

**Waraba Gold Limited**  
**(formerly Zenith Exploration Inc.)**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(Unaudited – Prepared by Management)**  
**Nine Months Ended April 30, 2021 and 2020**  
**(Expressed in Canadian Dollars)**

These unaudited condensed consolidated interim financial statements of Waraba Gold Limited (Zenith Exploration Inc.) for the nine months ended April 30, 2021, have been prepared by management and approved by the Board of Directors. These unaudited condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

**Waraba Gold Limited (formerly Zenith Exploration Inc.)**  
Condensed Consolidated Interim Statements of Financial Position  
(Unaudited - Expressed in Canadian Dollars)

	Notes	April 30, 2021	July 31, 2020
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 4,470,749	\$ 106,789
Receivables		30,565	35,133
Tax credit receivable		50,972	50,972
Prepaid		9,689	-
		4,561,975	192,894
Property and equipment	3,4,5	130,267	-
Exploration and evaluation assets	3,4,5	11,553,313	347,657
<b>TOTAL ASSETS</b>		<b>\$ 16,245,555</b>	<b>\$ 540,551</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	6	\$ 1,717,244	13,120
Loans payable	7	1,597,050	-
<b>TOTAL LIABILITIES</b>		<b>\$ 3,314,294</b>	<b>\$ 13,120</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	8	10,344,559	1,162,891
Share subscriptions	8,13	4,365,500	-
Contributed surplus	8	71,901	71,901
Accumulated other comprehensive loss		28,488	-
Non-controlling interest	3,10	(9,501)	-
Deficit		(1,869,686)	(707,361)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>12,931,261</b>	<b>527,431</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 16,245,555</b>	<b>\$ 540,551</b>

**Nature and continuance of operations** (Note 1)

**Subsequent events** (Note 13)

Approved by the Board of Directors and authorized for issue on June 28, 2021:

"Carl Esprey"

Carl Esprey, Director

"Chris O'Connor"

Chris O'Connor, Director

See accompanying notes to the condensed consolidated interim financial statements.

**Waraba Gold Limited (formerly Zenith Exploration Inc.)**

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss  
(Unaudited - Expressed in Canadian Dollars)

	Note	Three months ended April 30, 2021	Three months ended April 30, 2020	Nine months ended April 30, 2021	Nine months ended April 30, 2020
<b>Expenses</b>					
Management fees	9	\$ -	\$ -	\$ 82,270	\$ -
Consulting fees	9	9,542	-	52,520	-
Depreciation	4	2,133	-	2,170	-
Financing cost		378,108	-	378,108	-
Investor relations		38,105	-	58,570	-
Office and miscellaneous		27,981	19	32,920	89
Professional fees		45,489	5,093	123,741	29,564
Project generation		15,295	-	243,945	-
Regulatory fees		20,398	2,250	29,045	11,616
Transaction cost		-	-	19,928	55
Transfer agent		1,130	585	7,690	2,910
Travel & accomodation		-	-	125,975	-
		\$ (538,181)	\$ (7,947)	\$ (1,156,882)	\$ (44,234)
<b>Other Items</b>					
Foreign exchange		36,870	-	(6,050)	-
Interest Income		-	-	372	-
<b>Loss for the period</b>		\$ (501,311)	\$ (7,947)	\$ (1,162,560)	\$ (44,234)
<b>Loss attributable to:</b>					
Shareholders of the parent company		(501,086)	(7,947)	(1,162,325)	(44,234)
Non-controlling interest	10	(225)	-	(235)	-
		\$ (501,311)	\$ (7,947)	\$ (1,162,560)	\$ (44,234)
<b>Other comprehensive loss:</b>					
Foreign currency translation loss attributed to equity shareholders of the parent company		2,852	-	28,488	-
<b>Other comprehensive loss for the period</b>		\$ (498,459)	\$ (7,947)	\$ (1,134,072)	\$ (44,234)
<b>Loss per share – basic and diluted</b>		\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.00)
<b>Weighted average number of common shares outstanding</b>		<b>72,986,411</b>	<b>28,796,411</b>	<b>53,281,759</b>	<b>28,796,411</b>

See accompanying notes to the condensed consolidated interim financial statements.

