Toubani Resources Inc.
(formerly African Gold Group, Inc.)

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Expressed in United States Dollars)

(Unaudited)

Toubani Resources Inc.
(formerly African Gold Group, Inc.)

Responsibility for Consolidated Financial Statements

The accompanying condensed interim consolidated financial statements for Toubani Resources Inc. for the three months ended March 31, 2023 and 2022 have been prepared by management in accordance with International Financial Reporting Standards applicable to interim financial reporting (see note 3 to the condensed interim consolidated financial statements). Recognizing that the Company is responsible for both the integrity and objectivity of the condensed interim consolidated financial statements, management is satisfied that these condensed interim consolidated financial statements have been fairly presented.

Auditors Involvement

McGovern Hurley LLP, Chartered Accountants, the external auditors of Toubani Resources, Inc., have not audited or performed review procedures applicable to auditor review of condensed interim consolidated financial statements for the three months ended March 31, 2023 and 2022.

Toubani Resources Inc. (formerly African Gold Group, Inc.)

Condensed Interim Consolidated Statements of Financial Position

(Expresed in U.S. Dollars)

(Unaudited)

As at:		March 31, 2023		December 31, 2022 (Audited)
ASSETS				
Current assets				
Cash and cash equivalents	$	**2,270,120**	$	3,642,903
Receivables		**24,441**		14,555
Prepaid expenses		**18,041**		87,287
Total current assets		**2,312,602**		3,744,745
Non-current assets				
Property and equipment (Note 5)		**294,269**		298,596
Total assets	$	**2,606,871**	$	4,043,341
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Notes 6, 7)	$	**803,379**	$	612,629
Total liabilities		**803,379**		612,629
SHAREHOLDERS' EQUITY				
Share capital (Notes 8(a) and (b))		**75,052,902**		75,052,902
Reserve - share based payments (Note 8(c))		**2,916,942**		2,045,016
Reserve - warrants (Note 8(d))		**772,278**		1,592,329
Accumulated other comprehensive loss		**(6,102,825)**		(6,107,703)
Accumulated deficit		**(70,835,805)**		(69,151,832)
Total shareholders' equity		**1,803,492**		3,430,712
Total liabilities and shareholders' equity	$	**2,606,871**	$	4,043,341

Going concern (Note 2)
Contingencies and commitments (Note 9)
Subsequent event (Note 12)

Approved on behalf of the Directors:

"Doug Jendry" — **Director**

"Daniel Callow" — **Director**

The accompanying summary of significant accounting policies and notes are an integral part of the condensed interim consolidated financial statements.

Toubani Resources Inc. (formerly African Gold Group, Inc.)

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

(Expresed in U.S. Dollars)

(Unaudited)

		Three months ended March 31, 2023		Three months ended March 31, 2022
Expenses				
Administrative and general	**$**	**277,248**	$	98,635
Consulting and personnel costs (Note 7)		**316,667**		216,868
Exploration and evaluation expenditures (Note 4)		**1,045,584**		312,332
Amortization (Note 5)		**4,327**		4,752
Foreign exchange (gain) loss		**(11,722)**		5,361
Share based payments (Notes 7, 8(c))		**871,926**		14,517
Total expenses	**$**	**(2,504,030)**	$	(652,465)
Other income				
Interest income		**6**		3,739
Net (loss) for the period		**(2,504,024)**		(648,726)
Other comprehensive income - items that will subsequently reclassify into income (loss):				
Foreign currency translation differences		**4,878**		39,879
Comprehensive (loss) for the period	**$**	**(2,499,146)**	$	(608,847)
Average weighted shares outstanding - basic and diluted		**102,198,999**		216,597,044
Basic and diluted (loss) per share	**$**	**(0.02)**	$	(0.00)

The accompanying summary of significant accounting policies and notes are an integral part of the condensed interim consolidated financial statements.

Toubani Resources Inc. (formerly African Gold Group, Inc.)

