SYLLA GOLD CORP.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended February 29, 2024 and February 28, 2023

EXPRESSED IN CANADIAN DOLLARS

Jones & O'Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

43 Church Street, Suite 500 + P.O. Box 1237 + St. Catharines, ON + L2R 7A7
phone 905.688.4842 fax 905.688.1746
www.jonesoconnell.ca

Independent Auditor's Report

To the Shareholders of Sylla Gold Corp

Opinion

We have audited the consolidated financial statements of **Sylla Gold Corp** ("the Company"), which comprise the consolidated statement of financial position as at February 29, 2024 and the consolidated statement of operations and comprehensive loss, consolidated statement of changes in equity (deficiency) and consolidated statement of cash flows for the year then ended, and notes to consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of **Sylla Gold Corp** as at February 29, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has a working capital deficiency of $1,171,748, incurred a net loss for the year of $1,409,509, and has a deficit of $9,354,953 and expects to incur future losses in the development of its business. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Evaluation of Material Uncertainty Related to Going Concern</u>

Description of the matter

We draw attention to Note 1 to the consolidated financial statements. At each reporting date, the Company assesses its ability to continue as a going concern. Whether the Company is able to continue as a going concern is a significant management judgment.

Why the matter is a key audit matter

We identified the evaluation of the Company's ability to continue as a going concern as a key audit matter. This matter represented an area of higher assessed risk of material misstatement, which required significant auditor judgment in the evaluation of the results of our procedures.

How the matter was addressed in the audit

The primary procedure we performed to address this key audit matter included the following:

We evaluated the appropriateness of the Company's key strategy to resolve the situation given the current financial position and cash flows from operations.

To the Shareholders of Sylla Gold Corp (Continued)

Other Matter

The consolidated financial statements of **Sylla Gold Corp** for the year ended February 29, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on June 27, 2023.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions. Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As a part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as a fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

To the Shareholders of Sylla Gold Corp (Continued)

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or condition may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wayne O'Connell.

Jones & O'Connell LLP
Chartered Professional Accountants
Licensed Public Accountants
St. Catharines, Ontario
June 13, 2024

Jones & O’Connell LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

SYLLA GOLD CORP.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(expressed in Canadian dollars)

As at	February 29 2024	February 28 2023
ASSETS		
Current		
Cash	**$ 11,000**	$ 12,066
Sales tax receivable	**18,128**	25,599
Prepaid expenses and deposits	**28,446**	116,594
	57,574	154,259
Land (note 6)	**-**	26,500
	$ 57,574	$ 180,759
LIABILITIES		
Current		
Accounts payable and accrued liabilities (notes 7, 13)	**$ 1,199,322**	$ 630,258
Loan payable (note 8)	**30,000**	-
	1,229,322	630,258
DEFICIENCY		
Share capital (note 9)	**6,377,581**	5,755,767
Warrants (note 10)	**1,164,669**	1,099,223
Contributed surplus	**640,955**	640,955
Deficit	**(9,354,953)**	(7,945,444)
	(1,171,748)	(449,499)
	$ 57,574	$ 180,759

Nature of operations and going concern (note 1)
Commitments and contingencies (notes 12, 14)
Subsequent events (note 18)

Approved by the Board of Directors	*"Greg Isenor"*	*"J. Francois Lalonde"*
	Director (Signed)	Director (Signed)

See accompanying notes.

SYLLA GOLD CORP.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(expressed in Canadian dollars)

Years ended	February 29 2024	February 28 2023
Expenses		
Corporate and administrative (notes 11, 13)	**$ 649,911**	$ 778,837
Exploration and evaluation (notes 12, 13)	**727,516**	2,988,703
Share-based payments (notes 9, 13)	**-**	543,710
	(1,377,427)	(4,311,250)
Other income and expenses		
Impairment of land	**(26,500)**	-
Foreign exchange loss	**(5,582)**	(25,414)
	(32,082)	(25,414)
Net loss and comprehensive loss	**$ (1,409,509)**	$ (4,336,664)
Basic and diluted loss per share (note 15)	**$ (0.033)**	$ (0.127)
Weighted average number of common shares outstanding:		
Basic and diluted	**43,237,348**	34,231,287

See accompanying notes.

