Form 51-102F4
Business Acquisition Report

Item 1 Identity of Company

1.1 Name and Address of Company

Waraba Gold Limited (“**Waraba**” or the “**Corporatio**n”)
Suite 1080, 789 West Pender Street
Vancouver, BC
V6C 1H2

1.2 Executive Officer

Carl Esprey
Chief Executive Officer and Director
Suite 1080, 789 West Pender Street
Vancouver, BC
V6C 1H2

Phone: 312-235-2605

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

On January 21, 2021, Waraba completed its acquisition (the “**Acquisition**”) of all of the issued and outstanding shares of 1273795 B.C. Ltd (“**Mali HoldCo**”). The Acquisition was effected by way of a three-cornered amalgamation involving 1278820 B.C. Ltd., a wholly-owned subsidiary of Waraba and Mali HoldCo. The entity resulting from the amalgamation of Subco and MaliHoldCo is now a wholly owned subsidiary of Waraba.

Pursuant to the terms of the Acquisition, Waraba issued an aggregate of 25,690,000 shares of Waraba (“**Waraba Shares**”) to shareholders of Mali HoldCo at a deemed priced at $0.1875, being equal to the maximum discount allowed by the Canadian Securities Exchange at time of issuance, representing the aggregate consideration of $4,867,500.

Further information about the Acquisition can be found in the amalgamation agreement dated January 6, 2021, which can be accessed under Waraba’s issuer profile on SEDAR at www.sedar.com.

Mali HoldCo

is registered in British Columbia and holds a 75% interest in Gonka Gold Mali SARL ("GGM"). GGM has entered into an agreement with Fokolore Mining SARL to acquire the research permit to explore for gold in the Maligonga-Est (Cercle de Kéniéba) region of Mali, issued by the Government of Mali on June 10, 2016 under number 2016-2006/MM-SG (as renewed pursuant to ordinance number 2019-3557/MMPSG on October 11, 2019.

2.2 Acquisition Date

January 21, 2021.

2.3 Consideration

Pursuant to the terms of the Acquisition, Waraba issued an aggregate of 25,690,000 shares of Waraba Shares to shareholders of Mali HoldCo at a deemed priced at $0.1875, being equal to the maximum discount allowed by the Canadian Securities Exchange at time of issuance, representing the aggregate consideration of $4,867,500.

2.4 Effect on Financial Position

Except as otherwise publicly disclosed and in the ordinary course of Waraba's business, Waraba presently has no plans or proposals for material changes in Waraba's business affairs or the affairs of Mali HoldCo that may have a significant effect on the results of operations and financial position of Waraba.

2.5 Prior Valuations

No valuation opinion was obtained in the last 12 months by Waraba or Mali HoldCo, as no such valuation opinion was required by securities legislation or a Canadian exchange or market to support the Consideration under the Acquisition.

2.6 Parties to Transaction

The Acquisition was not with an "informed person" (as such term is defined in Section 1.1 of National Instrument 51-102 – *Continuous Disclosure Obligations*), associate or affiliate of Waraba.

2.7 Date of Report

April 5, 2021

Item 3 Financial Statements and Other Information

Audited consolidated annual financial statements of Mali HoldCo and related notes thereto for the Period November 9, 2020 (Date of Incorporation) to December 31, 2020 (the "**Mali HoldCo Financial Statements**") are attached hereto as Schedule "A".

SCHEDULE “A”

MALI HOLDCO FINANCIAL STATEMENTS

(See attached)

1273795 B.C. LTD.

Consolidated Financial Statements

For the Period November 9, 2020

(Date of Incorporation) to

December 31, 2020

(Stated in Canadian Dollars)

Stern & Lovrics LLP
Chartered Professional Accountants

Samuel V. Stern, BA, CPA, CA
George G. Lovrics, BComm, CPA, CA

Nazli Dewji, BA, CPA, CMA

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of 1273795 B.C. Ltd.

Opinion

We have audited the consolidated financial statements of 1273795 B.C. Ltd. (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of comprehensive loss, changes in shareholders deficit and cash flow for the period November 9, 2020 (Date of Incorporation) to December 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred a net loss of $3,194,602 during the period ended December 31, 2020 and, as of that date, the Company has an accumulated deficit of $3,194,602. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