**Waraba Gold Limited (formerly Zenith Exploration Inc.)**

Condensed Consolidated Interim Statement of Changes in Shareholder's Equity  
(Unaudited - Expressed in Canadian Dollars)

	Notes	Share capital		Share Subscriptions	Reserves	Accumulated other comprehensive loss	Non-controlling Interest	Deficit	Total
		Number of shares	Amount						
<b>Balance at July 31, 2019</b>		<b>28,796,411</b>	<b>\$ 1,147,897</b>	<b>\$ -</b>	<b>\$ 71,901</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (601,424)</b>	<b>\$ 618,374</b>
Transfer of properties to former subsidiaries		-	(180,745)	-	-	-	-	-	(180,745)
Spin out of subsidiaries		-	-	-	-	-	-	5,100	5,100
Loss for the period		-	-	-	-	-	-	(44,234)	(44,234)
<b>Balance at April 30, 2020</b>		<b>28,796,411</b>	<b>\$ 967,152</b>	<b>\$ -</b>	<b>\$ 71,901</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (640,558)</b>	<b>\$ 398,495</b>
<b>Balance at July 31, 2020</b>		<b>38,796,411</b>	<b>\$ 1,162,891</b>	<b>\$ -</b>	<b>\$ 71,901</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (707,361)</b>	<b>\$ 527,431</b>
Private placement	8	8,500,000	1,700,000	-	-	-	-	-	1,700,000
Acquisition of interest in Mali Gold Project	3,8	25,690,000	7,578,550	-	-	-	-	-	7,578,550
Share issuance costs	8	-	(96,882)	-	-	-	-	-	(96,882)
Share subscriptions	13	-	-	4,365,500	-	-	-	-	4,365,500
Investment in subsidiary	3,6	-	-	-	-	-	(9,266)	-	(9,266)
Foreign currency translation		-	-	-	-	28,488	-	-	28,488
Non-controlling interest	3,7,10	-	-	-	-	-	(235)	-	(235)
Loss for the period		-	-	-	-	-	-	(1,162,325)	(1,162,325)
<b>Balance at April 30, 2021</b>		<b>72,986,411</b>	<b>\$10,344,559</b>	<b>\$ 4,365,500</b>	<b>\$ 71,901</b>	<b>\$ 28,488</b>	<b>\$ (9,501)</b>	<b>\$ (1,869,686)</b>	<b>12,931,261</b>

See accompanying notes to the condensed consolidated interim financial statements.

**Waraba Gold Limited (formerly Zenith Exploration Inc.)**  
Condensed Consolidated Interim Statements of Cash Flows  
(Unaudited - Expressed in Canadian Dollars)

	<b>Nine months ended April 30, 2021</b>	<b>Nine months ended April 30, 2020</b>
<b>Operating activities</b>		
Net loss for the period	\$ (1,162,558)	\$ (44,234)
Item not involving cash:		
Depreciation	2,170	-
Unrealized foreign exchange	8,568	-
Changes in non-cash working capital items:		
Receivables	109,223	(1,723)
Due from former subsidiaries	-	(10,142)
Prepaid	(9,689)	-
Accounts payable and accrued liabilities	(562,545)	(4,573)
<b>Net cash flows used in operating activities</b>	<b>(1,614,831)</b>	<b>(60,672)</b>
<b>Investing activities</b>		
Cash assumed from acquisition of subsidiary	(1,129,716)	-
Acquisition of property and equipment	(136,242)	-
Exploration and evaluation assets	(341,784)	-
<b>Net cash flows provided by investing activities</b>	<b>(1,607,742)</b>	<b>-</b>
<b>Financing activities</b>		
Proceeds on issuance of common shares, net of share issuance costs	1,603,118	-
Proceeds from convertible loan	1,638,468	-
Share subscriptions	4,365,500	-
<b>Net cash flows provided by financing activities</b>	<b>7,607,086</b>	<b>-</b>
Foreign exchange effect on cash	(20,553)	-
Change in cash	4,384,513	(60,672)
Cash, beginning	106,789	117,711
<b>Cash, ending</b>	<b>\$ 4,470,749</b>	<b>\$ 57,039</b>
<b>Non-cash transactions:</b>		
Shares issued, amalgamation	\$ 7,578,550	\$ -

See accompanying notes to the condensed interim financial statements.