SYLLA GOLD CORP.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(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 9, 10)	17,148,920	2,085,256	1,029,386	-	-	3,114,642
Shares issued for mineral property (note 9)	1,000,000	205,000	-	-	-	205,000
Shares issued for services	150,000	15,000	-	-	-	15,000
Broker warrants (notes 9, 10)	-	(69,837)	69,837	-	-	-
Share issuance costs	-	(262,687)	-	-	-	(262,687)
Exercise of warrants (notes 9, 10)	2,915,000	580,056	(142,806)	-	-	437,250
Warrants expired	-	-	(97,245)	97,245	-	-
Share-based payments (note 9)	-	-	-	543,710	-	543,710
Net loss for the year	-	-	-	-	(4,336,664)	(4,336,664)
Balance, February 28, 2023	38,204,834	5,755,767	1,099,223	640,955	(7,945,444)	(449,499)
Units issued by private placement (notes 9, 10)	9,050,000	387,254	65,246	-	-	452,500
Shares issued for mineral property (note 9)	4,000,000	250,000	-	-	-	250,000
Share issuance costs	-	(15,240)	-	-	-	(15,240)
Net loss for the year	-	-	-	-	(1,409,509)	(1,409,509)
Balance, February 29, 2024	**51,254,834**	**$ 6,377,781**	**$ 1,164,469**	**$ 640,955**	**$ (9,354,953)**	**$ (1,171,748)**

See accompanying notes.

SYLLA GOLD CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(expressed in Canadian dollars)

Years ended	February 29 2024	February 28 2023
Operating activities		
Net loss for the year	**$ (1,409,509)**	$ (4,336,664)
Adjustments to reconcile loss to net cash used:		
Share-based payments	**-**	543,710
Shares issued for mineral property	**250,000**	205,000
Impairment of land	**26,500**	-
	(1,133,009)	(3,587,954)
Changes in non-cash working capital items		
Sales tax receivable	**7,471**	(671)
Prepaid expenses and deposits	**88,148**	(25,371)
Accounts payable and accrued liabilities	**569,064**	487,751
	(468,326)	(3,126,245)
Financing activities		
Loan proceeds	**30,000**	-
Loan repayments to related parties (note 13)	**-**	(186,000)
Units issued by private placement	**452,500**	3,114,642
Proceeds from exercise of warrants	**-**	437,250
Share issuance costs	**(15,240)**	(247,687)
	467,260	3,118,205
Net change in cash	**(1,066)**	(8,040)
Cash, beginning of year	**12,066**	20,106
Cash, end of year	**$ 11,000**	$ 12,066
Supplemental disclosure		
Shares issued for services	**$ -**	$ 15,000
Broker warrants	**$ -**	$ 69,837

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. The Company's Niaouleni Gold Project (note 12) is located in Mali, West Africa. The Company's common shares are listed on the TSX Venture Exchange under the trading symbol "SYG" and on the United States OTCQB Venture Market under the trading symbol "SYGCF". The address of the Company's registered office is 1550 Bedford Highway, Suite 802, Bedford, Nova Scotia, B4A 1E6.

Mali Coup and Moratorium

In 2020 and again in 2021, a coup was staged by Mali's military resulting in the dissolution of the Malian government. Mali is currently being governed by a transitional government. The Company's Malian properties may potentially expose the Company to risks and different considerations not normally associated with companies or exploration activities in North America. The Company's ability to retain its properties, raise and deploy capital may be adversely affected by changes in governing regimes, policies, laws and regulations, all of which are beyond the Company's control.

