Waraba Gold Limited

(formerly Zenith Exploration Inc.)

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended July 31, 2021 and 2020

(Expressed in Canadian Dollars)

McGovern
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Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Waraba Gold Limited

Opinion

We have audited the consolidated financial statements of Waraba Gold Limited and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as at July 31, 2021 and the consolidated statement of loss and comprehensive loss, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at July 31, 2021 and its consolidated financial performance and its consolidated cash flows for the year 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 consolidated 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 consolidated financial statements in Canada. 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.

Other matter

The consolidated financial statements of the Company for the year ended July 31, 2020, were audited by another auditor who expressed an unmodified opinion on those statements on November 27, 2020.

We have audited the restatement to the consolidated financial statements as at July 31, 2020 and August 1, 2019, as described in note 3 to the consolidated financial statements. In our opinion, such restatement is appropriate and has been properly applied. We were not engaged to audit, review or apply any procedures to the 2020 consolidated financial statements (restated) of the Company other than with respect to the restatement described above and accordingly, we do not express an opinion or any other form of assurance on the 2020 consolidated financial statements (restated) taken as a whole.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has accumulated losses as at July 31, 2021. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Other information

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated 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 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 consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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

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our opinion. The risks 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.
- 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

The engagement partner of the audit resulting in this independent auditor's report is Chris Milios.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
November 26, 2021

Waraba Gold Limited (formerly Zenith Exploration Inc.)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes		July 31, 2021		July 31, 2020		August 1, 2019
ASSETS					(Note 3)		(Note 3)
Current assets							
Cash		$	3,036,213	$	106,789	$	117,711
Receivables			16,196		35,133		25,259
Tax credit receivable			10,564		50,972		6,156
			3,062,973		192,894		149,126
Property and equipment	5		241,841		-		-
TOTAL ASSETS		**$**	**3,304,814**	**$**	**192,894**	**$**	**149,126**
LIABILITIES AND SHAREHOLDERS' EQUITY							
Current Liabilities							
Accounts payable and accrued liabilities	6	$	195,453		13,120		15,843
Loans payable	7		344,274		-		-
TOTAL LIABILITIES		**$**	**539,727**	**$**	**13,120**	**$**	**15,843**
SHAREHOLDERS' EQUITY							
Share capital	8		17,760,548		1,343,636		1,147,897
Contributed surplus	8		-		71,901		71,901
Deficit			(14,816,812)		(1,235,763)		(1,086,515)
TOTAL SHAREHOLDERS' EQUITY			**2,943,736**		**179,774**		**133,283**
Non-controlling interest	4,11		(178,649)		-		-
TOTAL EQUITY			**2,765,087**		**179,774**		**133,283**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**3,304,814**	**$**	**192,894**	**$**	**149,126**

Nature and continuance of operations (Note 1)
Subsequent events (Note 15)

Approved by the Board of Directors and authorized for issue on November 26, 2021:

"Carl Esprey"
Carl Esprey, Director

"Chris O'Connor"
Chris O'Connor, Director

See accompanying notes to the consolidated financial statements.

Waraba Gold Limited (formerly Zenith Exploration Inc.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		Years ended July 31,	
	Note	**2021**	**2020**
			(Note 3)
Management fees	9	$ 82,270	$ 102,125
Consulting fees	9	55,345	-
Depreciation	5	4,789	-
Financing cost		378,108	-
Investor relations		95,431	-
Office and miscellaneous		50,850	108
Professional fees		224,586	32,576
Shareholder information		475	-
Project generation		698,578	-
Exploration expenses	3, 10	12,001,479	43,311
Regulatory fees		30,620	13,361
Transaction cost		19,928	55
Transfer agent		7,260	3,829
Travel & accomodation		125,975	-
		$ (13,775,694)	**$ (195,365)**
Other Items			
Foreign exchange		(47,011)	-
Gain on deconsolidation		-	5,100
Tax recovery		-	41,017
Interest Income		372	-
Loss and comprehensive loss for the year		**$ (13,822,333)**	**$ (149,248)**
Income (loss) attributable to:			
Shareholders of the Company		(13,652,950)	(149,248)
Non-controlling interest	11	(169,383)	-
		$ (13,822,333)	**$ (149,248)**
Income (loss) per share – basic and diluted		**$ (0.21)**	**$ (0.00)**
Weighted average number of common shares outstanding - basic and diluted		**67,155,301**	**30,736,302**

See accompanying notes to the consolidated financial statements.