1210 Sheppard Avenue East, Suite 302, Toronto, Ontario M2K 1E3 Tel: (416) 499-8848 Fax: (416) 491-5301

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Stern & Lovrics LLP

Toronto, Ontario
February 24, 2021

Chartered Professional Accountants
Licensed Public Accountants

1210 Sheppard Avenue East, Suite 302, Toronto, Ontario M2K 1E3 Tel: (416) 499-8848 Fax: (416) 491-5301

1273795 B.C. Ltd.
Consolidated Statements of Financial Position
December 31, 2020
(Stated in Canadian Dollars)

	Note	December 31, 2020
ASSETS		
Cash		**$ 2,569**
TOTAL ASSETS		**$ 2,569**
LIABILITIES		
Current liabilities		
Accounts payable		**$ 3,194,606**
TOTAL LIABILITIES		**3,194,606**
SHAREHOLDERS' DEFICIT		
Share capital	**3**	**2,569**
Deficit		**(3,194,602)**
		(3,192,033)
Non-controlling interest		**(4)**
TOTAL SHAREHOLDERS' DEFICIT		**(3,192,037)**
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		**$ 2,569**

Going Concern – Note 1

Approved on behalf of the Board:

Christopher O'Connor
Director

David Hill
Director

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

1273795 B.C. Ltd.
Consolidated Statements of Comprehensive Loss
For the period November 9, 2020 (Date of Incorporation) to December 31, 2020
(Stated in Canadian Dollars)

	Note	**Period ended December 31, 2020**
Expenses		
Exploration	4	3,183,106
Professional fees		11,500
		3,194,606
Non-controlling interest		(4)
Comprehensive loss for the period		**$ (3,194,602)**
Loss per share – basic and diluted		**$ (0.72)**
Weighted average number of shares outstanding – basic and diluted		**4,446,346**

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

1273795 B.C. Ltd.
Consolidated Statements of Changes in Shareholders' Deficit
For the period November 9, 2020 (Date of Incorporation) to December 31, 2020
(Stated in Canadian Dollars)

	Number of shares	Amount	Deficit	Non-controlling interest	Total
Balance at November 9, 2020	1	$ -	$ -	$ -	$ -
Cancellation of share	(1)	-	-	-	-
Shares issued for financing	25,690,000	2,569	-	-	2,569
Net and comprehensive loss for the year	-	-	(3,194,602)	(4)	(3,194,606)
Balance at December 31, 2020	**25,690,000**	**$ 2,569**	**$ (3,194,602)**	**$ (4)**	**$ (3,192,037)**

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

1273795 B.C. Ltd.
Consolidated Statements of Cash Flows
For the period November 9, 2020 (Date of Incorporation) to December 31, 2020
(Stated in Canadian Dollars)

	Period ended December 31, 2020
Operating Activities	
Net loss for the year	$ (3,194,606)
Changes in non-cash working capital items:	
Accounts payable	3,194,606
Net cash flows used in operating activities	-
Financing Activities	
Proceeds on issuance of common shares	2,569
Net cash flows from financing activities	2,569
Change in cash during the year	2,569
Cash, beginning of the year	-
Cash, end of the year	**$ 2,569**

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

1. Nature of operations and going concern

1273795 B.C Ltd. (the "Company") is a privately held company engaged in the acquisition, exploration and development of mineral properties located in Mali, West Africa. The Company incorporated on November 9, 2020 under the laws of the Province of British Columbia, Canada.

The Company's head office and principal business address is Suite 1080 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

These consolidated financial statements have been prepared on the assumption that the Company (and its subsidiary) will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at December 31, 2020, the Company has a working capital deficiency of $3,192,037, an accumulated deficit of $3,194,602 and has not generated revenue from operations. These uncertainties cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to attain profitable operations and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations.

The Company will have to raise funds in the future to continue operations and there is no assurance it will be able to do so in the future.

Further, in March 2020, the World Health Organization declared coronavirus COVID – 19 a global pandemic which has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposing quarantine period and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown currently, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

These consolidated financial statements do not reflect the adjustments, to the carrying values or classifications of assets and liabilities or to the reported expenses that would be necessary if the Company were unable to realize its assets and settle is liabilities as a going concern in the normal course of operations for the foreseeable future. These adjustments could be material.

2. Significant accounting policies

(a) Statement of Compliance with International Financial Reporting Standards ("IFRS")

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were authorized for issue on February 24, 2021 by the directors of the Company.

(b) Basis of Presentation

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(c) Principals of consolidation

These consolidated financial statements include the accounts of the Company and its controlled entity. Subsidiaries consist of entities over which the Company is exposed to, or has right to, variable returns as well as the ability to affect these returns through the power to direct the relevant activities of the entities. All inter-company balances and transactions have been eliminated on consolidation. Details of its controlled entity is as follows:

		Percentage Owned
	Country of Incorporation	December 31, 2020
La Societe Gonka Gold Mali SARL	Mali	75%

(d) Management estimates and assumptions

These consolidated financial statements have been prepared on an accrual basis and are based on historical costs except for certain financial instruments, which are measured at fair value as explained in the significant accounting policies set out in Note 2. The consolidated financial statements are presented in Canadian dollars which is the Company's functional currency.

