

**ALMA GOLD INC.**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2021**  
**(UNAUDITED)**  
**(EXPRESSED IN CANADIAN DOLLARS)**

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**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

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Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**ALMA GOLD INC.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Unaudited)  
(Expressed in Canadian dollars)

	August 31, 2021	November 30, 2020
	\$	\$
<b>ASSETS</b>		
CURRENT		
Cash	695,436	35,000
GST receivable	10,224	-
Prepaid expense	577	-
	<b>706,237</b>	<b>35,000</b>
LONG TERM		
Exploration and evaluation assets (Notes 5 and 6)	1,865,082	105,010
<b>TOTAL ASSETS</b>	<b>2,571,319</b>	<b>140,010</b>
<b>LIABILITIES</b>		
CURRENT		
Accounts payable and accrued liabilities (Note 9)	283,352	13,500
Due to Red Lake Gold Inc. (Notes 7 and 9)	50,000	50,000
	<b>333,352</b>	<b>63,500</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 8)	2,263,792	29,692
Reserves	103,676	103,676
Accumulated deficit	(129,501)	(56,858)
	<b>2,237,967</b>	<b>76,510</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>2,571,319</b>	<b>140,010</b>

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)  
SUBSEQUENT EVENT (Note 13)

Approved and authorized for issue on behalf of the Board on October 29, 2021:

"Brian Hearst" Director      "Greg Isenor" Director

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

**ALMA GOLD INC.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Unaudited)  
(Expressed in Canadian dollars)

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	<b>For the three months ended August 31, 2021</b>	For the three months ended August 31, 2020	<b>For the nine months ended August 31, 2021</b>	For the period from the date of incorporation on May 21, 2020 to August 31, 2020
	\$	\$	\$	\$
EXPENSES				
Office and administration	<b>227</b>	-	<b>13,772</b>	-
Professional fees (Note 9)	<b>10,584</b>	6,107	<b>49,232</b>	6,107
Regulatory and filing	<b>1,705</b>	-	<b>9,639</b>	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	<b>(12,516)</b>	(6,107)	<b>(72,643)</b>	(6,107)
LOSS PER SHARE (basic and diluted)	<b>(0.00)</b>	(6,107)	<b>(0.00)</b>	(6,107)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	<b>67,745,626</b>	1	<b>54,798,546</b>	1

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

**ALMA GOLD INC.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited)  
(Expressed in Canadian dollars)

	<b>Common Shares</b>		<b>Reserves</b>	<b>Deficit</b>	<b>Total</b>
	<b>Number of Shares</b>	<b>Amount</b>			
		\$	\$	\$	\$
Founder share issued on incorporation	1	1	-	-	1
Net loss for the period	-	-	-	(6,107)	(6,107)
<b>Balance, August 31, 2020</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>(6,107)</b>	<b>(6,106)</b>
Shares issued pursuant to spin-out (Note 4)	30,245,625	29,691	103,676	-	133,367
Net loss for the period	-	-	-	(50,751)	(50,751)
<b>Balance, November 30, 2020</b>	<b>30,245,626</b>	<b>29,692</b>	<b>103,676</b>	<b>(56,858)</b>	<b>76,510</b>
Shares issued for private placement	7,500,000	750,000	-	-	750,000
Shares issued for Karita Gold Corp. (Note 5)	30,000,000	1,500,000	-	-	1,500,000
Share issue costs	-	(15,900)	-	-	(15,900)
Net loss for the period	-	-	-	(72,643)	(72,643)
<b>Balance, August 31, 2021</b>	<b>67,745,626</b>	<b>2,263,792</b>	<b>103,676</b>	<b>(129,501)</b>	<b>2,237,967</b>