Condensed Interim Consolidated Statements of Equity

(Expresed in U.S. Dollars)
(Unaudited)

	Common Shares (Note 9(b))		Share Based Payments	Warrants	Accumulated Other Comprehensive Income	Accumulated Deficit	Equity
	#	$	$	$	$	$	$
Balance, December 31, 2021	72,198,999	71,589,619	2,564,352	4,895,191	(6,021,714)	(69,568,711)	3,458,737
Share based payments (Note 8(c))	-	-	14,517	-	-	-	14,517
Expiry of stock options (Note 8(c))	-	-	(473,891)	-	-	473,891	-
Expiry of warrants (Note 8(d))	-	-	-	(532,731)	-	532,731	-
Other comprehensive income	-	-	-	-	39,879	-	39,879
Net (loss) for the period	-	-	-	-	-	(648,726)	(648,726)
Balance, March 31, 2022	72,198,999	71,589,619	2,104,978	4,362,460	(5,981,835)	(69,210,815)	2,864,407
Balance, December 31, 2022	102,198,999	75,052,902	2,045,016	1,592,329	(6,107,703)	(69,151,832)	3,430,712
Share based payments (Note 8(c))	-	-	871,926	-	-	-	871,926
Expiry of warrants (Note 8(d))	-	-	-	(820,051)	-	820,051	-
Other comprehensive income	-	-	-	-	4,878	-	4,878
Net (loss) for the period	-	-	-	-	-	(2,504,024)	(2,504,024)
Balance, March 31, 2023	102,198,999	75,052,902	2,916,942	772,278	(6,102,825)	(70,835,805)	1,803,492

The accompanying summary of significant accounting policies and notes are an integral part of the condensed interim consolidated financial statements.

Toubani Resources Inc. (formerly African Gold Group, Inc.)

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

	Three months ended March 31, 2023	Three months ended March 31, 2022
CASH (USED IN) PROVIDED BY:		
OPERATING ACTIVITIES		
Net (loss) for the period	**$ (2,504,024)**	$ (608,847)
Items not involving cash:		
Amortization (Note 5)	**4,327**	4,752
Share based payments (Note 8(c))	**871,926**	14,517
	(1,627,771)	(589,578)
Change in non-cash working capital items		
Receivables	**(9,886)**	(878)
Prepaid expenses	**69,246**	16,502
Accounts payable and accrued liabilities	**190,750**	(26,419)
Cash flows (used in) operating activities	**(1,377,661)**	(600,373)
Effect of changes in foreign exchange rates on cash	**4,878**	-
CHANGE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	**(1,372,783)**	(600,373)
CASH AND CASH EQUIVALENTS, beginning of the period	**3,642,903**	3,505,768
CASH AND CASH EQUIVALENTS, end of the period	**$ 2,270,120**	$ 2,905,395

The accompanying summary of significant accounting policies and notes are an integral part of the condensed interim consolidated financial statements.

1. NATURE OF BUSINESS

Toubani Resources Inc. (formerly African Gold Group, Inc. (the "Company" or "TRE") was incorporated in Ontario, Canada on October 2, 2002, and is a gold exploration and development company engaged in the exploration and development of properties located in West Africa. On June 13, 2022, the Company changed its name to Toubani Resources Inc. The Company's assets include mining and exploration licenses located in Mali, West Africa. The Company's shares are listed on the TSX Venture Exchange and the Australian Securities Exchange ("ASX") trading under the symbol "TRE". The address of the Company's head office is 100 King Street West, #1600, Toronto, Ontario, Canada M5X 1G5.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves and the achievement of the Company's ability to dispose of its interests on an advantageous basis. 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 to the current stage of exploration 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, aboriginal claims, non-compliance with regulatory requirements and political uncertainty.

2. GOING CONCERN

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Accordingly, the condensed interim consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and meet its liabilities and commitments in other than the normal course of business and at amounts different from those in the condensed interim consolidated financial statements.

The Company reported a net loss of $2,504,024 for the three months ended March 31, 2023 (three months ended March 31, 2022 - $648,726) and cash flows used in operations of $1,377,661 (three months ended March 31, 2022 – $600,373). As of March 31, 2023, the Company had working capital of $1,509,223 (December 31, 2022 – $3,132,116). At present, the Company has no producing properties and consequently has no current operating income or cash flows.

The Company's main assets are located in Mali, West Africa. Mali has been subject to prior political and military coups and remains subject to heightened political instability. These matters have not had a significant impact on the operations of the Company. There can be no assurance that the operations of the Company will not be significantly impacted in the future.

