SOMA GOLD CORP.

Condensed Interim Consolidated Financial Statements
(Unaudited – Expressed in Canadian Dollars)

For the Three Months Ended March 31, 2024 and 2023

NOTICE OF NO AUDITOR REVIEW OF

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

Soma Gold Corp.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited – Expressed in Canadian Dollars)

As at	Notes	March 31, 2024 $	December 31, 2023 $
ASSETS			
Current assets			
Cash and cash equivalents		922,172	1,781,703
Trade and other receivables	5	14,366,644	11,730,126
Inventory	6	9,155,951	8,187,858
Prepaids and deposits	7	939,313	953,873
Total current assets		**25,384,080**	**22,653,560**
Non-current assets			
Notes receivable	14	40,650	-
Exploration and evaluation assets	8	9,530,171	9,122,793
Mineral properties, plant and equipment	9	42,688,935	42,323,130
TOTAL ASSETS		**77,643,836**	**74,099,483**
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	10, 14	17,082,386	16,156,963
Equipment financing - current portion	11	2,389,397	2,324,997
Lease obligations - current portion	12	222,123	305,316
Deferred revenue - current portion	13	251,541	228,488
Subordinated note - current portion	14	5,330,920	3,331,825
Promissory note	14	1,373,509	-
Total current liabilities		**26,649,876**	**22,347,589**
Non-current liabilities			
Deferred income tax liability		6,898,694	7,032,000
Equipment financing	11	1,610,898	2,139,566
Lease obligations	12	203,603	347,636
Deferred revenue	13	1,089,933	1,128,371
Subordinated note	14	22,053,097	22,848,021
Decommissioning and restoration provision	15	1,896,247	1,876,693
Contingent consideration	16	2,055,307	2,225,997
TOTAL LIABILITIES		**62,457,655**	**59,945,873**
SHAREHOLDERS' EQUITY			
Share capital	19	54,484,699	54,484,699
Share option, RSU and warrant reserve	19	6,563,646	6,561,626
Contributed surplus		7,171,442	7,171,442
Deficit		(56,172,333)	(56,001,934)
Accumulated other comprehensive gain		3,138,727	1,937,777
TOTAL SHAREHOLDERS' EQUITY		**15,186,181**	**14,153,610**
TOTAL LIABILITIES AND EQUITY		**77,643,836**	**74,099,483**

Nature of operations (Note 1)
Subsequent event (Note 23)

On behalf of the Board of Directors:

"Geoffrey Hampson" — Geoffrey Hampson (Director)

"Yannis Tsitos" — Yannis Tsitos (Director)

The accompanying notes are an integral part of these consolidated financial statements.

Soma Gold Corp.
Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income
For the Three Months Ended March 31, 2024 and 2023
(Unaudited – Expressed in Canadian Dollars)

	Notes	For the three months ended March 31, 2024 $	March 31, 2023 $
Revenues		19,331,841	16,000,931
Cost of sales	17	(14,991,202)	(9,397,229)
Income from mine operations		4,340,639	6,603,702
Staffing and management costs		979,108	814,463
Other general and administration		390,336	324,842
Professional and consulting fees		229,856	238,253
Share-based compensation	19	2,020	287,764
Investor relations		79,492	25,426
Depreciation		26,349	22,259
Income before other items		2,633,478	4,890,695
Finance costs		(1,686,485)	(1,541,272)
Other gains (losses)	18	94,184	(23,200)
Foreign exchange loss		(338,299)	(97,294)
Income before tax		702,878	3,228,929
Current income tax expense		(980,277)	(2,024,601)
Deferred income tax recovery		107,000	-
Income (loss) for the period		(170,399)	1,204,328
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Foreign currency translation adjustment		1,200,950	2,808,043
Total comprehensive income for the period		**1,030,551**	**4,012,371**

Earnings per common share			
Basic	22	(0.00)	0.01
Diluted	22	(0.00)	0.01
Weighted average number of common shares outstanding			
Basic	22	91,348,487	91,081,820
Diluted	22	91,348,487	92,700,532

The accompanying notes are an integral part of these consolidated financial statements.

Soma Gold Corp.
Condensed Interim Consolidated Statements of Changes in Equity
For the Three Months Ended March 31, 2024 and 2023
(Unaudited – Expressed in Canadian Dollars)

	Notes	Number of Common Shares	Share Capital $	Share option and warrant reserve $	Contributed surplus $	Deficit $	Accumulated Other Comprehensive Income $	Total $
Balance as at December 31, 2022		**91,081,820**	**54,373,173**	**6,266,098**	**7,171,442**	**(58,798,808)**	**(6,246,344)**	**2,765,561**
Exercise of stock options	19	200,000	83,527	(34,527)	-	-	-	49,000
Issuance of RSU shares	19	66,667	27,999	(27,999)	-	-	-	-
Share-based compensation	19	-	-	358,054	-	-	-	358,054
Income		-	-	-	-	2,796,874	-	2,796,874
Other comprehensive income		-	-	-	-	-	8,184,121	8,184,121
Balance as at December 31, 2023		**91,348,487**	**54,484,699**	**6,561,626**	**7,171,442**	**(56,001,934)**	**1,937,777**	**14,153,610**
Share-based compensation	19	-	-	2,020	-	-	-	2,020
Loss		-	-	-	-	(170,399)	-	(170,399)
Other comprehensive income		-	-	-	-	-	1,200,950	1,200,950
Balance as at March 31, 2024		**91,348,487**	**54,484,699**	**6,563,646**	**7,171,442**	**(56,172,333)**	**3,138,727**	**15,186,181**

