SYLLA GOLD CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended May 31, 2023 and 2022

(unaudited)

EXPRESSED IN CANADIAN DOLLARS

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of Sylla Gold Corp. (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor, Crowe MacKay LLP (formerly, Smythe LLP), has not performed a review of these unaudited condensed interim consolidated financial statements, in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim consolidated financial statements by an entity's auditor.

SYLLA GOLD CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(unaudited, expressed in Canadian dollars)

As at		May 31 2023		February 28 2023
ASSETS				
Current				
Cash	**$**	**2,644**	$	12,066
Sales tax receivable		**18,338**		25,599
Prepaid expenses and deposits		**71,071**		116,594
		92,053		154,259
Land (note 6)		**26,500**		26,500
	$	**118,553**	$	180,759
LIABILITIES				
Current				
Accounts payable and accrued liabilities (notes 7, 12)	**$**	**849,750**	$	630,258
DEFICIENCY				
Share capital (note 8)		**5,855,767**		5,755,767
Deposit on shares to be issued (note 8)		**30,000**		-
		5,885,767		5,755,767
Warrants (note 9)		**1,099,223**		1,099,223
Contributed surplus		**640,955**		640,955
Deficit		**(8,357,142)**		(7,945,444)
		(731,197)		(449,499)
	$	**118,553**	$	180,759

Nature of operations and going concern (note 1)
Commitments and contingencies (notes 11, 13)

See accompanying notes.

SYLLA GOLD CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(unaudited, expressed in Canadian dollars)

Three months ended May 31,		**2023**		2022
Expenses				
Corporate and administrative (notes 10, 12)	**$**	**203,760**	$	172,927
Exploration and evaluation (notes 11, 12)		**207,964**		1,441,250
Share-based payments (notes 8, 12)		**-**		543,710
		(411,724)		(2,157,887)
Other income and expenses				
Foreign exchange gain		**26**	-	12,641
Net loss and comprehensive loss	**$**	**(411,698)**	$	(2,170,528)
Basic and diluted loss per share (note 14)	**$**	**(0.011)**	$	(0.070)
Weighted average number of common shares outstanding:				
Basic and diluted		**38,748,312**		30,802,299

See accompanying notes.

SYLLA GOLD CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(unaudited, expressed in Canadian dollars)

	Share capital					
	Number	Amount	Warrants	Contributed Surplus	Deficit	Total
Balance, February 28, 2022	16,990,914	$ 3,202,979	$ 240,051	$ -	$ (3,608,780)	$ (165,750)
Units issued by private placement (notes 8, 9)	13,997,500	1,836,663	962,837	-	-	2,799,500
Shares issued for mineral property (note 8)	1,000,000	205,000	-	-	-	205,000
Broker warrants (notes 8, 9)	-	(64,584)	64,584	-	-	-
Share issuance costs	-	(216,786)	-	-	-	(216,786)
Exercise of warrants (notes 8, 9)	225,000	44,773	(11,023)	-	-	33,750
Share-based payments (note 8)	-	-	-	543,710	-	543,710
Net loss for the period	-	-	-	-	(2,170,528)	(2,170,528)
Balance, May 31, 2022	32,213,414	5,008,045	1,256,449	543,710	(5,779,308)	1,028,896
Units issued by private placement (notes 8, 9)	3,151,420	248,593	66,549	-	-	315,142
Shares issued for services (note 8)	150,000	15,000	-	-	-	15,000
Broker warrants (notes 8, 9)	-	(5,253)	5,253	-	-	-
Share issuance costs	-	(45,901)	-	-	-	(45,901)
Exercise of warrants (notes 8, 9)	2,690,000	535,283	(131,783)	-	-	403,500
Warrants expired	-	-	(97,245)	97,245	-	-
Net loss for the period	-	-	-	-	(2,166,136)	(2,166,136)
Balance, February 28, 2023	38,204,834	5,755,767	1,099,223	640,955	(7,945,444)	(449,499)
Shares issued for mineral property (note 8)	1,000,000	100,000	-	-	-	100,000
Deposit on shares to be issued (note 8)	-	30,000	-	-	-	30,000
Net loss for the period	-	-	-	-	(411,698)	(411,698)
Balance, May 31, 2023	**39,204,834**	**$ 5,885,767**	**$ 1,099,223**	**$ 640,955**	**$ (8,357,142)**	**$ (731,197)**

See accompanying notes.