Waraba Gold Limited (formerly Zenith Exploration Inc.)
Consolidated Statement of Changes in Shareholder's Equity
(Expressed in Canadian Dollars)

	Notes	Share capital: Number of shares	Share capital: Amount	Contributed surplus	Non-controlling Interest	Deficit (Note 3)	Total
Balance at July 31, 2019		**28,796,411**	**$ 1,147,897**	**$ 71,901**	**$ -**	**$ (1,086,515)**	**$ 133,283**
Private placement		10,000,000	200,000	-	-	-	200,000
Share issuance costs		-	(4,261)	-	-	-	(4,261)
Loss for the year		-	-	-	-	(149,248)	(149,248)
Balance at July 31, 2020		**38,796,411**	**$ 1,343,636**	**$ 71,901**	**$ -**	**$ (1,235,763)**	**$ 179,774**
Private placement	8	36,552,500	7,310,500	-	-	-	7,310,500
Shares issued for acquisition of mining permit	10	7,750,000	1,627,500	-	-	-	1,627,500
Acquisition of interest in Mali Gold Project	4,8	27,690,000	7,998,550	-	-	-	7,998,550
Share issuance costs	8	-	(519,638)	-	-	-	(519,638)
Investment in subsidiary	3,6	-	-	-	(9,266)	-	(9,266)
Foreign currency translation		-	-	-	-	-	-
Expired stock options		-	-	(71,901)	-	71,901	-
Loss for the year		-	-	-	(169,383)	(13,652,950)	(13,822,333)
Balance at July 31, 2021		**110,788,911**	**$17,760,548**	**$ -**	**$ (178,649)**	**$(14,816,812)**	**2,765,087**

See accompanying notes to the consolidated financial statements.

Waraba Gold Limited (formerly Zenith Exploration Inc.)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

				Years ended July 31,
		2021		**2020**
Operating activities				(Note 3)
Net (loss) for the year	$	(13,822,333)	$	(149,248)
Item not involving cash:				
Depreciation		4,789		-
Depreciation in exploration expense		15,396		-
Shares issued for exploration expenses		420,000		-
Financing cost		378,108		-
Exploration expense from acquisition of Mali Gold Project		10,774,705		-
Unrealized foreign exchange		(25,605)		-
Changes in non-cash working capital items:				
Receivables		164,000		(60,846)
Prepaid		-		2,663
Accounts payable and accrued liabilities		(1,606,532)		770
Net cash flows used in operating activities		(3,697,472)		(206,661)
Investing activities				
Cash assumed from acquisition of subsidiary		98,784		-
Acquisition of property and equipment		(255,881)		-
Net cash flows used in investing activities		(157,097)		-
Financing activities				
Proceeds on issuance of common shares		6,491,500		200,000
Share issue cost		(519,638)		(4,261)
Loan received		1,260,360		-
Repayment of loan		(426,792)		-
Net cash flows provided by financing activities		6,805,430		195,739
Foreign exchange effect on cash		(21,437)		-
Change in cash		2,950,861		(10,922)
Cash, beginning of year		106,789		117,711
Cash, end of year	**$**	**3,036,213**	**$**	**106,789**
Non-cash transactions:				
Shares issued, acquisition	$	7,578,550	$	-
Shares issued, repayment of loan and share subscription	$	819,000	$	-
Shares issued, acquisition of mining permit	$	1,627,500	$	-

See accompanying notes to the consolidated financial statements.

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".

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, social licensing requirements and non-compliance with regulatory requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty.

These consolidated 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 July 31, 2021, the Company had not yet achieved profitable operations, had accumulated losses of $14,816,812 (July 31, 2020 - $1,235,763) 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. However, there is no guarantee that such financing will be available to the Company on acceptable terms or at all.