The Company has a need for equity capital and financing for working capital and exploration and development of its properties. Because of continuing operating losses, the Company's continuance as a going concern is dependent on its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation. The Company believes that it will be able to access funds from certain shareholders or potential investors in order to ensure that the Company can continue to fund on-going administrative expenses; however, the receipt of such funds remains uncertain. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms.

These material uncertainties cast significant doubt on the Company's ability to continue as a going concern. If the going concern assumption were not appropriate, material adjustments may be needed to these condensed interim consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These condensed interim consolidated financial statements, have been prepared in US dollars, in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). The policies applied in these condensed interim consolidated financial statements are based on International Financial Reporting Standards ("IFRS") issued and outstanding as of March 31, 2023. The policies as set out in the Company's Annual Consolidated Financial Statements for the twelve months ended December 31, 2022 were consistently applied to all periods.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 9, 2023.

New accounting standards

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2023 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The adoption of the amendments to IAS 1 on January 1, 2023 did not have a material impact on the Company's condensed interim consolidated financial statements.

IAS 1 – In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The adoption of the amendments to IAS 1 on January 1, 2023 did not have a material impact on the Company's condensed interim consolidated financial statements.

IAS 8 – In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. The adoption of IAS 8 on January 1, 2023 did not have a material impact on the Company's condensed interim consolidated financial statements.

(Expressed in U.S. Dollars)

4. EXPLORATION AND EVALUATION EXPENDITURES

Mali Concessions

TRE holds certain exploration and operating permits for gold and other minerals in Mali, Africa. These exploration permits that expire in 2024 and 2025, respectively. The mining permit, issued in 2015 expires in 2045

	Three months ended	
	March 31, 2023	**March 31, 2022**
Kobada		
Drilling and feasibility study	$ 750,935	$ -
Project management/ engineering	8,315	123,331
Site development and maintenance	51,987	42,834
Camp	110,991	78,314
Assays and sampling	56,178	-
Vehicle rent and maintenance	14,755	10,590
Travel	5,448	-
Security	23,076	29,258
Permits	23,308	28,005
Total Kobada expenditures	$ 1,044,993	$ 312,332
Faraba		
Permits	591	-
Total Faraba expenditures	$ 591	$ -
Total expenditures	**$ 1,045,584**	**$ 312,332**

5. PROPERTY AND EQUIPMENT

Cost	Equipment	Furniture and fixtures	Computer equipment	Building	Total
Balance at December 31, 2021	$ 47,370	$ 17,118	$ 1,689	$ 292,971	$ 359,148
Additions	-	-	1,482	15,687	17,169
Balance at March 31, 2023 and December 31, 2022	$ 47,370	$ 17,118	$ 3,171	$ 308,658	$ 376,317
Accumulated Amortization					
Balance at December 31, 2021	$ 27,641	$ 7,258	$ 683	$ 22,595	$ 58,177
Additions	5,919	1,972	524	11,129	19,544
Balance at December 31, 2022	$ 33,560	$ 9,230	$ 1,207	$ 33,724	$ 77,721
Additions	1,036	394	147	2,750	4,327
Balance at March 31, 2023	$ 34,596	$ 9,624	$ 1,354	$ 36,474	$ 82,048
Net book value at December 31, 2022	$ 13,810	$ 7,888	$ 1,964	$ 274,934	$ 298,596
Net book value at March 31, 2023	**$ 12,774**	**$ 7,494**	**$ 1,817**	**$ 272,184**	**$ 294,269**

(Expressed in U.S. Dollars)

6. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

		March 31, 2023		December 31, 2022
Exploration and development suppliers and contractors	**$**	**481,020**	$	281,005
Corporate payables		**322,359**		331,624
Total accounts payable and accrued liabilities	**$**	**803,379**	$	612,629

7. RELATED PARTY TRANSACTIONS

In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

Included in accounts payable as at March 31, 2023 is CAD$61,923 ($45,757) (December 31, 2022 - CAD$283,174 ($209,077) owed to other key management personnel for consulting and directors fees and $nil (December 31, 2022 - CAD$9,309 ($6,873)) for expense reimbursement. The amounts owing are unsecured, non-interest bearing and due on demand.