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

**ALMA GOLD INC.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW**  
(Unaudited)  
(Expressed in Canadian dollars)

	<b>For the nine months ended August 31, 2021</b>	For the period from the date of incorporation on May 21, 2020 to August 31, 2020
	\$	\$
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	(72,643)	(6,107)
Changes in non-cash working capital balances:		
Due to Red Lake Gold Inc.	-	2,607
GST receivable	(4,045)	-
Accounts payable and accrued liabilities	31,171	3,500
Cash used in operating activities	(45,517)	-
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation expenditures	(30,637)	-
Acquisition of Karita Gold Corp., net of cash received (Note 5)	2,490	-
Cash used in investing activities	(28,147)	-
<b>FINANCING ACTIVITIES</b>		
Proceeds from private placement	750,000	-
Proceeds from founder share	-	1
Share issue costs	(15,900)	-
Cash provided by financing activities	734,100	1
<b>CHANGE IN CASH</b>	<b>660,436</b>	<b>1</b>
<b>CASH, BEGINNING OF PERIOD</b>	<b>35,000</b>	<b>-</b>
<b>CASH, END OF PERIOD</b>	<b>695,436</b>	<b>1</b>
<b>Supplemental information:</b>		
Interest paid	-	-
Income taxes paid	-	-

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

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**ALMA GOLD INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2021**  
(Unaudited)  
(Expressed in Canadian dollars)

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## **1. NATURE AND CONTINUANCE OF OPERATIONS**

Alma Gold Inc. (the “**Company**” or “**Alma**”) was incorporated on May 21, 2020 under the laws of British Columbia (Canada) as a wholly-owned subsidiary of Red Lake Gold Inc. (“**RGLD**”), and was later subject to a plan of arrangement between the Company and RGLD. The address of the Company’s principal place of business and registered office is Suite 810 – 789 West Pender Street, Vancouver, British Columbia, Canada.

On November 6, 2020, with the necessary approvals from the Supreme Court of British Columbia, the Company completed its plan of arrangement. Under the terms of the plan of arrangement, RGLD distributed new common shares to RGLD shareholders on the basis of 1 new common share of RGLD and 0.95 common shares of Alma Gold Inc. for every one common share of RGLD then owned (see Note 4).

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As at August 31, 2021, the Company had not yet determined whether the Company’s mineral property asset contains mineral reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time.

For the nine months ended August 31, 2021, the Company incurred a net loss of \$72,643 and had a deficit of \$129,501. The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These factors may cast significant doubt upon the ability of the Company to continue as a going concern. These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed interim consolidated financial statements. Such adjustments could be material.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. The impact of the COVID-19 pandemic has major implications for all economic activities, including that of the Company. At this time, it is not possible to predict the duration or magnitude of the adverse results of the outbreak, however, management believes that the impact to the Company will be limited mainly to the curtailment of travel and access to mineral projects due to travel and social distancing restrictions as well as its ability to raise financing. The Company is subject to certain operating restrictions imposed by various governmental authorities, including, but not limited border and travel restrictions, which in turn may have a negative impact on the Company and its operations. In addition, financial market conditions resulting from COVID-19 and/or its variants may negatively impact the Company’s ability to access capital.

## **2. BASIS OF PRESENTATION**

### **a) Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed interim consolidated financial statements should be read in conjunction with the Company’s audited financial statements from the date of incorporation on May 21, 2020 to November 30, 2020, which have been prepared in accordance with IFRS issued by the IASB.

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**ALMA GOLD INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**2. SIGNIFICANT ACCOUNTING POLICIES** (continued)

a) Statement of compliance (continued)

The policies applied in these condensed interim consolidated financial statements are based on IFRS issued as at October 29, 2021, the date the Board of Directors of the Company approved these condensed interim consolidated financial statements.

b) Basis of presentation

These condensed interim consolidated financial statements have been prepared on the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company, its wholly-owned subsidiary Karita Gold Corp. ("**Karita Gold**") effective on February 19, 2021 and Guimor SARL, a wholly-owned subsidiary of Karita Gold. Inter-company balances and transactions are eliminated on consolidation.

