

**SYLLA GOLD CORP.**

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**CONSOLIDATED FINANCIAL STATEMENTS**

**For the years ended February 28, 2026 and 2025**

**EXPRESSED IN CANADIAN DOLLARS**

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## Independent Auditor's Report

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### To the Shareholders of Sylla Gold Corp

#### Opinion

We have audited the consolidated financial statements of **Sylla Gold Corp** and its subsidiaries ("the Group"), which comprise the consolidated statements of financial position as at February 28, 2026 and February 28, 2025 and the consolidated statements of operations and comprehensive loss, consolidated statements of changes in equity (deficiency) and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at February 28, 2026 and February 28, 2025, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

#### Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to the audit of 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.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Group has a working capital deficiency of \$315,807 (2025 - \$1,760,018), has incurred a loss for the current year of \$745,881 (2025 - \$733,986) and had an accumulated deficit of \$10,834,820 (2025 - \$10,088,939). As stated in Note 1, these conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group'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 Group for the years ended February 28, 2026 and February 28, 2025. These matters were addressed in the context of our audits 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. We have identified no other key audit matters other than the matter described in the Material Uncertainty Related to Going Concern section of our report.

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# Independent Auditor's Report

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## To the Shareholders of Sylla Gold Corp (Continued)

### 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 for the years ended February 28, 2026 and February 28, 2025 to be 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 audits 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 audits or otherwise appears to be materially misstated. 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 IFRS Accounting Standards as issued by the IASB 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The 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 Group's internal control.

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## Independent Auditor's Report

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### To the Shareholders of Sylla Gold Corp (Continued)

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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*

Jones & O'Connell LLP  
Chartered Professional Accountants  
Licensed Public Accountants  
St. Catharines, Ontario  
June 25, 2026

**SYLLA GOLD CORP.****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION***(expressed in Canadian dollars)*

<b>As at</b>	<b>February 28 2026</b>	<b>February 28 2025</b>
<b>ASSETS</b>		
Current		
Cash	\$ 1,712,450	\$ 1,237
Sales tax receivable	54,184	55,126
Prepaid expenses and deposits	11,284	6,750
	<b>\$ 1,777,918</b>	<b>\$ 63,113</b>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (notes 6, 12)	\$ 1,950,162	\$ 1,725,631
Loans payable (notes 7, 12)	143,563	97,500
	<b>2,093,725</b>	<b>1,823,131</b>
<b>DEFICIENCY</b>		
Share capital (note 8)	7,491,249	6,465,447
Warrants (note 9)	1,219,800	123,296
Contributed surplus	1,807,964	1,740,178
Deficit	(10,834,820)	(10,088,939)
	<b>(315,807)</b>	<b>(1,760,018)</b>
	<b>\$ 1,777,918</b>	<b>\$ 63,113</b>

**Nature of operations and going concern (note 1)****Commitments and contingencies (notes 11, 13)****Subsequent events (note 18)***See accompanying notes.***Approved by the Board of Directors****"Greg Isenor"**  
Director (Signed)**"J. Francois Lalonde"**  
Director (Signed)

**SYLLA GOLD CORP.****CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS***(expressed in Canadian dollars)*

<b>Years ended</b>	<b>February 28 2026</b>	<b>February 28 2025</b>
<b>Expenses</b>		
Corporate and administrative (notes 10, 12)	\$ 420,606	\$ 480,187
Exploration and evaluation (note 11)	263,454	241,085
	<b>(684,060)</b>	<b>(721,272)</b>
<b>Other income and expenses</b>		
Financing costs (notes 7, 12)	(13,364)	-
Foreign exchange loss	(48,457)	(12,714)
	<b>(61,821)</b>	<b>(12,714)</b>
<b>Net loss and comprehensive loss</b>	<b>\$ (745,881)</b>	<b>\$ (733,986)</b>
<b>Basic and diluted loss per share (note 14)</b>	<b>\$ (0.013)</b>	<b>\$ (0.014)</b>
<b>Weighted average number of common shares outstanding:</b>		
<b>Basic and diluted</b>	<b>55,318,943</b>	<b>53,192,368</b>

