



GREAT QUEST FERTILIZER LTD.

Condensed Interim Consolidated Financial Statements
For the three months ended
March 31, 2024 and 2023

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

GREAT QUEST FERTILIZER LTD.

Condensed Interim Consolidated statements of financial position

(Expressed in Canadian dollars - Unaudited)

| As at | | March 31, 2024 | December 31, 2023 |
|---|-------|--------------------|----------------------|
| ASSETS | | | |
| | Notes | | |
| Current Assets | | | |
| Cash | | \$ 170,569 | \$ 5,473 |
| HST recoverable | | 15,525 | 14,338 |
| Prepaid expenses | | 3,319 | 5,184 |
| Total current assets | | 189,413 | 24,995 |
| Total assets | | \$ 189,413 | \$ 24,995 |
| LIABILITIES AND EQUITY | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | | \$ 339,854 | \$ 349,068 |
| Due to related parties | 8 | 842,900 | 780,436 |
| Total current liabilities | | 1,182,754 | 1,129,504 |
| Long Term liabilities | | | |
| Loans payable | 6 | 492,890 | - |
| Total liabilities | | 1,675,644 | 1,129,504 |
| SHAREHOLDERS' (DEFICIENCY) | | | |
| Share capital | 7 | 22,131,686 | 22,131,686 |
| Share-based payment reserve | 7 | 7,212 | 7,212 |
| Warrants | 7 | - | 19,884 |
| Accumulated deficit | | (23,625,129) | (23,263,291) |
| Total shareholders' (deficiency) | | (1,486,231) | (1,104,509) |
| Total liabilities and shareholders' (deficiency) | | \$ 189,413 | \$ 24,995 |

Nature and continuance of operations and going concern (note 1)

Approved on behalf of the Board of Directors on May 29, 2024

"Jed Richardson"

Jed Richardson – Chief Executive Officer

"John Clarke"

John Clarke – Director

The above condensed interim consolidated statements of financial position should be read in conjunction with the accompanying notes.

GREAT QUEST FERTILIZER LTD.

Condensed Interim Consolidated statements of loss and comprehensive loss

(Expressed in Canadian dollars - Unaudited)

| | Notes | Three months ended March 31, | |
|---|-------|------------------------------|---------------------|
| | | 2024 | 2023 |
| | | | (Note 3) |
| Expenses | | | |
| Accounting and audit | | \$ 6,498 | \$ 5,000 |
| Consulting | 8 | 28,950 | 28,950 |
| Investor relations | 8 | 12,000 | 12,000 |
| Management and director fees | 8 | 78,500 | 78,500 |
| Office and general | | 18,622 | 16,255 |
| Exploration and evaluation expenditures | 5 | 237,161 | 16,433 |
| Share-based compensation expense | 7,8 | - | 3,180 |
| Loss before other items | | (381,731) | (160,318) |
| Interest income | | 9 | - |
| Net loss and comprehensive loss for the period | | \$ (381,722) | \$ (160,318) |
| Weighted average number of outstanding shares | | 84,846,082 | 84,846,082 |
| Basic and diluted loss per share | | \$ (0.00) | \$ (0.00) |

The above condensed interim consolidated statements of loss and comprehensive loss should be read in conjunction with the accompanying notes.

GREAT QUEST FERTILIZER LTD.

Condensed Interim Consolidated statements of cash flows

(Expressed in Canadian dollars - Unaudited)

| | | For the three months ended | |
|--|------|----------------------------|------------------|
| | | March 31, | |
| | Note | 2024 | 2023 |
| CASH FLOWS FROM: | | | (Note 3) |
| Operating activities | | | |
| Net (loss) for the period | | \$ (381,722) | \$ (160,318) |
| Items not involving cash and other adjustments | | | |
| Share-based payments | 7 | - | 3,180 |
| Accrued interest | | 2,890 | - |
| | | <u>(378,832)</u> | <u>(157,138)</u> |
| Net change in non-cash working capital items: | | | |
| HST recoverable | | (1,187) | (664) |
| Prepaid expenses | | 1,865 | 3,169 |
| Accounts payable and accrued liabilities | | <u>(9,214)</u> | <u>54,326</u> |
| | | <u>(8,536)</u> | <u>56,831</u> |
| Cash flows used in operating activities | | <u>(387,368)</u> | <u>(100,307)</u> |
| Financing activities | | | |
| Loan proceeds | 6 | 490,000 | - |
| Due to related parties | | <u>62,464</u> | <u>100,965</u> |
| Cash flows from financing activities | | <u>552,464</u> | <u>100,965</u> |
| Net change in cash | | 165,096 | 658 |
| Cash, beginning of the period | | <u>5,473</u> | <u>10,692</u> |
| Cash, end of the period | | <u>\$ 170,569</u> | <u>\$ 11,350</u> |