During the three months ended March 31, 2023, the Company issued a total of 2,000,000 stock options to directors and officers of the Company (March 31, 2022 – nil) and granted 8,500,000 performance shares to the CEO of the Company. An expense of $809,538 in share-based payments was recorded in the three months ended March 31, 2023 (March 31, 2022 - $14,517) in relation to the amortization of the estimated fair value of options and performance shares expected to vest (see Note 8(c)).

The remuneration of directors and key management of the Company was as follows:

		Three months ended March 31, 2023		Three months ended March 31, 2022
Remuneration	**$**	**204,634**	$	249,432
Share-based payments		**809,538**		14,517
Short term employee benefits	**$**	**1,014,172**	$	263,949

See Note 8.

8. SHARE CAPITAL, RESERVE FOR SHARE BASED PAYMENTS AND WARRANTS

a) Shares authorized

The Company is authorized to issue an unlimited number of common shares with no par value. The holders of common shares are entitled to receive dividends which are declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

(Expressed in U.S. Dollars)

8. SHARE CAPITAL, RESERVE FOR SHARE BASED PAYMENTS AND WARRANTS (continued)

b) Share transactions

	Number of shares	$
Balance as of December 31, 2021	72,198,999	71,589,619
Prospectus offering	30,000,000	3,963,065
Share issuance costs	-	(499,782)
Balance as of March 31, 2023 and December 31, 2022	102,198,999	75,052,902

On June 13, 2022, the Company consolidated its common shares on the basis of one new common share for every three shares outstanding effective as of June 13, 2022. The impact of the share capital consolidation has been reflected retroactively in these condensed interim consolidated financial statements and accompanying notes.

On November 21, 2022, the Company closed a capital raise in connection with a prospectus lodged with the Australian Securities and Investments Commission in relation to its proposed dual listing on the Australian Securities Exchange ("ASX") issuing 30,000,000 CHESS Depositary Interests over common shares in the capital of the Company ("CDIs") at an issue price of AUD$0.20 per CDI for gross proceeds of AUD$6 million (CAD$5,331,000 or $3,963,065). Each CDI represented a beneficial interest in one common share of the Company. The Company paid $291,195 in share issue costs and issued 2,972,383 broker options. One third of the issued broker options have an exercise price of AUD$0.26, one third have an exercise price of AUD$0.28 and one third have an exercise price of AUD$0.30. Each of the broker options have an expiry date of three years from the date of issue. The issue date fair value of the broker options was estimated at $208,587 using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility based on the historical volatility of the Company's shares of 92.9%; risk-free interest rate of 3.72%, a stock price of AUD$0.20 and an expected life of 3 years. Certain directors and officers of the Company purchased or acquired direction and control over a total of 4,100,000 CDIs of the Company for gross proceeds of CAD$728,570 ($541,619).

c) Share-based Payments

Options

The Company has a Stock Option Plan (the "Plan") for its directors, officers, consultants and key employees under which the Company may grant options to acquire a maximum number of 10,219,900 (December 31, 2022 – 10,219,900) common shares, representing approximately 10% of the total issued and outstanding common shares of the Company. These options are non-transferrable and are valid for a maximum of 5 years from the date of issue. Vesting terms and conditions are determined by the Board of Directors at the time of the grant. The exercise price of the options is fixed by the Board of Directors of the Company at the time of the grant at the market price of the common shares, subject to all regulatory requirements. Expected volatility has been determined using the share price of the Company for the period equivalent to the life of the options prior to grant date.

For options issued to employees, directors and officers, with time based vesting, the fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

8. SHARE CAPITAL, RESERVE FOR SHARE BASED PAYMENTS AND WARRANTS (continued)

c) Share-based Payments (continued)

Options

Options issued to non-employees are measured based on the fair value of the goods or services received, at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably, the options are measured by determining the fair value of the options granted, using a valuation model.

On June 13, 2022, the Company consolidated its common shares on the basis of one new common share for every three shares outstanding effective as of June 13, 2022. The Company's options were consolidated on the same basis. These consolidated financial statements and accompanying notes fully reflect the share consolidation on a retroactive basis.