*See accompanying notes.*

**SYLLA GOLD CORP.**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)**

*(expressed in Canadian dollars)*

	Share capital		Warrants	Contributed Surplus	Deficit	Total
	Number	Amount				
Balance, February 29, 2024	51,254,834	\$ 6,377,581	\$ 1,164,669	\$ 640,955	\$ (9,354,953)	\$ (1,171,748)
Units issued by private placement (notes 8, 9)	3,200,000	104,490	55,510	-	-	160,000
Broker warrants (notes 8, 9)	-	(2,340)	2,340	-	-	-
Share issuance costs	-	(14,284)	-	-	-	(14,284)
Warrants expired (note 9)	-	-	(1,099,223)	1,099,223	-	-
Loss for the year	-	-	-	-	(733,986)	(733,986)
Balance, February 28, 2025	54,454,834	6,465,447	123,296	1,740,178	(10,088,939)	(1,760,018)
Units issued by private placement (notes 8, 9)	46,000,000	1,196,700	1,103,300	-	-	2,300,000
Bonus shares issued for loans (notes 7, 12)	599,998	9,990	-	-	-	9,990
Broker warrants (notes 8, 9)	-	(60,990)	60,990	-	-	-
Share issuance costs	-	(119,898)	-	-	-	(119,898)
Warrants expired (note 9)	-	-	(67,786)	67,786	-	-
Loss for the year	-	-	-	-	(745,881)	(745,881)
<b>Balance, February 28, 2026</b>	<b>101,054,832</b>	<b>\$ 7,491,249</b>	<b>\$ 1,219,800</b>	<b>\$ 1,807,964</b>	<b>\$ (10,834,820)</b>	<b>\$ (315,807)</b>

*See accompanying notes.*

**SYLLA GOLD CORP.****CONSOLIDATED STATEMENTS OF CASH FLOWS***(expressed in Canadian dollars)*

<b>Years ended</b>	<b>February 28 2026</b>	<b>February 28 2025</b>
<b>Operating activities</b>		
Loss for the year	\$ (745,881)	\$ (733,986)
Adjustments to reconcile loss to net cash used:		
Financing costs	13,364	-
	<b>(732,517)</b>	<b>(733,986)</b>
Changes in non-cash working capital items		
Sales tax receivable	942	(36,998)
Prepaid expenses and deposits	(4,534)	21,696
Accounts payable and accrued liabilities	224,531	526,309
	<b>(511,578)</b>	<b>(222,979)</b>
<b>Financing activities</b>		
Loan proceeds	47,500	67,500
Loan transaction costs	(4,811)	-
Units issued by private placement	2,300,000	160,000
Share issuance costs	(119,898)	(14,284)
	<b>2,222,791</b>	<b>213,216</b>
<b>Net change in cash</b>	<b>1,711,213</b>	<b>(9,763)</b>
Cash, beginning of year	1,237	11,000
<b>Cash, end of year</b>	<b>\$ 1,712,450</b>	<b>\$ 1,237</b>
<b>Supplemental disclosure</b>		
Bonus shares issued for loans	\$ 9,990	\$ -
Broker warrants	\$ 60,990	\$ 2,340

*See accompanying notes.*

## **SYLLA GOLD CORP.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the years ended February 28, 2026 and 2025**

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#### **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 11) is located in Mali, West Africa. The Company’s common shares are listed on the TSX Venture Exchange under the trading symbol “SYG”. During fiscal 2026 the Company discontinued its listing on the United States OTCQB Venture Market. The address of the Company’s registered office is 1550 Bedford Highway, Suite 802, Bedford, Nova Scotia, B4A 1E6.

