Sanu Gold Corp.

Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2022 and 2021

(Expressed in Canadian Dollars – unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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 condensed consolidated 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.

SANU GOLD CORP.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)

		December 31, 2022 (unaudited)		June 30, 2022
ASSETS				
Current assets				
Cash	**$**	**479,517**	$	3,315,343
Receivables		**163,128**		10,190
Prepaid expenses		**19,405**		19,871
		662,050		3,345,404
Fixed assets		**219,129**		-
Exploration and evaluation assets (Note 3)		**6,844,250**		5,378,926
TOTAL ASSETS	**$**	**7,725,429**	$	8,724,330
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Note 8)	**$**	**604,994**	$	155,324
TOTAL LIABILITIES		**604,994**		155,324
SHAREHOLDERS' EQUITY				
Share capital (Note 6)		**9,337,155**		2,740,876
Subscriptions received (Note 6)		**-**		3,265,053
Special warrants (Note 6)		**-**		3,331,226
Reserve (Note 7)		**428,627**		165,064
Accumulated deficit		**(2,474,544)**		(933,213)
Equity attributable to equity holders of the parent		**7,291,238**		**8,569,006**
Non-controlling interests		**(170,803)**		-
TOTAL SHAREHOLDERS' EQUITY		**7,120,435**		8,569,006
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**7,725,429**	$	8,724,330

Nature of operations and going concern (Note 1)
Subsequent events (Note 11)

These financial statements were authorized for issue by the Board of Directors on February 27, 2023. They are signed on behalf of the Board of Directors by:

"Martin Pawlitschek"
Director

"Vince Sorace"
Director

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

SANU GOLD CORP.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars - unaudited)

	For the Six Months Ended		For the Three Months Ended	
	December 31, 2022	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
EXPENSES				
Consulting fees	**$ 648,443**	$ 61,101	**$ 324,153**	$ 61,101
Professional fees	**35,749**	56,950	**19,495**	49,112
Office expenses	**308,734**	65,522	**202,790**	65,233
Investor relations	**86,772**	18,125	**12,219**	18,125
Transfer agent and filing fees	**153,115**	5,250	**45,504**	-
Salaries and wages	**100,885**	-	**100,885**	-
Stock-based compensation	**263,563**	41,966	**171,312**	41,966
Foreign exchange gain or loss	**114,873**	-	**(47,915)**	-
Interest income	**-**	(10,360)	**-**	(6,695)
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**$ 1,712,134**	$ 238,554	**$ 828,443**	$ 228,842
Basic and diluted loss per share for the year	**$ (0.03)**	$ (0.01)	**$ (0.01)**	$ (0.01)
Weighted average number of common shares outstanding	**57,014,413**	27,913,860	**58,341,001**	34,439,403
Attributable to:				
Equity holders of the parent	1,541,331	-	657,640	-
Non-controlling interests	170,803	-	170,803	-
	$ 1,712,134		**$ 828,443**	

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

SANU GOLD CORP.
Condensed Consolidated Interim Statements of Cash Flow
(Expressed in Canadian Dollars - unaudited)

	For the Six Months Ended	
	December 31, 2022	December 31, 2021
Cash flows provided by (used in):		
OPERATING ACTIVITIES		
Net loss for the period	**$ (1,712,134)**	$ (238,554)
Non-cash items:		
Stock-based compensation	**263,563**	41,966
Interest income	**-**	(10,360)
Net changes in non-cash working capital items:		
Receivables	**(152,938)**	(30,490)
Prepaids	**466**	(30,490)
Accounts payable and accrued liabilities	**449,670**	(97,691)
Net cash flows used in operating activities	**(1,151,373)**	(335,129)
INVESTING ACTIVITIES		
Cash received on acquisition of Gainde	**-**	81,350
Loan receivable	**-**	(292,215)
Exploration and evaluation assets	**(1,684,453)**	(161,875)
Net cash flows used in investing activities	**(1,684,453)**	(372,740)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	**-**	143,839
Proceeds from issuance of subscription receipts	**-**	3,258,750
Proceeds from issuance of special warrants	**-**	3,341,250
(Repayment of) proceeds from loan	**-**	(3,500)
Net cash flows provided by financing activities	**-**	6,740,339
Net increase (decrease) in cash	**(2,835,826)**	6,032,470
Cash, beginning of period	**3,315,343**	694,113
Cash, end of period	**$ 479,517**	$ 6,726,583

