
**KOBO RESOURCES INC.
(FORMERLY METEORITE CAPITAL INC.)
CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
THREE AND TWELVE MONTHS ENDED
DECEMBER 31, 2023
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of KOBO Resources Inc. (formerly Meteorite Capital 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 and twelve months ended December 31, 2023 have not been reviewed by the Corporation's auditors.

KOBO Resources Inc. (Formerly Meteorite Capital Inc.)

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

(Unaudited)

	As at December 31, 2023	As at December 31, 2022
ASSETS		
Current assets		
Cash	\$ 141,667	\$ 260,284
Term deposit, 4.96% maturing on June 30, 2024	1,231,061	-
Commodity taxes receivable	304,243	23,015
Prepaid and other assets	27,531	-
Total current assets	1,704,502	283,299
Non-current assets		
Security deposits	9,581	5,107
Property, plant and equipment (note 3)	111,504	16,980
Mining assets (note 4)	2,237	2,237
Total non-current assets	123,322	24,324
Total assets	\$ 1,827,824	\$ 307,623
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Amounts payable (note 12)	\$ 508,201	\$ 979,282
Total current liabilities	508,201	979,282
Non-current liabilities		
Long-term debt (note 5)	-	44,469
Deferred government grant income (note 5)	-	15,531
Total non-current liabilities	-	60,000
Total liabilities	508,201	1,039,282
Shareholders' equity (deficiency)		
Share capital (note 7)	12,576,125	6,271,465
Stock options (note 8)	1,083,611	647,311
Broker warrants (note 10)	101,000	-
Deficit	(12,441,113)	(7,650,435)
Total shareholders' equity (deficiency)	1,319,623	(731,659)
Total liabilities and shareholders' equity (deficiency)	\$ 1,827,824	\$ 307,623

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)

KOBO Resources Inc. (Formerly Meteorite Capital Inc.)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

(Unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
Interest income	\$ 39,783	\$ -	\$ 100,401	\$ -
Expenses				
Share-based compensation (notes 8 and 12)	124,013	118,478	436,300	163,673
Management fees (note 12)	93,752	105,326	391,104	266,376
Professional fees (note 12)	87,505	134,211	264,909	373,182
Continuous disclosure	61,951	-	150,200	-
Office and travelling expenses	47,864	52,099	164,843	114,246
Exploration expenses	447,064	136,180	2,254,167	276,958
Foreign exchange gain	95,393	10,737	(10,570)	(307)
Depreciation of property, plant and equipment (note 3)	7,402	5,970	24,987	23,888
Transaction costs	-	-	299,412	-
Listing costs expensed (note 1)	-	-	352,515	-
Interest on long-term debt	-	1,525	-	6,119
Amortization of deferred government grant income	-	(1,525)	-	(6,119)
Write-off of long-term debt (note 5)	-	-	(20,000)	-
Write-off of deferred expenses (note 7)	-	-	-	215,349
Bank charges	2,300	1,248	7,609	2,809
Sundry taxes	6,325	17,696	23,479	17,696
Gain on sale of property, plant and equipment	-	-	-	(2,341)
	(973,569)	(581,945)	(4,338,955)	(1,451,529)
Net loss and comprehensive loss for the period	\$ 933,786	\$ 581,945	\$ 4,238,554	\$ 1,451,529
Basic and diluted net loss per share (note 11)	\$ 0.01	\$ 0.01	\$ 0.06	\$ 0.03
Weighted average number of common shares outstanding (note 11)	81,178,373	54,224,643	73,566,411	54,210,321

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

KOBO Resources Inc. (Formerly Meteorite Capital Inc.)
Condensed Interim Consolidated Statements of Changes in (Deficiency) Equity
(Expressed in Canadian dollars)
(Unaudited)