The preparation of these consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.
- Going concern – the assessment of the Company's ability to continue as a going concern involves judgement regarding future funding available for its operations and working capital requirements as discussed in Note 1.
- The determination of the functional currency of the parent company and its subsidiary.

(e) Foreign currency translation

The functional currency of each of the Company's controlled entities is determined using primary and secondary indicators related to the economic environment in which that entity operates. The Canadian dollar is the parent company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise. Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

The financial results and position of a foreign operation whose functional currency was different from the Company's presentation currency would be translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are transferred directly to the Company's foreign currency translation reserve in the statement of comprehensive loss. These differences are recognized in the profit or loss in the period in which the foreign operations are disposed.

(f) *Exploration and evaluation expenditures*

The Company expenses all acquisition costs of mineral properties and exploration and evaluation expenditures as incurred.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception the capitalization of development costs that give rise to a future benefit.

(g) Financial instruments

All financial assets not classified at amortized cost or fair value through other comprehensive income ("FVOCI") are measured at fair value through profit or loss ('FVTPL"). On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for the period. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

The Company classified cash at amortized cost and accounts payable and accrued liabilities and shareholder loans at amortized cost.

Impairment of financial assets:

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

Financial instruments recorded at fair value:
Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2020, the Company did not have any financial instruments recorded at fair value.

(h) Income taxes

Current income taxes:
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income taxes:
Deferred income tax is provided based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(i) Basic and diluted loss per share
Basic loss per share is computed by dividing the net loss applicable to the common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. The dilution is calculated based upon the net number of common shares issued should “in the money” options and warrants be exercised and the proceeds used to repurchase common shares at the average market price during the period. For the periods presented, diluted loss per share was equal to basic loss per share as the dilutive effect was anti-dilutive.

(Stated in Canadian Dollars)

(j) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Costs directly attributable to the issue of new shares are recognized in equity as a deduction from the proceeds. Costs attributable to the listing of existing shares are expensed as incurred.

Proceeds received on the issuance of units, consisting of common shares and share purchase warrants are allocated to common shares.

(k) Nature of provisional liabilities

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, provisions for risks and expenses are recognized to cover probable outflows of resources that can be estimated and that result from present obligations resulting from past events. In the case where a potential obligation resulting from past events exists, but where occurrence of the outflow of resources is not probable or the estimate is not reliable, these contingent liabilities are disclosed in off-balance sheet commitments and litigation. The provisions are measured based on management's best estimate of outcome on the basis of facts known at the reporting date.

As at December 31, 2020, the Company did not have any provisions.

3. Share capital

Authorized:

Unlimited common shares without par value.

Issued:

On incorporation, one share was issued. This share was cancelled on December 22, 2020.

On December 22, 2020, the Company completed a non-brokered private placement, pursuant to which the Company issued 25,690,000 common shares, at a price of $0.0001 per common share, for aggregate proceeds of $2,569.

	Number of common shares	***$***
Common shares outstanding		
November 9, 2020	1	-
Cancellation of share	(1)	-
Private placement	25,690,000	$ 2,569
December 31, 2020	25,690,000	$ 2,569

Warrants:

At December 31, 2020 there were nil warrants outstanding.

Stock options:

At December 31, 2020 there were nil stock options outstanding.

4. Exploration

The Company purchased a 75% interest in La Societe Gonka Gold Mali SARL ("**Gonka**").

Gonka has entered into an agreement with Fokolore Mining SARL (the "**Purchase Agreement**") to acquire the research permit to explore for gold in the Maligonga-Est (Cercle de Kéniéba) region of Mali (the "**Region**"), issued by the Government of Mali on June 10, 2016 under number 2016-2006/MM-SG (as renewed pursuant to ordinance number 2019-3557/MMP-SG on October 11, 2019, (the "**Mining Permit**").

Under the terms of the Purchase Agreement, the parties must receive ministerial consent to the transfer of the Mining Permit to Gonka and the Company must pay a total consideration of US$2,500,000, of which US$250,000 has already been paid by Waraba Gold Limited, with an additional US$1,000,000 is due by the end of March 2021. The remaining US$1,250,000 is expected to be settled with shares of the Company. In addition, Gonka will be required to pay an additional US$1,000,000 upon proof, to an internationally recognized standard, that the area covered by the Mining Permit holds at least 1,000,000 ounces of gold; and an additional US$1,000,000 upon proof, to an internationally recognized standard, that the area covered by the Mining Permit holds at least 1,500,000 ounces of gold.

