ROSCAN GOLD CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended January 31, 2021 and 2020

(unaudited)

EXPRESSED IN CANADIAN DOLLARS

ROSCAN GOLD CORPORATION

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

As at	January 31 2021	October 31 2020
ASSETS		
Current		
Cash	**$ 2,057,786**	$ 2,356,405
Sales tax receivable	**137,878**	146,599
Prepaid expenses and deposits	**544,351**	377,803
	2,740,015	2,880,807
Right-of-use assets (notes 11, 12)	**34,112**	40,934
	$ 2,774,127	$ 2,921,741
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 6)	**$ 4,397,852**	$ 3,689,474
Lease liability (notes 11, 12)	**28,360**	27,800
	4,426,212	3,717,274
Lease liability - long-term (notes 11, 12)	**7,450**	14,754
	4,433,662	3,732,028
DEFICIENCY		
Share capital (note 7)	**39,128,643**	31,142,239
Contributed surplus	**2,886,457**	3,015,094
Warrants (note 8)	**1,268,539**	3,124,939
Deficit	**(44,943,174)**	(38,092,559)
	(1,659,535)	(810,287)
	$ 2,774,127	$ 2,921,741

Nature of operations and going concern (note 1)
Commitments and contingencies (note 13)
Subsequent events (note 16)

See accompanying notes.

ROSCAN GOLD CORPORATION

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

Three months ended January 31,	**2021**	2020
Expenses		
Corporate and administrative (notes 9, 12)	**$ 478,203**	$ 389,458
Exploration and evaluation (note 10)	**6,515,703**	687,302
Share-based payments (note 12)	**-**	949,805
Amortization of right-of-use asset (note 11)	**6,822**	8,889
Loss from operations	**7,000,728**	2,035,454
Foreign exchange gain	**(150,540)**	(280)
Interest income	**(329)**	(7,239)
Interest on lease liabilities (note 11)	**756**	1,589
Net loss and comprehensive loss	**$ 6,850,615**	$ 2,029,524
Basic and diluted loss per share (note 14)	**$ (0.026)**	$ (0.014)
Weighted average number of common shares outstanding:		
Basic and diluted	**266,704,309**	147,324,758

See accompanying notes.

ROSCAN GOLD CORPORATION

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

	Share capital					
	Number of shares	**Amount**	**Contributed surplus**	**Warrants**	**Deficit**	**Total**
Balance, October 31, 2018	122,292,367	$ 10,994,594	$ 1,474,564	$ 3,107,967	$ (15,641,220)	$ (64,095)
Units issued by private placement (notes 7,8)	44,930,000	3,024,701	-	1,468,299	-	4,493,000
Share issuance costs (notes 7, 8)	-	(415,706)	-	-	-	(415,706)
Exercise of options (note 7)	150,000	25,901	(10,901)	-	-	15,000
Share-based payments (note 7)	-	-	949,805	-	-	949,805
Net loss for the period	-	-	-	-	(2,029,524)	(2,029,524)
Balance, January 31, 2020	167,372,367	13,629,490	2,413,468	4,576,266	(17,670,744)	2,948,480
Units issued by private placement (notes 7, 8)	23,437,500	7,500,000	-	-	-	7,500,000
Broker warrants (notes 7, 8)	-	-	-	200,478	-	200,478
Shares issued for mineral property (notes 7, 10)	250,000	92,500	-	-	-	92,500
Shares issued for Komet Mali SARL (notes 7, 10)	4,060,336	1,664,738	-	-	-	1,664,738
Share issuance costs (notes 7, 8)	-	(809,048)	-	-	-	(809,048)
Exercise of options (note 7)	3,550,000	719,115	(308,615)	-	-	410,500
Exercise of unit warrants (notes 7, 8)	46,029,143	8,345,444	-	(1,651,805)	-	6,693,639
Share-based payments (note 7)	-	-	910,241	-	-	910,241
Net loss for the period	-	-	-	-	(20,421,815)	(20,421,815)
Balance, October 31, 2020	244,699,346	31,142,239	3,015,094	3,124,939	(38,092,559)	(810,287)
Share issuance costs (notes 7, 8)	-	(360,146)	-	360,146	-	-
Exercise of options (note 7)	1,350,000	301,137	(128,637)	-	-	172,500
Exercise of unit warrants (notes 7, 8)	28,321,565	6,585,133	-	(1,429,363)	-	5,155,770
Exercise of broker warrants (notes 7, 8)	3,739,428	1,460,280	-	(787,183)	-	673,097
Net loss for the period	-	-	-	-	(6,850,615)	(6,850,615)
Balance, January 31, 2021	**278,110,339**	**$ 39,128,643**	**$ 2,886,457**	**$ 1,268,539**	**$ (44,943,174)**	**$ (1,659,535)**

See accompanying notes.