Supplemental cash flow information (note 9)

The above condensed interim consolidated statements of cash flows should be read in conjunction with the accompanying notes.

GREAT QUEST FERTILIZER LTD.

Condensed Interim Consolidated statements of changes in (deficiency)

(Expressed in Canadian dollars)

For the three months ended March 31, 2024 and 2023

| | Notes | Number of shares | Share capital | Warrants | Share-based payment reserve | Accumulated deficit (Note 3) | Total |
|-----------------------------------|-------|---------------------|----------------------|-------------------|--------------------------------|------------------------------------|-----------------------|
| Balance January 1, 2023 | | 84,846,082 | \$ 22,131,686 | \$ 140,316 | \$ 196,247 | \$ (22,956,058) | \$ (487,809) |
| Private Placement | 7 | - | - | - | - | - | - |
| Share issuance costs | 7 | - | - | - | - | - | - |
| Finders warrants | 7 | - | - | - | - | - | - |
| Expired stock options | | - | - | - | - | - | - |
| Share -based compensation | 7 | - | - | - | 3,180 | - | 3,180 |
| Net loss for the period | | - | - | - | - | (160,318) | (160,318) |
| Balance at March 31, 2023 | | 84,846,082 | \$ 22,131,686 | \$ 140,316 | \$ 199,427 | \$ (23,116,376) | \$ (644,947) |
| Balance at January 1, 2024 | | 84,846,082 | \$ 22,131,686 | \$ 19,884 | \$ 7,212 | \$ (23,263,291) | \$ (1,104,509) |
| Share-based compensation | 7 | - | - | - | - | - | - |
| Stock options expired | | - | - | - | - | - | - |
| Warrants expired | | - | - | (19,884) | - | 19,884 | - |
| Net loss for the period | | - | - | - | - | (381,722) | (381,722) |
| Balance at March 31, 2024 | | 84,846,082 | \$ 22,131,686 | \$ - | \$ 7,212 | \$ (23,625,129) | \$ (1,486,231) |

The above condensed interim consolidated statements of changes in deficiency should be read in conjunction with the accompanying notes.

GREAT QUEST FERTILIZER LTD.

Notes to the condensed interim consolidated financial statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended March 31, 2024 and 2023

1. Nature and continuance of operations and going concern

Great Quest Fertilizer Ltd. (the “Company”) is incorporated under the British Columbia *Business Corporations Act* and its principal business activities are the exploration and development of exploration and evaluation mineral properties located in Mali, West Africa. The Company’s registered office is located at 10th Floor, 595 Howe Street, Vancouver, British Columbia.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations, and do not include any adjustments to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

For the three months ended March 31, 2024, the Company incurred a net loss and comprehensive loss of \$381,722 (2023 - \$160,318) and an accumulated deficit of \$23,625,129 (December 31, 2023 - \$23,263,291). These matters represent material uncertainties that cast significant doubt as to the Company’s ability to continue as a going concern. The continuation of the Company as a going concern is dependent upon the ability of the Company to obtain the necessary equity financing to continue operations, the successful results of mineral property exploration activities and its ability to attain profitable operations and generate funds therefrom or realize proceeds from their sale. The Company may periodically have to raise additional capital to fund projects and continue operations, and while it has been successful in doing so in the past, there can be no assurance the Company will be able to do so in the future. Management believes the Company will obtain the funding required to maintain current levels of operations and continue as a going concern for the following year.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, indigenous claims, and non-compliance with regulatory, social and environmental requirements. The Company’s property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

2. Statement of compliance

These condensed interim financial statements for the three months ended March 31, 2024 and 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company’s 2023 annual financial statements which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The condensed interim financial statements have been prepared using accounting policies consistent with those used in the Company’s 2023 annual financial statements except for new standards, interpretations and amendments mandatorily effective for the first time from January 1, 2024, with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Ongoing operations of the Company are dependent upon its ability to receive continued financial support, complete public equity financings, or generate profitable operations in the future.