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

Statement of compliance with International Financial Reporting Standards

These consolidated financial statements, including comparatives 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").

Basis of preparation

These consolidated financial statements of the Company have been prepared on a historical cost basis except for certain financial assets measured at fair value. These consolidated financial statements are presented in Canadian dollars unless otherwise specified.

The consolidated financial statements for the year ended July 31, 2020, include the financial statements of the Company and its former wholly owned subsidiaries, High Point Exploration Inc. ("High Point") and Top Exploration Inc. ("Top Exploration") until September 20, 2019, which is the date of the Plan of Arrangement (the "Arrangement").

Pursuant to the Arrangement, the Company transferred the Mantle Property to High Point and the Golden Girl Property to Top Exploration and spun out both High Point and Top Exploration. The Arrangement resulted in the shareholders of the Company receiving one common share in High Point and one common share in Top Exploration with respect to every five common shares of the Company. As a result, the Company recorded a gain on deconsolidation of its subsidiaries in the amount of $5,100.

All inter-company balances and transactions were eliminated upon consolidation.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

i) Going concern
See Note 1.

ii) Income taxes and recoverability of potential deferred tax assets
In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction.

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

Significant accounting judgments, estimates and assumptions cont'd)

The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

iii) Existence of Decommissioning and Restoration Costs and the Timing of Expenditure
Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

iv) Share Based Payments
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

v) Convertible Promissory Notes
The classification of the Company's convertible promissory notes required management to analyze the terms and conditions of the promissory notes and use judgment to assess whether these debentures are liability, equity, or a combination of the two. IAS 32 provides the criteria for management to assess these complicated financial instruments to determine their appropriate classification(s). Factors considered are, but not limited to, whether the Company has a future obligation to settle the instrument in cash or exchange other assets or liabilities, the currency of settlement and if the settlement is already known to be equity, the amount will not vary based on the Company's future share price.

vi) Asset Acquisition / Business Combination
In accordance with IFRS 3 – Business Combination, a transaction is recorded as a business combination if the assets acquired, and liabilities assumed constitute a business. A business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. Where there are no such integrated activities, the transaction is treated as an asset acquisition.

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

Consolidation

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

		Percentage owned*	
	Country of incorporation	July 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.

Subsidiaries are all entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns from its involvement with the entity. Subsidiaries are fully consolidated from the date on which control is obtained. They are deconsolidated from the date that control ceases.

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. All other repairs and maintenance are charged to the statement of 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 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%

Foreign currency translation

The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. These consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries.

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

Foreign currency translation (cont'd)

Transactions and balances:
Foreign currency transactions are translated into 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 loss the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income 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.

Exploration and evaluation properties

All expenditures on exploration and evaluation activities, including costs incurred to acquire and secure exploration property licenses, are recorded as exploration expenses until it has been established that a mineral property is commercially viable and technically feasible. Refer to Note 3.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to contributed surplus. The fair value of options is determined using the Black–Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. The grant date fair value of options that expire without being exercised is transferred to deficit.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants will be in the warrant reserve.

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

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Asset/Liability	
Financial Assets	
Cash	Amortized cost
Receivables	Amortized cost
Financial Liabilities	
Accounts payable and accrued liabilities	Amortized cost
Loans payable	FVTPL

(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss in the period in which they arise.

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

Financial instruments (Cont'd)

Impairment of financial assets at amortized cost
The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the consolidated statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss.

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Impairment of assets

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.
An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Income taxes

Current income tax:
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

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

Income taxes (cont'd)

amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company 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.

<u>Deferred income tax:</u>
Deferred income tax is provided using the asset and liability method 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.