ROSCAN GOLD CORPORATION

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

Three months ended January 31,	**2021**	2020
Operating activities		
Loss for the period	**$ (6,850,615)**	$ (2,029,524)
Adjustments to reconcile loss to net cash used:		
Amortization of right-of-use asset	**6,822**	8,889
Share-based payments	**-**	949,805
Unrealized foreign exchange	**28,208**	(112,370)
	(6,815,585)	(1,183,200)
Changes in non-cash working capital items		
Amounts receivable	**-**	(4,000)
Sales tax receivable	**8,721**	(15,818)
Prepaid expenses and deposits	**(164,561)**	(199,206)
Accounts payable and accrued liabilities	**678,428**	(40,617)
	(6,292,997)	(1,442,841)
Financing activities		
Repayment of lease liabilities	**(6,744)**	(8,139)
Units issued by private placement	**-**	4,493,000
Shares issued on exercise of options	**172,500**	15,000
Shares issued on exercise of warrants	**5,828,867**	-
Share issuance costs	**-**	(415,706)
	5,994,623	4,084,155
Net change in cash	**(298,374)**	2,641,314
Cash, beginning of period	**2,356,405**	240,219
Effect of exchange rate changes on cash	**(245)**	1,099
Cash, end of the period	**$ 2,057,786**	$ 2,882,632

1. NATURE OF OPERATIONS AND GOING CONCERN

RosCan Gold Corporation (the "Company") is an exploration stage company involved in the business of acquiring, exploring and developing gold properties in Mali, West Africa. The Company's shares are listed on the TSX Venture Exchange under the trading symbol "ROS" and on the Frankfurt Stock Exchange under the trading symbol "2OJ". The address of the Company's registered office is 217 Queen Street West, Suite 401, Toronto, Ontario, M5V 0R2.

Political and other risks

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.

In August 2020, 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 exploration activities have not been disrupted.

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 January 31, 2021, the Company had a working capital of deficit of $1,686,197 (2020 – $836,467), incurred losses for the current three month period of $6,850,615 (2020 - $2,029,524), and, had an accumulated deficit of $44,943,174 (2020 - $38,092,559). During the year ended October 31, 2020, the Company adopted a strategy to expand the Kandiole Project, which contributed to increasing drilling activity and therefore, significantly increasing Kandiole Project exploration expenditures. Subsequent to January 31, 2021, the Company's cash position was augmented through the exercise of 6,173,550 warrants and 850,000 stock options for proceeds of $1,485,681. The Company currently has 16,112,500 warrants that are "in the money". There is no assurance that these warrants will be exercised, however if all of these warrants are exercised the Company would receive additional cash proceeds of $3,031,000. In addition, on March 16, 2021, the Company announced a public offering for gross proceeds of up to $15 million (note 16).

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.

NATURE OF OPERATONS AND GOING CONCERN (continued)

COVID-19
In March 2020, the World Health Organization declared a global pandemic related to COVID-19. Its impact on global economies has been far-reaching and business around the world have had to cease or limit operations for long or indefinite periods of time.

There is significant ongoing uncertainty surrounding COVID-19 and the extent and duration of the impacts that it may have on our financial position and results, exploration activities, workers, partners, consultants, suppliers and on global financial markets. The Company is proceeding with its exploration activities, as long as the work environment remains safe. The Company has taken measures to contain the spread of COVID-19 and its Malian operations have not been disrupted.

2. BASIS OF PREPARATION

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

Basis of Consolidation and Presentation
These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned Malian subsidiaries, Roscan Gold Mali SARL and Komet Mali SARL, which was acquired on July 2, 2020. 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 and loss. These consolidated financial statements are presented in Canadian dollars, which is the Company's and its two Malian subsidiaries' functional currency.

These interim consolidated financial statements do not include all of the disclosure required in annual financial statements and should be read in conjunction with the Company's 2020 audited annual consolidated financial statements. These consolidated financial statements are not necessarily indicative of the results that may be anticipated for the entire fiscal year.