Mali's interim government adopted a new mining code in August 2023 and has suspended the issuance and renewals of permits and exploration licenses pending their review of the Malian mining sector, which has contributed to limiting the Company's ability to finance and conduct exploration activities.

Going Concern

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 February 29, 2024, the Company had a working capital deficiency of $1,171,748 (February 28, 2023 - $475,999), incurred a loss for the current year of $1,409,509 (February 28, 2023– $4,336,664), and had an accumulated deficit of $9,354,953 (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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements for the year ended February 29, 2024 were approved and authorized for issue by the Company's board of directors on June 13, 2024.

Basis of Consolidation and Presentation

These consolidated financial statements include the accounts of the Company, its wholly-owned Malian subsidiary, Sylla Gold Mining SARL and its wholly-owned Canadian incorporated subsidiary, Glencoe Resources 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.

Significant estimates relate to:

- measurement of share-based payments and warrant valuation;
- measurement and impairment of assets;
- recognition of deferred tax assets and liabilities; and,
- establishment of provisions.

Significant judgements relate to:

- ability to continue as a going concern;
- functional currency of the Company and its Malian subsidiary; and,
- choice of accounting policy for exploration and evaluation.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these 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.

Earnings/Loss per Share
The computation of earnings/loss per share and diluted earnings/loss per share amounts are based upon the weighted average number of shares outstanding during the year. Diluted earnings/loss per share is calculated based on the assumed conversion, exercise or contingent issuance of "in the money" securities only when such conversion, exercise or issuance would have a dilutive effect on earnings/loss per share, at the weighted average market price during the period.

Exploration and Evaluation
The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition cost of mineral properties, property payments and evaluation activities. Once a project has been established as commercially viable and technically feasible, related development expenditures are first tested for impairment and then capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Financial Instruments
The classification of a financial instrument is made at the time it is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are measured at amortized cost, unless they are required to be measured at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVTOCI), or if the Company has opted to measure them at FVTPL or FVTOCI.

A debt instrument that meets both the business model test and cash flow characteristics test must be measured at amortized cost (net of any write down for impairment) unless the asset is designated at FVTPL, under the fair value option.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as fair value through other comprehensive income (FVTOCI).

If certain conditions are met, the classification of a financial asset, debt instrument or equity instrument may subsequently need to be reclassified.

SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value. Transaction costs and any realized or unrealized gains or losses arising from changes in the fair value of the financial asset or liability held at FVTPL are included in profit or loss in the period in which they arise.

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets at FVOCI
Financial assets measured at FVTOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVTOCI. The Company does not measure any financial assets at FVTOCI.

After initial measurement, investments measured at FVTOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

Derecognition of financial assets
The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Derecognition of financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Foreign Currency Translation
Foreign currency transactions are initially recorded in the entity's functional currency at the transaction date exchange rate. At each reporting date, monetary assets and liabilities that are denominated in a foreign currency are translated into the functional currency using the end of the reporting period exchange rate. All foreign currency adjustments are recognized in profit or loss.

SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of Non-financial Assets

The Company's non-financial assets (land) are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount of the asset is the greater of fair value less costs of disposal and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognized in the profit or loss.

Impairment losses may be reversed in a subsequent period where the impairment no longer exists or has decreased. The carrying amount after a reversal must not exceed the carrying amount (net of amortization and depletion) that would have been determined had no impairment loss been recognized.

Income Taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the period using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred assets and liabilities are recognized for the future tax consequences attributable to the difference between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply when the asset is realized or the liability settled. Deferred income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is probable that they will be recognized.

Interest

The Company classifies interest received and interest paid as an operating cash flow within the statement of cash flows.