GREAT QUEST FERTILIZER LTD.

Notes to the condensed interim consolidated financial statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended March 31, 2024 and 2023

3. Change in accounting policy

During the year ended December 31, 2023, the Company changed its accounting policy of capitalizing exploration and evaluation expenditures. The Company believes expensing such costs as incurred provides more reliable and relevant financial information. Cost of exploration properties, including the cost of acquiring prospective properties and exploration rights, and exploration and evaluation costs are expensed until it has been established that a mineral property is commercially viable. Previously, the Company capitalized these amounts. The consolidated financial statements for the year ended December 31, 2022 and the three months ended March 31, 2023 have been restated to reflect adjustments made as a result of this change in accounting policy. The accumulated effect of the change of \$22,554 has been reflected in the ending deficit of the consolidated financial statements as at December 31, 2022.

The following is a reconciliation of the Company's consolidated financial statements as at December 31, 2022 and for the three months ended March 31, 2023.

| Consolidated Statement of Financial Position | As at December 31, 2022 | | |
|---|-------------------------|-------------|--------------|
| | As previously reported | Adjustment | Restated |
| ASSETS | | | |
| Current assets | | | |
| Cash | \$ 10,692 | \$ - | \$ 10,692 |
| HST recoverable | 14,355 | - | 14,355 |
| Prepaid expenses | 8,872 | - | 8,872 |
| Total current assets | 33,919 | - | 33,919 |
| Non-current assets | | | |
| Exploration and evaluation properties | 22,554 | (22,554) | - |
| TOTAL ASSETS | \$ 56,473 | \$ (22,554) | \$ 33,919 |
| LIABILITIES AND EQUITY | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | \$ 150,297 | \$ - | \$ 150,297 |
| Due to related parties | 269,764 | - | 269,764 |
| Total current liabilities | 420,061 | - | 420,061 |
| Long term liabilities | | | |
| Due to related parties | 101,667 | - | 101,667 |
| Total liabilities | 521,728 | - | 521,728 |
| SHAREHOLDERS' (DEFICIENCY) | | | |
| Share capital | 22,131,686 | - | 22,131,686 |
| Share-based payment reserve | 196,247 | - | 196,247 |
| Warrants | 140,316 | - | 140,316 |
| Accumulated deficit | (22,933,504) | (22,554) | (22,956,058) |
| Total shareholders' (deficiency) | (465,255) | (22,554) | (487,809) |
| TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY | \$ 56,473 | \$ (22,554) | \$ 33,919 |

GREAT QUEST FERTILIZER LTD.

Notes to the condensed interim consolidated financial statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended March 31, 2024 and 2023

3. Change in accounting policy (continued)

Condensed Interim Consolidated Statement of Operations and Comprehensive Loss For the three months ended March 31, 2023

| | As previously reported | Adjustment | Restated |
|---|------------------------|--------------------|---------------------|
| Expenses | | | |
| Accounting and audit | \$ 5,000 | \$ - | \$ 5,000 |
| Consulting | 28,950 | - | 28,950 |
| Investor relations | 12,000 | - | 12,000 |
| Management and director fees | 78,500 | - | 78,500 |
| Office and general | 16,255 | - | 16,255 |
| Share-based compensation expense | 3,180 | - | 3,180 |
| Exploration and evaluation expenditures | - | 16,433 | 16,433 |
| Net loss and comprehensive loss for the period | \$ (143,885) | \$ (16,433) | \$ (160,318) |

| | | |
|---|------------|------------|
| Weighted average number of outstanding shares | 84,846,082 | 84,846,082 |
| Basic and diluted loss per share | \$ (0.00) | \$ (0.00) |

