

Waraba Gold Limited
(formerly Zenith Exploration Inc.)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
Nine Months Ended April 30, 2022 and 2021
(Expressed in Canadian Dollars)

These unaudited condensed consolidated interim financial statements of Waraba Gold Limited (formerly Zenith Exploration Inc.) for the nine months ended April 30, 2022, 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)

	Note	As at April 30, 2022	As at July 31, 2021
ASSETS			
Current assets			
Cash		\$ 1,121,657	\$ 3,036,213
Receivables		19,649	16,196
Tax credit receivable		10,564	10,564
Prepaid		21,786	-
Total current assets		1,173,656	3,062,973
Non-current assets			
Property and equipment (net)	4	223,371	241,841
Total non-current assets		\$ 223,371	\$ 241,841
TOTAL ASSETS		\$ 1,397,027	\$ 3,304,814
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5	375,193	195,453
Loans payable	6	351,373	344,274
TOTAL LIABILITIES		\$ 726,566	\$ 539,727
SHAREHOLDERS' EQUITY			
Share capital	7	17,760,548	17,760,548
Deficit		(16,689,974)	(14,816,812)
TOTAL SHAREHOLDERS' EQUITY		\$ 1,070,574	\$ 2,943,736
Non-controlling interest	10	(400,113)	(178,649)
TOTAL EQUITY		\$ 670,461	\$ 2,765,087
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 1,397,027	\$ 3,304,814

Nature and continuance of operations (Note 1)

Approved by the Board of Directors and authorized for issue on June 29, 2022:

"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 30,2022	Three months ended April 30,2021	Nine months ended April 30, 2022	Nine months ended April 30, 2021
Expenses					
Management fees		\$ -	\$ -	\$ -	\$ 82,270
Consulting fees	8	-	(5,515)	-	52,520
Depreciation	4	21,575	1,508	29,987	2,170
Financing cost	6	-	378,108	-	378,108
Exploration expense	2,3, 9	80,387	427,009	1,267,696	10,857,999
Investor relations		37,869	38,105	122,754	58,570
Office and miscellaneous		106,745	11,232	160,008	32,920
Professional fees		60,990	45,489	296,594	123,741
Project generation		23,712	15,295	106,273	243,945
Regulatory fees		4,110	20,398	19,520	29,045
Transaction cost		-	-	-	19,928
Transfer agent		3,005	1,130	4,655	7,690
Travel & accommodation		-	(7,940)	-	125,975
Loss before other items		\$ (338,393)	\$ (924,819)	\$ (2,007,487)	\$ (12,014,881)
Other items					
Foreign exchange		79,655	36,870	49,799	(6,050)
Interest Income		-	-	-	372
Tax recovery		-	7,980	-	-
Loss and comprehensive loss for the period		\$ (258,738)	\$ (879,969)	\$ (1,957,688)	\$ (12,020,559)
Loss attributable to:					
Shareholders of the Company		(220,677)	(879,744)	(1,736,224)	(12,020,324)
Non-controlling interest	10	(38,061)	(225)	(221,464)	(235)
		\$ (258,738)	\$ (879,969)	\$ (1,957,688)	\$ (12,020,559)
Other comprehensive loss:					
Foreign currency translation loss attributed to equity shareholders of the parent company		(136,938)	2,852	(136,938)	28,488
Other comprehensive loss for the period		\$ (395,676)	\$ (877,117)	\$ (2,094,626)	\$ (11,992,071)
Loss per share - basic and diluted		\$ (0.00)	\$ (0.01)	\$ (0.02)	\$ (0.02)
Weighted average number of outstanding shares - basic and diluted		\$ 110,788,911	\$ 72,986,411	\$ 110,788,911	\$ 53,281,759

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)