Leases

At inception of the contract, the Company assesses whether a contract is, or contains, a lease by evaluating if the contract conveys the right to control the use of an identified asset. For contracts that contain a lease, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted by any initial direct costs, and costs to dismantle and remove the underlying asset less any lease incentives. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term. Right-of-use assets are tested for impairment in accordance with IAS 36 Impairment of Assets. The lease liability is initially measured at the present value of lease payments to be paid subsequent to the commencement date of the lease, discounted either at the interest rate implicit in the lease or the Company's incremental borrowing rate. The lease payments measured in the initial lease liability include payments for an optional renewal period, if any, if the Company is reasonably certain that it will exercise a renewal extension option. The liability is measured at amortized cost using the effective interest method and will be remeasured when there is a change in either the future lease payments or assessment of whether an extension or other option will be exercised. The lease liability is subsequently adjusted for lease payments and interest on the obligation. Interest expense on the lease obligation is included in the consolidated statement of loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases with a lease term of less than 12 months and low value assets and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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

Accounting standards issued but not yet applied

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after August 1, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however early adoption is permitted.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IFRS 3 – Business Combinations ("IFRS 3") was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The amendments are effective for annual periods beginning on January 1, 2022.

IAS 16 – Property, Plant and Equipment ("IAS 16") was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022.

3. Changes in Accounting Policies

During the year ended July 31, 2021, the Company changed its accounting policy of capitalizing exploration and evaluation expenditures. The Company believes that expensing such costs as incurred provides more reliable and relevant financial information. Cost of exploration properties, including the cost of acquiring prospective properties and exploration rights, and exploration and evaluation costs are expensed until it has been established that a mineral property is commercially viable. Previously, the Company capitalized these amounts. The consolidated financial statements for the year ended July 31, 2020 have been restated to reflect adjustments made as a result of this change in accounting policy.

(Expressed in Canadian Dollars)

3. Changes in Accounting Policies (cont'd)

The following is a reconciliation of the Company's consolidated financial statements as at July 31, 2020 and August 1, 2019.

Consolidated Statements of Financial Position

	July 31, 2020 as prevously reported	adjustment	July 31, 2020 as restated
ASSETS			
Current assets			
Cash	$ 106,789	$ -	$ 106,789
Receivables	35,133	-	35,133
Tax credit receivable	50,972	-	50,972
	192,894	-	192,894
Exploration and evaluation assets	347,657	(347,657)	-
TOTAL ASSETS	**$ 540,551**	**$ (347,657)**	**$ 192,894**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	13,120	-	13,120
TOTAL LIABILITIES	**$ 13,120**	**$ -**	**$ 13,120**
SHAREHOLDERS' EQUITY			
Share capital	1,162,891	180,745	1,343,636
Contributed surplus	71,901	-	71,901
Deficit	(707,361)	(528,402)	(1,235,763)
TOTAL SHAREHOLDERS' EQUITY	**527,431**	**(347,657)**	**179,774**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 540,551**	**$ (347,657)**	**$ 192,894**

(Expressed in Canadian Dollars)

3. Changes in Accounting Policies (cont'd)

Consolidated Statements of Financial Position

	August 1, 2019 as prevously reported	adjustment	August 1, 2019 as restated
ASSETS			
Current assets			
Cash	$ 117,711	$ -	$ 117,711
Receivables	25,259	-	25,259
Prepaid expenses and advances	6,156	-	6,156
	149,126	-	149,126
Exploration and evaluation assets	485,091	(485,091)	-
TOTAL ASSETS	**$ 634,217**	**$ (485,091)**	**$ 149,126**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	$ 15,843	$ -	$ 15,843
TOTAL LIABILITIES	**$ 15,843**	**$ -**	**$ 15,843**
SHAREHOLDERS' EQUITY			
Share capital	1,147,897	-	1,147,897
Contributed surplus	71,901	-	71,901
Deficit	(601,424)	(485,091)	(1,086,515)
TOTAL SHAREHOLDERS' EQUITY	**618,374**	**(485,091)**	**133,283**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 634,217**	**$ (485,091)**	**$ 149,126**

(Expressed in Canadian Dollars)

3. Changes in Accounting Policies (cont'd)

Consolidated Statements of Loss and Comprehensive Loss

	July 31, 2020 as prevously reported	adjustment	July 31, 2020 as restated
Expenses			
Exploration expenses	$ -	$ 43,311	$ 43,311
Management fees	102,125	-	102,125
Office and miscellaneous	108	-	108
Professional fees	32,576	-	32,576
Regulatory fees	13,361	-	13,361
Shareholder information	55	-	55
Transfer agent	3,829	-	3,829
	$ (152,054)	**$ (43,311)**	**$ (195,365)**
Other Items			
Gain on deconsolidation	5,100	-	5,100
Tax recovery	41,017	-	41,017
Income (loss) and comprehensive loss for the year	**$ (105,937)**	**$ (43,311)**	**$ (149,248)**
Income (loss) per share – basic and diluted	**$ (0.00)**	**$ -**	**$ (0.00)**
Weighted average number of common shares outstanding	**30,736,302**	**-**	**30,736,302**