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

SANU GOLD CORP.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of shares	Share capital	Subscriptions received	Special warrants	Reserve	Accumulated deficit	Total	Non-controlling interests	Total Equity
Balance at June 30, 2021	**14,725,001**	**$ 416,001**	**$ 402,525**	**$ -**	**$ -**	**$ (37,729)**	**$ 780,797**	**-**	**$ 780,797**
Proceeds from financing	6,975,000	694,875	(402,525)	-	-	-	292,350	-	292,350
Net loss for the period	-	-	-	-	-	(9,845)	(9,845)	-	(9,845)
Balance at December 31, 2021	**21,700,001**	**$ 1,110,876**	**$ -**	**$ -**	**$ -**	**$ (47,574)**	**$ 1,063,302**	**-**	**$ 1,063,302**
Balance at June 30, 2022	**38,000,001**	**$ 2,740,876**	**$ 3,265,053**	**$ 3,331,226**	**$ 165,064**	**$ (933,213)**	**$ 8,569,006**	**-**	**$ 8,569,006**
Common shares issued for private placements (Note 5)	9,875,000	3,265,053	(3,265,053)	-	-	-	-	-	-
Warrants and Special warrants converted (Note 5)	10,466,000	3,331,226	-	(3,331,226)	-	-	-	-	-
Stock-based compensation	-	-	-	-	263,563	-	263,563	-	263,563
Net loss for the period	-	-	-	-	-	(1,541,331)	(1,541,331)	(170,803)	(1,712,134)
Balance at December 31, 2022	**58,341,001**	**$ 9,337,155**	**$ -**	**$ -**	**$ 428,627**	**$ (2,474,544)**	**$ 7,291,238**	(170,803)	**$ 7,120,435**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Sanu Gold Corp. (the "Company") was incorporated under the British Columbia Business Corporations Act on September 25, 2018. The head office of the Company is located at Suite 907 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3 and the registered and records office of the Company is located at Suite 1008-550 Burrard Street, Vancouver, British Columbia, V6C 2B5.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. At December 31, 2022, the Company had cash of $479,517 (June 30, 2022 - $3,315,343) and its current assets exceed its current liabilities by $57,056 (June 30, 2022 –$3,190,080). The Company currently has no active business and is not generating any revenues. It has incurred losses and negative cash flows from operations since inception and had an accumulated deficit of $2,474,544 as at December 31, 2022 (June 30, 2022 - $933,213). Whether and when the Company can obtain profitability and positive cash flows from operations is uncertain. These uncertainties cast significant doubt on the ability of the Company to continue as a going concern.

The Company's ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. While the Company has been successful in raising equity in the past, there can be no guarantee that it will be able to raise sufficient funds to fund its exploration activities and general and administrative costs in the next twelve months and in the future. These consolidated financial statements do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed, and therefore these condensed interim financial statements should be read in conjunction with the Company's June 30, 2022 audited annual financial statements and the notes to such financial statements.

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss ("FVTPL"), which are stated at their fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed consolidated interim financial statements are based on the IFRS issued and effective as of December 31, 2022, the date these condensed interim financial statements were authorized for issuance by the Company's Board of Directors, and follow the same accounting policies and methods of computation as the most recent annual financial statements.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Zirasanu Group and Gainde Gold SARL. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

a) Significant accounting judgments and key sources of estimation uncertainty

<u>Significant accounting judgments</u>

The critical judgments, apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements are as follows

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Significant accounting judgments and key sources of estimation uncertainty

Key sources of estimation uncertainty

The key assumptions management has made about the future and other major sources of estimation uncertainty at the date of the statement of financial position that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Income taxes

The Company recognizes deferred tax assets for deductible temporary differences, unused tax losses and other income tax deductions only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and other income tax deductions can be utilized. In assessing the probability of realizing the income tax benefits of deductible temporary differences, unused tax losses and other income tax deductions, 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.