## **Waraba Gold Limited (formerly Zenith Exploration Inc.)**

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

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### **1. Nature and continuance of operations**

Waraba Gold Limited (formerly Zenith Exploration Inc.) (the "Company") was incorporated on June 19, 2015, under the laws of the Province of British Columbia, Canada. On October 23, 2020, the Company changed its name to Waraba Gold Limited. The Company is a resource exploration company that is acquiring and exploring mineral properties.

The head office, principal address, records office and registered address of the Company are located at 1080 - 789 West Pender Street, Vancouver BC. The Company trades on the Canadian Securities Exchange (the "Exchange") under the trading symbol "WBGD". On March 12, 2021, the Company was listed on the Frankfurt Stock Exchange (also known as Deutsche Boerse AG) under the symbol "ZE0".

These condensed consolidated interim financial statements have been prepared on the assumption that the Company 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. At April 30, 2021, the Company had not yet achieved profitable operations, had accumulated losses of \$1,869,686 (July 31, 2020 - \$707,361) since its inception and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in future periods.

### **2. Significant accounting policies and basis of preparation**

These condensed consolidated interim financial statements were approved and authorized for issue on June 28, 2021 by the directors of the Company.

#### ***Statement of compliance with International Financial Reporting Standards***

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Certain information and note disclosures normally included in the audited annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed. As a result, these condensed consolidated interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended July 31, 2020.

#### ***Basis of preparation***

The condensed consolidated interim financial statements of the Company have been prepared on a historical cost basis except for certain financial assets measured at fair value. Certain comparative figures have been reclassified to conform with the current period presentation.

**Waraba Gold Limited (formerly Zenith Exploration Inc.)**  
Notes to the Condensed Consolidated Interim Financial Statements  
For the Nine Months Ended April 30, 2021 and 2020  
(Unaudited - Expressed in Canadian Dollars)

**2. Significant accounting policies and basis of preparation (cont'd)**

**Consolidation**

The condensed consolidated interim financial statements include the accounts of the Company and its controlled subsidiaries. Details of the controlled subsidiaries are as follows:

	Country of incorporation	Percentage owned*	
		April 30, 2021	July 31, 2020
1285074 B.C. Ltd. ("074 B.C.")	Canada	100%	0%
La Societe Gonka Gold Mali SARL ("Gonka")	Mali	75%	0%

\*Percentage of voting power is in proportion to ownership.

**Functional currency**

The condensed consolidated interim financial statements of the Company are presented in Canadian dollars, which is the functional currency of Waraba Gold Limited.

**Property and equipment**

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of comprehensive income (loss).

Depreciation is calculated on a straight-line method to write off the cost of the assets to their residual values over their estimated useful lives. The depreciation rates applicable to each category of property and equipment are as follows:

Class of property and equipment	Depreciation rate
Vehicle	33%
Software and hardware	20%
Furniture and fittings	20%
Camp equipment	20%

**Accounting standards issued but not yet applied**

Other accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's condensed consolidated interim financial statements.

**Waraba Gold Limited (formerly Zenith Exploration Inc.)**

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

**3. Acquisition and amalgamation**

On December 10, 2020, the Company obtained 100% control over 1278820 B.C. Ltd. ("820 B.C.") and acquired all issued and outstanding common shares.

On January 21, 2021, the Company, closed an amalgamation between 820 B.C. Ltd. and 1273795 B.C. Ltd ("795 B.C.") and formed 074 B.C. Pursuant to the amalgamation, the Company completed the purchase of 100% of all issued and outstanding common shares of 795 B.C. by issuing 25,690,000 common shares of the Company with a fair value of \$7,578,550.

At the transaction date, the Company determined that acquisition of 795 B.C. did not constitute a business as defined under IFRS 3, Business Combinations, and the transaction was accounted for as an asset acquisition. The excess of the consideration paid over the fair value of the net liabilities was attributed to the exploration and evaluation asset.