##### Malian New Mining Code 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 ruling junta, which adopted a new mining code in August 2023 and suspended the issuance and renewals of permits. The new government approved a mining code Implementation Decree in July 2024. In March 2025, the government partially lifted the moratorium to allow for the processing of applications to renew exploration permits. The ability to transfer exploration permits or obtain new exploration permits remains suspended. The Company is working through the permit application process, though the financial impact has not been fully determined and the timing for obtaining approvals remains uncertain. The Company has witnessed the completion of several agreements between the new government and other mining companies and remains optimistic that its permits will be either renewed or issued, as applicable. The Company’s ability to finance and conduct exploration activities on its properties has been significantly constrained by these events.

The Company’s Malian properties may 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.

##### 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 28, 2026, the Company had a working capital deficiency of \$315,807 (2025 - \$1,760,018), incurred a loss for the current year of \$745,881 (2025– \$733,986), and had an accumulated deficit of \$10,834,820 (2025 - \$10,088,939).

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.

## **SYLLA GOLD CORP.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the years ended February 28, 2026 and 2025**

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#### **NATURE OF OPERATIONS AND GOING CONCERN (continued)**

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 28, 2026 were approved and authorized for issue by the Company's board of directors on June 25, 2026.

##### **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.

##### **Share-based payments and warrants**

The Company uses market-based valuation inputs to calculate the value of share-based payments and warrants. The selection of the appropriate valuation model and the determination of the related inputs require significant management judgment and estimates. Certain inputs used in the valuation model rely on historical trends that may not be indicative of the future. The value calculated is not necessarily the value that the holder of the equity instrument could receive in an arm's length transaction, given that there is no market for stock options or warrants.

##### **Recognition of deferred tax assets**

The Company considers whether the realization of deferred tax assets is probable in determining whether to recognize these deferred tax assets. The Company provides for such differences, where known, based on management's best estimate of the probable outcome.

## **SYLLA GOLD CORP.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the years ended February 28, 2026 and 2025**

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#### **ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**

##### **Going concern assumption**

In determining whether it is appropriate for the Company to be reported as a going concern, management exercises judgement, having considered the business activities, principal risks and likelihood the Company can fund its operations.

##### **Functional currency**

Determination of the functional currency involves certain judgments to determine the primary economic environment of the Company and its subsidiaries.

##### **Accounting for exploration and evaluation**

The determination of the appropriate accounting treatment for exploration and evaluation expenditures requires the Company to make certain judgments to support expensing the acquisition and exploration costs of its mineral projects until such time a project has been established as commercially viable and technically feasible.

#### **4. MATERIAL ACCOUNTING POLICY INFORMATION**

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, unless otherwise noted.

##### **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.

## SYLLA GOLD CORP.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended February 28, 2026 and 2025

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#### **MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

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.

#### 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.

## SYLLA GOLD CORP.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended February 28, 2026 and 2025

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#### MATERIAL ACCOUNTING POLICY INFORMATION (continued)

##### 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.

##### 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.

##### 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 contract 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
- The Company has the right to direct the use of the asset. The Company has this right when it 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.

## **SYLLA GOLD CORP.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the years ended February 28, 2026 and 2025**

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#### **MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

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.

#### **Reclamation Obligations**

The Company records provisions for reclamation and remediation based on the best estimate of costs for reclamation activities that it is required to undertake, and the liability is recognized at fair value at the time such environmental disturbance occurs. Reclamation costs are periodically adjusted to reflect changes in regulatory requirements, changes in timing or amount of reclamation costs and in the estimated present value resulting from the passage of time.

Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation costs. Changes in reclamation estimates are reflected under exploration and evaluation expense in the period an estimate is revised. Estimated reclamation obligations are based on when spending for an existing disturbance is expected to occur. The Company reviews, on an annual basis, unless otherwise deemed necessary, the reclamation obligation for each of its exploration properties.

## **SYLLA GOLD CORP.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the years ended February 28, 2026 and 2025**

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#### **MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

##### **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.

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. NEW STANDARDS AND INTERPRETATIONS ISSUED**

The following standard has been issued but is not yet effective:

##### **IFRS 18 – Presentation and disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required, and early adoption is permitted. The Company is evaluating the impact of adopting this amendment on its financial statements.

