
KOBO RESOURCES INC.
UNAUDITED CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED JUNE 30, 2024
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of KOBO Resources Inc. (the "Corporation") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the three months ended June 30, 2024 have not been reviewed by the Corporation's auditors.

KOBO Resources Inc.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

	As at June 30, 2024	As at March 31, 2024
ASSETS		
Current assets		
Cash	\$ 544,195	\$ 130,659
Term deposit	3,332,767	559,674
Commodity taxes receivable	206,023	326,406
Prepaid and other assets	51,814	40,051
Total current assets	4,134,799	1,056,790
Non-current assets		
Security deposits	9,581	9,581
Property, plant and equipment (note 3)	113,019	121,693
Mining assets (note 4)	2,237	2,237
Total non-current assets	124,837	133,511
Total assets	\$ 4,259,636	\$ 1,190,301
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade payables and other payables (note 11)	\$ 527,759	\$ 353,666
Total liabilities	527,759	353,666
Shareholders' equity		
Share capital (note 6)	15,994,503	12,576,125
Stock options (note 7)	1,237,676	1,169,359
Warrants (note 8)	999,498	-
Broker warrants (note 9)	219,300	101,000
Accumulated other comprehensive (loss) income	(17,609)	15
Deficit	(14,701,491)	(13,009,864)
Total shareholders' equity	3,731,877	836,635
Total liabilities and shareholders' equity	\$ 4,259,636	\$ 1,190,301

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

Nature of operations, reverse takeover acquisition and going concern (note 1)
Subsequent event (note 12)

KOBO Resources Inc.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)**

	Three Months Ended June 30,	
	2024	2023
Operating expenses		
Depreciation of property, plant and equipment (note 3)	\$ 8,674	\$ 5,481
Exploration expenses (note 11)	915,247	379,870
Investor relations	47,377	49,160
Management and consulting fees (note 11)	75,068	100,004
Office and travelling expenses	23,186	54,315
Professional fees (note 11)	48,660	99,210
Share-based compensation (notes 7 and 11)	68,317	49,588
Sundry taxes	-	6,123
Transaction costs	-	7,572
Total operating expenses	(1,186,529)	(751,323)
Other income (expenses)		
Bank charges	(1,697)	(1,624)
Foreign exchange loss	(1,187)	(7,325)
Other income	34,782	23,656
Net loss for the period	\$ (1,154,631)	\$ (736,616)
Other comprehensive loss		
Items that will be reclassified subsequently to loss		
Exchange difference on translating foreign operations	\$ (17,624)	\$ -
Other comprehensive loss for the period	(17,624)	-
Total comprehensive loss for the period	\$ (1,172,255)	\$ (736,616)
Basic and diluted net loss per share (note 10)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding (note 10)	84,774,932	76,928,345

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

KOBO Resources Inc.

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars)

(Unaudited)

	Number of shares	Share capital	Stock options	Warrants	Broker warrants	Accumulated other comprehensive Income (loss)	Accumulated deficit	Total
Balance, March 31, 2023	76,928,349	\$ 11,301,115	\$ 657,721	\$ -	\$ 101,000	\$ -	\$ (9,059,989)	\$ 2,999,847
Share issue costs related to concurrent financing (note 6)	-	-	-	-	-	-	(45,651)	(45,651)
Share-based compensation (note 7)	-	-	49,588	-	-	-	-	49,588
Net loss and comprehensive for the period	-	-	-	-	-	-	(736,616)	(736,616)
Balance, June 30, 2023	76,928,349	\$ 11,301,115	\$ 707,309	\$ -	\$ 101,000	\$ -	\$ (9,842,256)	\$ 2,267,168
Balance, March 31, 2024	81,178,383	\$ 12,576,125	\$ 1,169,359	\$ -	\$ 101,000	\$ 15	\$ (13,009,864)	\$ 836,635
Private placement (note 6)	12,622,504	4,417,876	-	-	-	-	-	4,417,876
Warrants (note 6)	-	(999,498)	-	999,498	-	-	-	-
Share issue costs related to private placement (note 6)	-	-	-	-	118,300	-	(536,996)	(418,696)
Share-based compensation (note 7)	-	-	68,317	-	-	-	-	68,317
Net loss and comprehensive loss for the period	-	-	-	-	-	(17,624)	(1,154,631)	(1,172,255)
Balance, June 30, 2024	93,800,887	\$ 15,994,503	\$ 1,237,676	\$ 999,498	\$ 219,300	\$ (17,609)	\$ (14,701,491)	\$ 3,731,877

