Waraba Gold Limited

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended July 31, 2022 and 2021

(<u>Expressed in Canadian Dollars</u>)

McGovern Hurley

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 statements of financial position as at July 31, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years 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, 2022 and 2021 and its consolidated financial performance and its consolidated cash flows for the years 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.

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, 2022. 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.

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

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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 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.

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- 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 28, 2022

Waraba Gold Limited
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note		As at July 31, 2022		As at July 31, 2021
ASSETS					
Current assets					
Cash		$	648,459	$	3,036,213
Receivables			24,425		16,196
Tax credit receivable			-		10,564
Prepaid			7,911		-
			680,795		3,062,973
Property and equipment	4		215,385		241,841
TOTAL ASSETS		**$**	**896,180**	**$**	**3,304,814**
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	5		488,428		195,453
Loans payable	6		177,138		344,274
TOTAL LIABILITIES		**$**	**665,566**	**$**	**539,727**
SHAREHOLDERS' EQUITY					
Share capital	7		17,760,548		17,760,548
Deficit			(17,117,715)		(14,816,812)
TOTAL SHAREHOLDERS' EQUITY		**$**	**642,833**	**$**	**2,943,736**
Non-controlling interest	10		(412,219)		(178,649)
TOTAL EQUITY		**$**	**230,614**	**$**	**2,765,087**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**896,180**	**$**	**3,304,814**

Nature and continuance of operations (Note 1)
Commitments and contingencies (Note 15)
Subsequent events (Note 14)

Approved by the Board of Directors and authorized for issue on November 28, 2022:

"Carl Esprey"	*"Chris O'Connor"*
Carl Esprey, Director	Chris O'Connor, Director

See accompanying notes to the consolidated financial statements.

Waraba Gold Limited
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	Year ended July 31, 2022	Year ended July 31, 2021
Expenses			
Management fees		$ -	$ 82,270
Consulting fees	8	-	55,345
Depreciation	4	74,846	4,789
Financing Cost	6	-	378,108
Exploration expense	9	1,668,550	12,001,479
Investor relations		154,933	95,431
Office and miscellaneous		183,162	50,850
Professional fees	8	434,747	224,586
Project generation		121,313	698,578
Regulatory fees		53,870	30,620
Transaction cost		-	19,928
Transfer agent		4,861	7,260
Shareholder information		-	475
Travel and accommodation		-	125,975
Loss before other items		**$ (2,696,282)**	**$ (13,775,694)**
Other items			
Foreign exchange		(5,327)	(47,011)
Change in fair value of loan	6	167,136	
Interest Income		-	372
Loss and comprehensive loss for the year		**$ (2,534,473)**	**$ (13,822,333)**
Loss attributable to:			
Shareholders of the Company		(2,300,903)	(13,652,950)
Non-controlling interest	10	(233,570)	(169,383)
		$ (2,534,473)	**$ (13,822,333)**
Loss per share - basic and diluted		**$ (0.02)**	**$ (0.21)**
Weighted average number of outstanding shares - basic and diluted		**110,788,911**	**67,155,301**

See accompanying notes to the consolidated financial statements

Waraba Gold Limited
Consolidated Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Note	Number of shares	Amount	Reserves	Non-controlling Interest	Deficit	Total shareholders' equity
Balance at July 31, 2020		**38,796,411**	**$ 1,343,636**	**$ 71,901**	**$ -**	**$ (1,235,763)**	**$ 179,774**
Private placement		36,552,500	7,310,500	-	-	-	7,310,500
Shares issued for acquisition of mining permit		7,750,000	1,627,500			-	1,627,500
Acquisition of interest in Mali Gold Project	9	27,690,000	7,998,550	-	-	-	7,998,550
Share issuance costs		-	(519,638)	-	-	-	(519,638)
Investment in subsidiary	7	-	-	-	(9,266)	-	(9,266)
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**
Loss for the year		-	-	-	(233,570)	(2,300,903)	(2,534,473)
Balance at July 31, 2022		**110,788,911**	**$ 17,760,548**	**$ -**	**$ (412,219)**	**$ (17,117,715)**	**$ 230,614**

See accompanying notes to the consolidated financial statements.