(Expressed in Canadian Dollars)

3. Changes in Accounting Policies (cont'd)

Consolidated Statements of Cash Flows

	July 31, 2020 as prevously reported	adjustment	July 31, 2020 as restated
Operating activities			
Net loss for the year	$ (105,937)	$ (43,311)	$ (149,248)
Item not involving cash:			
Changes in non-cash working capital items:			
Receivables	(9,874)	-	(9,874)
Tax credit receivable	(41,017)	(9,955)	(50,972)
Prepaid expenses and advances	2,663	-	2,663
Accounts payable and accrued liabilities	(2,723)	3,493	770
Net cash flows used in operating activities	(156,888)	(49,773)	(206,661)
Investing activities			
Exploration and evaluation assets	(49,773)	49,773	-
Net cash flows used in investing activities	(49,773)	49,773	-
Financing activities			
Proceeds on issuance of common shares	200,000	-	200,000
Share issue cost	(4,261)	-	(4,261)
Net cash flows from financing activities	195,739	-	195,739
Change in cash	(10,922)	-	(10,922)
Cash, beginning of year	117,711	-	117,711
Cash, end of year	**$ 106,789**	**$ -**	**$ 106,789**

4. Acquisition and amalgamation

On December 10, 2020, the Company incorporated a wholly owned subsidiary 1278820 B.C. Ltd. ("820 B.C.").

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 based on the trading price of the shares on the closing date.

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 exploration expenses. See Note 10 for description of the property.

(Expressed in Canadian Dollars)

4. Acquisition and amalgamation (cont'd)

The purchase price is as follows:

Purchase Price:		
25,690,000 common shares issued	$	7,578,550
Fair value of net assets acquired:		
Cash	$	98,784
Receivables		104,655
Property and equipment (Note 5)		6,151
Exploration property (Note 3, 10)		10,774,705
Accounts payable and accrued liabilities (Note 8)		(3,415,011)
Non-controlling interest (Note 11)		9,266
	$	7,578,550

5. Property and equipment

		Software & Hardware		Vehicle		Furniture & Fittings		Camp Equipment		Total
Cost										
Balance July 31, 2019 and 2020	$	-	$	-	$	-	$	-	$	-
Acquisition (Note 4)		6,151		-		-		-		6,151
Additions - Waraba		-		25,207		-		-		25,207
Additions - Gonka		-		10,574		126,120		93,559		230,253
Balance July 31, 2021	**$**	**6,151**	**$**	**35,781**	**$**	**126,120**	**$**	**93,559**	**$**	**261,611**
Amortization										
Balance July 31, 2019 and 2020	$	-	$	-	$	-	$	-	$	-
Additions - Waraba		-		420		-		-		420
Additions - Gonka		634		15,861		2,458		397		19,350
Balance July 31, 2021	**$**	**634**	**$**	**16,281**	**$**	**2,458**	**$**	**397**	**$**	**19,770**
Net book value										
Balance July 31, 2020		**-**		**-**		**-**		**-**		**-**
Balance July 31, 2021	**$**	**5,517**	**$**	**19,500**	**$**	**123,662**	**$**	**93,162**	**$**	**241,841**

6. Accounts payable and accrued liabilities

		July 31, 2021		July 31, 2020		August 1, 2019
Accounts payable		148,204		7,008		9,843
Accrued liabilities		47,250		6,112		6,000
	$	**195,454**	**$**	**13,120**	**$**	**15,843**

(Expressed in Canadian Dollars)

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. As the conversion feature does not meet the definition of an equity instrument, the entire loan has been classified as a liability and is being recorded at FVTPL. During the year ended July 31, 2021, USD$1,000,000 has been repaid (USD$650,000 by issuing 4,095,000 shares and USD$350,000 in cash).