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

KOBO Resources Inc.**Condensed Interim Consolidated Statements of Cash Flows****(Expressed in Canadian dollars)****(Unaudited)**

	Three Months Ended	
	June 30,	
	2024	2023
Operating activities		
Net loss and comprehensive loss for the period	\$ (1,154,631)	\$ (736,616)
Adjustments for:		
Share-based compensation	68,317	49,588
Depreciation of property, plant and equipment	8,674	5,481
Accrued interest	(9,816)	-
Foreign exchange	(17,624)	-
Changes in non-cash working capital items:		
Commodity taxes receivable	120,383	(37,804)
Prepaid and other assets	(11,763)	-
Trade payables and other payables	174,093	(549,927)
Net cash used in operating activities	(822,367)	(1,269,278)
Investing activities		
Purchase of a term deposit	(3,322,951)	(2,000,000)
Proceeds from sale of a term deposit	559,674	-
Increase in security deposits	-	(4,474)
Purchase of property, plant and equipment	-	(91,457)
Net cash used in investing activities	(2,763,277)	(2,095,931)
Financing activities		
Issuance of shares	4,417,876	-
Share issue costs	(418,696)	(45,651)
Repayment of long-term debt	-	(40,000)
Net cash provided by (used in) financing activities	3,999,180	(85,651)
Net change in cash	413,536	(3,450,860)
Cash, beginning of period	130,659	4,262,611
Cash, end of period	\$ 544,195	\$ 811,751

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

KOBO Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended June 30, 2024

(Expressed in Canadian dollars)

(Unaudited)

1. Nature of operations, reverse takeover acquisition and going concern

Nature of operations

KOBO Resources Inc. ("KOBO" or the "Corporation") is a junior Canadian exploration and mining development corporation incorporated under the Business Corporations Act on April 27, 2018, initially under the name of Meteorite Capital Inc. ("Meteorite"). The Corporation is focused on acquiring and exploring mineral gold property assets located in West Africa and more particularly in Côte d'Ivoire.

KOBO, through its wholly owned subsidiaries BOKO Resources Inc. ("Boko") and KOBO Ressources Côte d'Ivoire ("KOBO C.I.") obtained in 2019 two (2) research permits (note 4) and is in the process of obtaining three (3) additional pending research permits.

On December 1, 2023, KOBO Resources Inc. merged with its subsidiary BOKO Resources Inc. in order to simplify its reporting obligations and reduce general and administrative costs.

The head office is 388, Grande-Allée East, Suite 101, Québec (Québec), Canada G1R 2J4.

Effective in 2023, the Corporation changed its financial year-end from December 31 to March 31 to align the Corporation's year-end with that of its subsidiary company and to facilitate financial reporting and the preparation of corporate tax returns. The change in year-end resulted in the Corporation's filing a one-time, fifteen-month transition year covering the period of January 1, 2023 to March 31, 2024. The information presented in these unaudited condensed interim consolidated financial statements is for the three months ended April 1, 2024 to June 30, 2024, compared to the three months ended April 1, 2023 to June 30, 2023.

Reverse takeover acquisition

On March 29, 2023, KOBO completed its previously announced business combination (the "Transaction") with Boko involving an amalgamation of Boko (formerly Kobo Resources Inc.) and 9454-2123 Québec Inc. ("Meteorite Subco"). The business combination resulted in, among other things, (i) the reverse takeover ("RTO") of Meteorite by the former securityholders of KOBO, (ii) Meteorite changing its name to "Kobo Resources Inc." (the "Resulting Issuer"), (iii) Boko becoming a wholly-owned subsidiary of the resulting Issuer, and (iv) the listing of the Resulting Issuer's common shares (the Resulting Issuer Common Shares) on the TSX Venture Exchange (the "TSX-V"). The Resulting Issuer Common Shares began trading at the opening of the market on March 31, 2023 under the symbol "KRI".