SYLLA GOLD CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, expressed in Canadian dollars)

Three months ended May 31,	**2023**	2022
Operating activities		
Loss for the period	**$ (411,698)**	$ (2,170,528)
Adjustments to reconcile loss to net cash used:		
Share-based payments	**-**	543,710
Shares issued for mineral property	**100,000**	205,000
	(311,698)	(1,421,818)
Changes in non-cash working capital items		
Sales tax receivable	**7,261**	(17,522)
Prepaid expenses and deposits	**45,523**	(217,006)
Accounts payable and accrued liabilities	**219,492**	603,065
	(39,422)	(1,053,281)
Financing activities		
Loan repayments to related parties (note 12)	**-**	(186,000)
Units issued by private placement	**-**	2,799,500
Deposit on shares to be issued	**30,000**	-
Proceeds from exercise of warrants	**-**	33,750
Share issuance costs	**-**	(216,786)
	30,000	2,430,464
Net change in cash	**(9,422)**	1,377,183
Cash, beginning of period	**12,066**	20,106
Cash, end of period	**$ 2,644**	$ 1,397,289
Supplemental disclosure		
Broker warrants	**$ -**	$ 64,584

See accompanying notes.

1. NATURE OF OPERATIONS AND GOING CONCERN

Sylla Gold Corp. (the "Company") is an exploration stage company involved in the business of acquiring, exploring and developing mineral properties. On September 15, 2021, the Company entered into an option agreement to acquire the Deguefarakole permit for its Niaouleni Gold Project (note 11) located in Mali, West Africa. On April 14, 2022, the Company graduated from the NEX Board of the TSX Venture Exchange ("TSX-V") to become a TSX-V tier 2 mining issuer. The Company's common shares trade under the symbol "SYG". The address of the Company's registered office is 1550 Bedford Highway, Suite 802, Bedford, Nova Scotia, B4A 1E6.

<u>Going Concern</u>
The business of exploration, development and mining of minerals involves a high degree of risk and there can be no assurances that future exploration activities will result in the discovery of economically recoverable mineral deposits. The success and continuation of the Company as a going concern is dependent upon the Company's ability to arrange financing, which in part, depends on prevailing market conditions, acquiring or discovering economically viable mineral properties, exploration success, and securing title and beneficial interest in its properties.

Further funds will be required for the Company to continue as a going concern, fulfil its obligations and fund its activities. The Company does not produce revenues from its exploration activities or have a regular source of cash flow. There can be no assurance that the Company will be able to obtain sufficient financing in the future or at favourable terms.

At May 31, 2023, the Company had a working capital deficiency of $757,697 (February 28, 2023 - $475,999), incurred a loss for the current three-month period of $411,698 (May 31, 2022– $2,170,528), and had an accumulated deficit of $8,357,142 (February 28, 2023 - $7,945,444).

These consolidated financial statements have been prepared using accounting principles applicable to a going concern, which assume that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. However, due to uncertainties surrounding a number of factors, such as, but not limited to, the ability to raise additional funds, ability to acquire mineral properties, exploration results, prices of underlying commodities, investor sentiment and financial market conditions, it is not possible to predict if this assumption will prove to be accurate.

These factors indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include the necessary adjustments to reflect the recoverability and classification of recorded assets and liabilities and related expenses that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

Statement of Compliance
These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements for the three-month period ended May 31, 2023, were approved and authorized for issue by the Company's board of directors on July 25, 2023.

Basis of Consolidation and Presentation
These consolidated financial statements include the accounts of the Company and its wholly-owned Malian subsidiary, Sylla Gold Mali SARL, established March 7, 2023, and its two wholly-owned inactive Canadian incorporated subsidiaries, Glencoe Resources Inc. and Great Bras d'Or Springs Inc. All significant inter-company transactions and balances have been eliminated on consolidation.

