119,823
	1,102,236	962,627

## 7. Inventories

The amount of inventories recognized as an expense during the period is included in mining costs in the condensed consolidated interim statement of earnings and comprehensive earnings. The carrying values at the end of the respective periods are:

	September 30, 2023	December 31, 2022
Finished goods	112,905	138,800
Supplies	79,613	231,529
Ore Stockpiles	11,746	73,853
	204,264	444,182

## 8. Mining assets and plant and equipment

The continuity of mining assets for the nine month period ended September 30, 2023 is as follows:

	Mining Properties	Construction in Progress	Plant and Equipment	Total
Cost at December 31, 2022	34,757,384	567,912	8,218,974	43,544,270
Movements:				0
Additions	661,045	-	76,002	737,047
Transfers	567,912	(567,912)	-	-
Cost at September 30, 2023	35,986,341	-	8,294,976	44,281,317
Accumulated depreciation and amortization at December 31, 2022	(898,730)	-	(2,072,029)	(2,970,759)
Depreciation and amortization for the period	(131,146)	-	(413,228)	(544,374)
Accumulated depreciation and amortization at September 30, 2023	(1,029,876)	-	(2,485,257)	(3,515,133)
Net book value, September 30, 2023	34,956,465	-	5,809,719	40,766,184



# GOLCONDA GOLD LTD.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements  
(In U.S. Dollars)

For the three and nine months ended September 30, 2023 and 2022

The continuity of mining assets and plant and equipment for the year ended December 31, 2022 is as follows:

	Mining Properties	Construction in Progress	Plant and Equipment	Total
Cost at December 31, 2021	112,194,394	723,653	16,801,764	129,719,811
Movements:				-
Additions	1,272,581	-	261,002	1,533,583
Impairment of Mupane	(362,334)	-	-	(362,334)
Loss on sale of Mupane	(344,676)	-	-	(344,676)
Change in rehabilitation provision estimate	(1,413,964)			(1,413,964)
Disposal of Mupane	(76,588,617)	(155,741)	(8,843,792)	(85,588,150)
Cost at December 31, 2022	34,757,384	567,912	8,218,974	43,544,270
Accumulated depreciation and amortization at December 31, 2021	(68,047,024)	-	(7,335,729)	(75,382,753)
Depreciation and amortization for the period	(469,064)	-	(616,565)	(1,085,629)
Disposal of Mupane	67,617,358	-	5,880,265	73,497,623
Accumulated depreciation and amortization at December 31, 2022	(898,730)	-	(2,072,029)	(2,970,759)
Net book value, December 31, 2022	33,858,654	567,912	6,146,945	40,573,511

## 9. Trade accounts payable and accrued liabilities

	September 30, 2023	December 31, 2022
Trade accounts payable	2,902,859	3,375,949
Accrued liabilities	869,504	494,192
	3,772,363	3,870,141

Trade payables and accrued liabilities are non-interest bearing.

## 10. Loans and borrowings

	September 30, 2023	December 31, 2022
Current:		
Concentrate prepayment facility	3,066,911	3,025,094
Short-term loan note	1,261,438	-
	4,328,349	3,025,094

On October 2, 2018, the Company entered into a loan agreement with Barak Fund SPC Limited (“**Barak**”) with respect to a \$5,000,000 secured loan facility (the “**Barak Facility**”), for a term ending three years from the date of the first drawdown and bearing interest at a rate of 14% per annum. The funds were used towards the refurbishment and expansion of the processing facilities and restarting underground mining operations at the Galaxy gold mine in Barberton, South Africa (“**Galaxy**”). The Company agreed to pay to Barak, or its nominee, 0.75% of the net proceeds

# GOLCONDA GOLD LTD.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements  
(In U.S. Dollars)

For the three and nine months ended September 30, 2023 and 2022

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accruing to Galaxy under an off-take agreement covering the annual gold concentrate production of the Agnes gold mine in Barberton owned and operated by Galaxy, after taking into account all attributable logistics and freight costs, State Royalties (as defined in the Barak Facility) and value-added tax (if applicable) during the period over which the loan remained outstanding. During the three month period ended September 30, 2022, the Company fully repaid the Barak Facility and the net proceeds payments ceased accruing.