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 of shares issued to acquire mineral properties;
- establishment of provisions; and,
- recognition of deferred tax assets.

(unaudited, expressed in Canadian dollars)

ACCOUNTING ESITIMATES AND JUDGMENTS (continued)

Significant judgements relate to:

- ability to continue as a going concern;
- functional currency of the Company and its subsidiaries;
- ability to retain exploration and evaluation permits:
- exploration and evaluation accounting policy: and,

4. SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies, as described in Note 4 of the Company's audited consolidated financial statements for the year ended October 31, 2020, have been applied consistently to all periods presented in these financial statements, unless otherwise noted.

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 shareholder equity. 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 does 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 three month period. The Company is not subject to any externally imposed capital requirements.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31 2021	October 31 2020
Trade payables	**$ 3,879,762**	$ 2,889,795
Accrued liabilities	**474,170**	706,887
Related parties (i)	**43,920**	92,792
	$ 4,397,852	$ 3,689,474

(i) Related party payables and accrued liabilities represent amounts for unpaid fees and/or expenses that are payable to directors/officers or entities controlled by or associated with directors/officers.

(unaudited, expressed in Canadian dollars)

7. SHARE CAPITAL

Authorized
Unlimited common shares

	Number	Amount
Balance, October 31, 2019	122,292,367	$ 10,994,594
Shares issued by private placement (i)	68,367,500	11,993,000
Value attributed to private placement warrants (i)	-	(1,468,299)
Shares issued for mineral property (ii)	250,000	92,500
Shares issued on acquisition of Komet Mali SARL (iii)	4,060,336	1,664,738
Shares issued on exercise of unit warrants (iv)	46,029,143	8,345,444
Shares issued on exercise of options (v)	3,700,000	745,016
Share issuance costs - broker warrants (i)	-	(200,478)
Share issuance costs	-	(1,024,276)
Balance, October 31, 2020	244,699,346	$ 31,142,239
Shares issued on exercise of unit warrants (vi)	28,321,565	6,585,133
Shares issued on exercise of broker warrants (vii)	3,739,428	1,460,280
Shares issued on exercise of options (viii)	1,350,000	301,137
Share issuance costs - broker warrants (vii)	-	(360,146)
Balance, January 31, 2021	**278,110,339**	**$ 39,128,643**

(i) On December 12, 2019, pursuant to a brokered private placement, the Company issued 44,930,000 units at $0.10 per unit for gross proceeds of $4,493,000. Each unit was comprised of one common share and three-quarters of one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of $0.16 for a period of 24 months, expiring on December 12, 2021. The value of the warrants was estimated at $1,468,299 using the relative fair value method. In addition, the Company paid cash commissions of $292,045.

On May 27, 2020, pursuant to a brokered private placement, the Company issued 23,437,500 common shares at $0.32 per share for gross proceeds of $7,500,000. As consideration for the services of the broker, the Company issued 1,406,250 broker warrants. Each broker warrant entitles the holder to acquire an additional common share at a price of $0.48 for a period of 12 months, expiring on May 27, 2021. The value of the broker warrants was estimated at $200,478 using the relative fair value method. In addition, the Company paid cash commissions of $450,000.

(ii) On June 8, 2020, the Company issued 250,000 common shares at $0.37 per share in accordance with the option agreement made with Minex SARL for the Kandiole Project's Mankouke permit (note 11).

(iii) On July 2, 2020, the Company issued 4,060,336 common shares at $0.41 per share in accordance with the share purchase agreement to acquire Komet Mali SARL from Komet Resources Inc (note 10).

(iv) During the year ended October 31, 2020, the Company issued 46,029,143 shares in connection to the exercise of 46,029,143 unit warrants for proceeds of $6,693,639. The fair value of these warrants was $1,651,805. The fair value of the unit warrants was transferred from the warrant reserve account.

SHARE CAPITAL (continued)

(v) During the year ended October 31, 2020, the Company issued 3,700,000 shares in connection to the exercise of stock options for proceeds of $425,500. The fair value of these stock options was $319,516, which was transferred from contributed surplus to share capital.

(vi) During the three month period ended January 31, 2021, the Company issued 28,321,565 shares in connection to the exercise of 28,321,565 unit warrants for proceeds of $5,155,770. The fair value of these warrants was $1,429,363. The fair value of the unit warrants was transferred from the warrant reserve account.