The Company will be expected to fund 75% of all future exploration on the concession. The remaining 25% of future exploration expense will be funded by the non-controlling shareholder in Gonka.

5. Related party transactions

Related parties include directors, officers, close family members, certain consultants and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

In accordance with IAS 24, key management personnel are those persons 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.

The Company did not report any remuneration of directors and key management personnel for the period ended December 31, 2020.

6. Financial instruments and risk management

The Company's financial instruments include accounts payables. The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors its risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash accounts. This risk is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. As at December 31, 2020, the Company held cash in trust with its lawyers.

Liquidity and funding risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. Under current market conditions both liquidity and funding risk have been assessed as high.

The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from financing activities and its holdings of cash.

The Company expects to source funding through the issuance of equity securities for cash, primarily through private placements and amounts due from related parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity, or other funding.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities as at December 31, 2020:

	Within one year	Between one and five years	More than five years
Accounts payable – purchase of exploration property	$ 3,183,091	$ -	$
Accounts payable – trade	11,515		
	$ 3,194,606	**$ -**	**$**

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's loan payable and due to related parties are not exposed to any significant interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's subsidiary is not exposed to material currency risk as its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates.

Classification of financial instruments

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in US dollars:

		December 31, 2020
Trade payables in US dollars	US$ 2,500,000	$ 3,183,091

Based on the above, assuming that all other variables remain constant, a 10% change in the value of the Canadian dollar against the US dollar would affect the Company's operations by $250,000.

The Company held cash of $2,569 for the period ended December 31, 2020.

Financial liabilities included in the statements of financial position are as follows:

		December 31, 2020
Non-derivative financial liabilities:		
Accounts payable	-	$ 3,194,606
		$ 3,194,606

Fair values

The fair values of the Company's financial assets and liabilities approximate their carrying amounts due to their short-term maturity.

(Stated in Canadian Dollars)

7. Capital management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including pursuit of merger and acquisition opportunities; and
- to maximize shareholder return.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and financial markets in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, or adjusting spending. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be shareholders' equity, which at December 31, 2020 totaled a deficit of $3,192,037. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes remained unchanged during the period November 9, 2020 to December 31, 2020. The Company is not subject to any capital requirements imposed by a lending institution.

8. Deferred Income Taxes

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	December 31, 2020
Loss before income taxes	$ (3,194,606)
Statutory tax rate	26.5%
Expected income tax recovery	(846,571)
Tax rate changes	-
Permanent differences and other	-
Change in unrecognized deferred income tax assets	846,571
Deferred income tax recovery	**$ -**

The Company has the following significant deductible temporary differences for which no deferred tax asset has been recognized:

	December 31, 2020
Non-capital and net operating losses	$ 11,514
Exploration expenses	3,183,092
	3,194,606
Unrecognized deferred income tax asset	(3,194,606)
Net deferred tax assets	**$ -**

The tax pools relating to the significant deductible temporary differences expire as follows:

(Stated in Canadian Dollars)

	Non-capital and net operating losses
2040	11,514
	$ 11,514

As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized. As at December 31, 2020, the Company has approximately $11,500 in Canadian non-capital losses and net operating losses of $14 in Mali that can be offset against future taxable income in future years which begin expiring commencing 2040 for Canada and 2023 for Mali. The potential future tax benefit of these losses has not been recorded as a deferred tax asset valuation allowance has been provided due to the uncertainty regarding the realization of these losses.

9. Subsequent events

Subsequent to December 31, 2020, Waraba Gold Limited (Waraba) announced that it had acquired all the common shares of the Company by way of three-cornered amalgamation involving a subsidiary of Waraba and the Company. The common shares of the Company were ascribed a value of $0.1875 per common share, representing an aggregate consideration of $4,867,500.

As certain directors and officers of Waraba received Waraba Shares in connection with the acquisition, it is considered a related party transaction for the purposes of Multilateral Instrument 61- 101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The participation of the directors and officers is exempt from the formal valuation and non-controlling shareholder approval requirements provided under MI 61-101 in accordance with sections 5.5(a) and 5.7(1)(a) of MI 61-101. The Company is relying on an exemption from the formal valuation and non-controlling shareholder approval requirements of MI 61-101 available because the fair market value of the Waraba Shares issued to the directors and officers does not exceed 25% of the Company's market capitalization, as determined in accordance with MI 61-101. The Company did not file a material change report related to this acquisition more than 21 days before the expected closing of the acquisition as required by MI 61-101 since the details of the Waraba Shares were not settled until shortly prior to the closing of the acquisition and the Company wished to close on an expedited basis for sound business reasons.