Land

Land is stated at historical cost less accumulated impairment losses. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Leases

This standard provides a comprehensive model for the identification, measurement and disclosure of lease arrangements. This standard eliminates the classification of material leases as either an operating or finance lease, and instead, these leases are to be recognized as assets and liabilities.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contracts conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specific explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefit from use of the asset throughout the period of use; and

SIGNIFICANT ACCOUNTING POLICIES (continued)

- The Company has the right to direct the use of the asset. The Company has this right when is has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

If a contract is assessed to contain a lease, the Company recognizes a lease liability with a corresponding right-of-use (“ROU”) asset on the date at which the leased asset is available for use by the Company. ROU assets are measured at cost, which includes the amount of the lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. Purchase, renewal and termination options that are reasonably certain of being exercised are also included in the measurement of the lease liability. ROU assets are subject to impairment.

The Company recognizes a lease liability at the commencement date of a lease, measured at the present value of the lease payments to be made over the lease term. The measurement of the Company’s lease liabilities depends on the interest rate implicit in the lease used to discount the remaining lease payments. In calculating the present value of lease payments, the Company uses an incremental borrowing rate at the lease commencement date, if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is the rate of interest that the Company assumes it would have to pay to borrow over a similar term, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment. Significant assumptions are required to be made on the basis for which the incremental borrowing rate was derived. These assumptions are considered to be a key source of estimation uncertainty. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company uses the following practical expedients and recognition exemptions when assessing leases:
- exemption to not recognize right-of-use ("ROU") assets and liabilities for leases with a remaining lease term of less than 12 months;
- exemption to not recognize ROU assets and liabilities for leases with low value;

The lease liability is remeasured when there is a change in future lease payments arising from a change in index or rate, if there is a change in the Company’s estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss when the carrying amount of the right-of-use asset has been reduced to nil.

Provisions
A provision is recognized in the consolidated statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to discharge the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

SIGNIFICANT ACCOUNTING POLICIES (continued)

Restoration and Environmental Obligations
The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period. The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are recognized in accordance with the Company's accounting policy for exploration and evaluation assets.

Share-based Payments
The Company accounts for share-based payments using the fair value-based method. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche of options issued to employees and others providing similar services is determined by using the Black-Scholes option pricing model. The fair value of each tranche of options issued to non-employees is determined by the fair value of the goods or services received. If the fair value of goods or services received cannot be reliably measured, then the Black-Scholes option pricing model is used.

The fair value of stock options, adjusted for expected forfeitures, is recognized as share-based payments expense over each tranche's vesting period with an offsetting credit charged to contributed surplus. The applicable contributed surplus is transferred to share capital if and when, the stock options are exercised. The fair value of stock options remains in contributed surplus on expiry of options. Any consideration paid on the exercise of stock options is credited to share capital.

Share Issue Costs
Share issue costs are recorded as a reduction of share capital.

Warrants
The Company follows the relative fair value method with respect to the measurement of common shares and warrants issued as private placement units. The proceeds from the issuance of units are allocated between share capital and warrants. Unit proceeds are allocated to shares and warrants using the share price at the time of financing and the Black-Scholes option pricing model, respectively.

SIGNIFICANT ACCOUNTING POLICIES (continued)

If and when the warrants are exercised, the applicable relative fair value recognized in warrants is transferred to share capital. Any consideration paid on the exercise of the warrants is credited to share capital. For those warrants that expire unexercised on maturity, the recorded value is transferred to contributed surplus.

In situations where warrants are issued as consideration for goods and services received and some or all of the goods or services received cannot be specifically identified or reliably measured, then these warrants are measured at the fair value of the share-based payment. The fair value of the share-based payment is determined using the Black-Scholes option pricing model.

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 year. 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. An impairment loss of $26,500 was recognized in 2024, as the Company has no plans to develop this property and lowered its outlook for recovering the investment.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	February 29 2024	February 28 2023
Trade payables	**$ 374,227**	$ 148,099
Accrued liabilities	**68,760**	38,763
Related parties (note 13)	**756,335**	443,396
	$ 1,199,322	$ 630,258

8. LOAN PAYABLE

During 2024, the Company received an unsecured non-interest bearing $30,000 loan from a third party. The Company expects to repay the loan from the proceeds of its next equity financing.