These consolidated financial statements are prepared on the historical cost basis, except for financial instruments classified as fair value through profit or loss. These consolidated financial statements are presented in Canadian dollars, which is the Company's and its subsidiaries' functional currency.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements, in conformity with IFRS, requires the Company's management to make certain estimates and judgements that they consider reasonable and realistic. These estimates and judgements are based on historical experience, future expectations, economic conditions and other factors. Despite regular reviews, changes in circumstances and assumptions may result in changes in these estimates and judgements, which could materially impact the reported amount of the Company's assets, liabilities, equity or earnings. By their nature, estimates and judgements are subject to measurement uncertainty and actual results could vary from estimates.

Going concern assumption
The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

Fair value of share-based payments and warrants
The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments and warrants. 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 fair value estimates and the Company's net loss and its equity reserves.

4. SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies, as described in Note 4, Significant Accounting Policies, of the Company's audited annual consolidated financial statements for the year ended February 28, 2023, have been applied consistently to all periods presented in these condensed interim consolidated financial statements, unless otherwise noted.

Adoption of Amendments to IAS 1 – Presentation of Financial Statements
The IASB issued an amendment to IAS 1, Presentation of Financial Statements providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to management's intentions or expectations of exercising the right to defer settlement of the liability. Management would classify debt as non-current only when the Company complies with all the conditions at the reporting date. The amendments further clarify that settlement of a liability refers to the transfer of cash, equity instruments, other assets or services to the counterparty.
On March 1, 2023, the Company adopted the amendments to IAS 1, which did not have any effect on the Company's financial statements.

(unaudited, expressed in Canadian dollars)

5. CAPITAL MANAGEMENT

The Company's objectives when managing capital are: to safeguard its ability to continue as a going concern; and, to have sufficient capital to fund the exploration and development of its mineral properties and the acquisition of other mineral properties for the benefit of its shareholders.

The Company considers its capital structure to consist of shareholders' equity (deficiency). In order to maintain its capital structure, the Company is dependent on equity funding and loans from related parties. Funding through equity instruments is comprised of common shares, warrants and incentive stock options. The Board of Directors has not established quantitative targets on its capital criteria for management, however, it relies on management to review its capital management methods and requirements on an ongoing basis and make adjustments, accordingly, to sustain future development of the business.

There were no changes in the Company's management of its capital during the current thee-month period. The Company is not subject to any externally imposed capital requirements.

6. LAND

The Company owns a spring water resource property in Victoria County, Cape Breton, Nova Scotia. There are currently no plans to develop this property.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		May 31 2023		February 28 2023
Trade payables	**$**	**239,662**	$	148,099
Accrued liabilities		**36,325**		38,763
Related parties (note 12)		**573,763**		443,396
	$	**849,750**	$	630,258

8. SHARE CAPITAL

Authorized
Unlimited common shares.

Shares issued – Private Placements
On March 2, 2022, the Company completed the first tranche of a $2,799,500 private placement by issuing 11,997,500 units at $0.20 per unit for gross proceeds of $2,399,500. On March 31, 2022, the Company completed the second and final tranche of the private placement by issuing 2,000,000 units for gross proceeds of $400,000. Each unit is comprised of one common share and one common share purchase warrant. Each unit warrant entitles the holder to acquire an additional common share at $0.32 for a period of twenty-four (24) months. The Company paid cash commissions of $132,700 and issued 650,500 broker warrants having identical terms as the unit warrants. Of the broker warrants, 640,000 broker warrants were issued in connection to the first tranche of the private placement and 10,500 broker warrants were issued in connection to the second and final tranche. The fair value of the: unit warrants was estimated at $962,837, using the relative fair value method; and, $64,584 for the broker warrants (note 9).