	Number of shares	Share capital	Stock options	Broker warrants	Accumulated deficit	Total
Balance, December 31, 2021	54,195,999	\$ 5,748,715	\$ 483,638	\$ -	\$ (6,192,187)	\$ 40,166
Shares issued (note 7)	2,613,750	522,750	-	-	-	522,750
Shares issue costs (note 7)	-	-	-	-	(6,719)	(6,719)
Share-based compensation (note 8)	-	-	163,673	-	-	163,673
Net loss and comprehensive for the period	-	-	-	-	(1,451,529)	(1,451,529)
Balance, December 31, 2022	56,809,749	\$ 6,271,465	\$ 647,311	\$ -	\$ (7,650,435)	\$ (731,659)
Balance, December 31, 2022	56,809,749	\$ 6,271,465	\$ 647,311	\$ -	\$ (7,650,435)	\$ (731,659)
Shares deemed to be issued on reverse takeover (note 7)	1,413,000	353,250	-	-	-	353,250
Shares issued related to concurrent financing (note 7)	18,705,600	4,676,400	-	-	-	4,676,400
Share issue costs related to concurrent financing (note 7)	-	-	-	-	(451,124)	(451,124)
Broker warrants granted (note 7)	-	-	-	101,000	(101,000)	-
Exercise of warrants (note 7)	4,250,034	1,275,010	-	-	-	1,275,010
Share-based compensation (note 8)	-	-	436,300	-	-	436,300
Net loss and comprehensive loss for the period	-	-	-	-	(4,238,554)	(4,238,554)
Balance, December 31, 2023	81,178,383	\$ 12,576,125	\$ 1,083,611	\$ 101,000	\$ (12,441,113)	\$ 1,319,623

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

KOBO Resources Inc. (Formerly Meteorite Capital Inc.)

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

(Unaudited)

Twelve Months Ended
December 31,
2023 2022

Operating activities

Net loss and comprehensive loss for the period	\$ (4,238,554)	\$ (1,451,529)
Adjustments for:		
Share-based compensation (note 8)	436,300	163,673
Write-off of deferred expenses	-	215,349
Depreciation of property, plant and equipment	24,987	23,888
Listing costs expensed	352,515	-
Accrued interest	(29,971)	-
Interest on long-term debt	-	6,119
Write-off of long-term debt	(20,000)	-
Amortization of deferred government grant income	-	(6,119)
Gain on sale of property, plant and equipment	-	(2,341)
Changes in non-cash working capital items:		
Commodity taxes receivable	(281,228)	16,676
Prepaid and other assets	(27,531)	-
Amounts payable	(512,910)	359,330
Advances from a director and a consultant	-	(1,219)
Net cash (used in) operating activities	(4,296,392)	(676,173)

Investing activities

Net purchase of a term deposit	(1,201,090)	-
Increase in security deposits	(4,474)	-
Purchase of property, plant and equipment	(119,511)	-
Proceeds from sale of property, plant and equipment	-	42,500
Cash acquired from reverse takeover (note 1)	42,564	-
Net cash (used in) provided by investing activities	(1,282,511)	42,500

Financing activities

Issuance of shares	4,676,400	522,750
Exercise of warrants	1,275,010	-
Shares issue costs	(451,124)	(6,719)
Repayment of long-term debt	(40,000)	-
Deferred expenses	-	(128,989)
Net cash provided by financing activities	5,460,286	387,042

Net change in cash	(118,617)	(246,631)
Cash, beginning of period	260,284	506,915
Cash, end of period	\$ 141,667	\$ 260,284

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

KOBO Resources Inc. (Formerly Meteorite Capital Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Twelve Months Ended December 31, 2023

(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 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, which when granted will increase the territory of 1,068 km² in Côte d'Ivoire.

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, 2024 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 twelve-months ended December 31, 2023, compared to the twelve months ended December 31, 2022.

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 has been 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.

These unaudited condensed interim consolidated financial statements are prepared as a continuation of the financial statements of Boko but reflecting the continuation of the equity instruments of Meteorite as a result of the RTO. As a result, comparative information included herein as at December 31, 2022, and the twelve months ended December 31, 2022, is solely that of Boko.