Soma Gold Corp.
Condensed Interim Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2024 and 2023
(Unaudited – Expressed in Canadian Dollars)

	For the three months ended	
	March 31, 2024 $	**March 31, 2023 $**
Operating Activities		
Income for the period from continuing operations	(170,399)	1,204,328
Non-cash items:		
Finance costs	1,686,485	1,541,272
Depreciation	3,639,916	1,538,358
Other losses (gains)	(94,184)	23,200
Deferred income tax recovery	(107,000)	-
Share-based compensation	2,020	287,764
Foreign exchange loss	338,299	97,294
Changes in working capital items:		
Trade and other receivables	(2,605,689)	(143,797)
Inventory	(959,600)	(1,856,173)
Prepaids, deposits and advance royalties	14,560	50,571
Trade payables and accrued liabilities	(1,393,459)	(1,253,046)
Net cash from operating activities	**350,949**	**1,489,771**
Investing Activities		
Expenditures on construction in progress	(605,131)	(645,270)
Expenditures on exploration and evaluation assets	1,194,805	(264,568)
Expenditures on mineral properties, plant and equipment	(2,148,369)	(1,219,460)
Disposition of property, plant and equipment	146,264	97,650
Net cash used in investing activities	**(1,412,431)**	**(2,031,648)**
Financing Activities		
Repayment of equipment financing	(718,566)	(594,240)
Net increase (decrease) in lease obligation	(158,013)	270,832
Lease payments	(97,015)	(79,961)
Gold deliveries under offtake agreement	(194,877)	(215,161)
Proceed from promissory note	1,348,263	-
Advance to related party	(40,650)	-
Net cash from (used in) financing activities	**139,142**	**(618,530)**
Effect of foreign exchange rate fluctuation	62,809	1,310,951
Increase in cash during the year	(859,531)	150,544
Cash, beginning of the year	1,781,703	529,667
Cash, end of the year	**922,172**	**680,211**

The accompanying notes are an integral part of these consolidated financial statements.

(Unaudited – Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Soma Gold Corp. ("Soma" or the "Company") was incorporated on April 13, 2010 under the Business Corporations Act (British Columbia) and trades on the TSX Venture Exchange under the symbol "SOMA" and on the OTCQX Best Market under the symbol "SMAGF".

The Company's principal business activity is the acquisition, exploration and development of mineral properties, and the operation of the El Bagre Gold Mining Complex through its wholly owned subsidiary Operadora Mineras S.A.S ("Operadora"). The El Bagre operations consists of a gold processing plant and the Cordero underground gold mine. Commercial production was declared for the Cordero mine on January 1, 2023.

The registered office of the Company is 1200 – 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T8 and its head office is 1500 – 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

2. BASIS OF PRESENTATION

Statement of compliance
These unaudited condensed interim consolidated financial statements (the "financial statements") have been prepared in accordance with *IAS 34, Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). The accounting policies applied in these financial statements are consistent with those used in the annual audited consolidated financial statements for the year ended December 31, 2023 and therefore should be read in conjunction with those statements.

These financial statements were approved by the Board of Directors for use on May 29, 2024.

Basis of measurement
These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value.

Basis of consolidation
These financial statements include the financial statements of the Company and its controlled subsidiaries.

Name of subsidiary	Place of incorporation	Ownership interest at March 31, 2024	Principal activity
Angra Metals Mineracao Ltda ("Angra")	Brazil	100%	Operating exploration company
Colombia Milling Ltd. ("CML")	Belize	100%	Holding company
Operadora Minera S.A.S. ("Operadora")	Colombia	100%	Producing gold mine and active exploration and development company
Soma Gold US Inc.	United States	100%	US-based administration company

The financial statements of CML contain the results of Colombian subsidiaries Zara Holdings SAS and Four Points Mining SAS.

Control is achieved when the Company is exposed or has the rights to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. All intercompany transactions and balances are eliminated upon consolidation.

Foreign currency translation
The financial statements for the Company and each of its subsidiaries are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian dollar ("CAD"). The functional currency of Angra is the Brazilian Real. The functional currency of CML, Four Points and Soma Gold US Inc. is the US dollar ("USD"). The functional currency of Operadora is the Colombian Peso. The presentation currency of the Company is the Canadian dollar.

Entities whose functional currencies differ from the presentation currency are translated into Canadian dollars as follows: assets and liabilities at the closing rate as at the reporting date and income and expenses at the average rate of the period. All resulting changes are recognized in other comprehensive income or loss as cumulative translation differences.

On disposal of foreign operations, the cumulative translation differences recognized in equity are reclassified to profit or loss and recognized as part of the gain or loss on disposal.

Transactions and balances
Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to the statements of income (loss).

3. MATERIAL ACCOUNTING POLICIES

The accounting policies applied in these financial statements are the same as those applied in Notes 3 and Note 5 of the Company's latest annual audited financial statements and should be read in conjunction with those statements.

4. NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS

There are no IFRS standards or interpretations that are not yet effective that are expected to have a material impact on the consolidated financial statements of the Company.

(Unaudited – Expressed in Canadian Dollars)

5. TRADE AND OTHER RECEIVABLES

The Company's receivables consist of the following:

	March 31, 2024 $	December 31, 2023 $
Income taxes receivable	1,178,785	335,002
Trade receivables	1,726,490	1,313,589
Employee allowances	561,020	527,443
Value-added tax receivable	10,897,505	9,473,488
Other	2,844	80,604
	14,366,644	**11,730,126**

6. INVENTORY

The Company's inventory consists of the following:

	March 31, 2024 $	December 31, 2023 $
Materials and supplies	7,083,740	6,488,736
Gold in-circuit	2,072,211	1,699,122
	9,155,951	**8,187,858**

The amount of inventory recognized as an expense for the three months ended March 31, 2024, was $3,655,148 (2023 - $2,308,551) and is included as a production cost in cost of sales (Note 17).