Condensed Interim Consolidated Statement of Cash Flows Three months ended March 31, 2023

| | As previously reported | Adjustment | Restated |
|--|------------------------|-----------------|------------------|
| CASH FLOWS FROM: | | | |
| Operating activities | | | |
| Net (loss) for the period | \$ (143,885) | \$ (16,433) | \$ (160,318) |
| Items not involving cash and other adjustments | | | |
| Share-based compensation expense | 3,180 | - | 3,180 |
| | <u>(140,705)</u> | <u>(16,433)</u> | <u>(157,138)</u> |
| Change in non-cash working capital items: | | | |
| HST recoverable | (664) | - | (664) |
| Prepaid expenses | 3,169 | - | 3,169 |
| Accounts payable and accrued liabilities | 37,893 | 16,433 | 54,326 |
| Cash flows used in operating activities | <u>(100,307)</u> | <u>-</u> | <u>(100,307)</u> |
| Financing activities | | | |
| Due to related parties | 100,965 | - | 100,965 |
| | <u>100,965</u> | <u>-</u> | <u>100,965</u> |
| Net change in cash | 658 | - | 658 |
| Cash, beginning of the year | <u>10,692</u> | <u>-</u> | <u>10,692</u> |
| Cash, end of the year | <u>\$ 11,350</u> | <u>\$ -</u> | <u>\$ 11,350</u> |

GREAT QUEST FERTILIZER LTD.

Notes to the condensed interim consolidated financial statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended March 31, 2024 and 2023

4. Summary of significant accounting policies

The accounting policies as set out in Note 3 of the Company's annual financial statements for the year ended December 31, 2023 have been consistently applied to all the periods presented except for new accounting policies and the adoption of the following new standards and amendments issued by the IASB that were effective for annual periods beginning on or after January 1, 2024. These policies are outlined below.

(a) Basis of preparation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as fair value through profit or loss, which have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The policies set out in the ensuing paragraphs have been consistently applied to all periods presented unless otherwise noted.

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments in applying accounting policies. Judgments that have the most significant effect on the amounts recognized in these financial statements are described below. Management is also required to make assumptions and critical estimates. Critical estimates are those that are most subject to uncertainty and have the most significant risk of resulting in a material adjustment to the carrying values of assets and liabilities within the next twelve months. Judgments, assumptions and estimates are based on historical experience, current trends and available information. Future events cannot be determined with certainty. As confirming events occur, actual results could differ materially from the assumptions and estimates.

Critical judgments made in the preparation of these financial statements are as follows:

- Verification of title to its interests in exploration and evaluation properties.
- Functional currency of the Company. Judgment was used in determining the currency that primarily determines or influences the costs of goods and services.
- Going concern. Please see note 1.

Significant assumptions and estimates used are as follows:

- Share-based payments - Assumptions were used in applying valuation techniques to determine the costs for these payments, in particular, in estimating the future volatility of the stock price, expected dividend yield, future employee turnover rate, and risk-free interest rate.
- Provisions - Assumptions were made to determine whether obligations exist and to estimate the amount of the obligations believed to exist. Please see note 4 (j).
- Deferred income taxes - The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the financial statements. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur. Each period, the Company evaluates the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, and tax planning initiatives.

GREAT QUEST FERTILIZER LTD.

Notes to the condensed interim consolidated financial statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended March 31, 2024 and 2023

4. Summary of significant accounting policies (continued)

- Income, value added, withholding and other taxes - The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.
- Estimation of decommissioning and restoration costs and the timing of expenditure - The cost estimates are updated annually during the life of a mine to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations) and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Company's subsidiaries are as follows:

| <u>Name</u> | <u>Country of Incorporation</u> | <u>Ownership Interest</u> |
|-----------------------------------|-------------------------------------|-------------------------------|
| Great Quest (Barbados) Limited | Barbados | 100% |
| Great Quest Mali S.A. ("GQ Mali") | Mali | 100% |

GREAT QUEST FERTILIZER LTD.