The purchase price is as follows:

Purchase Price:

25,690,000 common shares issued	\$	7,578,550
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Fair value of net assets acquired:

Cash	\$	98,784
Receivables		104,655
Property and equipment (Note 4)		6,151
Exploration and evaluation assets (Note 5)		10,774,705
Accounts payable and accrued liabilities (Note 5&6)		(3,415,011)
Non-controlling interest (Note 9)		9,266
	\$	7,578,550

**4. Property and equipment**

	Software & Hardware	Vehicle	Furniture & Fittings	Camp Equipment	Total
<b>Cost</b>					
Balance July 31, 2020 and 2019	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition (Note 3)	6,151	-	-	-	6,151
Additions	35,781	64,419	28,688	7,354	136,242
Effect of foreign exchange	(419)	(2,834)	(903)	(122)	(4,278)
<b>Balance April 30, 2021</b>	<b>\$ 41,513</b>	<b>\$ 61,585</b>	<b>\$ 27,785</b>	<b>\$ 7,232</b>	<b>\$ 138,115</b>
<b>Amortization</b>					
Balance July 31, 2020 and 2019	\$ -	\$ -	\$ -	\$ -	\$ -
Additions	1,101	5,792	1,069	34	7,996
Effect of foreign exchange	(13)	(113)	(20)	(2)	(148)
<b>Balance April 30, 2021</b>	<b>\$ 1,101</b>	<b>\$ 5,679</b>	<b>\$ 1,069</b>	<b>\$ 34</b>	<b>\$ 7,848</b>
<b>Net book value</b>					
<b>Balance July 31, 2020 and 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance April 30, 2021</b>	<b>\$ 40,412</b>	<b>\$ 55,906</b>	<b>\$ 26,716</b>	<b>\$ 7,198</b>	<b>\$ 130,267</b>



**Waraba Gold Limited (formerly Zenith Exploration Inc.)**

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

**5. Exploration and evaluation assets**

The following is a description of the Company's exploration and evaluation assets as of April 30, 2021:

	Mali	Gold Project	Scotch Creek	Total
<b>Property acquisition costs</b>				
Balance, beginning	\$	-	\$ 300,000	\$ 300,000
Acquisition (Note 3)		10,774,705	-	10,774,705
Additions		-		-
<b>Balance, ending</b>	<b>\$</b>	<b>10,774,705</b>	<b>\$ 300,000</b>	<b>\$ 11,074,705</b>
<b>Exploration and evaluation costs</b>				
Balance, beginning	\$	-	\$ 47,657	\$ 47,657
Costs incurred during the period:				
Depreciation		5,826	-	5,826
Consulting fees		83,780	-	83,780
Camp and operations		108,047	-	108,047
Surveying & Mapping		32,753	-	32,753
Salaries & Wages		91,449	-	91,449
Travel		109,212	-	109,212
Effect of foreign exchange		(116)	-	(116)
<b>Balance, ending</b>	<b>\$</b>	<b>11,205,656</b>	<b>\$ 347,657</b>	<b>\$ 11,553,313</b>

The following is a description of the Company's exploration and evaluation assets and the related expenditures incurred for the year ended July 31, 2020:

	Scotch Creek	Golden Girl	Mantle	Total
<b>Property acquisition costs</b>				
Balance, beginning of period	\$ 300,000	\$ 8,000	\$ 8,000	\$ 316,000
Additions	-	-	-	-
Transfer to former subsidiaries		(8,000)	(8,000)	(16,000)
<b>Balance, ending</b>	<b>300,000</b>	<b>-</b>	<b>-</b>	<b>300,000</b>
<b>Exploration and evaluation costs</b>				
Balance, beginning	7,839	79,086	82,166	169,091
Costs incurred during the period:				
Assessment report	49,773	-	-	49,773
Management fees	-	1,596	1,897	3,493
Transfer to former subsidiaries	-	(80,682)	(84,063)	(164,745)
	57,612	-	-	57,612
Other Items:				
Exploration tax credits	(9,955)	-	-	(9,955)
<b>Balance, ending</b>	<b>\$ 347,657</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 347,657</b>

## **Waraba Gold Limited (formerly Zenith Exploration Inc.)**

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

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### **5. Exploration and evaluation assets (cont'd)**

#### **Mali Gold Project**

On January 21, 2020, the company completed the amalgamation of 820 B.C and 795 B.C. by issuing 25,690,000 common shares of the Company with a fair value of \$7,857,550. The excess of the consideration paid over the fair value of the net assets was attributed to the exploration and evaluation asset (Note 3).

Pursuant to the amalgamation, the Company acquired 75% interest in 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 as follows:

- Payment of US\$250,000 – paid by the Company on behalf of Gonka
- Additional US\$1,000,000 was due by the end of March 2021 – paid.
- Remaining US\$1,250,000 was expected to be settled with shares of the (Note 6). This was settled in shares on May 7, 2021 (Note 13).