7. PREPAIDS AND DEPOSITS

The Company's prepaids and deposits consist of the following:

	March 31, 2024 $	December 31, 2023 $
Advances to suppliers	204,566	318,896
Prepaid insurance	323,272	463,369
Prepaid software	122,466	160,955
Prepaid services	168,362	-
Other advances	113,524	3,530
Deposits	7,123	7,123
	939,313	**953,873**

(Unaudited – Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS

	Nechi	Zara	Otu Centro	Tucumã	Total
	$	$	$	$	$
December 31, 2022	**611,701**	**1,465,255**	**-**	**2,370,370**	**4,447,326**
Additions	28,266	818,218	3,252,902	-	4,099,386
Option payments received	-	-	-	(134,970)	(134,970)
Foreign exchange	4,109	405,893	162,128	138,921	711,051
December 31, 2023	**644,076**	**2,689,366**	**3,415,030**	**2,374,321**	**9,122,793**
Additions	11,774	-	274,733	-	286,507
Option payments received	-	-	-	-	-
Foreign exchange	1,172	67,204	65,425	(12,930)	120,871
March 31, 2024	**657,022**	**2,756,570**	**3,755,188**	**2,361,391**	**9,530,171**

Nechi Gold Project
The Company owns 100% of the Nechí Gold Project ("Nechi"), which itself is comprised of the El Catorce, Santa Elena, and Santa Maria gold exploration projects located in Antioquia, Colombia. The properties are subject to NSR royalties totaling 2.0%.

Zara Properties
The Company owns 100% of the Zara exploration properties located in Antioquia, Colombia, except for the rights pertaining to non-metallic minerals. The properties are subject to a 2% NSR royalty.

Otu Centro Properties
On May 17, 2023 the Company announced that it had purchased 100% of the Otu Centro exploration properties located in Antioquia, Colombia. The Otu Centro properties are directly south of and contiguous with the Company's Zara exploration properties.

Principal terms of the agreement include:
- (i) An initial cash payment of US$1,000,000 on closing the agreement (completed).
- (ii) A second cash payment of US$1,120,000 due on May 12, 2024 (completed subsequent to the period ended March 31, 2024).
- (iii) The assumption and payment of US$150,000 in liabilities related to the properties (completed).
- (iv) The granting of a 2% NSR on metallic minerals. One-half of the NSR (1%) can be repurchased for US$1,000,000 (indexed to US CPI).

Tucumã Gold Project
Through its subsidiary Angra, the Company owns a 100% interest in the Tucumã copper/gold exploration project, located in the Carajas metallogenic province in the State of Pará, Brazil.

On March 15, 2022, the Company announced that it had optioned its Tucumã Project in Brazil to Ero Copper Corp. ("Ero"). Ero can acquire a 100% interest in the Project by completing the following:

a. Cash payments of:
   a. US$250,000 on signing the agreement (completed)
   b. US$100,000 on or before five business days after September 6, 2023 (completed)
   c. US$100,000 on or before five business days after September 6, 2024

b. Complete exploration expenditures of:
   a. US$1,200,000 on or before September 6, 2023 (completed)
   b. US$250,000 on or before September 6, 2024 (completed)
   c. US$250,000 on or before September 6, 2025 (completed)

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c. Make a final option payment of US$6,000,000 in cash or common shares in the event that Soma has exercised the Buy-Back Option (defined below), or US$3,000,000 in cash or common shares in the event that Soma has failed to exercise the Buy-Back Option, on or before September 6, 2025.

Ero has completed the first two cash payments, totaling US$350,000, and incurred exploration expenditures of US$1.9 million on the Tucuma Project.

Soma entered into a separate agreement with the former owners of certain mining rights within the Project providing Soma an option (the "Buy-Back Option") to acquire the former owners' existing 1% net smelter returns royalty ("NSR") and to extinguish the former owners' right to a US$3,000,000 payment due upon commencement of commercial production. Soma can exercise the Buy-Back Option by issuing the former owners an initial 250,000 common shares of Soma (completed) and issuing an additional 250,000 common shares of Soma within three years.

Upon Soma having exercised the Buy-Back Option and Ero having exercised the Option to acquire a 100% interest in and to the Properties, Soma will be entitled to receive a 1.5% NSR, subject to Ero retaining the exclusive right and option to repurchase a 1.0% NSR by paying to Soma US$1,000,000 by the third anniversary after the date on which Ero publicly announces a construction decision on the Project.

9. MINERAL PROPERTIES, PLANT AND EQUIPMENT

	Mineral Properties	Buildings & Infrastructure	Equipment & Machinery	Office Equipment	Vehicles	Right-of-use Assets	Construction In Progress	Total
Cost	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
December 31, 2022	**10,592,953**	**1,152,205**	**13,540,701**	**185,026**	**2,470,236**	**629,462**	**14,411,519**	**42,982,100**
Additions	8,618,485	998,527	518,685	18,468	-	444,213	2,966,204	13,564,582
Disposals	-	-	-	(107,232)	-	(218,996)	-	(326,228)
Transfers	15,906,192	901,884	-	-	-	-	(16,808,076)	-
Foreign exchange	3,409,811	215,978	1,165,278	14,180	519,289	162,265	1,903,580	7,390,381
December 31, 2023	**38,527,441**	**3,268,594**	**15,224,664**	**110,442**	**2,989,525**	**1,016,944**	**2,473,227**	**63,610,837**
Additions	2,065,912	6	76,977	5,475	-	-	1,075,956	3,224,326
Disposals	-	-	-	-	-	(193,031)	-	(193,031)
Transfers	-	3,176,930	-	-	-	-	(3,176,930)	-
Foreign exchange	855,011	136,439	315,114	2,815	74,588	22,042	25,046	1,431,055
March 31, 2024	**41,448,364**	**6,581,969**	**15,616,755**	**118,732**	**3,064,113**	**845,955**	**397,299**	**68,073,187**