The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence.

As at December 31, 2022 and 2021, the Company has not recognized any deferred tax assets for deductible temporary differences. Changes in any of the above-mentioned estimates can materially affect the amount of income tax assets recognized. In addition, where applicable tax laws and regulations are either unclear or subject to varying interpretations, changes in these estimates can occur that materially affect the amounts of income tax assets recognized. The Company reassesses unrecognized income tax assets at the end of each reporting period.

Valuation of stock-based compensation

The Company uses the Black-Scholes option pricing model for valuation of stock-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Recoverability of the carrying value of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the Company carries out an impairment test at the cash-generating unit ("CGU"), or group of CGUs, level in the year the new information becomes available. If indicators of impairment exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment.

b) New accounting standards and interpretations

The Company did not adopt any new accounting standards or interpretations.

3. EXPLORATION AND EVALUATION ASSETS

On October 21, 2021, the Company acquired 100% of the issued and outstanding shares of Gainde Gold SARL ("Gainde"). The acquisition occurred by way of a share exchange on the basis of 163,000 common shares of the Company for each one Gainde share, for a total of 16,300,000 common shares of the Company (Note 5). The common shares were recorded at a fair value of $0.10 per common share, for a total fair value of $1,630,000.

The Company is focusing its exploration activities on precious metals in Guinea, West Africa. Gainde held an interest in three precious metals projects in Guinea through three separate Technical and Financial Partnership Agreements ("TFPA"); the Bantambaye Project, the Daina Project and the Diguifara Project.

The Company accounted for the purchase of Gainde as an asset acquisition as it did not meet the definition of a business under IFRS 3, "Business Combinations". The following table summarizes the total consideration, the fair value of the acquired identifiable assets and liabilities assumed as of the date of the acquisition:

(Expressed in Canadian Dollars - unaudited)

3. EXPLORATION AND EVALUATION ASSETS (Continued)

Share consideration (16,300,000 common shares at $0.10)	$	1,630,000
Net assets acquired:		
Cash		81,350
Accounts payable		(122,168)
Loan payable		(631,427)
Exploration and evaluation assets		2,302,245
Net assets acquired	$	1,630,000

In August 2022 Company earned into and acquired an initial 51% interest in each of the Daina, Diguifara and Bantabaye Gold Exploration Permits (the "Permits") in Guinea, West Africa by acquiring a 51% interest in the three Guinean partner companies that hold the Permits, under the terms of the underlying agreements, as described in the Company's final prospectus dated June 21, 2022.

Costs incurred with respect to the properties are as follows:

	Bantabaye	Diguifara	Daina	Total
Acquisition Costs				
Balance, June 30, 2021	$ -	$ -	$ -	$ -
Additions	767,415	767,415	767,415	2,302,245
Balance, June 30, 2022	$ 767,415	$ 767,415	$ 767,415	$ 2,302,245
Additions	-	-	-	-
Balance, December 31, 2022	$767,415	$767,415	$767,415	$ 2,302,245
Deferred Exploration Costs				
Balance, June 30, 2021	$ -	$ -	$ -	$ -
Additions	895,916	1,028,373	1,152,392	3,076,681
Balance, June 30, 2022	895,916	1,028,373	1,152,392	3,076,681
Additions	262,124	287,631	915,570	1,465,325
Consulting	1,091	1,084	2,148	4,323
Drilling	-	-	296,953	296,953
Geochemistry	-	-	69,454	69,454
Other costs	261,033	286,548	547,005	1,094,586
Balance, December 31, 2022	$ 1,158,040	$ 1,316,004	$ 2,067,962	$ 4,542,006
Total, June 30, 2022	$ 1,663,331	$ 1,795,788	$ 1,919,807	$ 5,378,926
Total, December 31, 2022	$ 1,925,455	$ 2,083,419	$ 2,835,376	$ 6,844,250

(Expressed in Canadian Dollars - unaudited)

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITES

At December 31, 2022 and June 30, 2022, the Company's accounts payable and accrued liabilities are composed of the following:

		December 31, 2022		June 30, 2022
Accounts payable (Note 8)	$	453,130	$	67,126
Accrued liabilities		151,864		88,198
Total	$	604,994	$	155,324

5. LOAN PAYABLE

During the year ended June 30, 2021, the Company received loans of $100,000, $25,000, and $1,500 from an arm's length party that was unsecured, non-interest bearing, and with no fixed terms of repayment.