## SYLLA GOLD CORP.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended February 28, 2026 and 2025

#### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	February 28 2026	February 28 2025
Trade payables	\$ 953,959	\$ 615,985
Accrued liabilities	70,602	68,335
Related parties (note 12)	925,601	1,041,311
	<b>\$ 1,950,162</b>	<b>\$ 1,725,631</b>

#### 7. LOANS PAYABLE

	February 28 2026	February 28 2025
Promissory Notes - Non-interest bearing	\$ 100,000	\$ 97,500
Promissory Notes - Interest bearing	43,563	-
	<b>\$ 143,563</b>	<b>\$ 97,500</b>

##### Promissory Notes - Non-interest bearing

	February 28 2026	February 28 2025
Balance, beginning	\$ 97,500	\$ 30,000
Loan proceeds (note 12)	2,500	67,500
Balance, ending	<b>\$ 100,000</b>	<b>\$ 97,500</b>

All of the non-interest bearing promissory notes are payable on demand and unsecured.

##### Promissory Notes - Interest bearing

On June 6, 2025, the Company issued promissory notes for gross proceeds of \$45,000 bearing interest at 7% per annum (the "7% Promissory Notes"). In addition, the holders of the 7% Promissory Notes received bonus common shares equivalent to 20% of the gross proceeds. The Company issued 599,998 bonus shares on July 25, 2025, having a fair value of \$9,990. Financing costs expensed for fiscal 2026 was \$13,364 (2025 - \$nil) and consisted of accrued loan interest and accretion. The 7% Promissory Notes are unsecured and payable on demand after June 6, 2026. The Company can prepay these loans at any time (note 18).

In accordance with IFRS 9, the 7% promissory notes are a compound financial instrument which is bifurcated into a liability and equity component using the fair value method at the time of initial recognition. The fair value of the bonus shares plus transaction costs were applied against the gross proceeds of the loans and are being amortized over the term of the 7% Promissory Notes as an accretion expense.

## SYLLA GOLD CORP.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended February 28, 2026 and 2025

#### LOANS PAYABLE (continued)

	February 28 2026	February 28 2025
Balance, beginning	\$ -	\$ -
Loan proceeds (note 12)	45,000	-
Bonus shares (notes 8, 12)	(9,990)	-
Transaction costs	(4,811)	-
Financing costs - Accrued interest	2,313	-
Financing costs - Accretion	11,051	-
Balance, ending	\$ 43,563	\$ -

#### 8. SHARE CAPITAL

##### Authorized

Unlimited common shares – no par value

##### Shares issued – Private Placements

On July 23, 2024, the Company completed a private placement for gross proceeds of \$160,000 by issuing 3,200,000 units at \$0.05 per unit. Each unit consists of one common share and one common share purchase warrant. Each unit warrant entitles the holder thereof to purchase one additional common share at an exercise price of \$0.07 for a period of 18 months from the date of closing. The fair value of the unit warrants was estimated at \$55,510, using the relative fair value method. In addition, the Company issued 98,000 broker/finder warrants. Each broker/finder warrant entitles the holder to purchase one common share at \$0.05 for a period of 18 months from closing. The fair value of the broker/finder warrants was estimated at \$2,340 using the Black-Scholes option pricing model.

On February 25, 2026, the Company completed a private placement for gross proceeds of \$2,300,000 by issuing 46,000,000 units at \$0.05 per unit. Each unit consists of one common share and one common share purchase warrant. Each unit warrant entitles the holder thereof to purchase one additional common share at an exercise price of \$0.05 for a period of 24 months from the date of closing. The fair value of the unit warrants was estimated at \$1,103,300, using the relative fair value method. In addition, the Company issued 945,000 broker/finder warrants. Each broker/finder warrant entitles the holder to purchase one common share at \$0.05 for a period of 24 months from closing. The fair value of the broker/finder warrants was estimated at \$60,990 using the Black-Scholes option pricing model.