On January 1, 2022, 303,330 options, with weighted average exercise prices of CAD$0.84, expired, unexercised.

On March 31, 2022, 611,107 options with weighted average exercise prices of CAD$0.72, expired, unexercised.

On May 4, 2022, the Company granted a total of 482,221 stock options to certain officers, directors and consultants of the Company pursuant to the Company's stock option plan. The stock options vested immediately and may be exercised at a price of CAD$0.30 per option for a period of five years from the date of grant. The fair market value of the options vested was estimated to be CAD$122,170 ($95,048) using the Black Scholes option pricing model based on the following assumptions: risk-free rate of 2.74%, expected volatility of 123.7% based on the Company's historic volatility, an estimated life of 5 years, a stock price of CAD$0.30 and an expected dividend yield of 0%.

On January 9, 2023, the Company granted 2,000,000 stock options to the CEO of the Company. 1,000,000 of the options have an exercise price of AUD$0.35 and vest 12 months from the date of grant and 1,000,000 of the options have an exercise price of AUD$0.50 and vest 24 months from the date of grant. All the options expire on January 9, 2026. The fair market value of the options vested was estimated to be CAD$22,617 ($16,908) using the Black Scholes option pricing model based on the following assumptions: risk free rate of 3.66%, expected volatility of 94.47% based on the Company's historic volatility, an estimated life of 3 years, a stock price of AUD$0.17 and an expected dividend yield of 0%.

On February 15, 2023, the Company granted 1,000,000 stock options to management of the Company with exercise prices of AUD$0.35. The options vest immediately and expire 3 years from the date of grant. The fair market value of the options vested was estimated to be CAD$83,663 ($62,388) using the Black Scholes option pricing model based on the following assumptions: risk free rate of 3.87%, expected volatility of 93.63% based on the Company's historic volatility, an estimated life of 3 years, a stock price of AUD$0.19 and an expected dividend yield of 0%.

During the three months ended March 31, 2023, 333,333 options with exercise prices of CAD$0.75, expired, unexercised.

(Expressed in U.S. Dollars)

8. SHARE CAPITAL, RESERVE FOR SHARE BASED PAYMENTS AND WARRANTS (continued)

c) Share-based Payments (continued)

Options

As at March 31, 2023, the Company had the following stock options outstanding:

Date of grant	Options outstanding	Options exercisable	Grant date fair value vested	Exercise price $	Expiry date	Remaining life in years
June 3, 2019	224,442	224,442	$ 108,725	CAD 0.68	June 3, 2024	1.18
August 7, 2019	33,333	33,333	17,708	CAD 0.75	August 7, 2024	1.36
August 13, 2019	333,333	333,333	235,488	CAD 0.75	August 13, 2024	1.37
March 2, 2020	400,000	400,000	168,430	CAD 0.60	March 2, 2025	1.92
August 10, 2020	1,918,886	1,918,886	1,125,842	CAD 0.84	August 10, 2025	2.36
March 31, 2021	933,329	933,329	243,807	CAD 0.45	March 31, 2026	3.00
December 14, 2021	166,666	166,666	49,968	CAD 0.42	December 14, 2026	3.71
May 4, 2022	482,221	482,221	95,048	CAD 0.30	May 4, 2027	4.10
January 9, 2023	1,000,000	-	11,938	AUD 0.35	January 9, 2026	2.78
January 9, 2023	1,000,000	-	4,970	AUD 0.50	January 9, 2026	2.78
February 15, 2023	1,000,000	1,000,000	62,388	AUD 0.35	February 15, 2026	2.88
	7,492,210	5,492,210	$ 2,124,312			2.66

A summary of the Company's stock option activity during the periods is as follows:

	Three months ended March 31, 2023		Year ended December 31, 2022	
	Number of options	**Weighted average exercise price (CAD$)**	Number of options	Weighted average exercise price (CAD$)
Balance, beginning of period	**4,825,543**	**$ 0.66**	5,257,759	$ 0.70
Forfeited	**(333,333)**	**0.75**	(914,437)	0.73
Granted	**3,000,000**	**0.36**	482,221	0.30
Balance, end of period	**7,492,210**	**$ 0.53**	4,825,543	$ 0.66