On June 24, 2021, the $25,000 loan was settled through the issuance of 500,000 common shares at a cost of $0.05 per share, as part of the June 24, 2021 private placement (Note 5).

On July 2, 2021, $100,000 of the loan was settled through the issuance of 1,000,000 common shares at a cost of $0.10 per share, as part of the July 2, 2021 private placement (Note 5). The remaining $3,500 of the loan was repaid on November 25, 2021.

6. SHARE CAPITAL

As of December 31, 2022, the Company had 58,341,001 common shares outstanding (June 30, 2022 – 38,000,001).

Share issuance

Six months ended December 31, 2022:

On July 12, 2022, the outstanding subscription receipts and special warrants were converted into 20,341,000 common shares.

Six months ended December 31, 2021:

On July 2, 2021, the Company issued 6,975,000 common shares at a price of $0.10 per common share, for gross proceeds of $697,500. In connection with the financing, the Company incurred share issuance costs of $51,136. As part of the private placement, $100,000 of the loan payable was settled through the issuance of 1,000,000 common shares (Note 4).

On October 21, 2021, the Company issued 16,300,000 common shares in connection with the acquisition of Gainde (Note 3).

On December 8, 2021, the Company completed a private placement subscription receipt financing by issuing 9,875,000 subscription receipts at a price of $0.33 per subscription receipt, for aggregate proceeds of $3,258,750, which are held in escrow (the "Escrowed Funds") and included in cash as reported on the condensed consolidated interim statement of financial position as at December 31, 2021. Each Subscription Receipt is convertible into one common share of the Company on the same date that the Escrowed Funds are released, which will be upon filing of a final long form prospectus of the Company with certain provincial securities regulatory authorities in Canada in order to qualify the distribution of the common shares underlying the Subscription Receipts.

(Expressed in Canadian Dollars - unaudited)

6. SHARE CAPITAL (Continued)

Escrow

At December 31, 2022, there were 10,160,550 shares in escrow (June 30, 2022 – 10,689,500). There was an initial 10% release of these shares on July 12, 2022, a further 15% of the shares are released every 6 months.

Subscription receipts

On December 8, 2021, the Company completed a private placement subscription receipt financing by issuing 9,875,000 subscription receipts at a price of $0.33 per subscription receipt, for aggregate proceeds of $3,265,053 Each Subscription Receipt was converted into one common share of the Company upon filing of a final long form prospectus of the Company on July 12, 2022 with certain provincial securities regulatory authorities in Canada in order to qualify the distribution of the common shares underlying the Subscription Receipts.

Special warrants

On December 8, 2021, the Company completed a special warrant financing by issuing 10,125,000 special warrants at a price of $0.33 per special warrant, for aggregate proceeds of $3,341,250. In connection with the financing, the Company incurred costs of $48,510. Each special warrant is convertible into one common share of the Company on the date that is the earlier of (i) the date which is four months and one day following the closing of the Special Warrant Offering; and (ii) the second business day after the date on which a receipt for the Company's final long form prospectus is issued by the British Columbia Securities Commission (the "BCSC").

On January 7, 2022, the Company completed an additional crowdfunding special warrant financing by issuing 191,000 special warrants at a price of $0.33 per special warrant, for aggregate proceeds of $63,030. In connection with the financing, the Company incurred costs of $24,544. Each special warrant is convertible into one common share of the Company (i) at any time, at the discretion of the Company (ii) the date on which a receipt for the Company's final long form prospectus is issued by the BCSC, or (iii) on that date that is 18 months from the date of issuance of the special warrants. In connection with the special warrant financing, the Company issued 150,000 compensation warrants at a price of $0.33 per warrant to Vested Technology Corp valued at $49,500.