##### Shares issued – Bonus Shares

On July 25, 2025, the Company issued 599,998 bonus common shares having a fair value of \$9,990 pursuant to the 7% Promissory Notes issued on June 6, 2025 (note 7).

##### Stock Options

Under the terms of the Company's stock option 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.

## SYLLA GOLD CORP.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended February 28, 2026 and 2025

#### SHARE CAPITAL (continued)

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

	Number	Weighted average exercise price
Balance, February 29, 2024	3,075,000	\$0.20
Expired/Cancelled	(400,000)	0.20
<b>Balance, February 28, 2025 and 2026</b>	<b>2,675,000</b>	<b>\$0.20</b>

The following summarizes information on the outstanding stock options:

Expiry Date	Number	Exercise price	Exercisable	Average remaining contractual life (years)
May 9, 2027	2,675,000	\$0.20	2,675,000	1.19

#### 9. WARRANTS

Warrant transactions and number of warrants outstanding are as follows:

	Number	Weighted average exercise price	Relative fair value
Balance, February 29, 2024	20,862,559	\$0.26	\$ 1,164,669
Issued (i)	3,200,000	0.07	55,510
Issued - Broker/Finder	98,000	0.05	2,340
Expired	(16,337,559)	0.30	(1,099,223)
Balance, February 28, 2025	7,823,000	0.09	\$ 123,296
Issued	46,000,000	0.05	1,103,300
Issued - Broker/Finder	945,000	0.05	60,990
Expired	(4,623,000)	0.10	(67,786)
<b>Balance, February 28, 2026</b>	<b>50,145,000</b>	<b>\$0.05</b>	<b>\$ 1,219,800</b>

- (i) On January 9, 2026, the Company extended the expiry date of 3,200,000 unit warrants for an additional twelve months to January 23, 2027. The warrants were issued as part of a private placement that closed on July 23, 2024, and were originally set to expire on January 23, 2026. Extension of the warrants received TSX Venture Exchange consent on January 14, 2026. Pursuant to the Company's accounting policy, the fair value of the warrants was not remeasured.

## SYLLA GOLD CORP.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended February 28, 2026 and 2025

#### WARRANTS (continued)

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

	February 28 2026	February 28 2025
Dividend yield	Nil	Nil
Expected volatility (based on historical prices)	236%	146%
Risk-free rate of return	2.44%	3.87%
Expected life	2.00%	1.5 Years
Share price	\$0.07	\$0.04

The following summarizes information on the outstanding warrants:

Expiry Date	Number	Exercise price	Weighted average remaining life (years)	Relative fair value
January 23, 2027	3,200,000	\$0.07	0.90	\$ 55,510
February 25, 2028	46,945,000	\$0.05	1.99	1,164,290
	50,145,000	\$0.05	1.92	\$ 1,219,800

#### 10. CORPORATE AND ADMINISTRATIVE

	February 28 2026	February 28 2025
Consulting (note 12)	\$ 78,000	\$ 68,750
Filing and transfer agent fees	21,745	54,679
Management fees (note 12)	234,000	234,000
Office and general (note 12)	20,408	28,808
Professional fees	62,857	58,544
Shareholder relations and promotion	3,596	35,406
	\$ 420,606	\$ 480,187

## SYLLA GOLD CORP.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended February 28, 2026 and 2025

#### 11. EXPLORATION AND EVALUATION

	February 28 2026	February 28 2025
Acquisition costs	\$ 86,332	\$ 68,808
Property costs	-	3,368
Consulting/Contracting	135,977	135,844
Environmental	3,099	-
Equipment and supplies	17,286	18,245
Professional fees	4,783	-
Site costs	15,977	14,820
	<b>\$ 263,454</b>	<b>\$ 241,085</b>