(vii) On November 13, 2020, the Company issued 1,869,714 shares upon the exercise of 1,869,714 broker warrants issued on March 21, 2019. Proceeds received from the exercise of these warrants were $261,760. As a result of the exercise these broker warrants, the Company issued an additional 1,869,714 warrants at an exercise price of $0.22 per warrant. The value of the additional broker warrants was estimated at $360,146 using the relative fair value method. On January 22, 2021, the $0.22 warrants were exercised for proceeds of proceeds of $411,337. The aggregate fair value of the 3,739,428 broker warrants was $787,183 and was transferred from the warrant reserve account.

(viii) During the three month period ended January 31, 2021, the Company issued 1,350,000 shares in connection to the exercise of stock options for proceeds of $172,500. The fair value of these stock options was $128,637, which was transferred from contributed surplus to share capital.

Share-based Payments

The Company historically has had a stock option plan to provide additional incentives to directors, officers, employees and consultants. During fiscal 2020, the Company established a restricted share unit plan (RSU) and a deferred share unit plan (DSU) for directors, officers, employees and consultants, which were approved by shareholders on March 26, 2020. The RSUs and DSUs are valued based on the fair market value of the Company's common shares at the date of grant. The fair value of the awards is expensed over their vesting periods.

Under the terms of the Company's stock option and RSU/DSU plans (the "Plans"), the Company is authorized to issue up to a maximum of 10% of the issued common shares with an exercise period that is not to exceed ten years. The term, exercise price and vesting conditions of the options, RSUs and DSU's are fixed by the Board of Directors at the time of grant. All issued stock options were granted in accordance with the terms of the Plan.

The number of shares reserved for issuance under the Plans, in aggregate, are not to exceed 10% of the Company's issued and outstanding common shares at time of issuance. At January 31, 2021, the Company had 8,511,033 common shares available for future grants under the Plans.

(unaudited, expressed in Canadian dollars)

SHARE CAPITAL (continued)

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

	Number	Weighted average exercise price
Balance, October 31, 2019	8,750,000	$0.13
Granted (i)	16,000,000	0.22
Exercised	(3,700,000)	0.12
Expired	(400,000)	0.15
Balance, October 31, 2020	20,650,000	$0.20
Exercised	(1,350,000)	0.13
Balance, January 31, 2021	**19,300,000**	**$0.20**

(i) On December 19, 2019, the Company granted 5,000,000 stock options to a director, officer and a consultant. These options vested immediately and were issued with an exercise price of $0.12 and a five year term.

On January 12, 2020, the Company granted 3,500,000 stock options to a director. These options vested immediately and were issued with an exercise price of $0.12 and a five year term.

On February 19, 2020, the Company granted 1,500,000 stock options to a director. These options vested immediately and were issued with an exercise price of $0.17 and a five year term.

On April 30, 2020, the Company granted 500,000 stock options to an officer. These options vested immediately and were issued with an exercise price of $0.30 and a five year term.

On September 23, 2020, the Company granted 5,500,000 stock options to officers. These options were issued with an exercise price of $0.37 and a five year term. The options vest as follows:

- 1,500,000 options - immediately.
- 1,375,000 options - upon the trading price of the Company's common shares being within the top quartile share price performance for the period of September 1, 2020 to August 31, 2021, as compared to a group of 15 peer companies which were identified in an executive compensation report commissioned and prepared for the Company by an independent compensation consultant.
- 875,000 options - upon a gold mineral resource being defined on the Company's Malian properties of greater than 1.5 million ounces, above 2 grams per tonne, using a standard cut-off grade with finding costs of US $25/oz or less, as evidenced in a National Instrument 43-101 technical report (the "Technical Report"),
- 875,000 options - upon a gold mineral resource being defined on the Company's Malian properties of greater than 2 million ounces, above 2 grams per tonne, using a standard cut-off grade with finding costs of US $25/oz or less, as evidenced in the Technical Report.
- 875,000 options - upon a gold mineral resource being defined on the Company's Malian properties of greater than 2.5 million ounces, above 2 grams per tonne, using a standard cut-off grade with finding costs of US $25/oz or less, as evidenced in the Technical Report.