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.

As the fair value of the Corporation's identifiable net assets at the reverse acquisition date was \$353,250, the excess of consideration transferred over the net assets acquired along with the transaction costs incurred as a result of the RTO is reflected as listing costs expensed in the unaudited condensed interim consolidated statements of loss and comprehensive loss.

KOBO Resources Inc. (Formerly Meteorite Capital Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Twelve Months Ended December 31, 2023

(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
Amounts payable		(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 December 31, 2023, the Corporation has a deficit of \$12,441,113. 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. (Formerly Meteorite Capital Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Twelve Months Ended December 31, 2023

(Expressed in Canadian dollars)

(Unaudited)

2. Significant accounting policies

Basis of presentation

These unaudited condensed interim consolidated financial statements have been prepared by the Corporation's management in accordance with IFRS and in accordance with IAS 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"), and were approved by the Board of Directors on February 27, 2024.

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.

Changes to accounting standards

The IASB has issued the following amendments to accounting standards that became effective for the annual period beginning on January 1, 2023:

- Amendments to IAS 1, Presentation of financial statements – Disclosure of accounting policies, to require entities to disclose material accounting policies information rather than accounting policies;
- Amendments to IAS 8, Accounting policies, changes in accounting estimates and errors, to clarify the definition of the terms "accounting policy" and "accounting estimate";
- Amendments to IAS 12, Income Taxes – Deferred income taxes related to assets and liabilities arising from a single transaction, to restrict the scope of the exemption related to the recognition of deferred income taxes.

The standards became effective on January 1, 2023 and had no impact on the Corporation's unaudited condensed interim consolidated financial statements.

Critical accounting estimates, assumptions and judgements

The Corporation has applied the same accounting estimates, assumptions and judgements in its unaudited condensed interim consolidated financial statements as in its 2022 annual financial statements. They do not include all the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the financial statements for the year ended December 31, 2022.

KOBO Resources Inc. (Formerly Meteorite Capital Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Twelve Months Ended December 31, 2023

(Expressed in Canadian dollars)

(Unaudited)

3. Property, plant and equipment

Cost	Vehicles	Office equipment	Exploration equipment	Land	Total
Balance, December 31, 2022	\$ 76,564	\$ 7,133	\$ 5,329	\$ 8,000	\$ 97,026
Additions	73,825	2,675	43,011	-	119,511
Balance, December 31, 2023	\$ 150,389	\$ 9,808	\$ 48,340	\$ 8,000	\$ 216,537

Accumulated depreciation	Vehicles	Office equipment	Exploration equipment	Land	Total
Balance, December 31, 2022	\$ 69,695	\$ 6,162	\$ 4,189	\$ -	\$ 80,046
Depreciation during the period	22,467	952	1,568	-	24,987
Balance, December 31, 2023	\$ 92,162	\$ 7,114	\$ 5,757	\$ -	\$ 105,033

Carrying value	Vehicles	Office equipment	Exploration equipment	Land	Total
Balance, December 31, 2022	\$ 6,869	\$ 971	\$ 1,140	\$ 8,000	\$ 16,980
Balance, December 31, 2023	\$ 58,227	\$ 2,694	\$ 42,583	\$ 8,000	\$ 111,504

4. Mining assets

Research permits	Kossou	Kotobi
Balance as at December 31, 2022 and December 31, 2023	\$ 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 December 31, 2023, the Corporation spent a cumulative amount of 164,686,300 CFA (\$367,169) 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 December 31, 2023, the Corporation spent a cumulative amount of 1,378,330,900 CFA (\$3,072,996) 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 from 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. (Formerly Meteorite Capital Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Twelve Months Ended December 31, 2023

(Expressed in Canadian dollars)

(Unaudited)