#### 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 properties.

Property		Renewal date
Deguefarakole	Option exercised	February 5, 2024 – renewal and transfer pending
Niaouleni West	Option exercised	Issuance of exploration permit pending
Samaya South	Option exercised	Issuance of exploration permit pending
Sananfara	Under option	Issuance of exploration permit pending

Mali is currently being governed by a ruling junta, which adopted a new mining code in August 2023 and suspended the issuance and renewals of permits. The new government approved the new mining code Implementation Decree in July 2024. In March 2025, the government partially lifted the moratorium to allow for the processing of applications to renew exploration permits. The ability to transfer exploration permits or obtain new exploration permits remains suspended. The Company is working through the license application process, and the financial impact has not been fully determined and the timing for obtaining approvals remains uncertain. However, the Company has witnessed the completion of several agreements between the new government and other mining companies and remains optimistic that its permits will be either renewed or issued, as applicable.

The Company has begun the process to renew its Dequefarakole license. For each of the three Touba Mining SARL (“Touba”) option agreements, as further described below, the exploration agreements issued by the by Mali’s Direction Nationale de la Géologie et des Mines (the “DNGM”) pre-date the new mining code adopted by the new Malian government and may be subject to change. These exploration agreements grant Touba the right to explore these properties with the issuance of the accompanying exploration permit currently suspended.

#### General

Each option agreement requires the Company to keep the applicable permit in good standing, including paying all fees and taxes and completing the expenditure requirements, if applicable. The Company is not entitled to any partial interest in a permit in which the option is not exercised. In addition, the Company has engaged Touba to provide support for its Malian operations

## SYLLA GOLD CORP.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended February 28, 2026 and 2025

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#### EXPLORATION AND EVALUATION (continued)

##### Dequefarakole Option Agreement (Exercised)

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 Dequefarakole gold exploration permit. Mr. Gregory Iseñor, 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.

In February 2024 the Company exercised the option, having:

- a) paid an aggregate of \$100,000;
- b) issued 5,000,000 common shares of the Company; and
- c) incurred an aggregate of \$1,380,000 of exploration expenditures.

Niaouleni Gold Inc. retained 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.

##### Niaouleni West Option Agreement (Exercised)

On February 21, 2023, the Company entered into an option agreement with Touba pursuant to which Touba granted the Company an option to acquire a 100% interest in the Niaouleni West gold exploration permit, located contiguously west of the Company's Dequefarakole permit. In February 2026, Touba waived its expenditure requirement of 528,000,000 FCFA (approximately CDN \$1,293,000) to facilitate the exercise of the option.

In February 2026 the Company exercised the option, having paid an aggregate of 100,000,000 West African CFA Franc ("FCFA") for a total of CDN \$226,241 as follows:

- a) 20,000,000 FCFA (CDN \$40,935) by January 31, 2022;
- b) 30,000,000 FCFA (CDN \$67,166) by March 31, 2023, which date was subsequently amended to September 30, 2023; and
- c) 50,000,000 FCFA (CDN \$118,140) by January 31, 2024, which date and payment were subsequently amended as follows:
  - 30,000,000 FCFA (CDN \$68,808) by August 15, 2024; and
  - 20,000,000 FCFA (CDN \$49,332) by April 30, 2025, which date was subsequently amended to February 28, 2026.

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.

The expenditure requirements pursuant to the mineral exploration agreement issued by the DNGM in 2022 require an aggregate of 528,000,000 FCFA (approximately CDN \$1,293,000) of exploration expenditures to be incurred over a three-year period upon the issuance of the exploration permit. The annual minimum expenditures to be incurred are as follows:

- first year 111,000,000 FCFA (approximately CDN \$272,000)
- second year 145,000,000 FCFA (approximately CDN \$355,000)
- third year 272,000,000 FCFA (approximately CDN \$666,000)

## SYLLA GOLD CORP.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended February 28, 2026 and 2025

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#### EXPLORATION AND EVALUATION (continued)

##### Samaya South Option Agreement (Exercised)

On February 21, 2023, the Company entered into an option agreement with Touba pursuant to which Touba granted the Company an option to acquire a 100% interest in the Samaya South gold exploration permit, located contiguously northwest of the Company's Deguefarakole permit. In February 2026, Touba waived its expenditure requirement of 528,000,000 FCFA (approximately CDN \$1,293,000) to facilitate the exercise of the option.