(unaudited, expressed in Canadian dollars)

SHARE CAPITAL (continued)

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

	2020
Dividend yield	Nil
Expected volatility (based on historical prices)	191%
Risk-free rate of return	1.13%
Expected life	5 Years
Share price	$0.21

During the three month period ended January 31, 2021, the Company recognized share-based payments expense of $nil (2020 - $949,805).

The following summarizes information on the outstanding stock options:

Expiry Date	Number	Weighted average exercise price	Exercisable	Weighted average remaining life (years)
March 26, 2021	500,000	0.15	500,000	0.15
August 1, 2021	500,000	0.10	500,000	0.50
August 31, 2021	100,000	0.15	100,000	0.58
May 14, 2022	2,200,000	0.15	2,200,000	1.28
December 19, 2024	5,000,000	0.12	5,000,000	3.88
January 12, 2025	3,500,000	0.12	3,500,000	3.95
February 19, 2025	1,500,000	0.17	1,500,000	4.05
April 30, 2025	500,000	0.30	500,000	4.24
September 23, 2025	5,500,000	0.37	1,500,000	4.64
	19,300,000	$0.20	15,300,000	3.63

(unaudited, expressed in Canadian dollars)

8. WARRANTS

Warrant transactions and number of warrants outstanding are as follows:

	Number	Weighted average exercise price
Balance, October 31, 2019	64,067,582	$0.17
Issued	35,103,750	0.17
Exercised	(46,029,143)	0.15
Balance, October 31, 2020	53,142,189	$0.19
Issued	1,869,714	0.22
Exercised	(32,060,993)	0.18
Balance, January 31, 2021	**22,950,910**	**$0.20**

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

	2021	2020
Dividend yield	Nil	Nil
Expected volatility (based on historical prices)	83%	145%
Risk-free rate of return	0.26%	1.64%
Expected life	0.35 Years	2 Years
Share price	$0.405	$0.120

The following summarizes information on the outstanding warrants:

Expiry Date	Number	Exercise price	Weighted average remaining life (years)	Relative fair value
March 21, 2021	6,888,410	$0.22	0.13	$ 429,445
May 27, 2021	1,406,250	0.48	0.32	200,478
December 12, 2021	14,656,250	0.16	0.86	638,616
	22,950,910	$0.20	0.61	$ 1,268,539

(unaudited, expressed in Canadian dollars)

9. CORPORATE AND ADMINISTRATIVE

	Three months ended January 31 2021	2020
Consulting (note 12)	**$ 110,636**	$ 39,688
Corporate development and promotion	**99,443**	135,913
Listing and share transfer	**15,685**	8,929
Management fees (note 12)	**204,050**	92,050
Office and general	**23,699**	12,088
Premises	**5,715**	-
Professional fees	**16,837**	24,711
Travel	**2,138**	76,079
	$ 478,203	$ 389,458

10. EXPLORATION AND EVALUATION

	Three months ended January 31 2021	2020
Acquisition costs	**$ 30,000**	$ 98,509
Property costs	**116,997**	57,787
Assaying	**610,721**	5,453
Community relations	**5,038**	266
Consulting/Contracting	**279,383**	83,847
Drilling and ancillary costs	**3,542,288**	144,051
Environmental	**7,836**	-
Field expenses and equipment	**1,092,687**	106,942
Field office	**284,089**	139,032
General and administrative	**4,175**	2,117
Geophysics/Surveys	**530,543**	-
Professional fees	**1,833**	2,164
Reports	**-**	290
Travel/Transportation	**10,113**	46,844
	$ 6,515,703	$ 687,302

Kandiole Project – Mali

The Kandiole Project is comprised of nine contiguous gold prospective permits, encompassing 347 sq. kilometres, in Mali, West Africa. On July 2, 2020, the Company acquired the Dabia South permit through the acquisition of Komet Mali SARL. As at January 31, 2021, the Company had entered into six option agreements to acquire a 100% interest in seven permits. On February 5, 2021, the Company entered into an option agreement to acquire the Segondo West permit. In November 2020, the Company completed its option agreement obligations and exercised its options to acquire the Kandiole North and Kandiole West permits. Each option agreement requires the Company to keep each permit in good standing and perform all obligations required by law.