5. Long-term debt and deferred government grant income

	As at December 31, 2023	As at December 31, 2022
CEBA loan payable, unsecured, interest and repayment terms as noted below	\$ 60,000	\$ 60,000
Write-off of long-term debt	(20,000)	-
Unamortized portion of deferred government grant income	-	(15,531)
Repayment	(40,000)	-
Net loan	\$ -	\$ 44,469

Canada Emergency Business Account ("CEBA") guaranteed by the Federal Government, interest free and no capital installment until December 31, 2023. The reimbursement of \$40,000 of the loan at the latest December 31, 2023 will provide the Corporation with \$20,000 write-off of the loan. As the Corporation was not reasonably assured that it will have sufficient liquidity to repay the amount of \$40,000 by December 31, 2023, the below market rate interests has been deferred as government assistance over the expected term of the loan. \$20,000 of the loan was forgiven under the CEBA program and was written off by the Corporation in March 2023 and the balance of \$40,000 has been repaid in June 2023.

6. Segmented information

(a) Operating segments

The Corporation's operations are directed towards the acquisition, exploration and pre-production of gold in Côte d'Ivoire. 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 December 31, 2023	Côte d'Ivoire	Canada Corporate Management	Total
Cash	\$ 131,424	\$ 10,243	\$ 141,667
Term deposit	-	1,231,061	1,231,061
Property, plant and equipment	108,810	2,694	111,504
Mining assets	2,237	-	2,237
Other assets	172,822	168,533	341,355
	\$ 415,293	\$ 1,412,531	\$ 1,827,824

As at December 31, 2022	Côte d'Ivoire	Canada Corporate Management	Total
Cash	\$ 14,406	\$ 245,878	\$ 260,284
Property, plant and equipment	16,009	971	16,980
Mining assets	2,237	-	2,237
Other assets	5,107	23,015	28,122
	\$ 37,759	\$ 269,864	\$ 307,623

KOBO Resources Inc. (Formerly Meteorite Capital Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Twelve Months Ended December 31, 2023

(Expressed in Canadian dollars)

(Unaudited)

6. Segmented information (continued)

(b) Geographic segments (continued)

	Three months ended December 31, 2023			Three months ended December 31, 2022		
	Canada			Canada		
	Cote d'Ivoire	Corporate Management	Total	Cote d'Ivoire	Corporate Management	Total
Interest income	\$ -	\$ 39,783	\$ 39,783	\$ -	\$ -	\$ -
Share-based compensation	-	124,013	124,013	-	118,478	118,478
Management fees	-	93,752	93,752	-	105,326	105,326
Professional fees	22,547	64,958	87,505	14,810	119,401	134,211
Continuous disclosure	-	61,951	61,951	-	-	-
Exploration expenses	355,064	92,000	447,064	82,339	53,841	136,180
Other expenses	108,689	50,595	159,284	34,798	52,952	87,750
	486,300	487,269	973,569	131,947	449,998	581,945
Net loss	\$ (486,300)	\$ (447,486)	\$ (933,786)	\$ (131,947)	\$ (449,998)	\$ (581,945)

	Twelve months ended December 31, 2023			Twelve months ended December 31, 2022		
	Canada			Canada		
	Cote d'Ivoire	Corporate Management	Total	Cote d'Ivoire	Corporate Management	Total
Interest income	\$ -	\$ 100,401	\$ 100,401	\$ -	\$ -	\$ -
Share-based compensation	-	436,300	436,300	-	163,673	163,673
Management fees	-	391,104	391,104	-	266,376	266,376
Professional fees	48,680	216,229	264,909	34,228	338,954	373,182
Continuous disclosure	-	150,200	150,200	-	-	-
Exploration expenses	1,858,531	395,636	2,254,167	216,680	60,278	276,958
Write-off of deferred expenses	-	299,412	299,412	-	215,349	215,349
Listing costs expensed	-	352,515	352,515	-	-	-
Other expenses	39,848	150,500	190,348	43,512	112,479	155,991
	1,947,059	2,391,896	4,338,955	294,420	1,157,109	1,451,529
Net loss	\$ (1,947,059)	\$ (2,291,495)	\$ (4,238,554)	\$ (294,420)	\$ (1,157,109)	\$ (1,451,529)