**3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of financial statements in accordance with IFRS requires management to make estimates and judgements concerning the future. The Company's management reviews these estimates and judgements on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Significant estimates and judgements about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from estimates and judgements made, relate to, but are not limited to the following:

*Ability to continue as a going-concern*

Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events (as discussed in Note 1), whose subsequent changes could materially impact the validity of such an assessment.

*Recoverability of the carrying value of exploration and evaluation assets*

Assets or cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

Significant judgement is required when determining whether facts and circumstances suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount. The retention of regulatory permits and licenses, the Company's ability to obtain financing for exploration and development activities and its future plans on the exploration and evaluation assets, current and future metal prices, and market sentiment are all factors considered by the Company.



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**3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS** (continued)

In respect of the carrying value of exploration and evaluation assets recorded on the statements of financial position, management has determined that it continues to be appropriately recorded, as there has been no obsolescence or physical damage to the assets and there are no indications that the value of the assets have declined more than what is expected from the passage of time or normal use.

*Common control transaction*

Since the shareholders of the Company and RGLD were the same upon the close of the Plan of Arrangement (as disclosed in further detail below in Note 4), the transaction is a common control transaction. As such, the assets and liabilities assumed by the Company were originally recognized at the date of the acquisition at their net carrying values.

*Share-based compensation*

The fair value of share-based payments and warrants is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, and therefore changes in subjective input assumptions can materially affect the fair value estimate.

**4. TRANSACTION WITH RED LAKE GOLD INC.**

On November 6, 2020, RGLD completed a plan of arrangement (the “**Plan of Arrangement**” or “**Spin-out**”) under the provision of the *Business Corporations Act* (British Columbia) pursuant to which Alma Gold was spun out into a separate entity. Prior to completion of the Plan of Arrangement, Alma Gold was a wholly owned subsidiary of RGLD.

Under the Plan of Arrangement, RGLD shareholders on the record date exchanged each existing common share, option and warrant of RGLD for one new RGLD share, option and warrant, respectively, and a 0.95 common share, option and warrant of Alma, respectively. As the shareholders of RGLD continued to hold their respective interests in the Company; there was no resulting change of control in the Company. The Spin-out was determined to be a common control transaction, and was excluded from the scope of IFRS 3, Business Combinations. As such, the assets and liabilities assumed by Alma, including exploration and evaluation assets, were originally recognized at the date of the acquisition at their historical costs as follows:

	<b>\$</b>
Cash	50,000
Exploration and evaluation assets	130,760
Deferred financing cost	2,607
Due to Red Lake Gold Inc.	(50,000)
<b>Carrying value of net assets contributed</b>	<b>133,367</b>

The net assets acquired were allocated based on their relative fair values to share capital in the amount of \$29,691 and reserves in the amount of \$103,676 for the stock options granted.

The fair value of the stock options was determined using the Black-Scholes valuation model and the following inputs: i) exercise price \$0.27, ii) stock price \$0.37, iii) volatility: 123%, iv) risk free rate: 0.33-0.36%, v) term: 3.57-3.83 years.

Under the terms of the Plan of Arrangement, each issued and outstanding option and warrant has been adjusted to compensate the option and warrant holders for the assets spun-out. The exercise price paid has been allocated between RGLD and the Company on the same ratio that their fair market value of the spin-out assets has, to the fair value of the assets of the Company.

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**5. ACQUISITION OF KARITA GOLD CORP.**

On February 9, 2021, the Company entered into an arm's-length share purchase agreement with the shareholders of Karita Gold, whereby the Company agreed to purchase all the issued and outstanding shares of Karita Gold. The Company issued to Karita Gold's shareholders 30,000,000 common shares of the Company in exchange for 100% the issued and outstanding shares of Karita Gold at a deemed value of \$0.05 per share. Karita Gold is a gold exploration company with offices in Bedford, Nova Scotia and it holds various mineral exploration licenses in Guinea (the "Karita Licenses"), which are subject to certain royalty obligations. The Karita Licenses commence at an adjacent license boundary to a gold exploration project containing the Karita gold deposit being advanced and owned by IAMGOLD Corporation. Effective February 19, 2021, the Company closed its transaction with Karita Gold.