On July 12, 2022 the outstanding subscription special warrants were converted into common shares.

A continuity schedule of the Company's outstanding special warrants for the six months ended December 31, 2022 is as follows:

	December 31, 2022 Number outstanding	June 30, 2022 Number outstanding
Outstanding, beginning of period	**10,466,000**	**-**
Granted	-	10,466,000
Exercised	(10,466,000)	-
Outstanding, end of period	-	10,466,000

(Expressed in Canadian Dollars - unaudited)

7. RESERVE

The Company has a stock option plan whereby a maximum of 10% of the issued and outstanding common shares of the Company may be reserved for issuance pursuant to the exercise of stock options. The terms of the granted options are fixed by the Board of Directors and are not to exceed ten years. The exercise price of options are determined by the Board of Directors, but shall not be less than the closing price of the Company's common shares on the day preceding the day on which the options are granted, less any discount permitted by the Exchange. Options granted under the plan may vest immediately on grant, or over a period as determined by the Board of Directors or, in respect of options granted for investor relations services, as prescribed by Exchange policy

On November 8, 2021, the Company granted 3,700,000 stock options to officers, directors and consultants. Each stock option is exercisable into one common share of the Company at a price of $0.10 per common share for five years, vesting 25% every six months. The fair value of the stock options was determined to be $170,521 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 1.56%, expected life of 5 years, volatility factor of 100% and dividend yield of Nil.

On August 16, 2022, the company granted 1,570,000 stock options to officers, directors and consultants. Each stock option is exercisable into one common share of the Company at a price of $0.37 per common share for five years, vesting 25% every six months. The fair value of the stock options was determined to be $426,336 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 3.34%, expected life of 5 years, volatility factor of 100% and dividend yield of Nil.

On December 12, 2022, the company granted 250,000 stock options. Each stock option is exercisable into one common share of the Company at a price of $0.25 per common share for five years and vested immediately. The fair value of the stock options was determined to be $32,162 using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate of 3.37%, expected life of 5 years, volatility factor of 100% and dividend yield of Nil.

During the six months ended December 31, 2022, the Company recognized $263,563 (2021 - $41,966) in stock-based compensation expense for vested stock options.

A continuity schedule of the Company's outstanding stock options as at December 31, 2022 and December 31, 2021 is as follows:

	December 31, 2022		December 31, 2021	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning of year	**3,700,000**	$ 0.10	-	$ -
Granted	1,820,000	0.35	3,700,000	0.10
Outstanding, end of period/year	5,520,000	$ 0.18	3,700,000	$ 0.10
Exercisable, end of period/year	2,100,000	$ 0.12	-	$ -

At December 31, 2022, the Company had outstanding stock options exercisable to acquire common shares of the Company as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price	Weighted average remaining contractual life (in years)
November 8, 2026	3,700,000	1,850,000	$ 0. 10	3,86
August 16, 2027	1,570,000	-	$ 0. 37	4.63
December 12, 2027	250,000	250,000	$ 0. 25	4.95

(Expressed in Canadian Dollars - unaudited)

8. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

Key management compensation is as follows:

	December 31, 2022	December 31, 2021
Consulting fees	$ 256,815	$ 46,950
Stock-based compensation	96,940	22,117
	$ 353,755	$ 69,067

As at December 31, 2022, the Company had $Nil (June 30, 2022 - $968) prepaid expenses to a director, which has been included in prepaid expenses. The amount is unsecured, non-interest bearing with no set terms of repayment.

As at December 31, 2022, the Company had $28,630 (June 30, 2022 - $31,320) payable to a company with a common director and to a director of the company, which have been included in accounts payable and accrued liabilities (Note 4). The amounts are unsecured, non-interest bearing with no set terms of repayment. These transactions are in the normal course of the operations on normal commercial terms and conditions, which is the amount of consideration established and agreed to by the related parties.