(unaudited, expressed in Canadian dollars)

EXPLORATION AND EVALUATION (continued)

The following summarizes the permits held or under option by the Company:

Permit	Area (sq kms)		Renewal date
Dabia South	35	Company held	February 3, 2022
Kandiole North	40	Option exercised	Pending
Kandiole West	25	Option exercised	June 13, 2021
Mankouke	17	Under option	April 3, 2023
Mankouke West	16	Option exercised	March 25, 2024
Moussla North	32	Under option	April 6, 2023
Niala	75	Under option	May 23, 2021
Segando South	65	Under option	Pending
Segondo West	42	Under option	March 20, 2023

A) <u>Dabia South – Acquisition of Komet Mali SARL</u>

On July 2, 2020, the Company completed the purchase of 100% of the shares of Komet Mali SARL from Komet Resources Inc. Komet Mali SARL holds the Dabia South gold property, which is contiguous to the Company's other properties that comprise the Company's Kandiole Project.

The purchase price consideration was $3,345,661, which included cash of $1,600,000 and 4,060,336 common shares, having a fair value of $1,664,738. In addition, the Company incurred legal and regulatory costs of $80,923. The fair value attributed to the Dabia South property was expensed in accordance with the Company's accounting policy for exploration and evaluation expenditures.

B) <u>Kandiole North Option Agreement – Option exercised and transfer of permit is pending</u>

To exercise the option the Company:

(a) Paid Touba Mining SARL ("Touba") an aggregate of $80,000 over a three (3) year option period.

(b) Paid permitting fees of 10,000,000 CFA francs (paid) to the Malian government's Direction Nationale de la Geologie et des Mines ("DNGM").

- Touba assigned its option rights under its agreement with Oauni-Or SARL to the Company.

Touba retained a 5% net profit interest ("NPI") and a 2% net smelter return royalty ("NSR") on all ore mined from the property. The Company has the right to purchase one-half of the NSR (equivalent to a 1% NSR) for $1,000,000.

C) <u>Kandiole West Option Agreement – Option exercised and transfer of permit is pending</u>

To exercise the option the Company:

(a) Paid Touba an aggregate of $80,000 over a (3) year period.

(b) Paid permitting fees of 10,000,000 CFA francs (paid) to the DNGM.

EXPLORATION AND EVALUATION (continued)

- Touba assigned its option rights under its agreement with Kara Mining SARL to the Company.

Touba retained a 5% net profit interest ("NPI") and a 2% NSR on all ore mined from the property. The Company has the right to purchase one-half of the NSR (equivalent to a 1% NSR) for $1,000,000.

D) Segando South and Moussala North Option Agreement – effective March 31, 2018

To exercise the option the Company shall:

(a) Pay K.L. Mining SARL and K.A. Gold Mining SARL (collectively, the "Optionor") an aggregate of US$400,000 as follows:
  (i) US$40,000 on signing (paid); and,
  (ii) US$360,000 over a three (3) year option period as follows:
    - March 31, 2019 US$60,000 (paid)
    - March 31, 2020 US$120,000 (paid)
    - March 31, 2021 US$180,000 (paid – subsequent to January 31, 2021)

(b) Incur an aggregate of US$165,000 in exploration expenditures over the option period, as follows:
    - First year US$40,000 (completed)
    - Second year US$60,000 (completed)
    - Third year US$65,000

(c) Pay permitting fees (paid) to the DNGM.

The Optionor retained a 2% NSR on all ore mined from the property. The Company has the right to purchase one-half of the NSR (equivalent to a 1% NSR) for US$1,200,000.

- The Moussala North permit was granted by the DNGM to the Company on April 6, 2020.
- The Segando South permit is in the process of being cancelled and the renewal is pending.

E) Niala Option Agreement – effective April 27, 2018

To exercise the option the Company shall:

(a) Pay SOLF SARL ("SOLF") an aggregate of $117,500 as follows:
  (i) $12,500 on signing (paid); and,
  (ii) $105,000 over a three (3) year option period as follows:
    - April 27, 2019 $30,000 (paid)
    - April 27, 2020 $35,000 (paid)
    - April 27, 2021 $40,000

(b) Incur an aggregate of $205,000 in exploration expenditures over the option period, as follows:
    - First year $50,000 (completed)
    - Second year $75,000 (completed)
    - Third year $80,000

EXPLORATION AND EVALUATION (continued)

(c) Pay permitting fees of $5,000,000 CFA francs (paid) to the DNGM.

SOLF retained a 2% NSR on all ore mined from the property. The Company has the right to purchase one-half of the NSR (equivalent to a 1% NSR) for $500,000.