The Transaction constituted a reverse takeover of the Corporation but did not meet the definition of a business combination under IFRS 3, Business Combinations. Accordingly, the reverse takeover transaction was accounted for in accordance with IFRS 2, Share-Based Payment and IAS 32, Financial Instruments: Presentation. The Transaction is considered to be a reverse takeover of Meteorite by Boko. A reverse takeover transaction involving a non-public operating entity and a non-operating company is in substance a share-based payment transaction, rather than a business combination. The fair value of the shares issued has been determined based on the fair value of the Common Shares issued by Boko on February 24, 2023 as outlined below.

Each Boko Warrant, Boko Option and Boko Broker Warrant have been exchanged for Meteorite Warrant, Meteorite Option and Meteorite Broker Warrant, now referred as Kobo Warrant, Kobo Option and Kobo Broker Warrant.

The fair value of the Corporation's identifiable net assets at the reverse acquisition date was \$735 and the excess was attributed to the value of the public listing, which does not meet the definition of an asset, and is expensed in the statements of loss and comprehensive loss.

KOBO Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended June 30, 2024

(Expressed in Canadian dollars)

(Unaudited)

1. Nature of operations, reverse takeover acquisition and going concern (continued)

Reverse takeover acquisition (continued)

Consideration paid

Fair value of consideration to acquire 1,413,000 Common Shares	\$	353,250
113,040 Options of Meteorite		-
	\$	353,250

Net assets acquired

Cash	\$	42,564
Trade payables and other payables		(41,829)
Listing costs expensed		352,515
Total	\$	353,250

The fair value of the consideration transferred to acquire Meteorite under the RTO is \$353,250 and was determined based on the fair value of the 1,413,000 Common Shares valued at \$0.25 per share and 113,040 Options valued at \$nil.

Going concern

These unaudited condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment of material uncertainties related to events and conditions that lend a significant doubt upon the Corporation's ability to continue as a going concern and accordingly, the appropriateness of the use of IFRS applicable to a going concern, as described in the following paragraph. These unaudited condensed interim consolidated financial statements do not reflect the adjustment to the carrying values of assets and liabilities expenses and consolidated statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

As at June 30, 2024, the Corporation has a deficit of \$14,701,491. In addition to ongoing working capital requirements, the Corporation must secure sufficient funding to meet its obligations and existing commitments for exploration and evaluation programs, for mining development and pay general and administration costs.

As long as the Corporation is not in commercial operation, the continuation of its activities will depend on its ability to raise additional financing through the issuance of equity instruments. There can be no assurance it will be able to do so in the future and that such sources of funding or initiatives will be available to the Corporation or that they will be available on terms acceptable to the Corporation. If management is unable to obtain new funding, there is a material uncertainty that lend a significant doubt about the Corporation's ability to continue as a going concern and amounts realized for assets might be less than amounts reflected in these unaudited condensed interim consolidated financial statements. The Corporation has not yet determined the existence of economically recoverable ore reserves.

KOBO Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended June 30, 2024

(Expressed in Canadian dollars)

(Unaudited)

2. Material accounting policies

Basis of presentation

The Corporation applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of August 29, 2024, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the fifteen months ended March 31, 2024. Any subsequent changes to IFRS that are given effect in the Corporation's annual consolidated financial statements for the year ending March 31, 2025 could result in restatement of these unaudited condensed interim consolidated financial statements.

Basis of consolidation

The unaudited condensed interim consolidated financial statements include the financial statements of the Corporation and its subsidiaries Boko and Kobo C.I. located in Côte d'Ivoire. The Corporation has 100% ownership in the subsidiary Kobo C.I. All intercompany transactions and balances are eliminated. A subsidiary is an investment controlled by the Corporation. Control exists when the Corporation has the existing rights giving the current ability to direct the activities that significantly affect the entities' returns. The Corporation reassesses control on an ongoing basis.

On December 1, 2023, Kobo Resources Inc. merged with its subsidiary Boko Resources Inc. in order to simplify its reporting obligations and reduce general and administrative costs.