Waraba Gold Limited
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Note		Year ended July 31, 2022		Year ended July 31, 2021
Operating activities					
Net loss for the year		$	(2,534,473)	$	(13,822,333)
Items not involving cash:					
Depreciation			74,846		20,185
Unrealized foreign exchange			-		(25,605)
Shares issued for exploration expenses			-		420,000
Exploration expense from acquisition of Mali Gold Project			-		10,774,705
Finance cost			-		378,108
Revaluation of Convertible Loan			(167,136)		
Changes in non-cash working capital:					
Receivables			2,335		164,000
Prepaid			(7,911)		-
Accounts payable and accrued liabilities			292,975		(1,606,532)
Net cash flows used in operating activities			**(2,339,364)**		**(3,697,472)**
Investing activities					
Cash assumed from acquisition of subsidiary			-		98,784
Acquisition of property and equipment			(48,390)		(255,881)
Net cash flows used by investing activities			**(48,390)**		**(157,097)**
Financing activities					
Proceeds on issuance of common shares			-		6,491,500
Share issuance cost			-		(519,638)
Loan received			-		1,260,360
Repayment of loan			-		(426,792)
Net cash flows provided by financing activities			**-**		**6,805,430**
Foreign exchange effect on cash			-		(21,437)
Change in cash			(2,387,754)		2,950,861
Cash and cash equivalents, beginning of year			3,036,213		106,789
Cash and cash equivalents, end of year		**$**	**648,459**	**$**	**3,036,213**
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 (the "Company") was incorporated on June 19, 2015, under the laws of the Province of British Columbia, Canada. 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, 2022, the Company had not yet achieved profitable operations, had accumulated losses of $17,117,715 (July 31, 2021 - $14,816,812) since its inception and expects to incur further losses in the development of its business, all of which are material uncertainties which cast 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 years.

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.

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.

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.

(Expressed in Canadian Dollars)

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

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.

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 31, 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.

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

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.

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

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.

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.

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

Foreign currency translation (cont'd)
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.

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.

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.

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

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 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.

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.

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

Financial instruments (Cont'd)

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 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.

Deferred income tax:
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.

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

Income taxes (cont'd)

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.

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, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently assessing the impact of these standards on the consolidated financial statements.

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

Accounting standards issued but not yet applied (cont'd)

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 and 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 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.

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 non-current 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.

3. 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

(Expressed in Canadian Dollars)

3. Acquisition and amalgamation (cont'd)

acquisition. The excess of the consideration paid over the fair value of the net liabilities was attributed to exploration expenses. See Note 9 for description of the property.

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 4)		6,151
Exploration property (Note 9)		10,774,705
Accounts payable and accrued liabilities (Note 5)		(3,415,011)
Non-controlling interest (Note 10)		9,266
	$	**$7,578,550**

4. Property and equipment

	Software & Hardware	Vehicle	Furniture, Fittings & Camp Equipment	Total
Cost				
Balance July 31, 2020	$ -	$ -	$ -	$ -
Additions - Waraba	16,726	-	-	16,726
Additions - Gonka	25,207	126,120	93,558	244,885
Balance July 31, 2021	**41,933**	**126,120**	**93,558**	**261,611**
Additions - Gonka	10,831	-	37,559	48,390
Balance July 31, 2022	**$ 52,764**	**$ 126,120**	**$ 131,117**	**$ 310,001**
Amortization				
Balance July 31, 2020	$ -	$ -	$ -	$ -
Additions - Waraba	634	-	-	634
Additions - Gonka	1,282	14,999	2,855	19,136
Balance July 31, 2021	**1,916**	**14,999**	**2,855**	**19,770**
Additions - Waraba	6,302	-	-	6,302
Additions - Gonka	3,781	37,178	27,585	68,544
Balance July 31, 2022	**$ 11,999**	**$ 52,177**	**$ 30,440**	**$ 94,616**
Net book value				
Balance July 31, 2020	-	-	-	-
Balance July 31, 2021	**40,017**	**111,121**	**90,703**	**241,841**
Balance July 31, 2022	**$ 40,765**	**$ 73,943**	**$ 100,677**	**$ 215,385**

(Expressed in Canadian Dollars)

5. Accounts payable and accrued liabilities

		July 31, 2022		July 31, 2021
Accounts payable	$	387,591	$	148,203
Amounts due to related parties (Note 8)		15,177		-
Accrued liabilities		85,660		47,250
	$	**488,428**	**$**	**$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).