	Mineral Properties	Buildings & Infrastructure	Equipment & Machinery	Office Equipment	Vehicles	Right-of-use Assets	Construction In Progress	Total
Accumulated Depreciation	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
December 31, 2022	**2,897,972**	**307,911**	**3,276,638**	**68,125**	**297,086**	**136,445**	**1,789,381**	**8,773,559**
Depreciation/depletion	8,756,993	485,047	888,430	8,853	204,695	309,003	-	10,653,021
Disposals	-	-	-	-	-	(95,729)	-	(95,729)
Transfers	1,998,793	-	-	-	-	-	(1,998,793)	-
Foreign exchange	1,134,175	70,712	422,373	1,561	67,738	50,886	209,412	1,956,856
December 31, 2023	**14,787,933**	**863,670**	**4,587,441**	**78,539**	**569,519**	**400,605**	**-**	**21,287,707**
Depreciation/depletion	2,735,255	325,195	360,736	8,218	127,193	83,319	-	3,639,916
Disposals	-	-	-	-	-	(46,767)	-	(46,767)
Transfers	-	-	-	-	-	-	-	-
Foreign exchange	324,610	27,161	122,491	2,068	16,415	10,651	-	503,396
March 31, 2024	**17,847,798**	**1,216,026**	**5,070,668**	**88,825**	**713,127**	**447,808**	**-**	**25,384,252**
Net Book Value								
December 31, 2023	23,739,508	2,404,924	10,637,223	31,903	2,420,005	616,339	2,473,227	42,323,130
March 31, 2024	**23,600,566**	**5,365,943**	**10,546,087**	**29,907**	**2,350,986**	**398,147**	**397,299**	**42,688,935**

El Bagre

The Company owns 100% of the El Bagre Gold Mining Complex ("El Bagre") in Antioquia, Colombia. El Bagre consists of the legacy La Ye and Los Mangos underground gold mines, the Cordero underground gold mine (commercial production declared on January 1, 2023), and an on-site gold processing plant. The La Ye and

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Los Mangos gold mines reached the end of their respective mine lives and were decommissioned in 2023. The properties are subject to an NSR royalty of 1%.

With the declaration of commercial production, construction in progress relating to the Cordero Mine was transferred to mineral properties in the year ended December 31, 2023.

El Limon

The Company owns 100% of the El Limon Mine and Mill in Antioquia, Colombia. The mine is subject to a 3% NSR royalty on gold mined on the El Limon mineral licenses, to a maximum of US$2,000,000. Upon reaching the US$2,000,000 NSR royalty threshold, the NSR royalty decreases to 0.5% up to a maximum of US$1,000,000.

10. TRADE PAYABLES AND ACCRUED LIABILITIES

	March 31, 2024 $	December 31, 2023 $
Trade payables	8,043,702	7,358,866
Taxes payable	4,313,699	3,225,474
Employee benefit liabilities	1,637,688	1,868,666
Property payment (Note 8)	1,481,312	1,481,312
Accrued liabilities	287,026	316,906
Salaries and wages payable	932,102	856,809
Withholdings payable	386,857	1,048,930
	17,082,386	**16,156,963**

11. EQUIPMENT FINANCING

	March 31, 2024 $	December 31, 2023 $
Opening balance	**4,464,563**	**5,872,985**
Increase in equipment financing	-	713,691
Interest	119,055	462,389
Repayments	(718,566)	(2,499,928)
Foreign exchange	135,243	(84,574)
Closing balance	**4,000,295**	**4,464,563**
Less: current portion	(2,389,397)	(2,324,997)
Non-current portion	**1,610,898**	**2,139,566**

The Company has entered a financing arrangement with Sandvik Financial Services S.A. to purchase various pieces of underground mining equipment. The loans carry interest rates from 9% to 11%, require monthly payments of principal and interest, and are amortized over 36 months. The Company has also entered into a financing arrangement with Komatsu Colombia S.A.S for the purchase of a piece of equipment. This loan carries an interest rate of 18%, requires monthly payments of principal and interest and is amortized over 12 months.

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The financing is secured by the underlying equipment purchased, which has a net book value of $7,776,885 at March 31, 2024. The financed equipment is included in the equipment & machinery and vehicles categories of mineral properties, plant and equipment (Note 9).

12. LEASE OBLIGATIONS

	March 31, 2024 $	December 31, 2023 $
Opening balance	**652,952**	**518,227**
Disposal	(180,829)	(128,317)
Additions	-	444,212
Adjustments	22,816	-
Interest	16,167	75,436
Lease payments	(97,015)	(361,692)
Foreign exchange	11,635	105,086
Closing balance	**425,726**	**652,952**
Less: current portion	(222,123)	(305,316)
Non-current portion	**203,603**	**347,636**

The leases relate principally to light vehicles and portable camp and office buildings.