F) Mankouke Option Agreement – effective June 22, 2018

To exercise the option the Company shall:

(a) Pay Minex SARL ("Minex") an aggregate of $250,000 as follows:
  (i) $40,000 on signing (paid); and,
  (ii) $210,000 over a three (3) year option period as follows:
  - June 22, 2019 $60,000 (paid)
  - June 22, 2020 $70,000 (paid)
  - June 22, 2021 $80,000

(b) Issue 1,000,000 common shares of the Company to Minex in four instalments as follows:
  - On signing 250,000 (issued)
  - June 22, 2019 250,000 (issued)
  - June 22, 2020 250,000 (issued)
  - June 22, 2021 250,000

(c) Incur an aggregate of $205,000 in exploration expenditures over the option period, as follows:
  - First year $50,000 (completed)
  - Second year $75,000 (completed)
  - Third year $80,000

Minex retained a 3% NSR on all ore mined from the property. The Company has the right to purchase two-thirds of the NSR (equivalent to a 2% NSR) for US$1,000,000.

G) Mankokue West Option Agreement – effective January 11, 2021

To exercise the option the Company shall:

(a) Pay Touba $10,000 upon receipt of the authorization permit for exploration. Subsequent to January 31, 2021, Touba received the exploration permit and the Company paid the requisite $10,000 to Touba.

(b) Pay all permitting fees and taxes.

- Subsequent to January 31, 2021, the Company exercised its option to acquire the Mankouke West permit.

Touba retained retained a 1% NSR on all ore mined from the property. The Company has the right to purchase the entire NSR for CDN $1 million.

(unaudited, expressed in Canadian dollars)

EXPLORATION AND EVALUATION (continued)

H) Segondo West Option Agreement – effective February 5, 2021

To exercise the option the Company shall:

(a) Pay SO.FI.SI Mining SARLU an aggregate of 65,000,000 CFA francs (approximately CDN $150,000) to the Optionor in the following installments:
- 10,000,000 FCFA (approximately CDN $23,000) on signing (paid);
- 20,000,000 FCFA (approximately CDN $46,000) by February 5, 2022; and,
- 35,000,000 FCFA (approximately CDN $81,000) by February 5, 2023.

(b) Incur an aggregate of 160,000,000 (approximately CDN $368,000) in exploration expenditures over the option period, as follows:
- 50,000,000 FCFA (approximately CDN $115,000) by February 5, 2022; and,
- 110,000,000 FCFA (approximately CDN $253,000) by February 5, 2023.

The Optionor retained a 2% NSR on all ore mined from the property. The Company has the right to purchase one-half of the NSR (equivalent to a 1% NSR) for 450,000,000 CFA francs (approximately CDN $1 million).

11. LEASES

On November 1, 2019, the Company adopted IFRS 16 using the modified retrospective approach. The right-of-use assets and corresponding lease liability were measured at the present value of the remaining lease payments upon the commencement of a lease.

The right-of-use assets and lease liabilities were originally comprised of two office leases, of which one lease was subsequently changed to a short-term lease.

Right-of-use assets		
Adoption of IFRS 16 on November 1, 2019	$	68,224
Additions		49,591
Amortization		(47,953)
Lease modification		(28,928)
Balance, October 31, 2020	$	40,934
Amortization		(6,822)
Balance, January 31, 2021	**$**	**34,112**

(unaudited, expressed in Canadian dollars)

LEASES (continued)

The continuity of the lease liability is as follows:

Lease liabilities		
Adoption of IFRS 16 on November 1, 2019	$	68,224
Additions		49,591
Interest on lease liabilities		6,904
Lease modification		(29,885)
Lease payments		(52,280)
Balance, October 31, 2020	$	42,554
Interest on lease liabilities		756
Lease payments		(7,500)
Balance, January 31, 2021	**$**	**35,810**
Less: Current portion		(28,360)
Long-term lease liability	**$**	**7,450**

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.

		Three months ended January 31		
		2021		2020
Consulting (i)	**$**	**48,033**	$	1,250
Lease liability payments/Premises (ii)		**7,500**		7,500
Management fees (iii)		**204,050**		92,050
Professional fees (iv)		**-**		20,135
Share issuance costs (iv)		**-**		26,350
Share-based payments (v)		**-**		757,705
	$	**259,583**	$	904,990

(i) Consulting fees were paid to a company controlled by a Company officer.