9. 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 10).

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 10). In addition, the Company issued 150,000 common shares, valued at $15,000, for advisory services.

On September 5, 2023, the Company completed the first tranche of a $452,500 private placement by issuing 4,850,000 units at $0.05 per unit for gross proceeds of $242,500. On October 5, 2023, the Company completed the second and final tranche of the private placement by issuing 4,200,000 units for gross proceeds of $210,000. The Company received Each unit is comprised of one common share and one-half of a common share purchase warrant. Each whole unit warrant entitles the holder to acquire an additional common share at $0.10 for a period of eighteen (18) months from the date of closing. The fair value of the unit warrants was estimated at $65,246 using the relative fair value method (note 10).

Shares Issued - Mineral Properties
On April 12, 2022, the Company issued 1,000,000 common shares at $0.205 per share, in accordance with the Deguefarakole option agreement (notes 12, 13).

On April 12, 2023, and on February 19, 2024, the Company issued 1,000,000 common shares at $0.10 and 3,000,000 common shares at $0.05 per share, respectively, in accordance with the Deguefarakole option agreement (notes 12, 13).

SHARE CAPITAL (continued)

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.

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 February 29, 2024	**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.

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

	February 28 2023
Dividend yield	Nil
Expected volatility (based on historical prices)	212%
Risk-free rate of return	2.76%
Expected life	5 Year
Share price	$0.18

Share-based payment expense recognized for the year was $nil (February 28, 2023 - $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.

SHARE CAPITAL (continued)

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	3.19

10. 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 9)	16,337,559	0.30
Exercised (note 9)	(2,915,000)	0.15
Expired	(1,985,000)	0.15
Balance, February 28, 2023	16,337,559	0.30
Issued (note 9)	4,525,000	0.10
Balance, February 29, 2024	**20,862,559**	**$0.26**

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

	February 28 2024	February 28 2023
Dividend yield	**Nil**	Nil
Expected volatility (based on historical prices)	**108%**	123%
Risk-free rate of return	**4.83%**	1.83%
Expected life	**1.5 Years**	2 Years
Share price	**$0.05**	$0.18

WARRANTS (continued)

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	0.00	$ 886,209
March 31, 2024	2,010,500	0.32	0.08	141,212
January 3, 2025	1,689,559	0.15	0.84	71,802
March 5, 2025	2,425,000	0.10	1.02	37,606
April 5, 2025	2,100,000	0.10	1.10	27,640
	20,862,559	$0.26	0.31	$ 1,164,469

11. CORPORATE AND ADMINISTRATIVE

	February 29 2024	February 28 2023
Consulting (note 13)	**$ 100,000**	$ 144,806
Filing and transfer agent fees	**51,096**	54,187
Management fees (note 13)	**234,000**	205,694
Office and general (note 13)	**26,811**	20,465
Professional fees	**86,336**	77,325
Shareholder relations and promotion	**151,668**	240,004
Travel	**-**	36,356
	$ 649,911	$ 778,837

12. EXPLORATION AND EVALUATION

	February 29 2024	February 28 2023
Acquisition costs (notes 9, 13)	**$ 367,166**	$ 399,072
Property costs	**-**	73,676
Assaying	**42,415**	216,575
Consulting/Contracting	**148,878**	282,711
Drilling and ancillary costs	**123,587**	1,255,362
Equipment and supplies	**29,491**	678,102
Professional fees	**-**	2,738
Reports	**-**	26,165
Site costs	**15,979**	46,088
Travel/Transportation	**-**	8,214
	$ 727,516	$ 2,988,703

EXPLORATION AND EVALUATION (continued)

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	Option exercised	February 5, 2024 – renewal and transfer pending
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 (the "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, which received TSX Venture Exchange acceptance on April 12, 2022. On February 19, 2024, the Option Agreement was amended to waive the remaining cash payments of $600,000 and reduce the number of common shares remaining to be issued by 4 million common shares.