13. DEFERRED REVENUE

	March 31, 2024 $	December 31, 2023 $
Opening balance	**1,356,859**	**1,547,306**
Interest	146,481	888,979
Gold deliveries	(194,877)	(877,450)
Revaluation due to updated mine plans	-	(151,490)
Foreign exchange	33,011	(50,486)
Closing balance	**1,341,474**	**1,356,859**
Less: current portion	(251,541)	(228,488)
Non-current portion	**1,089,933**	**1,128,371**

On September 9, 2020, the Company entered into an offtake agreement (“the Offtake Agreement”) with Nueva Granada Gold Corp (“NG”) and a purchase and refining agreement with MVPR International Incorporated (“MVPR”), a wholly-owned subsidiary of NG, for the mineral production from Operadora’s operations. The value of the Offtake Agreement was US$5.0 million.

- 12% on the first 24,500 gold ounces delivered (completed in January 2022);
- 6% on the next 22,000 gold ounces delivered (completed in January 2023); and
- 1% on the gold ounces delivered until the end of production.

The remaining payments under the Offtake Agreement are variable, as they are subject to cumulative adjustments when the number of ounces to be delivered under the contracts change, when there is an increase in the Company’s mineral reserve and resource estimates or when there are changes to the mine plans.

(Unaudited – Expressed in Canadian Dollars)

For the three months ended March 31, 2024, the Company delivered 6,953 (2023 - 6,377) ounces of gold under the Offtake Agreement. The delivery of the gold for the three months ended March 31, 2024 resulted in a decrease in deferred revenue of $194,877 (2023 - $215,161).

The offtake obligation encompasses only gold mined on existing Operadora mining titles and is not applicable to the Company's other properties.

The Offtake Agreement was amended subsequent to the period end (see note 23 – Subsequent Events).

14. RELATED PARTY TRANSACTIONS

All amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment unless otherwise stated. Transactions with related parties are measured at the exchange amount of consideration established and agreed to by the related parties.

The Company paid or accrued remunerations to its directors and officers as follows:

	Three months ended	
	March 31, 2024	**March 31, 2023**
	$	**$**
Staffing and management costs	257,976	234,886
Share-based compensation	1,920	57,617
	259,896	**292,503**

For the three months ended March 31, 2024, the Company also paid $25,680 (2023 - $25,680) in office rent and $96,858 (2023 - $32,100) in consulting fees to a Company controlled by a director.

a) Subordinated Note

The Company has an outstanding ten-year Subordinated Note with a face value of $21,604,781 owing to Conex Services Inc. ("Conex"), a company owned by a director. The interest rate of the Subordinated Note is 12%, compounded quarterly. Principal and interest are repayable to Conex four years after the agreement date, beginning August 1, 2024. At inception, management used an effective interest rate of 18% to estimate the present value of the Subordinated Note at $14,539,366.

For the three months ended March 31, 2024, $235,798 (2023 - $158,131) of accretion and $968,373 (2023 - $850,837) of interest was expensed as finance costs in the statements of income. The outstanding face value of the Subordinate Note, including accrued interest, as at March 31, 2024 was $32,739,722 (December 31, 2023 - $31,771,349).

	March 31, 2024	**December 31, 2023**
	$	**$**
Opening balance	**26,179,846**	**22,400,264**
Interest and accretion	1,204,171	4,379,582
Repayments	-	(600,000)
Closing balance	**27,384,017**	**26,179,846**
Less: current portion	(5,330,920)	(3,331,825)
Non-current portion	**22,053,097**	**22,848,021**

(Unaudited – Expressed in Canadian Dollars)

Included in the subordinated debt is a prepayment option which is not clearly and closely related to the host contract and as such, is accounted for as an embedded derivative. Management assesses the embedded derivative at each reporting period to determine its fair value. As at March 31, 2024, and December 31, 2023, it was determined that the prepayment option had a non-material balance and as such, it has not been adjusted for.

b) Promissory Note

During the three months ended March 31, 2024, the Company borrowed $1,348,263 (2023 - $Nil) from Conex. The promissory note has a two-month term and carries an interest rate of 13.45% per annum, compounded monthly. Subsequent to the period ended March 31, 2024, the Company repaid the note, including accrued interest, in full.

c) Other Balances and Transactions

- At March 31, 2024, there is $40,650 in notes receivable due from an executive of the Company (December 31, 2023 - $Nil). The note carries an interest rate of 2.5% per annum, compounded monthly, and has a three-year term.
- At March 31, 2024, there is $34,192 in trade payables and accrued liabilities owing to executives and directors of the Company (December 31, 2023 - $34,326).
- At March 31, 2024, there is $89,535 in trade payables and accrued liabilities owing to private companies owned by directors of the Company (December 31, 2023 - $42,750).

15. DECOMMISSIONING AND RESTORATION PROVISION

	March 31, 2024 $	**December 31, 2023 $**
Opening balance	**1,876,693**	**1,441,080**
Additions for new projects	-	173,782
Changes in estimated costs	396	170,155
Changes in economic assumptions	(71,987)	(136,991)
Accretion on provision	44,249	165,529
Settlements during the period	-	(266,603)
Foreign exchange	46,896	329,741
Closing balance	**1,896,247**	**1,876,693**

The Company estimates its decommissioning and restoration provision based on its understanding of the requirements to reclaim and remediate its El Bagre property based on it's activities to-date. The Company's provision is based on the current best estimate of mine closure and reclamation activities considering the level of known disturbance at the reporting date, known legal requirements and internal cost estimates.

The Company valued the provision using the present value of the expected reclamation cash flows based on an appropriate discount rate to reflect the time value and risk of the cash flows. The Company used inflation rates of 6.39% to 3.00% (December 31, 2023 - 5.24% to 2.96%), a discount rate of 9.81% (December 31, 2023 - 9.40%) and a liability risk adjustment of 5.0% (December 31, 2023 - 5.0%) in calculating the provision. At March 31, 2024, the liability for retirement and remediation on an undiscounted basis before fair value adjustment is $2,387,262 (December 31, 20223 - $2,328,669).