	Note	Number of shares	Amount	Share Subscriptions	Reserves	Accumulated other comprehensive loss	Non- controlling Interest	Deficit	Total shareholders' equity
Balance at July 31, 2020		38,796,411	\$ 1,162,891	\$ -	\$ 71,901	\$ -	\$ -	\$ (707,361)	\$ 527,431
Private placement		8,500,000	1,700,000	-	-	-	-	-	1,700,000
Acquisition of interest in Mali Gold Project	9	25,690,000	7,578,550	-	-	-	-	-	7,578,550
Share issuance costs		-	(96,882)	-	-	-	-	-	(96,882)
Share subscriptions		-	-	4,365,500	-	-	-	-	4,365,500
Investment in subsidiary	7	-	-	-	-	-	(9,266)	-	(9,266)
Foreign currency translation		-	-	-	-	28,488	-	-	28,488
Non-controlling interest		-	-	-	-	-	(235)	-	(235)
Loss for the year		-	-	-	-	-	-	(12,020,324)	(12,020,324)
Balance, April 30, 2021		72,986,411	\$ 10,344,559	\$ 4,365,500	\$ 71,901	\$ 28,488	\$ (9,501)	\$ (12,727,685)	\$ 2,073,262
Balance As at July 31, 2021		110,788,911	\$ 17,760,548	\$ -	\$ -	\$ -	\$ (178,649)	\$ (14,816,812)	\$ 2,765,087
Foreign currency translation		-	-	-	-	(136,938)	-	-	(136,938)
Loss for the year		-	-	-	-	-	(221,464)	(1,736,224)	(1,957,688)
Balance, April 30, 2022		110,788,911	\$ 17,760,548	\$ -	\$ -	\$ (136,938)	\$ (400,113)	\$ (16,553,036)	\$ 670,461

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)

	Note	Nine months ended April 30, 2022	Nine months ended April 30, 2021
Operating activities			
Net loss for the period	\$	(1,957,688)	\$ (12,020,559)
Item not involving cash:			
Depreciation		27,087	2,170
Unrealized foreign exchange		(136,938)	(2,974)
Exploration cost capitalized previously, expensed during the period			10,774,705
Financing cost			378,108
Changes in non-cash working capital:			
Receivables		(3,453)	109,223
Due from former subsidiaries		-	-
Prepaid		(21,786)	(9,689)
Accounts payable and accrued liabilities		179,740	(1,710,887)
Cash used in operating activities		(1,903,039)	(2,479,903)
Investing activities			
Cash assumed from acquisition of subsidiary		-	98,784
Acquisition of property and equipment		(11,517)	(136,242)
Exploration and evaluation assets		-	(347,657)
Net cash flows provided by investing activities		(11,517)	(385,115)
Financing activities			
Proceeds on issuance of common shares, net of share issuance costs		-	1,603,118
Proceeds from convertible loan		-	1,260,360
Share subscriptions		-	4,365,500
Net cash flows provided by financing activities		-	7,228,978
Change in cash		(1,914,556)	4,363,960
Cash and cash equivalents, beginning of period		3,036,213	106,789
Cash and cash equivalents, end of period	\$	1,121,657	\$ 4,470,749

See accompanying notes to the 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, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

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 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, 2022, the Company had not yet achieved profitable operations, had accumulated losses of \$16,689,974 (July 31, 2021 - \$14,816,812) 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.

Waraba Gold Limited (formerly Zenith Exploration Inc.)

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended April 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

2. Significant accounting policies and basis of preparation

These condensed consolidated interim financial statements were approved and authorized for issue on June 29, 2022 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, 2021.

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.

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, 2022	July 31, 2021
1285074 B.C. Ltd. ("074 B.C.")	Canada	100%	100%
La Societe Gonka Gold Mali SARL ("Gonka")	Mali	75%	75%

*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:

Waraba Gold Limited (formerly Zenith Exploration Inc.)

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended April 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

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

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

Exploration and evaluation expenditures

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.

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.

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 Company also applied this change in accounting policy to the underlying policies of its associates, resulting in additional changes. The condensed consolidated interim financial statements for the nine months ended April 30, 2022 have been restated to reflect adjustments made as a result of this change in accounting policy.