On August 3, 2022, the Company entered into a new gold concentrate offtake agreement (“**Ocean Partners Offtake Agreement**”) with Ocean Partners UK Limited (“**Ocean Partners**”) which included providing the Company with an unsecured \$3,000,000 revolving credit facility bearing interest at US\$ 3-month LIBOR (or CME Term SOFR) plus 7.5% (the “**Ocean Partners Facility**”). Interest and principal for the Ocean Partners Facility will be repaid against deliveries of gold concentrate or cash by the Company to Ocean Partners under the Ocean Partners Offtake Agreement. The Company can elect to repay the full principal amount outstanding under the Ocean Partners Facility and any accrued interest without any penalty with two weeks of advance notice. Once a drawdown under the Ocean Partners Facility is repaid, such amount can subsequently be redrawn.

On March 29, 2023 the Company entered into a loan agreement with Dantinor SA with respect to a term loan facility of up to \$1,000,000, with a maturity date of March 29, 2024, extendable by a further six months upon satisfaction of certain conditions. The loan bears an interest rate of 6% per annum and has a redemption premium of between 50% and 100%. The loan is secured against all of the issued and outstanding shares of Summit Gold Corporation. \$1,000,000 of the facility had been drawn as at September 30, 2023.

## 11. Restoration and rehabilitation provision

At December 31, 2022	2,123,017
Accretion	119,618
Foreign exchange revaluation	(165,407)
At September 30, 2023	2,077,228

## 12. Income and Mining Taxes

The Company estimates the effective tax rate expected to be applicable for the full fiscal year and uses that rate to provide for income taxes in interim reporting periods. The Company also recognizes the tax impact on certain discrete (unusual or infrequently occurring) items, including changes in judgment concerning the probable realization of losses and effects of changes in tax laws or rates, in the interim period in which they occur.

The Company reported no income tax expense for the three and nine months ended September 30, 2023 (three and nine months ended September 30, 2022 - \$nil). The effective income tax rates vary from the combined Canadian federal and provincial statutory income tax rate of 26.50% for the three and nine months ended September 30, 2023 (three and nine months ended September 30, 2022 – 26.50%) due to the geographical distribution of earnings, which are subject to different tax rates, fluctuations in exchange rates, changes in unrecognized deferred tax assets and other non-deductible expenses.

## 13. Share Capital

### (a) Authorized share capital:

As at September 30, 2023, the authorized share capital of the Company consisted of an unlimited number of common shares. All issued shares are fully paid.

# GOLCONDA GOLD LTD.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements  
(In U.S. Dollars)

For the three and nine months ended September 30, 2023 and 2022

## (b) Issued share capital:

As at September 30, 2023, 71,273,309 common shares were issued and outstanding (December 31, 2022 - 71,723,309).

## (c) Stock Options:

The Company has an omnibus equity incentive plan (the “Equity Incentive Plan”), which replaced the Company’s old stock option plan and deferred share unit (“DSU”) plan effective May 23, 2022. Under the Equity Incentive Plan, options may be granted to directors, officers, employees and consultants. As at September 30, 2023 options to purchase a maximum of 7,127,330 common shares were issuable under the Equity Incentive Plan, of which 1,283,652 were outstanding and 5,843,678 remained available for issuance. Under the Equity Incentive Plan, the Company may grant options for up to 10% of the issued and outstanding common shares to directors, officers, employees and consultants. Under the Equity Incentive Plan, the exercise price and vesting is at the discretion of the Board, with vesting conditions normally being time based over three years, and options can be granted for a maximum term of ten years, with certain restrictions as to limits on amounts granted to insiders, consultants or persons engaged in investor relations activities.

The following is a summary of stock options outstanding as at September 30, 2023 and December 31, 2022 along with changes during the periods then ended:

	Number of Options	Weighted Average Exercise Price (CDN\$)
Balance December 31, 2021	1,100,000	0.46
Options granted	383,652	0.35
Options forfeited	(200,000)	0.45
Balance December 31, 2022 and September 30, 2023 <sup>(1) (2)</sup>	1,283,652	0.42

<sup>(1)</sup> The weighted average time to expiration for outstanding options is 1.91 years. The range of exercise prices is Cdn.\$0.345 to Cdn.\$0.625.