3. Property, plant and equipment

Cost	Vehicles	Office equipment	Exploration equipment	Land	Total
Balance, March 31, 2024 and June 30, 2024	\$ 175,488	\$ 9,808	\$ 41,289	\$ 8,000	\$ 234,585

Accumulated depreciation	Vehicles	Office equipment	Exploration equipment	Land	Total
Balance, March 31, 2024	\$ 98,472	\$ 7,615	\$ 6,805	\$ -	\$ 112,892
Depreciation during the period	6,964	317	1,393	-	8,674
Balance, June 30, 2024	\$ 105,436	\$ 7,932	\$ 8,198	\$ -	\$ 121,566

Carrying value	Vehicles	Office equipment	Exploration equipment	Land	Total
Balance, March 31, 2024	\$ 77,016	\$ 2,193	\$ 34,484	\$ 8,000	\$ 121,693
Balance, June 30, 2024	\$ 70,052	\$ 1,876	\$ 33,091	\$ 8,000	\$ 113,019

KOBO Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended June 30, 2024

(Expressed in Canadian dollars)

(Unaudited)

4. Mining assets

Research permits	Kossou	Kotobi
Balance as at March 31, 2024 and June 30, 2024	\$ 2,237	\$ -

On April 24, 2019 a research permit (Kotobi license formerly identified as Bongouanou license) was awarded to KOBO C.I. and is located within the Birimian Dimbokro-Abengourou Belt, Boaulé-Mossi domain. It is located in the administrative departments of Arrah, Bongouanou and Daoukro covering 301.75 km². The permit was issued for four (4) years and is renewable for two (2) consecutive three (3) years term with an additional possible two (2) years term.

The Corporation must incur a total of 500,000,000 CFA (\$1,100,000) in exploration activities during the four (4) years of the permit. This total amount is expensed over the first three (3) years in the amount of 100,000,000 CFA (\$222,000) annually and 200,000,000 CFA (\$444,000) in the fourth (4th) year, subject to currency exchange rate fluctuations. As at June 30, 2024, the Corporation spent a cumulative amount of 166,960,200 CFA (\$372,970) in exploration activities. On February 27, 2023, the Corporation filed an application form with the Minister of Mines of Côte d'Ivoire for the renewal of the Kotobi permit for an additional three (3) years. The application is currently under review.

On November 6, 2019 a research permit (Kossou license) was awarded to KOBO C.I. and is located in the department of Kossou, Yamoussoukro and Bouaflé regions, approximately 22 km northwest of the capital city of Yamoussoukro covering 147.36 km². The permit is issued for four (4) years and is renewable for two (2) consecutive three (3) years term with an additional possible two (2) years term.

The Corporation must incur a total of 550,000,000 CFA (\$1,220,000) in exploration activities for the four (4) years of the permit. This total amount is expensed over the first three (3) years in the amount of 110,000,000 CFA (\$244,000) annually and 220,000,000 CFA (\$488,000) in the fourth (4th) year, subject to currency exchange rate fluctuations. As at June 30, 2024, the Corporation spent a cumulative amount of 1,874,700,341 CFA (\$4,187,861) in exploration activities. On August 2, 2023, the Corporation filed an application form with the Minister of Mines of Côte d'Ivoire for the renewal of the Kossou permit for an additional three (3) years. The application is currently under review.

In the case of non-realization of the projected exploration activities in the first two (2) years the Corporation may receive a notification form the Minister of Mines. In such case, a global control of the exploration activities is performed by the Minister of Mines administration at the end of the third (3rd) year.

KOBO Resources Inc.**Notes to Condensed Interim Consolidated Financial Statements****Three Months Ended June 30, 2024****(Expressed in Canadian dollars)****(Unaudited)**

5. Segmented information**(a) Operating segments**

In accordance with IFRS 8 - Operating Segments, it is mandatory for the Corporation to present and disclose segmental information based on the internal reports that are regularly reviewed by the Board of Directors in order to assess each segment's performance. In this regard, the Corporation conducts its business in a single operating segment being the acquisition and exploration of gold in Côte d'Ivoire. The Corporation's only mining assets are located in Côte d'Ivoire as detailed in note 4. As a result, the Corporation is organized as a single sector.

(b) Geographic segments

The Corporation's assets by geographic areas are as follows:

As at June 30, 2024	Côte d'Ivoire	Canada Corporate Management	Total
Cash	\$ 220,731	\$ 323,464	\$ 544,195
Term deposit	-	3,332,767	3,332,767
Commodity taxes receivable	168,187	37,836	206,023
Prepaid and other assets	10,575	41,239	51,814
Property, plant and equipment	111,143	1,876	113,019
Mining assets	2,237	-	2,237
Other assets	9,581	-	9,581
	\$ 522,454	\$ 3,737,182	\$ 4,259,636