Notes to the condensed interim consolidated financial statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended March 31, 2024 and 2023

5. Exploration and evaluation expenditures

| Mali Phosphate properties | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|----------------------------------|--|--|
| | \$ | \$ |

| | | |
|-----------------------------|--------|---|
| Office, personnel and other | 13,500 | - |
| | 13,500 | - |

| Sanoukou Gold property | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|-------------------------------|--|--|
|-------------------------------|--|--|

| | | |
|-----------------------------|---|--------|
| Office, personnel and other | - | 13,500 |
| Land taxes and penalties | - | 2,933 |
| | - | 16,433 |

| Namibia Belmont properties | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|-----------------------------------|--|--|
|-----------------------------------|--|--|

| | | |
|--------------------------|---------|---|
| Acquisition costs | 81,394 | - |
| Project evaluation costs | 142,267 | - |
| | 223,661 | - |

(a) Mali Phosphate Properties - Tilemsi Phosphate Project

The Tilemsi project comprises two contiguous properties namely the Tilemsi and Tarkint Est. The Company holds a 100% interest in the permits and two optionors hold 2.07% and 1.47% Net Profit Interest respectively in the project.

Northern Mali, where the Tilemsi project is located has been a conflict zone since January 2012. Management understands that the conflict situation in North Mali constitutes a case of force majeure and has resulted in all exploration commitments being put on hold until the force majeure is lifted. There can be no assurance as to the timing of any resolution of such state of force majeure.

i. Tilemsi Phosphate Research Permit

On November 19, 2019, the permit was issued for an initial period of three years, renewable two times, for a period of three years each. There are minimum expenditure requirements on the permits as per below:

- \$487,000 (210,000,000 Mali FCFA) for the first year;
- \$313,000 (135,000,000 Mali FCFA) for the second year; and
- \$359,000 (155,000,000 Mali FCFA) for the third year.

GREAT QUEST FERTILIZER LTD.

Notes to the condensed interim consolidated financial statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended March 31, 2024 and 2023

5. Exploration and evaluation expenditures *(continued)*

ii. Tarkint Est Phosphate Research Permit

In 2010 and 2011, the Company, acquired the Tarkint Est research permit in Mali, for an aggregate of 115,000,000 FCFA (\$230,000). At December 31, 2018, the Company has paid a total of 101,300,000 FCFA (\$204,870) towards the acquisition price. The balance of 13,700,000 FCFA (\$30,309) is due six months after the resumption of activities on the property.

On October 21, 2019, the permit was issued for an initial period of three years, renewable two times, for a period of three years each. On October 6, 2021, the permit was renewed. There are minimum expenditure requirements on the permits as per below:

- \$162,000 (70,000,000 Mali FCFA) for the first year;
- \$267,000 (115,000,000 Mali FCFA) for the second year; and
- \$325,000 (140,000,000 Mali FCFA) for the third year.

The Company did not meet the minimum expenditure requirement for the first, second or third years for either Tilemsi or Tarkint Est given the ongoing force majeure.

(b) Mali Gold Properties

Sanoukou Gold Exploration Permit

On November 30, 2021, Ministry of Mines of Mali re-issued the Sanoukou gold exploration permit until February 21, 2024 with one renewal option remaining.

The minimum expenditure requirements on the permit are as per below:

- \$140,000 (60,000,000 Mali FCFA) for the first year;
- \$300,000 (130,000,000 Mali FCFA) for the second year; and
- \$325,000 (140,000,000 Mali FCFA) for the third year.

The Company allowed the Sanoukou Gold Exploration permit to lapse on February 21, 2024 as it did not complete any of its annual exploration commitments. The Company has no further obligations with respect to the lapsed Sanoukou property.

(c) Belmont property - Namibia

On December 21, 2023, the Company entered into an assignment and assumption agreement with Sulliden Mining Capital Inc. ("Sulliden") to acquire up to 70% of the issued and outstanding shares of Belmont Mineral Exploration (PTY) ("Belmont") from Ongwe Minerals (Pty) Ltd. ("Ongwe"). Belmont holds 14 exclusive prospecting licenses in Namibia. As at March 31, 2024, the Company has not completed all of its closing conditions related to the assignment agreement.

Pursuant to the assignment agreement, the Company has agreed to pay an amount of US\$180,000 in cash and issue 5,000,000 common shares to Sulliden. The Company will also assume the obligations under the original acquisition agreement and pay US\$60,000 (paid) in cash to Ongwe on the closing date of the agreement and complete up to US\$2,800,000 in exploration expenditures within two years of the closing date, to acquire 51% of the shares of Belmont. The Company has the right to fund a further US\$4,000,000 in exploration expenditures over a three-year period from the closing date to acquire up to an additional 19% of the shares, resulting in total ownership of 70% of the shares of Belmont.