The following summarizes the loans payable transactions during the year ended July 31, 2021:

		July 31, 2021
Balance, beginning	$	-
Additions		1,638,468
Repaid in Cash		(426,791)
Repaid through issuance of Shares		(819,000)
Effect of foreign exchange		(48,403)
Balance, ending	**$**	**344,274**

8. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At July 31, 2021, there were 110,788,911 (July 31, 2020 – 38,796,411) issued and fully paid common shares.

On May 22, 2020, the Company closed a non-brokered private placement and issued 10,000,000 units of the Company at a price of $0.02 per unit for gross cash proceeds of $200,000. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable into one additional common share of the Company at a price of $0.05 per share for a period of 5 years. The Company incurred $4,261 in share issuance costs. The units were issued to certain officers and directors of the Company

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.

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. (Note 4).

(Expressed in Canadian Dollars)

8. Share capital (cont'd)

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.

During the private placement, 4,095,000 units were issued as a partial settlement of a convertible loan. (Note 7).

On May 7, 2021, the Company issued 2,000,000 shares to certain arm's length finders in connection with finders' assistance provided with respect to the acquisition of the research permit.

On May 7, 2021, the Company issued 7,750,000 shares in connection with the acquisition of the research permit to explore gold. (Note 10).

Stock options

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

	July 31, 2021			July 31, 2020		
	Number of options		Weighted average exercise price	Number of options		Weighted average exercise price
Options outstanding, beginning of the year	2,879,641	$	0.05	2,879,641	$	0.05
Options expired	(2,879,641)		0.05	-		-
Options outstanding, end of the year	-	$	-	2,879,641	$	0.05
Options exercisable, end of the year	-	$	-	2,879,641	$	0.05

Warrants

As of July 31, 2021, 46,552,500 warrants were outstanding and exercisable (July 31, 2020 – 10,000,000).

	July 31, 2021			July 31, 2020		
	Warrants issued		Weighted average exercise price	Number of options		Weighted average exercise price
Options outstanding, beginning of the year	10,000,000	$	0.05	-	$	-
Warrants granted	36,552,500		0.46	10,000,000		0.05
Warrants outstanding, end of the year	46,552,500	$	0.37	10,000,000	$	0.05
Warrants exercisable, end of the year	46,552,500	$	0.37	10,000,000	$	0.05

(Expressed in Canadian Dollars)

9. Related party transactions

Payments to key management and directors during the years ended July 31, 2021 and 2020 were as follows:

		July 31, 2021		July 31, 2020
Management fees paid to officers or to companies controlled by officers	$	82,270	$	102,125
Consulting fees paid to directors		106,136		-
Professional fees paid to officers		91,440		-
Total compensation	$	279,846	$	102,125

See Note 8

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

As at July 31, 2021 (July 31, 2020 - $Nil), $12,964 was due to a director.

Amounts owing to and from are unsecure, non-interest bearing and due on demand.

10. Exploration and evaluation properties

The following is a description of the Company's exploration and evaluation properties as of July 31, 2021:

		Mali Gold Project
Property acquisition costs		
Acquisition	$	10,774,705
Exploration expenses		
Depreciation		15,396
Management fees		19,775
Geophysical		79,168
Consulting fees		61,711
Camp and operations		502,269
Field and Assays		191,227
Surveying & Mapping		32,753
Salaries & Wages		142,375
Travel		182,290
Effect of foreign exchange		(190)
Total exploration expenses	**$**	**12,001,479**

(Expressed in Canadian Dollars)

10. Exploration and evaluation properties (cont'd)

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

	Scotch Creek	Golden Girl	Mantle	Total
Exploration and evaluation costs				
Costs incurred during the year:				
Assessment report	49,773	-	-	49,773
Management fees	-	1,596	1,897	3,493
	49,773	1,596	1,897	53,266
Other Items:				
Exploration tax credits	(9,955)	-	-	(9,955)
Total exploration expenses	**$ 39,818**	**$ 1,596**	**$ 1,897**	**$ 43,311**

During the year ended, July 31, 2020, the Company recorded $9,955 in BC Mineral Exploration Tax Credits ("BCMETC") as a reduction to the exploration expenses and $41,017 as tax recovery in the statements of loss for a total tax credit receivable balance of $50,972.