Performance shares

Performance shares are awarded to the recipient at no cost, subject to achievement of certain performance conditions. For share-based payment awards issued to employees, directors and officers, with market and non-market-based performance criteria, the fair value at grant date is determined using customized Geometric Brownian motion model that takes into account the share price on the valuation dates, expected volatility, expected life, and the risk-free interest rate. The expected price volatility is based on the historic volatility (based on the expected term of the awards), adjusted for any expected changes to future volatility due to publicly available information. Changes in input assumptions could have a significant impact on the amounts recognized for share-based compensation. Where a share-based award includes non-market performance criteria as a vesting condition, the number of awards expected to vest is considered at each reporting date. Significant judgement is used to determine the expected life of the share-based award and the likelihood that the specific performance conditions will be achieved. The share-based payment expense is recognized in the consolidated statements of loss and comprehensive loss, with the related credit to Reserve – Share Based Payments.

(Expressed in U.S. Dollars)

8. SHARE CAPITAL, RESERVE FOR SHARE BASED PAYMENTS AND WARRANTS (continued)

c) Share-based Payments (continued)

On January 9, 2023, in connection with an employment agreement with the Company's CEO, the Company agreed to issue shares based on the achievement of the Company's CDI's trading on the ASX at certain price milestones at volume weighted average prices over 10 consecutive days as detailed below:

Performance Shares	Share price milestone (AUD)
1,000,000 fully paid common shares	$0.35
1,500,000 fully paid common shares	$0.50
2,000,000 fully paid common shares	$0.80
4,000,000 fully paid common shares	$1.80

The fair value of the performance shares of AUD$1,143,220 ($792,630) on the date of grant was calculated using the Geometric Brownian motion model with the following assumptions: risk free rate of 3.49%, expected volatility of 99.05%, based on the historic volatility of select comparable companies, an estimated life of 6 years, a stock price of AUD$0.16 and a constant trading volume. The grant date fair value of $792,630 is included in the condensed interim consolidated statements of loss and comprehensive loss for the three months ended March 31, 2023.

d) Warrants

The Company has warrants outstanding entitling the holder to purchase one common share with each warrant exercisable per the terms below:

Date of issuance	Warrants	Exercise Price ($)	Expiry Date	Estimated Fair Value at Grant Date ($)	Remaining life in years
November 7, 2021	6,464,704	CAD 0.75	November 7, 2023	563,691	0.61
November 21, 2022	990,795	AUD 0.26	November 21, 2025	71,573	2.65
November 21, 2022	990,794	AUD 0.28	November 21, 2025	69,485	2.65
November 21, 2022	990,794	AUD 0.30	November 21, 2025	67,529	2.65
	9,437,087			**772,278**	

A summary of the Company's warrant activity during the periods is as follows:

	Three months ended March 31, 2023		Year ended December 31, 2022	
	Number of warrants	**Weighted average exercise price (CAD$)**	Number of warrants	Weighted average exercise price (CAD$)
Balance, beginning of period	**14,843,167**	**$ 0.65**	24,194,130	$ 0.89
Granted, broker warrants	**-**	**-**	2,972,383	0.26
Expired	**(5,406,080)**	**0.74**	(12,323,346)	1.02
Balance, end of period	**9,437,087**	**$ 0.59**	14,843,167	$ 0.65

8. SHARE CAPITAL, RESERVE FOR SHARE BASED PAYMENTS AND WARRANTS (continued)

d) Warrants (continued)

On June 13, 2022, the Company consolidated its common shares on the basis of one new common share for every three shares outstanding effective as of June 13, 2022. The Company's warrants were consolidated on the same basis. These consolidated financial statements and accompanying notes fully reflect the share consolidation on a retroactive basis.

During the three months ended March 31, 2023, 5,406,080 warrants, with weighted average exercise prices of CAD$0.74, expired, unexercised. During the year ended December 31, 2022, 12,323,346 warrants, with weighted average exercise prices of CAD$1.02, expired, unexercised.