As at March 31, 2024	Côte d'Ivoire	Canada Corporate Management	Total
Cash	\$ 65,282	\$ 65,377	\$ 130,659
Term deposit	-	559,674	559,674
Commodity taxes receivable	165,542	160,864	326,406
Prepaid and other assets	10,552	29,499	40,051
Property, plant and equipment	119,500	2,193	121,693
Mining assets	2,237	-	2,237
Other assets	9,581	-	9,581
	\$ 372,694	\$ 817,607	\$ 1,190,301

KOBO Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended June 30, 2024

(Expressed in Canadian dollars)

(Unaudited)

5. Segmented information (continued)

(b) Geographic segments (continued)

	Three months ended June 30, 2024			Three months ended June 30, 2023		
	Cote d'Ivoire	Canada Corporate Management	Total	Cote d'Ivoire	Canada Corporate Management	Total
Exploration expenses	\$ 813,280	\$ 101,967	\$ 915,247	\$ 296,705	\$ 83,165	\$ 379,870
Interest income	-	(34,782)	(34,782)	-	(23,656)	(23,656)
Investor relations	-	47,377	47,377	-	49,160	49,160
Management and consulting fees	-	75,068	75,068	-	100,004	100,004
Other expenses	8,961	25,783	34,744	20,695	54,173	74,868
Professional fees	20,307	28,353	48,660	9,359	89,851	99,210
Share-based compensation	-	68,317	68,317	-	49,588	49,588
Transaction costs	-	-	-	-	7,572	7,572
Net loss	\$ (842,548)	\$ (312,083)	\$ (1,154,631)	\$ (326,759)	\$ (409,857)	\$ (736,616)

6. Share capital

a) Authorized share capital

The authorized share capital consisted of an unlimited number of Common Shares, bearing one voting right per share, participating, without par value. All issued Common Shares are fully paid.

b) Common shares issued

As at June 30, 2024, the issued share capital amounted to \$15,994,503. Changes in issued share capital for the periods presented are as follows:

	Three Months Ended June 30, 2024		Fifteen Months Ended March 31, 2024	
	Number of common shares	Amount	Number of common shares	Amount
Balance, beginning of period	81,178,383	\$ 12,576,125	56,809,749	\$ 6,271,465
Private placement	12,622,504	4,417,876	-	-
Warrants	-	(999,498)	-	-
Reverse takeover acquisition (note 1)	-	-	1,413,000	353,250
Concurrent financing	-	-	18,705,600	4,676,400
Exercise of warrants	-	-	4,250,034	1,275,010
Balance, end of period	93,800,887	\$ 15,994,503	81,178,383	\$ 12,576,125

KOBO Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended June 30, 2024

(Expressed in Canadian dollars)

(Unaudited)

6. Share capital (continued)

b) Common shares issued (continued)

Fifteen months ended March 31, 2024

In connection with the RTO, Boko and Meteorite completed a concurrent financing on February 24, 2023, for aggregate gross proceeds of \$4,676,400, consisting of: (i) the issuance of 13,736,400 Boko Subscription Receipts and (ii) 4,969,200 Meteorite Subscription Receipts at a price of \$0.25 per Subscription Receipt. Each Subscription Receipt is convertible for no additional consideration into one share and one-half of one warrant at an exercise price of \$0.40 for each full warrant, for a twenty-four months period from the date of the closing of the Transaction. As part consideration of their services for the concurrent financing, the agent received a cash consideration of \$246,000 and 721,312 Broker Warrants entitling the holder to purchase 721,312 Broker Units of the Corporation at a price of \$0.25 per unit. Each Broker Unit entitles the holder to purchase one Common Share at a price of \$0.25 per share and one-half of a one Common Share Warrant at an exercise price of \$0.40 for each full warrant, for a twenty-four months period from the date of the closing of the Transaction.

In connection with the RTO, Meteorite completed a share consolidation using an exchange ratio of 0.2 to 1.

Between July 28 and August 29, 2023, the Corporation has received notices to exercise a total of 4,250,034 Common Share Purchase Warrants allowing holders thereof to subscribe to 4,250,034 Common Shares of the Corporation at a price of \$0.30 per share prior to the expiry date of August 31, 2023 resulting in the issuance of a total of 4,250,034 Common Shares for a total consideration of \$1,275,010. The weighted average share price at the date of exercise was \$0.32.