In February 2026 the Company exercised the option, having paid an aggregate of 45,000,000 FCFA for a total of CDN \$99,076 as follows:

- a) 30,000,000 FCFA (CDN \$62,076) by May 14, 2022; and,
- b) 15,000,000 FCFA (CDN \$37,000) by May 14, 2023, which date was subsequently amended to February 28, 2026.

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.

The expenditure requirements pursuant to the mineral exploration agreement issued by the DNGM in 2022 require an aggregate of 528,000,000 FCFA (approximately CDN \$1,293,000) of exploration expenditures to be incurred over a three-year period upon the issuance of the exploration permit. The annual minimum expenditures to be incurred are as follows:

- first year 111,000,000 FCFA (approximately CDN \$272,000)
- second year 145,000,000 FCFA (approximately CDN \$355,000)
- third year 272,000,000 FCFA (approximately CDN \$666,000)

##### Sananfara Option Agreement

On February 21, 2023, the Company entered into an option agreement with Touba pursuant to which Touba granted the Company an option to acquire a 100% interest in the Sananfara gold exploration permit, located contiguously south of the Company's Deguefarakole permit. In February 2026, Touba waived its expenditure requirement of 641,025,000 FCFA (approximately CDN \$1,570,000) and deferred the remaining option payments of 80,000,000 FCFA (approximately CDN \$196,000) to August 31, 2026.

To exercise the option, the Company shall pay an aggregate of 100,000,000 FCFA (approximately CDN \$237,061) as follows:

- a) 20,000,000 FCFA (CDN \$41,061) by April 30, 2022 (paid);
- b) 30,000,000 FCFA (approximately CDN \$73,000) by April 30, 2023, which date was subsequently amended to August 31, 2026; and,
- c) 50,000,000 FCFA (approximately CDN \$123,000) by April 30, 2024, which date was subsequently amended to August 31, 2026.

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.

## SYLLA GOLD CORP.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended February 28, 2026 and 2025

#### EXPLORATION AND EVALUATION (continued)

The expenditure requirements pursuant to the mineral exploration agreement issued by the DNGM in 2022 require an aggregate of 641,025,000 FCFA (approximately CDN \$1,570,000) of exploration expenditures to be incurred over a three-year period upon the issuance of the exploration permit. The annual minimum expenditures to be incurred are as follows:

- first year 75,275,000 FCFA (approximately CDN \$184,000)
- second year 179,900,000 FCFA (approximately CDN \$441,000)
- third year 385,850,000 FCFA (approximately CDN \$945,000)

#### 12. RELATED PARTY TRANSACTIONS AND BALANCES

A summary of the compensation of key management (directors/officers) of the Company is included in the table below. Key management are those persons having authority and responsibility for planning, directing and controlling activities, directly or indirectly, of the Company. Related party transactions are in the normal course of business and are recorded at the amount agreed to between the parties.

	February 28 2026	February 28 2025
Consulting (i)	\$ 42,000	\$ 50,000
Management fees (ii)	234,000	234,000
Office and general (iii)	12,000	12,000
Financing costs (iv)	1,285	-
	<b>\$ 289,285</b>	<b>\$ 296,000</b>

- (i) Consulting fees were paid or became payable to a company controlled by a Company officer/director for bookkeeping services.
- (ii) Management fees were paid or became payable to a company controlled by the Company's President and Chief Executive Officer and to a company controlled by the Company's Chief Financial Officer.
- (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.
- (iv) Financing costs include accrued interest payable to Company directors in relation to the 7% Promissory Notes issued on June 6, 2025 (note 7).