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.

#### **Scotch Creek Property**

On November 14, 2017, the Company entered into a definitive agreement to purchase eight (8) mineral claims covering 1,384.12 hectares comprising the Scotch Creek Property in the Kamloops Mining Division of British Columbia. In connection with the Scotch Creek Property agreement, the Company and vendors have also executed a royalty deed agreement pursuant to the terms and consideration of which the vendors shall receive a net smelter return royalty of 2% from the Company. Two directors of the Company are vendors of the property.

In consideration for a 100% undivided interest in the property, the Company issued 15,000,000 common shares for total consideration of \$300,000.

**Waraba Gold Limited (formerly Zenith Exploration Inc.)**

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

**6. Accounts payable and accrued liabilities**

	<b>April 30, 2021</b>	<b>July 31, 2020</b>
Accounts payable - Mali Gold Project (Note 5)	\$ 1,535,625	\$ -
Accounts payable	164,405	7,008
Accrued liabilities	17,215	6,112
	<b>\$ 1,717,245</b>	<b>\$ 13,120</b>

**7. Loans payable**

On April 9, 2021, the Company entered into convertible loan agreements with two arm's length lenders to borrow an aggregate amount of \$1,260,360 (USD\$1,000,000), with the Company paying facility fees to the lenders for an aggregate amount of \$378,108 (USD\$300,000) capitalized into the loan. The loans are unsecured, non-interest bearing and due at the earlier of October 31, 2021, or at the date the Company completing an equity financing of \$2,000,000. The number of conversion shares is to be calculated at the prevailing exchange rate at the conversion date, divided by the lower of (i) \$0.20; and (ii) the price per share at which the equity financing is completed (Note 13).

The following summarizes the loans payable transactions during the period ended April 30, 2021:

	<b>April 30, 2021</b>
Balance, beginning	\$ -
Additions	1,260,360
Capitalized facility fees	378,108
Effect of foreign exchange	(41,418)
<b>Balance, ending</b>	<b>\$ 1,597,050</b>

**8. Share capital*****Authorized share capital***

Unlimited number of common shares without par value.

***Issued share capital***

At April 30, 2021, there were 72,986,411 (July 31, 2020 – 38,796,411) issued and fully paid common shares.

On November 19, 2020, the Company completed a non-brokered private placement financing and issued 8,500,000 units at a price of \$0.20 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant will entitle the holder thereof to acquire one additional common share at a price of \$1.00 per common share for twelve months following the closing date of the non-brokered private placement. No finder fees were paid in connection with the private placement.

**Waraba Gold Limited (formerly Zenith Exploration Inc.)**

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

**8. Share capital (cont'd)*****Issued share capital (cont'd)***

On January 21, 2021, the Company, closed an amalgamation between the Company's wholly owned subsidiary 820 B.C. and 795 B.C. In connection with the amalgamation, the Company issued 25,690,000 common shares of the Company at a value of \$7,578,550 to the previous shareholders of 795 B.C.

During the period ended April 30, 2021, the company received \$4,365,500 for subscription of private placement shares closed on May 7, 2021 (Note 13).

**Stock options**

During the period ended April 30, 2021, certain officers, directors and former officers and directors have forfeited all their share purchase options.

As at April 30, 2021, there were no stock options outstanding and exercisable (July 31, 2020 - 2,879,641).

***Warrants***

In connection with the November 19, 2020 private placement, 8,500,000 warrants were issued. Each warrant gives the holder the right to acquire one share of the Company at a price of \$1.00 for a term of one year.

As of April 30, 2021, and July 31, 2020, 18,500,000 warrants were outstanding and exercisable.

**9. Related party transactions**

Payments to key management and directors during the nine months ended April 30, 2021 and 2020 were as follows:

		<b>April 30, 2020</b>		<b>April 30, 2019</b>
Management fees paid to officers or to companies controlled by officers	\$	82,270	\$	-
Consulting fees paid to directors		51,323		-
Professional fees paid to officers		50,231		-
Total compensation	\$	183,825	\$	-

During the period ended April 30, 2021, certain officers, directors and former officers and directors have forfeited all their share purchase options.