Mali Gold Project

On January 21, 2021, 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 $7,578,550. The excess of the consideration paid over the fair value of the net assets was attributed to the exploration expenses (Note 4). 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 Mali, (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 Company (Note 8). 7,750,000 shares were issued on May 7, 2021 to settle it.

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.

(Expressed in Canadian Dollars)

10. Exploration and evaluation assets (cont'd)

Scotch Creek Property

On November 14, 2017, the Company entered into a definitive agreement to purchase certain mineral claims 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.

Golden Girl Property

On November 15, 2018, the Company entered into a purchase agreement to acquire a 100% interest in a certain mineral property (the "Golden Girl Property") located in B.C.

Pursuant to the Arrangement, the Company transferred the Golden Girl Property to Top Exploration, a former subsidiary of the Company. See Note 2.

Mantle Property

On November 15, 2018, the Company entered into a purchase agreement to acquire a 100% interest in a certain mineral property (the "Mantle Property") located in B.C.

Pursuant to the Arrangement, the Company transferred the Mantle Property to High Point, a former subsidiary of the Company. See Note 2.

11. Non-controlling Interest

On January 21, 2021, 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 4).

As at July 31, 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:

		July 31, 2021		**July 31, 2020**
Balance, beginning	$	-	$	-
Acquisition of subsidiary (Note 4)		(9,266)		-
Share in net loss		(169,383)		-
Balance, ending	**$**	**(178,649)**	**$**	**-**

12. 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 significant 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 significant interest rate risk.

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 some of its mining operations are transacted 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. This risk is not considered significant as most financial assets and liabilities are maintained in Canadian Dollars. See Note 13

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.

(Expressed in Canadian Dollars)

12. Financial risk and capital management (cont'd)

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.

As at July 31, 2021, the Company's financial instruments that are measured at fair value, being the loans payable, are classified as level 2 in the fair value hierarchy. As at July 31, 2020, the Company did not have any financial instruments measured at fair value and that require classification within the fair value hierarchy.

13. Segmented information

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

As at July 31, 2021:

	Canada	Mali	Total
Current assets	$ 3,045,837	$ 17,136	$ 3,062,973
Non-current assets	$ -	$ 241,841	$ 241,841
Current liabilities	$ (520,574)	$ (19,153)	$ (539,727)

As at July 31, 2020:

	Canada	Mali	Total
Current assets	$ 192,894	$ -	$ 192,894
Current liabilities	$ (13,120)	$ -	$ (13,120)

(Expressed in Canadian Dollars)

14. Income taxes

a) Provision for Income Taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% to the effective tax rate is as follows:

	July 31, 2021 $	July 31, 2020 $
(Loss) before income taxes	(10,197,788)	(149,248)
Expected income tax recovery based on statutory rate	(2,702,000)	(40,000)
Adjustment to expected income tax recovery:		
Expenses not deductible for tax purposes	2,220,000	
Change in unrecorded deferred tax asset	482,000	40,000
Deferred income tax provision (recovery)	-	-

b) Deferred Income Tax

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

	July 31, 2021 $	July 31, 2020 $
Unrecognized deferred tax assets		
Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:		
Non-capital loss carry-forwards	2,501,000	576,000
Share issue costs	416,000	
Mineral property costs	137,000	
Total	3,054,000	576,000

The Canadian tax losses expire from 2036 to 2041 as follows:

Year of Expiry	Loss Carry-forward
2036	11,000
2037	6,000
2038	57,000
2039	353,000
2040	149,000
2041	1,925,000
Total	**2,501,000**

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

The Company also has available losses incurred in foreign jurisdictions which can be deducted from taxable income of future years in those jurisdictions. These losses have not been recognized in these financial statements as their realization is uncertain.

15. Subsequent events

On November 19, 2021, 8,500,000 warrants have expired unexercised.

16. Commitments and Contingencies

Environmental Contingencies

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.