(Unaudited – Expressed in Canadian Dollars)

Approximately 14% of the provision is anticipated to be utilized over 2023-2025 with the closure of the La Ye and Los Mangos mines and the current tailings pond facility. The remainder is expected to be incurred in the two years following the closure of the Cordero mine. The Cordero mine plan currently extends until 2027.

16. CONTINGENT CONSIDERATION

	March 31, 2024 $	December 31, 2023 $
Opening balance	**2,225,997**	**2,913,648**
Payments	(191,379)	(728,563)
Effect of foreign exchange difference	84,044	(75,604)
Loss on fair value adjustment	(63,355)	116,516
	2,055,307	**2,225,997**

The contingent consideration is associated with the acquisition of Operadora. It is related to a 1% NSR royalty due on all future production from the El Bagre and Nechi properties. The contingent consideration is the present value of discounted cash flows based on the expected amounts and timing of the NSR using an effective interest rate of 10%, average gold price of US$2,001, and average USD-CAD exchange rate of 1.34. If all other variables remain constant, a 10% change in the quantity of gold produced, the gold price or the exchange rate would change the contingent consideration by $206,000.

The contingent consideration payments are variable, as they are subject to cumulative adjustments when the number of ounces to be delivered under the contracts change, when there is an increase in the Company's mineral reserve and resource estimates or when there are changes to the mine plans.

17. COST OF SALES

	Three months ended	
	March 31, 2024 $	March 31, 2023 $
Production costs	11,377,635	7,881,130
Depreciation	3,613,567	1,516,099
	14,991,202	**9,397,229**

18. OTHER GAINS (LOSSES)

	Three months ended	
	March 31, 2024 $	March 31, 2023 $
Other income	30,828	44,403
Gain (loss) on revaluations of deferred revenue and contingent consideration (Notes 13, 16)	63,356	(67,603)
	94,184	**(23,200)**

(Unaudited – Expressed in Canadian Dollars)

19. SHARE CAPITAL

Authorized
Unlimited common shares without par value.

Transactions
There were no transactions impacting the number of common shares outstanding for the three months ended March 31, 2024.

The following transaction impacted the number of common shares outstanding for the year ended December 31, 2023:

(i) The Company issued 200,000 common shares of the Company for proceeds of $49,000 related to the exercise of stock options.

(ii) The Company issued 66,667 common shares valued at $27,999 in relation to previously granted restricted share units.

Stock options
The Company has an incentive stock option plan ("Option Plan") whereby the Company may grant stock options to eligible employees, officers, directors and consultants with the exercise price, expiry date, and vesting conditions determined by the Board of Directors. All stock options are equity settled. The Option Plan provides for the issuance of up to 10% of the Company's issued common shares as at the date of the grant.

The Company's stock options outstanding as at March 31, 2024 and December 31, 2023 and the changes for the three months then ended are as follows:

	Number of Options	Weighted Average Exercise Price $	Weighted Average Remaining Contractual Life (years)
Balance, December 31, 2022	**5,892,000**	**0.47**	**3.70**
Granted	1,100,000	0.51	4.27
Exercised	(200,000)	0.25	-
Canceled	(175,000)	0.19	-
Expired	(425,000)	2.86	-
Balance, December 31, 2023	**6,192,000**	**0.33**	**2.80**
Balance, March 31, 2024	**6,192,000**	**0.33**	**2.55**

During the three months ended March 31, 2024, the Company granted Nil options (2023 - 800,000) with various vesting terms. No options were exercised during the three months ended March 31, 2024 and 2023. The fair value of all options granted is estimated on the grant date using the Black-Scholes option pricing model. The assumptions used in calculating the fair values of options granted during the year ended December 31, 2023 are as follows:

	May 3, 2023	Mar 27, 2023
Risk free rate	2.87%	2.96%
Expected life	5	5
Expected volatility	99%	99%
Forfeiture rate	Nil	Nil
Expected dividends	Nil	Nil

(Unaudited – Expressed in Canadian Dollars)

Total share-based compensation expense for the three months ended March 31, 2024 related to the vesting of stock options was $Nil (2023 - $276,000).

Stock options outstanding at March 31, 2024 and December 31, 2023 are as follows:

Expiry Date	Exercise Price	Options Outstanding	Options Exercisable
July 3, 2025 [(1)]	0.19	1,350,000	1,350,000
October 6, 2025	0.32	250,000	250,000
December 22, 2025	0.31	350,000	350,000
April 28, 2026	0.33	100,000	100,000
May 28, 2026	0.32	640,000	640,000
January 10, 2027	0.35	1,662,000	1,662,000
May 18, 2025	0.31	100,000	100,000
December 26, 2027	0.30	640,000	640,000
March 27, 2028	0.46	800,000	550,000
May 3, 2028	0.66	300,000	300,000
	0.33	**6,192,000**	**5,942,000**

[(1)] 250,000 options were exercised subsequent to the period ended March 31, 2024.

Restricted Share Units

Under the Option Plan, the Company may grant restricted share units (RSU's) to its eligible employees, officers, directors and consultants. The Option Plan stipulates that a maximum of 400,000 RSU's can be issued. The awards have a graded vesting schedule over a three-year period and are equity settled upon vesting. The associated compensation cost is recorded in share-based compensation expense.

	Number of RSU's	Weighted Average Fair Value $
Balance, December 31, 2022	**133,332**	**0.33**
Settled	(66,667)	0.67
Balance, December 31, 2023 and March 31, 2024 [(1)]	**66,665**	**0.51**

[(1)] 66,655 RSU's were settled subsequent to the period ended March 31, 2024.