As a result of the amendment to the Option Agreement, the Company exercised the option, having:

a) paid an aggregate of $100,000 as follows:
   (i) $50,000 on April 12, 2022; and,
   (ii) $50,000 on October 13, 2023.

b) Issued 5,000,000 common shares of the Company as follows:
   (i) 1,000,000 common shares on April 12, 2022;
   (ii) 1,000,000 common shares on April 12, 2023; and,
   (iii) 3,000,000 common shares on February 19, 2024.

c) Incurred an aggregate of $1,380,000 of exploration expenditures.

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

EXPLORATION AND EVALUATION (continued)

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 $220,101) as follows:
   (i) 20,000,000 FCFA (CDN $40,935) by January 31, 2022 (paid);
   (ii) 30,000,000 FCFA (CDN $67,166) by March 31, 2023 (paid in Q3-2024); and,
   (iii) 50,000,000 FCFA (approximately CDN $112,000) by January 31, 2024 (deferred until June 30, 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 $1,182,000) of exploration expenditures over a three-year period, as follows:
   (i) first year 111,000,000 FCFA (approximately CDN $248,000)
   (ii) second year 145,000,000 FCFA (approximately CDN $325,000)
   (iii) third year 272,000,000 FCFA (approximately CDN $609,000)

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.

To exercise the option, the Company shall:

a) pay an aggregate of 45,000,000 FCFA (approximately CDN $96,076) as follows:
   (i) 30,000,000 FCFA (CDN $62,076) by May 14, 2022 (paid); and,
   (ii) 15,000,000 FCFA (approximately CDN $34,000) by May 14, 2023 (deferred until June 30, 2024).

b) upon the issuance of the exploration license by the DNGM, incur an aggregate of 528,000,000 FCFA (approximately CDN $1,182,000) of exploration expenditures over a three-year period, as follows:
   (i) first year 111,000,000 FCFA (approximately CDN $248,000)
   (ii) second year 145,000,000 FCFA (approximately CDN $325,000)
   (iii) third year 272,000,000 FCFA (approximately CDN $609,000)

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.

EXPLORATION AND EVALUATION (continued)

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 $220,061) 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 June 30, 2024); and,
   (iii) 50,000,000 FCFA (approximately CDN $112,000) by April 30, 2024 (deferred until June 30, 2024).

b) upon the issuance of the exploration license by the DNGM, incur an aggregate of 641,025,000 FCFA (approximately CDN $1,435,000) of exploration expenditures over a three-year period, as follows:
   (i) first year 75,275,000 FCFA (approximately CDN $168,000)
   (ii) second year 179,900,000 FCFA (approximately CDN $403,000)
   (iii) third year 385,850,000 FCFA (approximately CDN $864,000)

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, including completing the expenditure requirements and paying all permit fees and taxes. The expenditure requirements in the Touba option agreements are based on mineral exploitation agreements issued by the Malian government with the issuance of the accompanying exploration license pending. The Company is not entitled to any partial interest in a permit in which the option is not exercised.

13. RELATED PARTY TRANSACTIONS AND BALANCES

	February 29 2024	February 28 2023
Consulting (i)	**$ 50,000**	$ 50,000
Management fees (ii)	**234,000**	205,694
Office and general (note iii)	**12,000**	6,000
Exploration and evaluation (iv)	**466,899**	1,767,091
Share-based payments (v)	**-**	406,678
	$ 762,899	$ 2,435,463

RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(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 12) and is related by virtue of a common director. Expenditures for the year consisted of:
- Deguefarakole option agreement acquisition costs of $300,000 (February 28, 2023 - $255,000); and,
- reimbursement of exploration expenditures, at cost, of $166,899 (February 28, 2023 - $1,512,091).