9. MANAGEMENT OF CAPITAL

The Company considers its capital to be comprised of shareholders' equity. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned activities and pay for administrative costs, the Company may attempt to raise additional amounts of capital through the issuance of shares. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since incorporation. The Company is not subject to external capital requirements.

10. FINANCIAL INSTRUMENTS

a) Categories of financial instruments and fair value measurements

The Company's financial assets and liabilities are classified as follows:

	December 31, 2022	June 30, 2022
Financial assets:		
Fair value through profit and loss		
Cash	$ 479,517	$ 3,315,343
Amortized Cost		
Receivables	163,128	10,190
Financial liabilities:		
Amortized cost		
Accounts payable	$ 453,130	$ 67,126

The fair values of the Company's cash and cash equivalents and accounts payable approximate their carrying amounts due to the short-term nature of these instruments.

IFRS 7 *Financial Instruments: Disclosures* establishes a fair value hierarchy that reflects the significance of inputs used in measuring fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

(Expressed in Canadian Dollars - unaudited)

10. FINANCIAL INSTRUMENTS (continued)

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At December 31, 2022, the Company's cash was recognized at fair value belonging in Level 1 of the fair value hierarchy. The Company had no financial assets measured and recognized on the statement of financial position at fair value belonging in Level 2 or 3 of the fair value hierarchy.

b) Management of financial risks

The Company's financial instruments expose the Company to certain financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk.

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. At December 31, 2022 and 2021, the Company was exposed to credit risk on its cash and receivables The Company's maximum exposure to credit risk is the carrying amount of its cash and receivables.

The majority of the Company's cash is held with a high credit quality financial institution in Canada; Management considers its exposure to credit risk on cash and receivables to be low as at December 31, 2022 and 2021.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining adequate cash and managing its capital and expenditures.

At December 31, 2022, the Company had cash of $479,517 (June 30, 2022 - $3,315,343) and accounts payable and accrued liabilities of $604,994 (June 30, 2022 - $155,324) with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities at December 31, 2022. The Company assessed its liquidity risk as low as at December 31, 2022.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company's financial assets and financial liabilities are not exposed to interest rate risk due to their short-term nature and maturity. The Company is not exposed to interest rate risk at December 31, 2022.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies. As at December 31, 2022 and June 30, 2022 the Company had exposure to foreign currency risk through the following assets and liabilities denominated in West African CFA Franc (XOF) and Guinean France (GNF) (2021 – no exposure).

December 31, 2022

	XOF	GNF	Total
Cash and cash equivalents	5,627,454	453,134,475	
Accounts receivable	269,600	731,891,333	
Accounts payable and accrued liabilities	(172,432,167)	(1,279,304,351)	
Net	(166,535,113)	(94,278,543)	
Canadian dollar equivalent	(341,280)	(14,526)	(355,806)

(Expressed in Canadian Dollars - unaudited)

10. FINANCIAL INSTRUMENTS (continued)

Foreign currency risk (continued)

June 30, 2022

	XOF
Cash and cash equivalents	8,579,445
Accounts payable and accrued liabilities	(31,912,793)
Net	(23,333,348)
Canadian dollar equivalent	(47,918)

Based on the above net exposures a 5% change in the Canadian Dollar/XOF and Canadian Dollar/GNF exchange rate would impact the Company's net loss by $18,000 and $700 respectively (June 30, 2022 - $2,500 and Nil impact respectively). As at December 31, 2022 and June 30, 2022 the Company has not hedged its exposure to currency fluctuations. The Company assessed its financial currency risk as low as at December 31, 2022.

11. SUBSEQUENT EVENTS

On February 21, 2023, the Company closed a non-brokered private placement financing for gross proceeds of $3,000,250. The placement consisted of 11,112,037 units (the "Units") at a price of $0.27 per Unit, with each Unit comprised of one common share of the Company and one half of one common share purchase warrant. Each full warrant entitles the holder thereof to purchase one common share of the Company at a price of $0.40 for a period expiring 36 months following the closing date of the placement. In connection with the financing, the Company paid finder's fees of 6% cash and 6% finder's warrants totaling $74,639 in cash and 276,440 finder's warrants.