Total share-based compensation expense for the three months ended March 31, 2024 related to the vesting of RSU's was $2,020 (2023 - $11,764).

The RSU's are awarded to executives and are measured at fair value, which is determined based on the quoted market price of the Company's common shares at the grant date. The fair value of the estimated number of RSU's that are expected to vest is recognized as share-based compensation expense over the vesting period of the RSU's with a corresponding amount recorded in contributed surplus until the respective shares are issued in settlement of the RSU's.

(Unaudited – Expressed in Canadian Dollars)

Warrants
The Company's warrants outstanding as at March 31, 2024 and December 31, 2023 and the changes for the periods then ended are as follows:

	Number of Warrants	Exercise Price $
Balance, December 31, 2022	**5,750,000**	**0.72**
Expired	(5,750,000)	0.72
Balance, December 31, 2023 and March 31, 2024	**-**	**-**

There were no warrants outstanding at March 31, 2024 and December 31, 2023.

20. FINANCIAL RISK MANAGEMENT

Financial risk management
The Company's activities expose it to a variety of risks including interest rate risk, credit risk, liquidity risk, foreign currency risk and price risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by the officers of the Company and discussed with the Board of Directors. The officers of the Company are charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the expectations of the Board of Directors.

a) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is subject to interest rate risk with respect to its cash; however, the risk is minimal because of their short-term maturity. All of the Company's interest-bearing debt instruments have fixed interest rates and are not subject to interest rate cash flow risk.

b) Credit risk
Credit risk is the risk of a loss if a customer or third party to a financial instrument fails to fulfill its contractual obligations. The Company's credit risk arises from cash and trade receivables. The Company mitigates this risk by placing its cash in large reputable financial institutions. The Company considers the credit risk related to cash to be minimal.

The largest component of the Company's trade and other receivables is related to income taxes or value-added taxes receivable due from countries in which the Company operates (principally Colombia). The Company considers the credit risk for these receivables to be low. The Company's trade receivables are related to doré delivered to MVPR. The Company uses a single gold buyer and receives payment for 75% of the delivery value on the business day following delivery, and the remaining 25% on the business day following the export of refined metal by the refinery. Given the single buyer and very short-term nature of the trade receivables the Company considers their credit risk to be low. There are also smaller amounts owing related to employee allowances receivable, and other receivables. The maximum exposure for these categories of receivables are their carrying amounts as disclosed in Note 5.

c) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company principally relies on its mining operations to generate the funds needed to meet budgeted operating requirements, but also closely monitors their liquidity position and may choose to seek additional financing opportunities if warranted. At March 31, 2024, the Company had cash of $922,172 (December 31, 2023 - $1,781,703) and a working capital deficit of $1,265,796 (December 31, 2023 - working capital of $305,971).

The Company's financial obligations consist of trade payables and accrued liabilities, equipment financing, lease obligations and a subordinated note. The maturity analysis of the financial obligations as at March 31, 2024 is as follows:

	1 year	2-3 years	4-5 years	More than 5 years	Total
	$	**$**	**$**	**$**	**$**
Trade payables and accrued liabilities	17,082,386	-	-	-	17,082,386
Equipment financing - principal and interest	2,662,353	1,489,505	-	-	4,151,858
Lease obligations - principal and interest	222,123	203,603	-	-	425,726
Subordinated note - principal and interest	5,330,920	15,992,760	15,992,760	10,662,950	47,979,390
Promissory note - principal and interest	1,373,509	-	-	-	1,373,509
	26,671,291	17,685,868	15,992,760	10,662,950	71,012,869

d) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company maintains financial instruments and enters into transactions denominated in foreign currencies, principally in United States Dollars (USD) and Colombian Pesos (COP), which exposes the Company to fluctuating balances and cash flows due to various foreign exchange rates.

As at March 31, 2024, the CAD equivalent carrying amounts of the Company's USD denominated monetary assets and liabilities was $2,560,235 (December 31, 2023 - $2,829,592) and $5,632,612 (December 31, 2023 - $6,116,443), respectively. As at March 31, 2024, the CAD equivalent carrying amounts of the Company's COP denominated monetary assets and liabilities was $12,685,411 (December 31, 2023 - $10,613,710) and $14,620,704 (December 31, 2023 - $14,094,884), respectively.

The effect on earnings before taxes at March 31, 2024 of a 10% appreciation or depreciation in foreign currencies against the Canadian dollar on the Companies net financial instruments is estimated to be $503,000 (year ended December 31, 2023 - $678,000). The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk.

Fair values

The carrying value of cash and cash equivalents, trade and other receivables, trade payables and accrued liabilities, and the promissory note payable approximate their fair values due to the immediate or short-term nature of these instruments.

The fair value of the notes receivable, equipment financing, subordinated note and contingent consideration for disclosure purposes is determined using discounted cash flows based on the expected amounts and timing of the cash flows discounted using a market rate of interest adjusted for appropriate credit risk. The fair value of the notes receivable, equipment financing and subordinated note, for disclosure purposes, is determined using Level 2 inputs. The fair value of the contingent consideration is determined using Level 3 inputs.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The Company's financial assets and liabilities are classified based on the lowest level of input significant to the fair value measurement based on the fair value hierarchy below:

(Unaudited – Expressed in Canadian Dollars)

Level 1: Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

The following tables present the Company's financial assets and liabilities by level within the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value.