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

Accounts payable and accrued liabilities include $756,335 (February 28, 2023 - $443,396) payable to Company directors/officers or companies controlled by or associated with Company directors/officers.

During the year ended February 28, 2023, 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.

14. 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.

15. 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.

16. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	February 29 2024	February 28 2023
Statutory rate	**29.00%**	29.00%
Expected income tax recovery	**$ (411,000)**	$ (1,258,000)
Increase (decrease) resulting from:		
Non-deductible expenses and other permanent differences	**2,700**	158,000
Change in estimates and tax assets not recognized	**408,300**	1,100,000
Deferred income tax (recovery)	**$ -**	$ -

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	February 29 2024	February 28 2023
Exploration and evaluation costs	**$ 3,662,000**	$ 3,375,000
Capital assets	**21,000**	-
Share issuance costs and other	**183,000**	233,000
Non-capital losses	**3,661,000**	2,713,000
Deductible temporary differences	**$ 7,527,000**	$ 6,321,000

Tax Credit Carry-forwards

At February 29, 2024, the Company has $3,661,000 (2023 - $2,713,000) of non-capital losses available for deduction in future years expiring over various years from 2028 to 2044.

The Company also has Canadian and foreign resource related expenditures totaling approximately $3,662,000 (2023 - $3,375,000), which can be used to offset future income taxes.

The taxable entities have historically made tax losses, and the existence of future taxable profits cannot be assessed as probable. Accordingly, the future tax benefit of the above noted tax pools have been offset by recognition of a valuation allowance in these financial statements.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

The carrying value of cash, accounts payable and accrued liabilities and the loan payable 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.

Classification of Financial Instruments

		February 29 2024	February 28 2023
Financial assets			
Cash	Amortized cost	**$ 11,000**	$ 12,066
Financial liabilities			
Accounts payable and accrued liabilities	Amortized cost	**$ 1,199,322**	$ 630,258
Loan payable	Amortized cost	**30,000**	-

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. The financial instrument that potentially exposes the Company to this risk is its cash, which the Company mitigates by depositing a large majority of its cash with a Canadian bank.

Currency Risk

The Company operates in Canada and Mali and has potential future commitments (note 12) in Mali that are denominated in the West African CFA franc (FCFA), which is pegged to Euro (EUR), 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.

FINANCIAL AND RISK MANAGEMENT (continued)

As at February 29, 2024, the Company has accounts payable and accrued liabilities of approximately EUR 379,000 (February 28, 2023 -EUR 233,000), of which a 10% change in the EUR exchange rate would impact the Company's loss by approximately $56,000 (February 28, 2023 - $34,000).

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.

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 is highly dependent on its working capital and 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 the loan payable has no specific terms of repayment. As at February 29, 2024, the Company had cash of $11,000 (February 28, 2023 - $12,066) to settle current liabilities of $1,229,322 (February 28, 2023 - $630,258). The Company will require additional capital to eliminate its working capital deficiency, fund its Niaouleni Project option payments and its exploration and corporate activities for fiscal 2025.

18. SUBSEQUENT EVENTS

(i) On March 4, 2024, the Company entered into a share purchase agreement (SPA") with Namibia Critical Metals Inc. ("NCM") to acquire NCM's 95% interest in two Namibian domiciled subsidiaries that hold three prospecting licenses and one prospecting license under application within the Central Namibian gold district. As consideration for the acquisition, the Company shall issue 3,000,000 common shares and make a $100,000 cash payment. Closing, as amended on June 13, 2024, is scheduled to occur by August 31, 2024. Closing is subject to the Company raising sufficient funds and the receipt of regulatory approvals.

(ii) In May 2024, a Company director provided the Company with an $50,000 cash loan. The loan is payable on demand, unsecured and non-interest bearing.

(iii) On May 30, 2024, the Company received shareholder approval to consolidate its common shares on the basis of one new common share for every three old common shares. The Company has not determined when, or if, the share consolidation will be implemented.