3. Changes in Accounting Policies and estimates

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.

The following is a reconciliation of the Company's consolidated financial statements as at April 30, 2021.

Waraba Gold Limited (formerly Zenith Exploration Inc.)
Notes to the Condensed Consolidated Interim Financial Statements
For the Nine Months Ended April 30, 2022 and 2021
(Unaudited - Expressed in Canadian Dollars)
3. Changes in Accounting Policies (cont'd)
Consolidated Statements of Loss and Comprehensive Loss

		Three months ended April 30, 2021 as previously reported	Adjustment	Three months ended April 30, 2021 as restated	Nine months ended April 30, 2021 as previously reported	Adjustment	Nine months ended April 30, 2021 as restated
Management fees	\$	-	\$ -	\$ -	\$ 82,270	\$ -	\$ 82,270
Consulting fees		9,542	(15,057)	(5,515)	52,520	-	52,520
Depreciation		2,133	(625)	1,508	2,170	-	2,170
Financing cost		378,108	-	378,108	378,108	-	378,108
Exploration expense		-	427,009	427,009	-	10,857,999	10,857,999
Investor relations		38,105	-	38,105	58,570	-	58,570
Office and general		27,931	(16,749)	11,232	32,920	-	32,920
Professional fees		45,489	-	45,489	123,741	-	123,741
Project generation		15,295	-	15,295	243,945	-	243,945
Regulatory fees		20,398	-	20,398	29,045	-	29,045
Transaction cost		-	-	-	19,928	-	19,928
Transfer agent		1,130	-	1,130	7,690	-	7,690
Travel & accommodation		-	(7,940)	(7,940)	125,975	-	125,975
Loss before other items	\$	(538,181)	\$ (386,638)	\$ (924,819)	\$ (1,156,882)	(10,857,999)	(12,014,881)
Other items							
Foreign exchange		36,870	-	36,870	(6,050)	-	(6,050)
Interest income		-	-	-	372	-	372
Tax recovery		-	7,980	7,980	-	-	-
Loss and comprehensive loss for the period	\$	(501,311)	\$ (378,658)	\$ (879,969)	\$ (1,162,560)	(10,857,999)	(12,020,559)
Loss attributable to:							
Shareholders of the Company		(501,086)	(378,658)	(879,744)	(1,162,325)	(10,857,999)	(12,020,324)
Non-controlling interest		(225)	-	(225)	(235)	-	(235)
	\$	(501,311)	\$ (378,658)	\$ (879,969)	\$ (1,162,560)	(10,857,999)	(12,020,559)

Also, the cash flow statement for nine months ended April 30, 2021 contained some errors which were corrected and reported in audited financial statements for year ended July 31, 2021 comparison of which is as below

Waraba Gold Limited (formerly Zenith Exploration Inc.)

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended April 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

	Nine months ended April 30, 2021 as previously reported	Adjustment	Nine months ended April 30, 2021 as restated
Operating activities			
Net loss for the period	\$ (1,162,558)	\$ (10,858,001)	\$ (12,020,559)
Item not involving cash:			
Depreciation	2,170	-	2,170
Unrealized foreign exchange	8,568	(11,542)	(2,974)
Exploration cost capitalized previously, expensed during the period	-	10,774,705	10,774,705
Financing cost	-	378,108	378,108
Changes in non-cash working capital:			
Receivables	109,223	-	109,223
Prepaid	(9,689)	-	(9,689)
Accounts payable and accrued liabilities	(562,545)	(1,148,342)	(1,710,887)
Cash used in operating activities	(1,614,831)	(865,072)	(2,479,903)
Investing activities			
Cash assumed from acquisition of subsidiary	(1,129,716)	1,228,500	98,784
Acquisition of property and equipment	(136,242)	-	(136,242)
Exploration and evaluation assets	(341,784)	(5,873)	(347,657)
Net cash flows provided by investing activities	(1,607,742)	1,222,627	(385,115)
Financing activities			
Proceeds on issuance of common shares, net of share issuance costs	1,603,118	-	1,603,118
Proceeds from convertible loan	1,638,468	(378,108)	1,260,360
Share subscriptions	4,365,500	-	4,365,500
Net cash flows provided by financing activities	7,607,086	(378,108)	7,228,978
Foreign exchange effect on cash	(20,553)	20,553	
Change in cash	4,384,513	(20,553)	4,363,960
Cash and cash equivalents, beginning of period	106,789	-	106,789
Cash and cash equivalents, end of period	\$ 4,470,749	\$ -	\$ 4,470,749