As at March 31, 2024	Carrying value		Fair value hierarchy		
	FVTPL	Amortized cost	Level 1	Level 2	Level 3
	$	$	$	$	$
Financial assets					
Notes receivable	-	40,650	-	-	-
	-	40,650	-	-	-
Financial liabilities					
Promissory note	-	1,373,509	-	-	-
Equipment financing	-	4,000,295	-	-	-
Subordinated note	-	22,053,097	-	-	-
Contingent consideration	2,055,307	-	-	-	2,055,307
	2,055,307	27,426,901	-	-	2,055,307

As at December 31, 2023	Carrying value		Fair value hierarchy		
	FVTPL	Amortized cost	Level 1	Level 2	Level 3
	$	$	$	$	$
Financial liabilities					
Equipment financing	-	4,464,563	-	-	-
Subordinated note	-	22,848,021	-	-	-
Contingent consideration	2,225,997	-	-	-	2,225,997
	2,225,997	27,312,584	-	-	2,225,997

The fair value of level 3 contingent consideration is determined using a discounted cash flow model, taking into consideration assumptions including future gold prices, future foreign exchange rates and operating results from the Company's mines (Note 16). The equipment financing has a fair value of $4,784,800 (December 31, 2023 - $4,828,650), and the subordinated note has a fair value of $29,564,000 (December 31, 2023 - $28,889,000). The fair value of the notes receivable and promissory note approximate their fair values.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and to bring its mineral properties to commercial production.

Historically the Company depended largely on external financing to fund its activities but commenced commercial mining activities in 2020. The capital structure of the Company currently consists of equity attributable to shareholders of $15,186,181 (December 31, 2023 - $14,153,610), a promissory note of $1,373,509 (December 31, 2023 - $Nil) and a subordinated note of $22,053,097 (December 31, 2023 - $22,848,021). The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets, primarily mineral properties. In order to maintain or adjust the capital structure, the Company may issue new shares through equity offerings, raise additional debt or sell assets to fund operations. Management reviews its capital management approach on a regular basis and there have been no changes to the Company's approach during the three months ended March 31, 2024. The Company is not subject to externally imposed capital requirements.

(Unaudited – Expressed in Canadian Dollars)

21. SEGMENT REPORTING

The Company's business segments presented reflect the management structure of the Company and the way in which the Company's chief operating decision maker reviews business performance. The business segments are summarized as follows:

For the three months ended March 31, 2024	Colombia	Brazil	Corporate and other	Total
Total assets	74,406,985	2,194,808	1,042,043	**77,643,836**
Total liabilities	27,571,522	23,776	34,862,357	**62,457,655**
Revenue	19,331,841	-	-	**19,331,841**
Cost of sales	14,991,202	-	-	**14,991,202**
Income (loss) for the period	2,375,184	(39,873)	(2,505,710)	**(170,399)**

For the year ended December 31, 2023	Colombia	Brazil	Corporate and other	Total
Total assets	71,398,435	2,213,561	487,487	**74,099,483**
Total liabilities	27,815,097	23,594	32,107,182	**59,945,873**
Revenue	81,161,712	-	-	**81,161,712**
Cost of sales	53,113,483	-	-	**53,113,483**
Income (loss) for the period	11,071,037	(149,211)	(8,124,952)	**2,796,874**

22. EARNINGS PER SHARE

The calculation of diluted earnings per share is based on income attributable to ordinary shareholders and the weighted-average number of shares outstanding after adjustments for the effect of potentially dilutive shares. For the three months ended March 31, 2024, potential share issuances arising from the exercise of share options and settlement of RSU's were included in the calculation of diluted weighted average shares outstanding as well as their impact on income attributable to shareholders of the Company. Potentially dilutive shares associated with share options out of the money were not included in the diluted earnings per share calculation as their effect is antidilutive.

(Unaudited – Expressed in Canadian Dollars)

The following table summarizes the calculation of basic and diluted earnings per share:

	Three months ended	
	March 31, 2024	**March 31, 2023**
	$	**$**
Income for the period:	(170,399)	1,204,328
Basic weighted average number of common shares outstanding	91,348,487	91,081,820
Effective impact of dilutive securities:		
Share options	-	1,485,380
RSU's	-	133,332
Diluted weighted average number of common shares outstanding	91,348,487	92,700,532
Earnings per common share		
Basic	(0.00)	0.01
Diluted	(0.00)	0.01

5,942,000 (2023 - 1,025,000) options, 66,665 RSU (2023 - Nil) and Nil (2023 - 5,750,000) warrants were excluded from the calculation for the three months ended March 31, 2024 as their effect was antidilutive.

23. SUBSEQUENT EVENTS

Subsequent to the period ended March 31, 2024:

(i) 250,000 stock options were exercised;

(ii) 66,665 shares were issued on the vesting of RSU’s (Note 19);

(iii) 200,000 stock options were granted to a contractor of the Company;

(iv) 50,000 RSU’s were granted to directors of the Company;

(v) The Company made the second and final payment of US$1.12 million under its agreement to purchase the Otu Centro properties (see note 8);

(vi) The Company repaid a promissory note of US$1,000,000 to Conex (see note 14(b));

(vii) Soma amended its offtake agreement (the “Offtake Agreement” – see note 13) with Goldlogic Corp. (“Goldlogic” - formerly Neuva Granada Gold Corp.) and MVPR International Incorporated dated September 4th, 2020, by drawing an additional US$3 million. Under the terms of the amended Offtake Agreement, Soma received a new advance payment of US$3 million from Goldlogic and will deliver a monthly cash payment equivalent to 59.9 ounces of gold to Goldlogic for 36 months, commencing in June 2024 (Tranche 4). Soma previously completed Tranches 1 and 2 of the Offtake Agreement in January 2023. Tranche 3 – a 1% NSR – remains in effect.