(unaudited, expressed in Canadian dollars)

SHARE CAPITAL (continued)

On January 3, 2023, the Company completed a private placement by issuing 3,151,420 units at $0.10 per unit for gross proceeds of $315,142. Each unit is comprised of one common share and one-half of a common share purchase warrant. Each full warrant entitles the holder to acquire an additional common share at a price of $0.15 for a period of twenty-four months. The Company paid cash commissions of $15,693 and issued 113,849 broker warrants. Each broker warrant entitles the holder to acquire one common share of the Company at $0.15 for a period of two years. The fair value of the: unit warrants was estimated at $66,549, using the relative fair value method; and, $5,253 for the broker warrants (note 9). In addition, the Company issued 150,000 common shares, valued at $15,000, for advisory services.

Shares Issued - Mineral Properties
On April 12, 2023 and on April 12, 2022, the Company issued 1,000,000 common shares at $0.10 and at $0.205 per share, respectively, in accordance with the Deguefarakole option agreement (notes 11, 12).

Shares Issued - Warrants
During the year ended February 28, 2023, the Company issued 2,915,000 common shares in connection to the exercise of unit warrants for proceeds of $437,250. The fair value of these warrants was $142,806. The fair value of these warrants was transferred from the warrant reserve account to share capital.

Deposit on Shares to be Issued
During the three-month period ended May 31, 2023, the Company received a deposit of $30,000 in connection to a future private placement, which terms are yet to be finalized.

Stock Options
Under the terms of the Company's stock option plan ("Plan"), the Company is authorized to issue up to a maximum of 10% of the issued common shares with an exercise period not to exceed ten years. The term, exercise price and vesting conditions of the options are fixed by the Company's Board of Directors at the time of grant.

Stock option transactions and the number of stock options outstanding are as follows:

	Number	Weighted average exercise price
Balance, February 28, 2022	-	$ -
Granted (i)	3,075,000	0.20
Balance, February 28, 2023 and May 31, 2023	**3,075,000**	**$0.20**

(i) On May 9, 2022, the Company granted 3,075,000 stock options to directors, officers and consultants. These options vested immediately and were issued with an exercise price of $0.20 and a five-year term, expiring on May 9, 2027.

(unaudited, expressed in Canadian dollars)

SHARE CAPITAL (continued)

Fair value of the options issued were estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	F2023
Dividend yield	Nil
Expected volatility (based on historical prices)	212%
Risk-free rate of return	2.76%
Expected life	5 Years
Share price	$0.18

Share-based payment expense recognized for the current three-month period was $nil (May 31, 2022 - $543,710). The offsetting credit was charged to contributed surplus. Consultant options were measured using the Black-Scholes option pricing model due to the absence of a reliable measurement of the services granted.

The following summarizes information on the outstanding stock options:

Expiry Date	Number	Exercise price	Exercisable	Average remaining contractual life (years)
May 9, 2027	3,075,000	$0.20	3,075,000	3.94

9. WARRANTS

Warrant transactions and number of warrants outstanding are as follows:

	Number	Weighted average exercise price
Balance, February 28, 2022	4,900,000	$0.15
Issued (note 8)	16,337,559	0.30
Exercised	(2,915,000)	0.15
Expired	(1,985,000)	0.15
Balance, February 28, 2023 and May 31, 2023	**16,337,559**	**$0.30**

(unaudited, expressed in Canadian dollars)

WARRANTS (continued)

Relative fair value of the warrants was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	F2023
Dividend yield	Nil
Expected volatility (based on historical prices)	123%
Risk-free rate of return	1.83%
Expected life	2 Years
Share price	$0.18

The following summarizes information on the outstanding warrants:

Expiry Date	Number	Exercise price	Weighted average remaining life (years)	Relative fair value
March 2, 2024	12,637,500	$0.32	0.75	$ 886,209
March 31, 2024	2,010,500	0.32	0.83	141,212
January 3, 2025	1,689,559	0.15	1.59	71,802
	16,337,559	$0.30	0.85	$ 1,099,223

10. CORPORATE AND ADMINISTRATIVE

	Three months ended May 31 **2023**	2022
Consulting (note 12)	**$ 25,000**	$ 38,306
Filing and transfer agent fees	**12,072**	6,306
Management fees (note 12)	**58,500**	30,194
Office and general (note 12)	**7,266**	3,205
Professional fees	**32,568**	13,386
Shareholder relations and promotion	**68,354**	45,174
Travel	**-**	36,356
	$ 203,760	$ 172,927