(ii) Rent was paid or became payable to a company controlled by a Company officer for the Company's office in Bedford, Nova Scotia. The office lease expires on April 30, 2022. With the adoption of IFRS 16 on November 1, 2019, the rent payments are applied to the lease liability account. The present value of the right-of use asset and the corresponding lease liability at the time of adoption was $68,224. As at January 31, 2021, the lease liability balance was $35,810 (note 11).

(iii) Management fees were paid or became payable for the services of Company officers.

(iv) Legal fees were paid or became payable to a law firm in which a former Company director is a partner.

RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

13. COMMITMENTS AND CONTINGENCIES

The Company currently has management services agreements with two Company officers that contain the provision of termination and change of control benefits. The agreements provide that in the event that their services are terminated by the Company, other than for cause, or there is a change in control of the Company then each officer shall be entitled to a lump sum payment amount equal to two (2) years of base remuneration plus one (1) month of current compensation for each year of service, beginning November 1, 2017. The Company has a similar agreement with a consultant. As a triggering event has not taken place, the contingent payments of $769,504 have not been reflected in these consolidated financial statements.

14. LOSS PER SHARE

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

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

IFRS 7 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.

As at January 31, 2021 and October 31, 2020, cash was the only financial instrument classified within the fair value hierarchy and was classified as Level 1.

Risk Management
The primary objectives of the Company's financial risk management procedures are to ensure that the outcome of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Company's financial position, from events that have the potential to materially impair its financial strength. These activities include the preservation of its capital by minimizing risk related to its cash.

The Company does not trade financial instruments for speculative purposes and does not have a risk management committee or written risk management policies. The Company's financial instruments are exposed to the risks described below:

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Credit Risk
Credit risk is the risk of financial loss to the Company, if one party to a financial instrument fails to discharge or meet their obligations. Financial instruments that potentially expose the Company to this risk relate to its cash, which is primarily held at a Canadian banking institution and sales tax receivables due from the Canadian government.

Currency Risk
The Company's operates in Canada and Mali and has potential future commitments in Mali that are denominated in the West African CFA franc (FCFA), the Euro (EUR) and the United States dollar (USD), giving rise to market risks from changes in foreign exchange rates. The Company monitors foreign exchange rates on an as needed basis. As at January 31, 2021, a 10% change in the USD or the EUR exchange rate would impact the Company's loss by approximately $353,000 and $102,000, respectively.

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's excess cash is invested in financial instruments that provide safety and flexibility for early redemption. The Company's excess cash is subject to interest rate risk resulting from fluctuations in prime rates.

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 does not have any income from operations or a regular source of income and is highly dependent on its working capital and equity funding to support its exploration and corporate activities. There can be no assurance that the Company will be successful in its fund raising activities.

As at January 31, 2021, the Company had cash of $2,057,786 to settle current liabilities of $4,426,212. Subsequent to January 31, 2021, the Company's cash position was augmented through the exercise of 6,173,550 warrants (note 16). The Company currently has 16,112,500 warrants that are "in the money", representing potential additional proceeds of $3,031,000. The Company will need to raise additional capital to fund a portion of its 2021 exploration activities and on March 16, 2021, the Company announced a public offering to raise gross proceeds of up to $15 million (note 16).

16. SUBSEQUENT EVENTS

(a) Subsequent to January 31, 2021, the Company received proceeds of $1,358,181 from the exercise of 6,173,550 warrants.

(b) Subsequent to January 31, 2021, the Company received proceeds $127,500 from the exercise of 850,000 stock options.

(c) On February 5, 2021, the Company entered into an option agreement to acquire the Segondo West permit and in March, 2021, the Company exercised its option to acquire the Mankouke West permit (note 10).

(d) On February 8, 2021, the Company granted 3,500,000 stock options to a Company director. Of these options, 1,500,000 vested immediately and 1,000,000 options shall vest on February 8, 2022 and on February 8, 2023. The options were issued with an exercise price of $0.385 and have a five year term, expiring on February 8, 2026.

SUBSEQUENT EVENTS (continued)

(e) On March 16, 2021, the Company announced that it had arranged a common share public offering for gross proceeds of up to $15 million (35,714,500 common shares) at $0.42 per share. The public offering is subject to minimum gross proceeds of $12.5 million being raised. Broker compensation will include the issuance of broker warrants entitling the holder to purchase a common share at a price of $0.55 for a period of twelve months following the closing of the offering.