KOBO Resources Inc. (Formerly Meteorite Capital Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Twelve Months Ended December 31, 2023

(Expressed in Canadian dollars)

(Unaudited)

7. 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 December 31, 2023, the issued share capital amounted to \$12,576,125. Changes in issued share capital for the periods presented are as follows:

	Twelve Months Ended December 31, 2023		Year Ended December 31, 2022	
	Number of common shares	Amount	Number of common shares	Amount
Balance, beginning of period	56,809,749	\$ 6,271,465	54,195,999	\$ 5,748,715
Private placement	-	-	2,613,750	522,750
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	81,178,383	\$ 12,576,125	56,809,749	\$ 6,271,465

Twelve months ended December 31, 2022

On December 30, 2022, the Corporation issued 2,613,750 Common Shares at a price of \$0.20 each for a cash consideration of \$522,750. The Corporation incurred issue costs of \$6,719.

On March 30, 2022, the Corporation filed a final prospectus and on May 27, 2022 an amended restated final prospectus, with the intention to proceed with an initial public offering. As a result of market conditions, the Corporation elected not to proceed with its contemplated initial public offering. Previous capitalized costs in the amount of \$215,349 related to the share issuance were expensed.

Twelve months ended December 31, 2023

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 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 one.

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.

KOBO Resources Inc. (Formerly Meteorite Capital Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Twelve Months Ended December 31, 2023

(Expressed in Canadian dollars)

(Unaudited)

8. Stock options

In connection with the RTO, the Corporation adopted a new stock option plan. Pursuant to the stock option plan, the Corporation may award options to senior officers, directors, employees, management Corporation employees, consultants and investors relations person of the Corporation or its subsidiaries.

The maximum number of Common Shares of the Corporation issuable under the plan is 9.5% of issued and outstanding shares. The maximum number of Common Shares which may be reserved for issuance to any one optionee within a one-year period, may not exceed 2% of Common Shares issued and outstanding at the date of grant on a non-diluted basis. Upon issuance of the options, the Board of Directors determines the expiry date and exercise price of options. The term cannot exceed ten years from the grant date unless the Board of Directors provides otherwise and the exercise price should not be lower than the discounted market price. Options granted will vest over a period of 12 months, at a rate of 25% in any three-month period.

The stock options granted by the Corporation are payable in equity instruments of the Corporation.

The following table reflects the continuity of stock options:

	Twelve Months Ended December 31, 2023		Twelve Months Ended December 31, 2022	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding, beginning of period	3,150,000	\$ 0.190	2,750,000	\$ 0.189
Granted	2,325,000	0.289	400,000	0.200
Reverse takeover acquisition (note 1)	113,040	0.750	-	-
Expired/Cancelled	(213,040)	0.539	-	-
Outstanding, end of period	5,375,000	\$ 0.231	3,150,000	\$ 0.190
Exercisable, end of period	4,325,000	\$ 0.216	2,837,500	\$ 0.189

For the three and twelve December 31, 2023 an amount of \$124,013 and \$436,300, respectively (three and twelve months ended December 31, 2022 - \$118,478 and \$163,673, respectively) is included as share-based compensation expense.

In January 2021, the Corporation granted conditionally 400 000 stock options to directors at an exercise price of \$0.20 each. The conditions have been met on November 1, 2022.

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.