Three months ended June 30, 2024

On June 4, 2024, the Corporation closed its first tranche of a non-brokered private placement of the units for gross proceeds of \$1,485,331. Under the first tranche of the offering, 4,243,804 units were issued at a price of \$0.35 per unit. In addition, the Corporation announced closing of a brokered private placement of 8,378,700 additional units of the Corporation at a price of \$0.35 per additional unit for additional gross proceeds of \$2,932,545.

Each unit consists of one common share and one-half of one common shares purchase warrant. Each warrant entitles its holder to acquire one common share at a price of \$0.55 per share until June 4, 2026.

Leede Jones Gables Inc. acted as agent in connection with the financing and received a cash commission equal to \$227,953 and 644,960 non-transferable compensation options of the Corporation, exercisable until June 4, 2026, to acquire common shares at an exercise price of \$0.35 per share.

Patrick Gagnon, a director of the Corporation, subscribed, directly or indirectly via his company Corporation Gagnon Capital Ltee, to an aggregate of 192,200 units.

KOBO Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements
 Three Months Ended June 30, 2024
 (Expressed in Canadian dollars)
 (Unaudited)

7. Stock options

The following table reflects the continuity of stock options:

	Three Months Ended June 30, 2024		Fifteen Months Ended March 31, 2024	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding, beginning of period	5,725,000	\$ 0.238	3,150,000	\$ 0.190
Granted	-	-	2,675,000	0.297
Reverse takeover acquisition (note 1)	-	-	113,040	0.750
Expired/Cancelled	-	-	(213,040)	0.539
Outstanding, end of period	5,725,000	\$ 0.238	5,725,000	\$ 0.238
Exercisable, end of period	4,906,250	\$ 0.225	4,906,250	\$ 0.225

For the three months ended June 30, 2024 an amount of \$68,317 (three months ended June 30, 2023 - \$49,588) is included as share-based compensation expense.

Fifteen months ended March 31, 2024

On March 1, 2023, the Corporation granted 250,000 options to a consultant at an exercise price of \$0.20 each.

On June 21, 2023, the Corporation granted 2,075,000 options to directors, officers and consultants at an exercise of \$0.30 each.

On February 28, 2024, the Corporation granted 350,000 options to a director and an officer at an exercise of \$0.35 each.

The total fair value was estimated on the grant using the Black-Scholes option pricing model with the following average assumptions:

	Three Months Ended June 30, 2024	Fifteen Months Ended March 31, 2024
Weighted risk-free interest rate	-	3.69%
Weighted share price at grant-date	-	\$0.302
Weighted average expected share price volatility (i)	-	104.25%
Weighted average exercise price at grant-date	-	\$0.297
Weighted average expected dividend yield	-	-
Weighted average expected life	-	5 years
Weighted average grant-date fair value	-	\$0.235

(i) Expected share price volatility was calculated using a blended rate of comparable junior mining exploration corporations.

KOBO Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements
 Three Months Ended June 30, 2024
 (Expressed in Canadian dollars)
 (Unaudited)

7. Stock options (continued)

The following table reflects the actual stock options issued and outstanding as of June 30, 2024:

Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
0.200	5.67	250,000	250,000
0.200	3.53	500,000	500,000
0.200	2.59	900,000	900,000
0.200	3.52	1,150,000	1,150,000
0.150	0.47	600,000	600,000
0.300	8.98	1,975,000	1,506,250
0.350	9.67	350,000	-
		5,725,000	4,906,250

8. Warrants

The following table reflects the continuity of warrants:

	Three Months Ended June 30, 2024		Fifteen Months Ended March 31, 2024	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding and exercisable, beginning of period	9,352,800	\$ 0.400	4,250,034	\$ 0.300
Granted under the concurrent financing	-	-	9,352,800	0.400
Granted under the private placement	6,311,252	0.550	-	-
Exercise of warrants	-	-	(4,250,034)	0.300
Outstanding and exercisable, end of period	15,664,052	\$ 0.460	9,352,800	\$ 0.400

The following table reflects the actual warrants issued and outstanding as of June 30, 2024:

Number of warrants outstanding	Value allocated on grant (\$)	Exercise price (\$)	Expiry date
9,352,800	-	0.400	March 29, 2025
6,311,252	999,498	0.550	June 4, 2026
15,664,052	999,498	0.460	

KOBO Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements
 Three Months Ended June 30, 2024
 (Expressed in Canadian dollars)
 (Unaudited)

8. Warrants (Continued)

The total fair value was estimated on the grant using the Black-Scholes option pricing model with the following average assumptions:

	Three Months Ended June 30, 2024	Fifteen Months Ended March 31, 2024
Risk-free interest rate	4.05%	1%
Share price at grant-date	\$0.35	\$0.25
Expected share price volatility (i)	104%	110%
Expected price at grant date	\$0.55	\$0.40
Expected dividend yield	-	-
Expected life	2 years	2 years

(i) Expected share price volatility was calculated using a blended rate of comparable junior mining exploration corporations.