Closing of the transaction remains subject to TSXV approval.

GREAT QUEST FERTILIZER LTD.

Notes to the condensed interim consolidated financial statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended March 31, 2024 and 2023

6. Loans payable

During the three months ended March 31, 2024, the Company entered into loan agreements totaling \$490,000 (\$470,000 with Directors of the Company). The loans are unsecured and bear interest at 20% and are due on September 30, 2025. For the three months ended March 31, 2024, the Company accrued interest on the loans of \$2,890, which is included in Office and general on the condensed interim consolidated statements of loss and comprehensive loss.

7. Share capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

Stock options

The Company has adopted an incentive stock option plan (the “Plan”) which was approved at the Company’s Annual General Meeting on July 5, 2018. The essential elements of the Plan provide that the aggregate number of common shares of the Company’s capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the total number of issued and outstanding shares on a non-diluted basis. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the market price of the common shares (defined as the last closing market price of the Company’s common shares immediately preceding the issuance of a news release announcing the granting of the options), or such other price as may be agreed to by the Company and accepted by the TSX Venture Exchange.

A summary of the status of the Company’s stock option plan as of March 31, 2024 and December 31, 2023. Changes during the periods then ended were as follows:

| | Number of Options | Weighted Average Exercise price |
|--|----------------------|--|
| Stock options outstanding December 31, 2022 | 2,050,000 | \$ 0.10 |
| Granted | 200,000 | 0.05 |
| Expired | (1,850,000) | 0.10 |
| Stock options outstanding at December 31, 2023 and March 31, 2024 | 400,000 | \$ 0.05 |

During the year ended December 31, 2023, the Company granted 200,000 stock options for the purchase of 200,000 shares at a price of \$0.05 per share for a period of five years from the date of grant, which vested immediately. The total fair value of the stock options granted was \$3,180.

The following table summarizes information about the stock options outstanding and exercisable at March 31, 2024:

| Expiry Date | Exercise Price | Number of Options Outstanding | Number of Exercisable Options | Average Remaining Life (Years) |
|------------------|----------------|-------------------------------------|-------------------------------------|--------------------------------------|
| December 7, 2026 | \$0.05 | 200,000 | 200,000 | 2.69 |
| January 23, 2028 | \$0.05 | 200,000 | 200,000 | 3.82 |
| | \$0.05 | 400,000 | 400,000 | 3.25 |

GREAT QUEST FERTILIZER LTD.

Notes to the condensed interim consolidated financial statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended March 31, 2024 and 2023

7. Share capital (continued)

The fair values of options granted during the years ended December 31, 2023 were estimated at the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

| | 2023 |
|----------------------------|-------------|
| Expected annual volatility | 96.1% |
| Risk-free interest rate | 2.97% |
| Expected life | 5 |
| Stock price | \$0.025 |
| Expected dividend yield | 0% |
| Estimated forfeitures | 0% |

In estimating the fair value of options issued using the Black-Scholes option pricing model, the Company is required to make assumptions. The expected volatility assumption is based on the historical volatility of the Company's common share price on the TSX Venture Exchange. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture, and employee termination within the valuation model. The Company has historically not paid dividends on its common stock.

Warrants

| Warrants outstanding | Number | Weighted Average Exercise Price |
|-------------------------------------|-------------------|------------------------------------|
| Balance at December 31, 2022 | 31,198,815 | 0.11 |
| Expired | (27,638,815) | 0.11 |
| Balance at December 31, 2023 | 3,560,000 | 0.10 |
| Expired | (3,560,000) | 0.10 |
| Balance at March 31, 2024 | - | - |

GREAT QUEST FERTILIZER LTD.

Notes to the condensed interim consolidated financial statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended March 31, 2024 and 2023

8. Related party transactions and balances

Key management personnel are officers and directors, or their related parties, who hold positions in the Company and its subsidiaries, that result in these officers and directors having control or significant influence over the financial or operating policies of those entities. These include the members of the Board, current and former Chief Executive Officers, Presidents, Chief Financial Officers and the Chief Operating Officers.

The following transacted with the Company in the reporting year.