This acquisition was accounted for as an acquisition of assets and liabilities as Karita Gold did not meet the definition of a business under IFRS 3, Business Combinations.

<b>Purchase consideration:</b>	<b>\$</b>
Common shares issued	1,500,000
	<u>1,500,000</u>
<b>Net assets acquired:</b>	
Cash	2,490
Amounts receivable	6,179
Prepaid expenses	577
Exploration and evaluation assets	1,729,435
Accounts payable and accrued liabilities	(238,681)
	<u>1,500,000</u>

**6. EXPLORATION AND EVALUATION ASSETS**

Exploration and evaluation assets comprise the following accumulated expenditures:

	<b>Guinea Property</b>	<b>Chambers Settlement</b>	<b>Clarence Stream North</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Balance at May 21, 2020 (date of incorporation)</b>	-	-	-	-
Acquisition costs	-	25,000	9,120	34,120
Exploration costs				
Geological	-	15,750	95,890	111,640
Impairment	-	(40,750)	-	(40,750)
<b>Balance at November 30, 2020</b>	-	-	<b>105,010</b>	<b>105,010</b>
Acquisition of Karita Gold (Note 5)	1,729,435	-	-	1,729,435
Exploration costs				
Geological	27,797	-	2,840	30,637
<b>Balance at August 31, 2021</b>	<b>1,757,232</b>	-	<b>107,850</b>	<b>1,865,082</b>

**6. EXPLORATION AND EVALUATION ASSETS** (continued)

**Clarence Stream North Gold Project**

The Company owns a 100% interest in certain mineral licenses located in New Brunswick, Canada which together comprise the Clarence Stream North Gold Project. Crown license fees of \$9,120 were paid, through RGLD (then-corporate parent), to the Government of New Brunswick and the project is held free and clear of any royalty obligations.

The Clarence Stream North Gold Project is considered by the Company to be a primary exploration project.

To-date, various exploration efforts have conducted at the Clarence Stream North Gold Project by the Company and its consultants. Those exploration efforts have delineated gold-in-soil anomalies that may be significant when viewed from a regional context and which require follow-up exploration work on by the Company, currently being considered for the first half of 2022 as weather and ground conditions permit.

**Guinea Gold Property**

Pursuant to the acquisition of Karita Gold (see above Note 5), the Company indirectly holds four mineral property permits from the Ministry of Mines and Energy of Guinea ("MME"), which were first acquired by a subsidiary of Karita Gold through a series of license payments to the MME. The Company is obligated to pay certain nominal renewal fees annually to the MME to keep the licenses in good standing. The licenses plus an area of mutual interest are subject to certain royalty obligations totaling two percent (being, a 1% GSR (no re-purchase right) and a 1% NSR) based on transactions entered into by Karita Gold that preceded its acquisition by the Company.

**Chambers Settlement Gold Project (discontinued)**

On May 29, 2020, the Company entered into an option agreement to acquire a 100% interest in the Chambers Settlement Gold Project in New Brunswick, Canada (the "Chambers Settlement Gold Project") from Avalon Gold Resources Inc., an arm's-length party based in Toronto, Canada. The terms of the Chambers Settlement Gold Project involve a series of cash payments over a four-year earn-in period, and the granting of a 2% royalty, one-half of which may be repurchased by Alma Gold Inc.

The series of payments is as follows:

- a. \$10,000 within ten (10) business days of the date of the Chambers Option Agreement (paid through RGLD);
- b. \$15,000 within six (6) months of the date of the Chambers Option Agreement (paid);
- c. \$20,000 within twelve (12) months of the date of the Chambers Option Agreement;
- d. \$30,000 within twenty-four (24) months of the date of the Chambers Option Agreement;
- e. \$40,000 within thirty-six (36) months of the date of the Chambers Option Agreement; and
- f. \$50,000 within forty-eight (48) months of the date of the Chambers Option Agreement.