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

	2023	2022
Weighted risk-free interest rate	3.70%	2.55%
Weighted share price at grant-date	\$0.295	\$0.200
Weighted average expected share price volatility (i)	104.25%	110%
Weighted average exercise price at grant-date	\$0.289	\$0.200
Weighted average expected dividend yield	-	-
Weighted average expected life	5 years	5 years
Weighted average grant-date fair value	\$0.230	\$0.155

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

KOBO Resources Inc. (Formerly Meteorite Capital Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Twelve Months Ended December 31, 2023

(Expressed in Canadian dollars)

(Unaudited)

8. Stock options (continued)

The following table reflects the actual stock options issued and outstanding as of December 31, 2023:

	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
	0.200	6.17	250,000	187,500
	0.200	3.84	400,000	400,000
	0.200	1.08	900,000	900,000
	0.200	2.00	1,250,000	1,250,000
(i)	0.150	0.96	600,000	600,000
	0.300	9.48	1,975,000	987,500
			5,375,000	4,325,000

(i) On November 1, 2022, the Board of Directors has approved the modification of the term of 600,000 options granted on December 1, 2017. From November 1, 2022, the term is seven years from the grant date instead of five years. The impact of this modification increased the share-based compensation of \$48,600.

9. Warrants

The following table reflects the continuity of warrants:

	Twelve Months Ended December 31, 2023		Twelve Months Ended December 31, 2022	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding and exercisable, beginning of period	4,250,034	\$ 0.300	4,250,034	\$ 0.300
Granted under the concurrent financing	9,352,800	0.400	-	-
Exercise of warrants	(4,250,034)	0.300	-	-
Outstanding and exercisable, end of period	9,352,800	\$ 0.400	4,250,034	\$ 0.300

The following table reflects the actual warrants issued and outstanding as of December 31, 2023:

Number of warrants outstanding	Grant date fair value(\$)	Exercise price (\$)	Expiry date
9,352,800	nil	0.400	March 29, 2025
9,352,800	nil	0.400	

KOBO Resources Inc. (Formerly Meteorite Capital Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Twelve Months Ended December 31, 2023

(Expressed in Canadian dollars)

(Unaudited)

10. Broker warrants

The following table reflects the continuity of warrants:

	Twelve Months Ended December 31, 2023		Twelve Months Ended December 31, 2022	
	Number of broker warrants	Weighted average exercise price	Number of broker warrants	Weighted average exercise price
Outstanding and exercisable, beginning of period	-	\$ -	-	\$ -
Granted under the concurrent financing (i)	721,312	0.250	-	-
Outstanding and exercisable, end of period	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 December 31, 2023:

Number of broker warrants outstanding	Grant date fair value(\$)	Exercise price (\$)	Expiry date
721,312	101,000	0.250	March 29, 2025
721,312	101,000	0.250	

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

	2023	2022
Risk-free interest rate	1%	-
Share price at grant-date	\$0.250	-
Expected share price volatility (i)	110%	-
Expected dividend yield	-	-
Expected life	2 years	-

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

11. Net loss per common share

The calculation of basic and diluted loss per share for the three and twelve months ended December 31, 2023 was based on the loss attributable to common shareholders of \$933,786 and \$4,238,554, respectively (three and twelve months ended December 31, 2022 - \$581,945 and \$1,451,529, respectively) and the weighted average number of common shares outstanding of 81,178,373 and 73,566,411, respectively (three and twelve months ended December 31, 2022 - 54,224,643 and 54,210,321, respectively). Diluted loss per share did not include the effect of stock options, warrants and broker warrants as they are anti-dilutive.

KOBO Resources Inc. (Formerly Meteorite Capital Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Twelve Months Ended December 31, 2023

(Expressed in Canadian dollars)

(Unaudited)

12. 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 December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
Compensation of key management				
Share-based compensation	\$ 124,013	\$ 118,478	\$ 436,300	\$ 163,673
Management fees	93,750	105,326	391,102	266,376
Professional fees	12,256	-	12,256	-
Exploration expenses	-	-	18,750	-
	\$ 230,019	\$ 223,804	\$ 858,408	\$ 430,049

As at December 31, 2023 an amount of \$37,833 (\$8,986 as at December 31, 2022) is included in accounts payable regarding compensation of key management.