On November 21, 2022, in connection with a capital raise the Company issued 2,972,383 broker options. One third of the issued broker options have an exercise price of AUD$0.26, one third have an exercise price of AUD$0.28 and one third have an exercise price of AUD$0.30. Each of the broker options have an expiry date of three years from the date of issue. The issue date fair value of the broker options was estimated at $208,587 using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility based on the historical volatility of the Company's shares of 92.9%; risk-free interest rate of 3.72%, a stock price of AUD$0.20 and an expected life of 3 years.

9. CONTINGENCIES AND COMMITMENTS

Management Commitments

The Company is party to certain management contracts. As of March 31, 2023, these contracts require payments of approximately CAD$475,000 ($331,900) to be made upon the occurrence of a change of control to the officers and consultants of the Company. The Company is also committed to payments upon termination of approximately CAD$202,500 ($140,090) pursuant to the terms of these contracts as of March 31, 2023. As a triggering event has not taken place on March 31, 2023, these amounts have not been recorded in these condensed interim consolidated financial statements.

Environmental

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.

10. CAPITAL MANAGEMENT

The Company manages its shareholders' equity as capital, making adjustments based on available funds, to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties to which the Company currently has an interest are in the exploration stage and as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration as well as satisfy administrative costs, the Company will spend its existing working capital and raise additional funds as needed. TRE will continue to assess new properties should sufficient geological or economic potential be demonstrated and if the Company has adequate financial resources to do so.

10. CAPITAL MANAGEMENT (continued)

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the current size of the Company. There were no changes to its capital management approach during the three months ended March 31, 2023 or the year ended December 31, 2022. Neither TRE nor its subsidiaries are subject to externally imposed capital requirements, other than those 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 nine months.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company has no external debt other than its accounts payable and accrued liabilities and is dependent on the capital markets to finance exploration and development activities.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Liquidity Risk
- Credit Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in the note.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: foreign currency risk, interest rate risk and commodity price risk.

Foreign Currency Risk

Given the global nature of the Company's business, the Company's operating businesses, financial reporting results and cash flows are exposed to risks associated with foreign currency fluctuations. For the three months ended March 31, 2023, management estimates that if the United States Dollar had weakened or strengthened by 10% against the Canadian dollar, Australian dollar and Mali CFA, assuming all other variables remained constant, the net loss would have increased or decreased by approximately $111,490.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. Sensitivity to a plus or minus 1% change in the interest rates would have no significant impact on the net loss due to the immateriality of the interest earned.

Commodity Price Risk

The ability of the Company to develop its mineral properties and the future profitability of the Company is directly related to the market price of precious metals. The Company closely monitors commodity prices to determine the appropriate course of action to be taken. Based on management's knowledge and expertise of the financial markets, the Company believes that commodity price risk is remote as the Company is not a producing entity.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

On March 31, 2023, TRE had a cash and cash equivalents balance of $2,270,120 (December 31, 2022 - 3,642,903) and current liabilities of $803,379 (December 31, 2022 - $612,629). As outlined in Note 2, the Company may be required to obtain additional financing for working capital and continued exploration and development of its properties.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk in its cash and cash equivalents and receivables. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. Concentration of credit risk exists with respect to the Company's cash and cash equivalents as substantially the entire amount is held at a single major Canadian financial institution. Credit risk on cash and cash equivalents is minimized by depositing with only reputable financial institutions. Management has reviewed the receivable balances and determined that the balances are collectible as they are Harmonized Sales Tax (HST) rebates from the Government of Canada; accordingly, there have been no expected credit losses recorded.

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The condensed interim consolidated statements of financial position carrying amounts for cash and cash equivalents, receivables, and accounts payable and accrued liabilities approximate fair value due to their short-term nature.

12. SUBSEQUENT EVENTS

Voluntary De-Listing from TSX Venture Exchange

On April 19, 2023, the Company announced that it has applied to the TSX Venture Exchange ("TSX-V") to voluntarily delist the common shares of the Company. Toubani Resources believes that the Company's shares and overall liquidity will benefit from a centralized focus on the Australian Stock Exchange ("ASX") following its listing in November 2022. Instructions will be provided to TSX-V shareholders shortly regarding the process of transferring common shares into "CHESS Depositary Interests", which will enable them to trade on the ASX. The Company anticipates its shares being delisted as of the close of business on May 11, 2023.