<sup>(2)</sup> As at September 30, 2023, 1,234,902 options were exercisable (December 31, 2022 – 799,326).

## (d) Earnings (loss) per share:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Earnings (loss) attributable to Golconda Shareholders				
- Continuing operations	(14,174)	(899,437)	(1,366,521)	437,533
- Discontinuing operations	-	-	-	147,107
Weighted average number of common shares outstanding for purposes of basic earnings per share	71,273,309	71,273,309	71,273,309	71,273,309
Dilutive options and deferred share units	1,434,009	1,434,009	1,434,009	1,659,189
Weighted average number of common shares outstanding for the purpose of diluted earnings per share	72,707,318	72,707,318	72,707,318	72,932,498
Earnings (loss) per share				
- Continuing operations – Basic and Diluted	0.00	(0.01)	(0.02)	0.01
- Discontinuing operations – Basic and Diluted	0.00	0.00	0.00	0.00

# GOLCONDA GOLD LTD.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements  
(In U.S. Dollars)

For the three and nine months ended September 30, 2023 and 2022

Basic earnings (loss) per share is computed by dividing the earnings (loss) by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution of outstanding DSUs, warrants and stock options in the weighted average number of common shares outstanding during the period, if dilutive. For the three and nine months ended September 30, 2023, all instruments were anti-dilutive.

## (e) Deferred Share Units

The Company may grant DSUs to directors, officers, employees and consultants under the Equity Incentive Plan. As at September 30, 2023, a maximum of 7,127,330 DSUs and other forms of share based incentives (excluding stock options) were issuable under the Equity Incentive Plan, of which 1,434,009 DSUs were issued and outstanding (December 31, 2022 – 1,434,009). On issuance of DSUs, the fair value is calculated as the quoted share price on the date of grant multiplied by the number of DSUs granted. The compensation expense is then recognized over the vesting period of the DSUs. All outstanding DSUs were fully vested as at September 30, 2023. The Board at its discretion can determine the vesting schedule applicable to an award of DSUs at the time of award.

## (f) Warrants:

The following is a summary of warrants outstanding as at September 30, 2023 and December 31, 2022 and changes during the periods then ended:

	Number of Warrants	Weighted Average Exercise Price (CDN\$)
Balance, December 31, 2021 and December 31, 2022	12,615,460	1.48
Warrants expired	(609,720)	1.10
Balance, September 30, 2023	12,005,740	1.50

The outstanding warrants expire on May 19, 2024.

The following is a summary of the value of the warrants outstanding as at September 30, 2023 and December 31, 2021 and 2022 and changes during the periods then ended:

	Warrants denominated in a foreign currency
Balance, December 31, 2021	1,139,262
Revaluation	(885,665)
Balance, December 31, 2022	253,597
Revaluation	(253,597)
Balance, September 30, 2023	-

# GOLCONDA GOLD LTD.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements  
(In U.S. Dollars)

For the three and nine months ended September 30, 2023 and 2022

## 14. Breakdown of costs

### (a) Operating costs

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Mining and processing	1,679,745	2,173,563	5,255,074	6,315,613
Administrative	312,214	441,464	1,152,791	1,396,707
Total costs	1,991,959	2,615,027	6,407,865	7,712,320
Depreciation and amortization	173,080	217,138	544,374	873,055
	2,165,039	2,832,165	6,952,239	8,585,375

### (b) Corporate and general administration

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Professional Fees	65,209	124,276	295,313	617,968
Corporate Administration	493,177	481,047	1,233,367	1,156,774
Share Based Compensation	1,984	8,160	57,481	33,001
	560,370	613,483	1,586,161	1,807,743

### (c) Financing (income) expense

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Interest on borrowings	257,583	49,481	538,619	165,043
Decrease in fair value of warrants denominated in foreign currency	-	(230,216)	(253,597)	(935,931)
Accretion	39,315	64,386	119,618	193,158
	296,898	(116,349)	404,640	(557,730)