(unaudited, expressed in Canadian dollars)

11. EXPLORATION AND EVALUATION

	Three months ended May 31 **2023**	2022
Acquisition costs (notes 8, 12)	**$ 100,000**	$ 358,011
Property costs	**-**	42,023
Assaying	**42,415**	-
Consulting/Contracting	**52,590**	85,129
Drilling and ancillary costs	**-**	561,557
Equipment and supplies	**8,749**	374,299
Professional fees	**-**	424
Reports	**-**	4,348
Site costs	**4,210**	11,848
Travel/Transportation	**-**	3,611
	$ 207,964	$ 1,441,250

Niaouleni Gold Project – Mali, West Africa
The Niaouleni Gold Project (the "Niaouleni Project") is located in southwest Mali and is comprised of four option agreements to acquire four contiguous permits.

Permit		Renewal date
Deguefarakole	Under option	February 5, 2024
Niaouleni West	Under option	Exploration license pending
Samaya South	Under option	Exploration license pending
Sananfara	Under option	Exploration license pending

Deguefarakole Option Agreement, effective April 12, 2022
On September 15, 2021, the Company entered into an option agreement with Niaouleni Gold Inc. and Niaouleni Gold Mali SARL, a wholly owned subsidiary of Niaouleni Gold Inc., pursuant to which the Company was granted an option to acquire an indirect 100-per-cent interest in the Deguefarakole gold exploration permit. Mr. Gregory Isenor, a director and former officer of the Company, is also a director, officer and shareholder of Niaouleni Gold Inc. The Company received shareholder approval for the option agreement on November 12, 2021 and TSX Venture Exchange acceptance on April 12, 2022.

To exercise the option, the Company shall:

a) pay an aggregate of $700,000 as follows:
   (i) $50,000 on April 12, 2022 (paid);
   (ii) $50,000 on April 12, 2023 (deferred until July 31, 2023);
   (iii) $100,000 on April 12, 2024; and,
   (iv) $500,000 on April 12, 2025.

EXPLORATION AND EVALUATION (continued)

b) Issue 9,000,000 common shares of the Company in four (4) instalments as follows:
   (i) issue 1,000,000 common shares on April 12, 2022 (issued);
   (ii) issue 1,000,000 common shares on April 12, 2023 (issued);
   (iii) issue 2,000,000 common shares on April 12, 2024; and,
   (iv) issue 5,000,000 common shares on April 12, 2025.

c) Incur an aggregate of $1,380,000 of exploration expenditures over a three-year, as follows:
   (i) first year $220,000 (completed)
   (ii) second year $460,000 (completed)
   (iii) third year $700,000

Niaouleni Gold Inc. shall retain a 3% net smelter return royalty (NSR). The Company has the right to purchase up to 2% NSR (resulting in the remaining NSR being at least 1%) for a cost of up to $2 million.

Niaouleni West Option Agreement
On February 21, 2023, the Company entered into an option agreement with Touba Mining SARL (“Touba”) pursuant to which the Company was granted an option to acquire a 100% interest in the Niaouleni West gold exploration permit, located contiguously west of the Company's Deguefarakole permit.

To exercise the option, the Company shall:

a) pay an aggregate of 100,000,000 West African CFA Franc (“FCFA”) (approximately CDN $218,935) as follows:
   (i) 20,000,000 FCFA (CDN $40,935) by January 31, 2022 (paid);
   (ii) 30,000,000 FCFA (approximately CDN $67,000) by March 31, 2023 (deferred until July 31, 2023); and,
   (iii) 50,000,000 FCFA (approximately CDN $111,000) by January 31, 2024.

b) Upon the issuance of the exploration license by the Direction Nationale de la Géologie et des Mines (the “DNGM”) incur an aggregate of 528,000,000 FCFA (approximately CDN $1,173,000) of exploration expenditures over a three-year period, as follows:
   (i) first year 111,000,000 FCFA (approximately CDN $247,000)
   (ii) second year 145,000,000 FCFA (approximately CDN $322,000)
   (iii) third year 272,000,000 FCFA (approximately CDN $604,000)

Touba shall retain a 2% net smelter return royalty (NSR). The Company has the right to purchase one-half of the NSR (equivalent to a 1% NSR) for US $1 million.