Accounts payable and accrued liabilities include \$925,601 (2025 - \$1,041,311) payable to Company directors/officers or companies controlled by Company directors/officers. Of this amount, \$Nil (2025 - \$362,965) is payable to Niaouleni Gold Inc. a company in which a Company director is a director, officer and shareholder and represented past due amounts payable to suppliers engaged by Niaouleni Gold Inc. to conduct work at the Niaouleni Gold Project. The payable to Niaouleni Gold Inc. was impacted by fluctuations in the West African CFA franc and Euro foreign exchange rates.

## SYLLA GOLD CORP.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended February 28, 2026 and 2025

#### RELATED PARTY TRANSACTION AND BALANCES (continued)

Loans payable includes \$70,000 (2025 - \$67,500) of non-interest bearing promissory notes and \$25,000 (2025 - \$nil) of 7% Promissory Notes (note 7) issued to Company directors. In addition, Company directors received 333,332 bonus common shares through the issuance of the 7% Promissory Notes.

#### 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. INCOME TAXES

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

	February 28 2026	February 28 2025
Statutory rate	29.27%	29.24%
Expected income tax recovery	\$ (218,300)	\$ (214,600)
Increase resulting from:		
Change in estimates and tax assets not recognized	218,300	214,600
Deferred income tax	\$ -	\$ -

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

	February 28 2026	February 28 2025
Exploration and evaluation costs	\$ 3,817,000	\$ 3,731,000
Capital assets	21,000	21,000
Share issuance costs and other	187,000	132,000
Non-capital losses	5,139,000	4,387,000
Deductible temporary differences	\$ 9,164,000	\$ 8,271,000

## **SYLLA GOLD CORP.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the years ended February 28, 2026 and 2025**

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#### **INCOME TAXES (continued)**

##### **Tax Credit Carry-forwards**

At February 28, 2026, the Company has \$5,139,000 (2025 - 4,387,000) of non-capital losses available for deduction in future years expiring over various years from 2028 to 2046.

The Company also has Canadian and foreign resource related expenditures totaling approximately \$3,817,000 (2025 - \$3,731,000), 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.

#### **16. 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.

#### **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.

## SYLLA GOLD CORP.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended February 28, 2026 and 2025

#### Classification of Financial Instruments

		February 28 2026	February 28 2025
Financial assets			
Cash	Amortized cost	\$ 1,712,450	\$ 1,237
Financial liabilities			
Accounts payable and accrued liabilities	Amortized cost	\$ 1,950,162	\$ 1,725,631
Loans payable	Amortized cost	143,563	97,500

#### 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 11) 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.

As at February 28, 2026, the Company's net exposure to the Euro was approximately €33,000 (2025 - €406,000), of which a 10% change in the Euro exchange rate would impact the Company's loss by approximately \$5,000 (2025 - \$61,000).

#### 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 as the rates used for the promissory notes are fixed. 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 attempts to manage liquidity risk through the management of its capital structure as described in Note 16. 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.

## **SYLLA GOLD CORP.**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the years ended February 28, 2026 and 2025**

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#### **FINANCIAL AND RISK MANAGEMENT (continued)**

Accounts payable and accrued liabilities are generally due within 30 days have no specific terms of repayment. Loans payable (note 7) are payable on demand after June 6, 2026. As at February 28, 2026, the Company had cash of \$1,712,450 (2025 - \$1,237) to settle current liabilities of \$2,093,725 (2025 - \$1,823,131). For fiscal 2027, the Company may require additional capital to eliminate its working capital deficiency, fund its Niaouleni Project activities and fund corporate activities.

#### **18. SUBSEQUENT EVENTS**

- (i) Subsequent to February 28, 2026, the Company paid \$147,330 to retire all outstanding promissory notes (note 7) including accrued interest of \$2,330.
- (ii) On March 16, 2026, the Company settled \$374,580 of payables by issuing 6,243,000 common shares, of which 3,457,000 shares were issued to entities controlled by Company officers and directors in settlement of \$207,420 of payables.