Waraba Gold Limited (formerly Zenith Exploration Inc.)

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended April 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

4. Property and equipment

	Software & Hardware	Vehicle	Furniture & Fittings	Camp Equipment	Total
Cost					
Balance July 31, 2021	\$ 41,933	\$ 126,120	\$ 28,688	\$ 64,870	\$ 261,612
Additions - Gonka	-	-	-	42,291	42,291
Effect of foreign exchange	-	-	-	(1,852)	(1,852)
Balance April 30, 2022	\$ 41,933	\$ 126,120	\$ 28,688	\$ 105,309	\$ 302,050
Amortization					
Balance July 31, 2021	\$ 1,916	\$ 14,999	\$ 2,458	\$ 397	\$ 19,770
Additions - Waraba	5,041	-	-	-	5,041
Additions - Gonka	2,455	28,827	3,397	19,190	53,868
Balance April 30, 2022	\$ 9,412	\$ 43,826	\$ 5,855	\$ 19,586	\$ 78,679
Net book value					
Balance July 31, 2021	40,017	111,121	26,231	64,473	241,841
Balance April 30, 2022	\$ 32,521	\$ 82,294	\$ 22,834	\$ 85,722	\$ 223,371

5. Accounts payable and accrued liabilities

	April 30, 2022	July 31, 2021
Accounts payable	\$ 267,432	\$ 148,203
Amounts due to related parties (Note 7)	73,050	-
Accrued liabilities	34,711	47,250
Balance, ending	\$ 375,193	\$ 195,453

6. 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\$1,024,000 has been repaid (USD\$674,000 by issuing 4,095,000 shares and USD\$350,000 in cash).

Waraba Gold Limited (formerly Zenith Exploration Inc.)

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended April 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

6. Loans payable (cont'd)

The following summarizes the loans payable transactions during the period ended April 30, 2022:

	April 30, 2022	July 31, 2021
Balance, beginning	\$ 344,274	\$ -
Additions	-	1,638,468
Repaid in Cash	-	(426,791)
Repaid through issuance of Shares	-	(819,000)
Effect of foreign exchange	7,099	(48,403)
Balance, ending	\$ 351,373	\$ 344,274

7. Share capital***Authorized share capital***

Unlimited number of common shares without par value.

Issued share capital

At April 30, 2022, there were 110,788,911 (July 31, 2021 – 110,788,911) issued and fully paid common shares.

No Common shares were issued during the three and nine months ended April 30, 2022.

Stock options

As at April 30, 2022, there were no stock options outstanding and exercisable (July 31, 2021 - Nil).

Warrants

As of April 30, 2022, 38,052,500 warrants were outstanding and exercisable (July 31, 2021 – 46,552,500).

	April 30, 2022		July 31, 2021	
	Warrants issued	Weighted average exercise price	Number of options	Weighted average exercise price
Warrants outstanding, beginning	46,552,500	\$ 0.37	10,000,000	\$ 0.05
Warrants granted	-	-	36,552,500	0.46
Warrants expired	(8,500,000)	1.00	-	-
Warrants outstanding, ending	38,052,500	\$ 0.23	46,552,500	\$ 0.37
Warrants exercisable, ending	38,052,500	\$ 0.23	46,552,500	\$ 0.37

Waraba Gold Limited (formerly Zenith Exploration Inc.)