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**6. EXPLORATION AND EVALUATION ASSETS** (continued)

On November 30, 2020, the Company terminated the Chambers Option Agreement and the full carrying value of the project was impaired.

**7. DUE TO RED LAKE GOLD INC.**

As at August 31, 2021, the Company is indebted to Red Lake Gold Inc. in the amount of \$50,000 (November 30, 2020 - \$50,000) (Note 9). This amount is unsecured, non-interest bearing and has no fixed terms of repayment. The funds were provided to the Company while it was a wholly owned subsidiary of RGLD. On October 5, 2021, this loan was repaid in full (Note 13).

**8. SHARE CAPITAL**

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Share Capital Activities

For the nine months ended August 31, 2021, the Company had the following share capital transactions:

- On February 19, 2021, the Company issued 30,000,000 common shares valued at \$1,500,000 to acquire all the issued and outstanding shares of Karita Gold (Note 5).
- On April 28, 2021, the Company completed a non-brokered private placement issuing 7,500,000 common shares at a price of \$0.10 per share for total proceeds of \$750,000.

For the period ended November 30, 2020, the Company had the following share capital transactions:

- On May 21, 2020, one founder share was issued to Red Lake Gold Inc. on incorporation for \$1.
- On November 6, 2020, pursuant to the plan of arrangement as disclosed in Note 4, 30,245,625 shares in the Company were issued. Amounts advanced by RGLD to the Company in the amount of \$133,367 have been reflected as net investments from RGLD in the statement of changes in shareholders' equity.

c) Stock options

The Company has a stock option whereby the Board of Directors may grant stock options to consultants, employees, officers, and directors to acquire common shares, exercisable for a period of up to five years from the date of the grant. The stock option plan provides that the maximum number of common shares in the capital of the Company that may be reserved for issuance for all purposes under the stock option plan shall not exceed 10% of the total issued and outstanding common shares. The maximum number of common shares that may be reserved for issuance to any individual pursuant to stock options may not exceed 5% of the common shares issued and outstanding at the time of grant.

	Number of Options	Weighted Average Exercise Price
		\$
Options outstanding on incorporation date May 21, 2020	-	-
Options granted pursuant to spin-out (Note 4)	1,434,500	0.29
<b>Options outstanding and exercisable, November 30, 2020 and August 31, 2021</b>	<b>1,434,500</b>	<b>0.29</b>

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**8. SHARE CAPITAL** (continued)

c) Stock options (continued)

In estimating the fair value of options issued using the Black-Scholes option pricing model, the Company is required to make assumptions. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data from comparable companies to estimate option exercise, forfeiture and employee termination within the valuation model. The Company has historically not paid dividends on its common stock.

As at August 31, 2021, the Company had stock options outstanding as follows:

Expiry Date	Exercise Price	Outstanding
May 31, 2024	\$0.11	712,500
September 3, 2024	\$0.47	722,000
		1,434,500

d) Warrants

	Number of Warrants	Weighted Average Exercise Price
		\$
Warrants outstanding on incorporation date May 21, 2020	-	-
Warrants granted pursuant to spin-out (Note 4)	1,258,750	0.47
<b>Warrants outstanding, November 30, 2020 and August 31, 2021</b>	<b>1,258,750</b>	<b>0.47</b>

As at August 31, 2021, the Company had the following warrants outstanding:

Expiry Date	Exercise Price	Outstanding	Weighted average years remaining
July 10, 2022	\$0.47	1,258,750	0.86

**9. RELATED PARTY BALANCES**

As at August 31, 2021, the Company has a balance outstanding of \$255,082 (November 30, 2020 - \$Nil) to a Director of the Company (who is also a Founder and current Officer of Karita Gold) relating to funds advanced on behalf of Karita Gold for exploration work. This balance bears no interest, is unsecured and has no fixed terms of repayment and is included in accounts payable and accrued liabilities.