Samaya South Option Agreement
On February 21, 2023, the Company entered into an option agreement with Touba pursuant to which the Company was granted an option to acquire a 100% interest in the Samaya South gold exploration permit, located contiguously northwest of the Company's Deguefarakole permit.

EXPLORATION AND EVALUATION (continued)

To exercise the option, the Company shall:

a) pay an aggregate of 45,000,000 FCFA (approximately CDN $95,076) as follows:
   (i) 30,000,000 FCFA (CDN $62,076) by May 14, 2022 (paid); and,
   (ii) 15,000,000 FCFA (approximately CDN $33,000) by May 14, 2023 (deferred until July 31, 2023).

b) Upon the issuance of the exploration license by the DNGM incur an aggregate of 528,000,000 FCFA (approximately CDN $1,173,000) of exploration expenditures over a three-year period, as follows:
   (i) first year 111,000,000 FCFA (approximately CDN $247,000)
   (ii) second year 145,000,000 FCFA (approximately CDN $322,000)
   (iii) third year 272,000,000 FCFA (approximately CDN $604,000)

Touba shall retain a 2% net smelter return royalty (NSR). The Company has the right to purchase one-half of the NSR (equivalent to a 1% NSR) for US $1 million.

Sananfara Option Agreement
On February 21, 2023, the Company entered into an option agreement with Touba pursuant to which the Company was granted an option to acquire a 100% interest in the Sananfara gold exploration permit, located contiguously south of the Company's Deguefarakole permit.

To exercise the option, the Company shall:

a) pay an aggregate of 100,000,000 FCFA (approximately CDN $219,061) as follows:
   (i) 20,000,000 FCFA (CDN $41,061) by April 30, 2022 (paid);
   (ii) 30,000,000 FCFA (approximately CDN $67,000) by April 30, 2023 (deferred until July 31, 2023); and,
   (iii) 50,000,000 FCFA (approximately CDN $111,000) by April 30, 2024.

b) Upon the issuance of the exploration license by the DNGM incur an aggregate of 641,025,000 FCFA (approximately CDN $1,424,000) of exploration expenditures over a three-year period, as follows:
   (i) first year 75,275,000 FCFA (approximately CDN $167,000)
   (ii) second year 179,900,000 FCFA (approximately CDN $400,000)
   (iii) third year 385,850,000 FCFA (approximately CDN $857,000)

Touba shall retain a 2% net smelter return royalty (NSR). The Company has the right to purchase one-half of the NSR (equivalent to a 1% NSR) for US $1 million.

General
Each option agreement requires the Company to keep the applicable permit in good standing and pay for all permit fees and taxes. The Company is not entitled to any partial interest in a permit in which the option is not exercised.

(unaudited, expressed in Canadian dollars)

12. RELATED PARTY TRANSACTIONS AND BALANCES

	Three months ended May 31 **2023**	2022
Consulting (i)	**$ 12,500**	$ 12,500
Management fees (ii)	**58,500**	30,194
Office and general (note iii)	**3,000**	-
Exploration and evaluation (iv)	**143,312**	822,657
Share-based payments (v)	**-**	406,678
	$ 217,312	$ 1,272,029

(i) Consulting fees were paid to a company controlled by a Company officer/director for bookkeeping services.

(ii) Management fees were paid or became payable for the services of the Company's:
- President and Chief Executive Officer; and,
- Chief Financial Officer, which began on May 9, 2022.

(iii) Rent was paid or became payable to a company controlled by a Company director for the Company's offices in Bedford, Nova Scotia. The rental term is monthly, which began on September 1, 2022.