Transactions with key management personnel

The aggregate value of transactions with key management personnel being directors and key management personnel were as follows:

| Compensation | Three months ended March 31, | |
|---|-------------------------------------|------------------|
| | 2024 | 2023 |
| Short term benefits, including consulting, management and director fees | \$ 78,500 | \$ 78,500 |
| Investor relations | 12,000 | 12,000 |
| Share-based compensation (see note 7) | - | 3,180 |
| Total | \$ 90,500 | \$ 93,680 |

During the three months ended March 31, 2024, four directors and an officer of the Company advanced \$470,000 to the Company as a loan payable, see Note 6.

At March 31, 2024 and December 31, 2023, the due to related parties included amounts due to officers or directors of the Company as follows:

| Related party balances payable | March 31, 2024 | December 31, 2023 |
|---|-----------------------|--------------------------|
| | \$ | \$ |
| Outstanding amount due within one year | | |
| With respect to advances on expenses from related party | 28,160 | 33,160 |
| With respect to management fees | 842,899 | 747,276 |
| With respect to loans payable | 472,745 | - |
| | \$ 1,343,804 | \$ 780,436 |

The amounts due to related party are non-interest bearing and unsecured.

GREAT QUEST FERTILIZER LTD.

Notes to the condensed interim consolidated financial statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended March 31, 2024 and 2023

9. Supplemental cash flow information

| Three months ended March 31 | 2024 | 2023 |
|-----------------------------------|------|------|
| Cash received (paid) for interest | \$ 9 | \$ - |

10. Segmented information

The Company's activities are all in the one industry segment of exploration and evaluation property acquisition, exploration and development.

Net loss by geographical segment are as follows:

| | Mali | Namibia | Canada | Total |
|--|---------------|------------------|------------------|-------------------|
| For the three months ended March 31, 2024 | | | | |
| Net loss for the period | \$ 260 | \$223,661 | \$157,801 | \$ 381,722 |
| For the three months ended March 31, 2023 | | | | |
| Net loss for the period | \$ 16,507 | \$ - | \$ 143,811 | \$ 160,318 |

11. Capital disclosures and financial risk management

The Company includes cash and cash equivalents, issued common shares and accumulated deficit in the definition of capital. 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, exploration and development of its 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 properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed.

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.

There were no changes in the Company's approach to capital management during the three months ended March 31, 2024 and 2023. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of March 31, 2024, the Company believes it is not compliant with the policies of the TSXV.

Financial risk management:

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit risk:

The Company is exposed to credit risk by holding cash and cash equivalents. This risk is minimized by holding the investments in large Canadian financial institutions. The Company has minimal accounts receivable exposure in the form of refundable GST due from the Canadian governments.

Currency risk:

The Company's functional currency is the Canadian dollar. There is foreign exchange risk to the Company as some of its exploration and evaluation property interests and resulting commitments are located in Mali. Management monitors its foreign currency balances and makes adjustments based on anticipated need for currencies. The Company does not engage in any hedging activities to reduce its foreign currency risk.

GREAT QUEST FERTILIZER LTD.

Notes to the condensed interim consolidated financial statements

(Expressed in Canadian dollars – Unaudited)

For the three months ended March 31, 2024 and 2023

11. Capital disclosures and financial risk management (continued)

As at March 31, 2024, the Company was exposed to currency risk through the following monetary assets and liabilities in Mali FCFA:

| | Canadian\$ equivalent |
|---|--------------------------|
| Cash | \$ 5,199 |
| Foreign exchange rate at March 31, 2024 | <u>0.0022</u> |

Based on the net exposures at March 31, 2024, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the Mali FCFA would not have a material impact on the Company's net loss.

Interest rate risk:

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash and cash equivalents is relatively unaffected by changes in short term interest rates. The income earned on certain bank accounts is subject to the movements in interest rates. The Company's loans payable have a fixed interest rate.

Price risk:

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

Liquidity risk:

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company had a net working capital deficiency of \$993,341 at March 31, 2024 (December 31, 2023 – \$1,002,842). Accounts payable is due in 30 days.

12. Commitments and contingencies

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company is party to certain management contracts. The Company is committed to payments upon termination of approximately \$74,000 pursuant to the terms of these contracts. As a triggering event has not taken place, these amounts have not been recorded in these consolidated financial statements. The minimum commitments under these contracts due within one year are \$74,000.

See also Note 5.