The following summarizes the loans payable transactions during the years ended July 31, 2022 and 2021:

		July 31, 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		-		(48,403)
Change in fair value of loan		(167,136)		-
Balance, ending	**$**	**177,138**	**$**	**344,274**

Subsequent to July 31, 2022, the loan was settled by issuing 1,775,928 common shares (note 14)

7. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

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

(Expressed in Canadian Dollars)

7. Share capital (cont'd)

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.

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.

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

	July 31, 2022		July 31, 2021	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Options outstanding, beginning	-	$ -	2,879,641	$ 0.05
Options expired	-	-	(2,879,641)	0.05
Options outstanding, ending	-	$ -	-	$ -
Options exercisable, ending	-	$ -	-	$ -

Warrants

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

	July 31, 2022		July 31, 2021	
	Warrants issued	**Weighted average exercise price**	**Number of warrants**	**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

(Expressed in Canadian Dollars)

8. Related party transactions

Payments to key management and directors during the years ended July 31, 2022 and 2021 were as follows:

		July 31, 2022		July 31, 2021
Management fees paid to officers or to companies Controlled by officers	$	-	$	82,270
Consulting fees paid to directors		123,658		106,136
Professional fees paid to officers		103,806		91,440
Total compensation	**$**	**227,464**	**$**	**279,846**

As at July 31, 2022, $15,177 (July 31, 2021 - $12,964), were due to a director 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 years ended July 31, 2022 and 2021:

		Mali Gold Project	
		July 31, 2022	**July 31, 2021**
Property acquisition costs			
Acquisition	**$**	-	10,774,705
Exploration expenses			
Cost incurred during the year:			
Camp and operations		132,100	502,269
Depreciation		-	15,396
Consulting fee		-	61,711
Field and Assays		-	191,227
Drilling		199,054	-
Equipment rental		34,242	-
Geophysical		378,874	79,168
Management fees		64,927	19,775
Permits & fees		137,259	-
Royalties		16,386	-
Salaries & wages		206,636	142,375
Surveying & mapping		-	32,753
Travel		499,072	182,290
Effect of foreign exchange		-	(190)
Total exploration expenses	**$**	**1,668,550**	**12,001,479**

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 (Note 3). 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").

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.

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 July 31, 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:

(Expressed in Canadian Dollars)

10. Non-controlling Interest (cont'd)

		July 31, 2022		July 31, 2021
Balance, beginning	$	(178,649)	$	-
Acquisition of subsidiary		-		(9,266)
Share in net loss		(233,570)		(169,383)
Balance, ending	**$**	**(412,219)**	**$**	**(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.

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

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

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

Fair value

The Company's financial instruments consist of cash, receivables, accounts payables 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 July 31, 2022 and 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.

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

As at July 31, 2022:

		Canada		Mali		Total
Current Assets	$	585,915	$	94,880	$	680,795
Non-current Assets	$	18,486	$	196,899	$	215,385
Current liabilities	$	(442,188)	$	(223,378)	$	(665,566)

(Expressed in Canadian Dollars)

12. Segmented information (cont'd)

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)

13. 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:

	2022 $	2021 $
(Loss) before income taxes	(2,534,473)	(10,197,788)
Expected income tax recovery based on statutory rate	(672,000)	(2,702,000)
Adjustment to expected income tax recovery:		
Expenses not deductible for tax purposes	55,000	2,220,000
Other	(1,000)	-
Change in unrecorded deferred tax asset	(726,000)	482,000
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.

	2022 $	2021 $
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	5,307,000	2,501,000
Share issue costs	312,000	416,000
Mineral property costs	310,000	137,000
Other temporary differences	7,000	-
Total	5,936,000	3,054,000

(Expressed in Canadian Dollars)

13. Income Taxes (cont'd)

The Canadian tax losses expire from 2036 to 2042 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
2042	2,806,000
Total	5,307,000

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.

14. Subsequent Events

On September 5th, 2022, The Company settled its outstanding loans to arm's length parties in following manner:

- USD $276,259 was settled by issuance of 1,775,928 common shares
- GBP 9,000 was settled by issuance of 105,300 common shares

15. Commitment 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.