(iv) Exploration and evaluation expenditures represent amounts paid or payable to Niaouleni Gold Inc. ("NGI") for Niaouleni Project activities. NGI is party to the option agreement for the Deguefarakole permit (note 11) and is related by virtue of a common director. Expenditures for the current three-month period consisted of:
- Deguefarakole option agreement acquisition costs of $100,000 (May 31, 2022 - $255,000); and,
- reimbursement of exploration expenditures, at cost, of $43,312 (May 31, 2022 - $567,657).

(v) Share-based payments represents the fair value of stock options granted to Company directors and officers.

During the three-month period ended May 31, 2022, the Company repaid $186,000 of cash loans payable to a Company director/officer. These loans were unsecured, non-interest bearing with no fixed terms of repayment.

Accounts payable and accrued liabilities include $573,763 (February 28, 2023 - $443,396) payable to Company directors/officers or companies controlled by or associated with Company directors/officers.

13. COMMITMENTS AND CONTINGENCIES

The Company has a management services agreement with a Company officer that contains the provision of change of control benefits. The agreement provides that in the event there is a change in control of the Company then the officer is entitled to receive a lump sum payment equal to two (2) years of remuneration. As a triggering event has not taken place, the contingent payment of $300,000 has not been reflected in these consolidated financial statements.

14. EARNINGS/LOSS PER SHARE

Earnings/Loss per share is calculated using the weighted average number of shares outstanding for the period. For the purposes of calculating the basic and diluted loss per share the effect of the potentially dilutive options and warrants were not included in the calculation as the result would be anti-dilutive.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value
The carrying value of cash, and accounts payable and accrued liabilities approximates fair value due to the relative short-term maturity of these financial instruments. Fair value represents the amount that would be exchanged in an arms-length transaction between willing parties and is best evidenced by a quoted market price if one exists.

IFRS 13 establishes a fair value hierarchy that prioritizes the valuation techniques for each financial instrument measured at fair value. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgement.

The methods and assumptions used to develop fair value measurements are: Level 1 - includes quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - includes inputs, other than quoted prices included in Level 1, that are observable for an asset or liability, either directly (i.e. as process) or indirectly (i.e. derived from process); and, Level 3 - includes inputs that are not based on observable data.

The Company held no fair value assets at May 31, 2023.

Risk Management
The Company's financial risk management activities include the preservation of its capital by minimizing risk related to its cash. The Company does not trade financial instruments for speculative purposes. The Company does not have a risk management committee or written risk management policies. The primary risks the Company's financial instruments are exposed to are described below:

Credit Risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party, by failing to discharge their obligations. Financial instruments that potentially expose the Company to this risk consist of cash. The Company mitigates the risk to its cash by depositing its cash with Canadian banks.

Liquidity Risk
Liquidity risk management requires maintaining sufficient cash, liquid investments or credit facilities to meet the Company's operating expenditures and commitments, as they come due. The Company manages liquidity risk through the management of its capital structure as described in Note 5. The Company has no income from operations or a regular source of cash flow and relies on equity funding to support its exploration and corporate activities. Should the need for equity funding arise, there is a risk that the Company may not be successful in selling new common shares at acceptable prices.

Accounts payable and accrued liabilities are generally due within 30 days and loans payable have no specific terms of repayment. As at May 31, 2023, the Company had cash of $2,644 to settle current liabilities of $849,750. The Company will require additional capital to eliminate its working capital deficiency and fund its activities for 2024.

FINANCIAL AND RISK MANAGEMENT (continued)

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 interest rates. The Company is not exposed to any significant interest rate risk. When applicable, excess cash is invested in financial instruments that provide safety and flexibility for early redemption. The Company has no interest-bearing debt.

Currency Risk
The Company operates in Canada and Mali and has potential future commitments in Mali that are denominated in the West African CFA franc (FCFA), the Euro (EUR) and the United States dollar (USD), giving rise to market risks from changes in foreign exchange rates. The Company monitors foreign exchange rates and has not entered into any financial arrangements to hedge or protect the Company from unfavourable changes in foreign exchange rates. As at May 31, 2023, the Company has accounts payable and accrued liabilities of approximately EUR 290,000, of which a 10% change in the EUR exchange rate would impact the Company's loss by approximately $42,000.