9. Broker warrants

The following table reflects the continuity of warrants:

	Three Months Ended June 30, 2024		Fifteen Months Ended March 31, 2024	
	Number of broker warrants	Weighted average exercise price	Number of broker warrants	Weighted average exercise price
Outstanding and exercisable, beginning of period	721,312	\$ 0.250	-	\$ -
Granted under the private placement (note 6)	644,960	0.350	-	-
Granted under the concurrent financing (i)	-	-	721,312	0.250
Outstanding and exercisable, end of period	1,366,272	\$ 0.297	721,312	\$ 0.250

(i) These Broker Warrants entitle the holders to purchase 721,312 units of the Corporation at a price of \$0.25 per unit. Each Broker Warrant Unit entitles the holder to purchase one Common Share at a price of \$0.25 per share and one-half of a one Common Share Warrant at an exercise price of \$0.40 for each full warrant, for a twenty-four months period from the date of the closing of the Transaction.

The following table reflects the actual broker warrants issued and outstanding as of June 30, 2024:

Number of broker warrants outstanding	Grant date fair value(\$)	Exercise price (\$)	Expiry date
721,312	101,000	0.250	March 29, 2025
644,960	118,300	0.350	June 4, 2026
1,366,272	219,300	0.297	

KOBO Resources Inc.**Notes to Condensed Interim Consolidated Financial Statements****Three Months Ended June 30, 2024****(Expressed in Canadian dollars)****(Unaudited)**

9. Broker Warrants (Continued)

The total fair value was estimated on the grant using the Black-Scholes option pricing model with the following average assumptions:

	Three Months Ended June 30, 2024	Fifteen Months Ended March 31, 2024
Risk-free interest rate	4.05%	1%
Share price at grant-date	\$0.335	\$0.25
Expected share price volatility (i)	104%	110%
Expected price at grant date	\$0.35	\$0.25
Expected dividend yield	-	-
Expected life	2 years	2 years

(i) Expected share price volatility was calculated using a blended rate of comparable junior mining exploration corporations.

10. Net loss per common share

The calculation of basic and diluted loss per share for the three months ended June 30, 2024 was based on the loss attributable to common shareholders of \$1,154,631 (three months ended June 30, 2023 - \$736,616) and the weighted average number of common shares outstanding of 84,774,932 (three months ended June 30, 2023 - 76,928,345). Diluted loss per share did not include the effect of stock options, warrants and broker warrants as they are anti-dilutive.

11. Related party disclosures

These transactions occurred in the normal course of operations and are measured on terms equivalent to those that prevail in arm's length transactions.

The table below summarizes, for the respective periods, the total amount paid to directors and key management personnel having authority and responsibility for planning, directing and controlling the activities of the Corporation or Corporations controlled by them:

	Three Months Ended June 30,	
	2024	2023
Compensation of key management		
Share-based compensation	\$ 63,729	\$ 49,588
Management fees	56,250	100,004
Professional fees	9,961	-
Exploration expenses	51,589	18,750
	\$ 181,529	\$ 168,342

As at June 30, 2024 an amount of \$36,387 (\$34,447 as at March 31, 2024) is included in accounts payable regarding compensation of key management.

KOBO Resources Inc.**Notes to Condensed Interim Consolidated Financial Statements****Three Months Ended June 30, 2024****(Expressed in Canadian dollars)****(Unaudited)**

12. Subsequent event

On July 2, 2024, the Corporation closed its second tranche of a non-brokered private placement of the units for gross proceeds of \$2,995,497. Under the second tranche of the offering, 8,558,563 units were issued at a price of \$0.35 per unit.

Each unit consists of one common share and one-half of one common shares purchase warrant. Each warrant entitles its holder to acquire one common share at a price of \$0.55 per share until June 4, 2026.

The Company paid finders' fees in an aggregate amount of \$1,540 in connection with the second tranche.