During the nine months ended August 31, 2021, the Company paid or accrued professional fees of \$12,500 (2020 - \$Nil) to the Chief Financial Officer of the Company. As at August 31, 2021, the balance outstanding was \$5,000 (November 30, 2020 - \$Nil). This balance bears no interest, is unsecured and has no fixed terms of repayment and is included in accounts payable and accrued liabilities.

During the nine months ended August 31, 2021, the Company paid or accrued professional fees of \$23,625 (2020 - \$Nil) to the former Chief Financial Officer of the Company.

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**9. RELATED PARTY BALANCES** (continued)

As at August 31, 2021, the Company was indebted to Red Lake Gold Inc. in the amount of \$50,000 (November 30, 2020 - \$50,000) (Note 7). This amount is unsecured, non-interest bearing and has no fixed terms of repayment. The funds were provided to the Company while it was a wholly owned subsidiary of RGLD. On October 5, 2021, this loan was repaid in full (Note 13).

**10. MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, in order to pursue the sourcing and exploration of resource properties. The Company does not have any externally-imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, and deficit as capital. The Company manages the capital structure and adjusts its capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets and liabilities. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash. The Company did not change its management of capital during the nine months ended August 31, 2021.

**11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK**

	<b>August 31, 2021</b>	November 30, 2020
	\$	\$
Cash	<b>695,436</b>	35,000
Accounts payable and accrued liabilities	<b>283,352</b>	13,500
Due to Red Lake Gold Inc. <sup>1</sup>	<b>50,000</b>	50,000

<sup>1</sup> On October 5, 2021, the Company made a cash payment of \$50,000 to settle the loan payable to Red Lake Gold Inc. in full

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The fair values of the Company's financial instruments are not materially different from their carrying values.

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.

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 any significant credit risk.

## **11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)**

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities are due within the current operating period, carrying net 30 terms. The Company will need to receive additional funding to continue to fund operations and to settle its obligations.

### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. As, among other matters, the Company holds foreign mineral licenses through a subsidiary, it is exposed to market risk, including foreign exchange rates in relation to activities that may be performed in Guinea.

### 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 any interest rate risk.

### Currency risk

With the exception of certain operating items that may involve Karita Gold, the Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is negligible. The foreign exchange risk is therefore manageable and not significant. The Company does not currently use any derivative instruments to reduce its exposure to fluctuations in foreign exchange rates.

## **12. SEGMENTED INFORMATION**

### **Operating Segments**

The Company has one operating segment, which is the exploration and evaluation of mineral properties.

**ALMA GOLD INC.**  
**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2021**  
(Unaudited)  
(Expressed in Canadian dollars)

**12. SEGMENTED INFORMATION** (continued)

**Geographic Segments**

The Company's exploration operations are carried out principally in Canada and secondarily, Guinea. The Company's non-current assets by geographic areas as at August 31, 2021 and November 30, 2020 are as follows:

	<b>Total</b>
	<b>\$</b>
<b>August 31, 2021</b>	
Canada	107,850
Guinea	1,757,232
	<b>1,865,082</b>
<b>November 30, 2020</b>	
Canada	105,010
Guinea	-
	<b>105,010</b>

Segmented expenses and net loss by geographical location are as follows:

<b>For the three months ended</b>	<b>Canada</b>	<b>Guinea</b>	<b>Total</b>
<b>August 31, 2021</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total expenses and net loss	12,516	-	12,516
<b>For the nine months ended</b>	<b>Canada</b>	<b>Guinea</b>	<b>Total</b>
<b>August 31, 2021</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total expenses and net loss	72,643	-	72,643
<b>For the period from the date</b>	<b>Canada</b>	<b>Guinea</b>	<b>Total</b>
<b>of incorporation on May 21,</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2020 to August 31, 2020</b>			
Total expenses and net loss	6,107	-	6,107

**13. SUBSEQUENT EVENT**

On October 5, 2021, the Company made a cash payment of \$50,000 to settle the loan payable to Red Lake Gold Inc. in full (Notes 7 and 9).