Included in receivables as at April 30, 2021 is \$Nil (July 31, 2020 - \$1,415) due from directors.

As at April 30, 2021 (July 31, 2020 - \$Nil), \$9,385 was due to a director.

**Waraba Gold Limited (formerly Zenith Exploration Inc.)**

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

**10. Non-controlling Interest**

On January 21, 2020, the company completed the amalgamation of 820 B.C and 795 B.C. Pursuant to the amalgamation, the Company acquired 75% interest in Gonka (Note 3).

As at April 30, 2021, the Company holds 75% (July 31, 2020 – 0%) interest in Gonka resulting in 25% ownership interest held by non-controlling shareholders.

Reconciliation of non-controlling interest as follows:

	April 30, 2021	July 31, 2020
Balance, beginning	\$ -	\$ -
Acquisition of subsidiary (Note 3)	(9,266)	-
Share in net loss	(235)	-
<b>Balance, ending</b>	<b>\$ (9,501)</b>	<b>\$ -</b>

**11. Financial risk and capital management**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. 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 is not exposed to credit risk.

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

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

***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 is not exposed to interest rate risk.

**11. Financial risk and capital management (cont'd)**

***Currency Risk***

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 is exposed to foreign currency exchange risk as its mining operations are significantly denominated in currencies other than the functional currency of the Company.

Since the Company's reporting currency is Canadian dollars and the Company and its subsidiaries have significant operations in Mali and in parts of Europe, the Company is exposed to foreign currency fluctuations on its reported amounts of assets and liabilities.

***Capital Management***

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

***Fair value***

The Company's financial instruments consist of cash, receivables, accounts payables, accrued liabilities and loan payables. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these investments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

**Waraba Gold Limited (formerly Zenith Exploration Inc.)**

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended April 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

**12. Segmented information**

The Company operates in a single reportable operating segment – exploration and evaluation business in two geographical areas, Canada and Mali. During the period ended April 30, 2021 and year ended July 31, 2020, assets by geography are presented below:

As at April 30, 2021:

	Canada		Mali		Total
Current assets	\$	4,541,996	\$	19,979	\$ 4,561,975
Non-current assets	\$	347,657	\$	11,335,923	\$ 11,683,580
Current liabilities	\$	(3,310,984)	\$	(3,310)	\$ (3,314,294)
Non-controlling interest	\$	-	\$	9,501	\$ 9,501

As at July 31, 2020:

	Canada		Mali		Total
Current assets	\$	192,894	\$	-	\$ 192,894
Non-current assets	\$	347,657	\$	-	\$ 347,657
Current liabilities	\$	(13,120)	\$	-	\$ (13,120)

**13. Subsequent events**

- On May 7, 2021, the Company closed a non-brokered private placement for gross proceeds of \$5,610,500. The Company issued 28,052,500 units at \$0.20 per unit, wherein each unit consist of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder thereof to acquire one common share at \$0.30 per warrant share for 12 months following the closing date of the private placement. Additionally, 2,000,000 common shares were issued to certain arm's length finders in connection to this private placement.

In connection with the private placement, Banque Heritage SA (the "Acquiror") purchased an aggregate of 17,575,000 units representing (i) 17,575,000 common shares and (ii) 17,575,000 warrants. Immediately before the acquisition, the Acquiror held 655,000 securities representing approximately 0.9% of issue and outstanding securities. Immediately after the acquisition, the Acquiror holds 18,230,000 securities representing 16.5% of the issued and outstanding securities of the Issuer on a non-diluted basis, and 35,805,000 securities representing 27.9% of 128,363,911 issued and outstanding Securities of the Issuer on a partially diluted basis. The Acquiror's intention is to hold the units for investment purposes only and not with a view to materially effecting control of the Company.

- On May 7, 2021, the Company also issued 7,750,000 common shares to settle the payable of US\$1,250,000 due to Fokolore Mining SARL pursuant to the Purchase Agreement (Notes 5 & 6).

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Notes to the Condensed Consolidated Interim Financial Statements

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**13. Subsequent events (cont'd)**

- The Company partially repaid the principal balance of the convertible loan as follows (Note 7):
  - (i) Subscriptions of 4,095,000 units from the May 7, 2021 private placement to partially settle US\$650,000 of the principal loan payable amount; and
  - (ii) On May 10, 2021, payment of US\$350,000 in cash.