### (d) Other expenses

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Summit pre-start costs	8,180	-	100,203	-
Other expenses	-	500,000	-	500,000
	8,180	500,000	100,203	500,000

# GOLCONDA GOLD LTD.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements  
(In U.S. Dollars)

For the three and nine months ended September 30, 2023 and 2022

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## 15. Related party transactions

The remuneration of directors and other members of key management personnel during the three and nine months ended September 30, 2023 are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Salaries	242,711	204,206	723,677	701,741
Directors fees	80,322	70,451	230,200	221,429
Share-based compensation <sup>(1)</sup>	1,984	8,160	57,481	33,001
	325,017	282,817	1,011,358	956,171

<sup>(1)</sup> Share-based compensation is the fair value of options and DSUs granted to key management personnel.

On August 13, 2020, the Company entered into loan agreements with its CEO, COO and former CFO (the “Executives”) as partial compensation for the services provided by the Executives in 2019. The loans are non-interest bearing, non-recourse loans with a term of three years. Pursuant to the terms of the loan agreements, the Executives used the proceeds of the loans to exercise 912,600 warrants held by the Executives. The shares issued to the Executives on exercise of the warrants are held by the Company as security for the outstanding loan balance. In February 2022, the Company settled C\$118,482 of the loans with certain Executives. On September 30, 2023, the Company entered into an amending agreement with its CEO to extend the term of his loan by one year to August 13, 2024 on the outstanding balance of C\$60,918. As of September 30, 2023, the former CFO had not repaid the outstanding balance of his loan of C\$48,750. The Company has notified the former CFO of its intention to act on its security interest and to cancel 195,000 shares currently held by the former CFO. The loan receivable balance at September 30, 2023 is C\$109,668.

# GOLCONDA GOLD LTD.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements  
(In U.S. Dollars)

For the three and nine months ended September 30, 2023 and 2022

## 16. Segmented information

The Company operates in one reportable segment, being the exploration, development and operation of gold mining properties. The Company's equipment and mining assets are located in the Republic of South Africa and the U.S.A., with corporate assets held in Canada. A breakdown of the revenue and total assets by geographic segment is as follows as at and for the three and nine months ended September 30, 2023:

	Canada	U.S.A.	South Africa	Total
Revenue				
Three months ended September 30, 2023	-	-	3,003,349	3,003,349
Nine months ended September 30, 2023	-	-	7,467,587	7,467,587
Net earnings / (loss) loss before tax				
Three months ended September 30, 2023	(806,143)	(13,509)	805,478	(14,174)
Nine months ended September 30, 2023	(1,582,277)	(116,189)	331,945	(1,366,521)
As at September 30, 2023				
Cash	48,448	-	95,272	143,720
All other assets	106,559	12,054,617	29,911,508	42,072,684
Total assets	155,007	12,054,617	30,006,780	42,216,404
Total liabilities	2,692,672	672,759	6,812,509	10,177,940

As at December 31, 2022:

	Canada	U.S.A.	South Africa	Total
Cash	632,132	-	6,901	639,033
All other assets	41,427	12,054,617	29,884,276	41,980,320
Total assets	673,559	12,054,617	29,891,177	42,619,353
Total liabilities	1,338,048	656,773	7,277,028	9,271,849

## 17. Subsequent event

On November 23, 2023, the Company announced a metal purchase and sale agreement with Empress Royalty Holding Corp. ("Empress"), a wholly-owned subsidiary of Empress Royalty Corp., under which the Company will receive an up-front cash payment of \$5 million (the "Investment") for payable gold produced from the Galaxy mine which will be invested to facilitate the increase in mining volumes required for the new, larger, milling circuit. The Investment is based on 3.5% of the payable gold production from the Galaxy mine for an initial 8,000 payable ounces; thereafter, the percentage will reduce to 2.0% of the payable gold production until the earlier of: (i) 20,000 ounces having been paid to Empress; or (ii) 20 years after the first payment was made. The purchase price for the payable gold delivered pursuant to the agreement is 20% of the gold spot price. The closing of the transaction and the funding of the Investment is subject to typical conditions precedent.