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended April 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

8. Related party transactions

Payments to key management and directors during the periods ended April 30, 2022 and 2021 were as follows:

	April 30, 2022	April 30, 2021
Management fees paid to officers or to companies controlled by officers	\$ -	\$ 82,270
Consulting fees paid to directors	101,224	51,323
Professional fees paid to officers	71,056	50,231
Total compensation	\$ 172,280	\$ 183,824

As at April 30, 2022, \$Nil (April 30, 2021 \$183,824), were due to officers of the Company. Amounts owing are unsecured, non-interest bearing and due on demand.

9. Exploration and evaluation properties

The following is a description of the Company's exploration and evaluation properties for the nine months ended April 30, 2022:

	Mali Gold Project
Exploration expenses	
Cost incurred during the period:	
Camp and operations	94,600
Depreciation	29,844
Drilling	57,259
Equipment rental	34,242
Geophysical	401,392
Management fees	42,008
Permits & fees	126,695
Reporting	-
Royalties	17,360
Salaries & wages	163,165
Surveying & mapping	-
Travel	301,132
Total exploration expenses	\$ 1,267,696

No exploration expenses were incurred during the three and nine months ended April 30, 2021.

Waraba Gold Limited (formerly Zenith Exploration Inc.)

Notes to the Condensed Consolidated Interim Financial Statements

For the Nine Months Ended April 30, 2022 and 2021

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation properties (cont'd)**Mali Gold Project**

On January 21, 2021, the Company completed the amalgamation of 1278820 B.C Ltd and 1273795 B.C. Ltd (creating 1285074 B.C. Ltd as a wholly owned subsidiary of the Company) 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. Pursuant to the amalgamation, the Company acquired a 75% interest in Gonka Gold Mali SARL ("Gonka") a company incorporated in the Republic of Mali.

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"). The Mining Permit is was subject to a further renewal, which has been approved.

Under the terms of the Purchase Agreement, the parties were required to receive ministerial consent to the transfer of the Mining Permit to Gonka (such approval having been granted on 17 August 2021) and the Company was required to pay a total consideration of US\$2,500,000 as follows:

- Payment of US\$250,000 – paid on January 19, 2021.
- Additional US\$1,000,000 – paid on April 9, 2021.
- Remaining US\$1,250,000 – 7,750,000 shares were issued on May 7, 2021.

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 in relation to the Mining Permit. 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 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 former 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.

No exploration expenses were recorded for Scotch Creek property during the three and nine months ended April 30, 2022 and 2021.

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(Unaudited - Expressed in Canadian Dollars)

10. Non-controlling Interest

On January 21, 2021, the company completed the amalgamation of 1278820 B.C Ltd and 1273795 B.C. Ltd (creating 1285074 B.C. Ltd as a wholly owned subsidiary of the Company). Pursuant to the amalgamation, the Company acquired 75% interest in Gonka.

As at April 30, 2022, the Company holds 75% (July 31, 2021 – 75%) interest in Gonka resulting in 25% ownership interest held by non-controlling shareholders.

Reconciliation of non-controlling interest as follows:

	April 30, 2022	July 31, 2021
Balance, beginning	\$ (178,649)	\$ -
Acquisition of subsidiary	-	(9,266)
Share in net loss	(221,464)	(169,383)
Balance, ending	\$ (400,113)	\$ (178,649)

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 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.

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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.

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 period. The Company is not subject to any externally imposed capital requirements.

Fair value

The Company's financial instruments consist of cash, receivables, accounts payables and 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 April 30, 2022, 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 April 30, 2021, the Company did not have any financial instruments measured at fair value and that require classification within the fair value hierarchy.

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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, 2022 and year ended July 31, 2021, assets and liabilities by geography are presented below:

As at April 30, 2022:

	Canada		Mali		Total
Current Assets	\$	1,089,943	\$	83,713	\$ 1,173,656
Non-current Assets	\$	19,746	\$	203,625	\$ 223,371
Current liabilities	\$	(469,746)	\$	(256,820)	\$ (726,566)

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)