

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

ROSCANGOLD

For the six months ended April 30, 2021 and 2020

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim financial statements by an entity's auditor.

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited consolidated interim financial statements have been prepared by management in accordance with the accounting policies disclosed in the notes to the Company's audited financial statements as at October 31, 2020. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the financial position date. The interim financial statements have been prepared in accordance with International Accounting Standards 34 – Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") appropriate in the circumstances.

The Company maintains adequate systems of internal controls. Such systems are designed to provide reasonable assurance that transactions are properly authorized and recorded, the Company's assets are appropriately accounted for and adequately safeguarded and that the financial information is relevant and reliable.

The Board of Directors of the Company is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements and the accompanying management's discussion and analysis. The Board of Directors carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board of Directors and all of its members are non-management directors. The Audit Committee meets periodically with management to discuss internal controls, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. The Audit Committee also reviews the financial statements, management's discussion and analysis, the external auditors' reports, examines the fees and expenses for audit services, and considers the engagement or reappointment of the external auditors. The Audit Committee reports its findings to the Board of Directors for its consideration when approving the financial statements for issuance to the shareholders.

(signed) "Nana Sangmuah"

Nana Sangmuah

President & Chief Executive Officer

June 22, 2021

(signed) "Bruce Ramsden"

Bruce Ramsden

Executive VP and Chief Financial Officer

June 22, 2021

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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited, expressed in Canadian dollars)

As at	April 30 2021	October 31 2020
ASSETS		
Current		
Cash	\$ 9,403,286	\$ 2,356,405
Sales tax receivable	96,003	146,599
Prepaid expenses and deposits	114,107	195,392
Prepaid - Exploration	329,880	182,411
	9,943,276	2,880,807
Right-of-use assets (notes 12,13)	27,289	40,934
	\$ 9,970,565	\$ 2,921,741
LIABILITIES		
Current		
Accounts payable and accrued liabilities (notes 6)	\$ 4,997,748	\$ 3,596,682
Accounts payable and accrued liabilities – Related party	69,650	92,792
Lease liability (notes 12,13)	28,931	27,800
	5,096,329	3,717,274
Lease liability, long-term (notes 11,12)	-	14,754
	5,096,329	3,732,028
EQUITY (DEFICIENCY)		
Share capital (note 8)	54,921,379	31,142,239
Contributed surplus	3,654,565	3,015,094
Warrants (note 9)	1,192,197	3,124,939
Deficit	(54,893,905)	(38,092,559)
	4,874,236	(810,287)
	\$ 9,970,565	\$ 2,921,741

Nature of operations and going concern (note 1)

Commitments and contingencies (note 14)

Subsequent events (notes 17)

See accompanying notes.

Approved on behalf of the Board of Directors on June 22, 2021:

(Signed) "Srinivasan Venkatakrisnan"
Srinivasan Venkatakrisnan
 Director

(Signed) "Michael Gentile"
Michael Gentile
 Director

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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Unaudited, expressed in Canadian dollars)

	Three months ended		Six months ended	
	April 30		April 30	
	2021	2020	2021	2020
Expenses				
Corporate and administrative (notes 10,13)	\$ 715,367	\$ 742,211	\$ 1,193,570	\$ 1,131,669
Exploration and evaluation (note 11)	8,249,978	2,045,516	14,765,681	2,732,818
Project evaluation	120,025	-	120,025	-
Share-based payments (note 8)	938,400	358,589	938,400	1,308,394
Amortization of right-of-use asset (note 12)	6,823	13,021	13,645	21,910
Loss from operations	10,030,593	3,159,337	17,031,321	5,194,791
Foreign exchange loss (gain)	(79,059)	(16,396)	(229,599)	(16,676)
Interest income	(1,424)	(5,070)	(1,753)	(12,309)
Interest on lease liabilities (note 12)	621	2,018	1,377	3,607
Net loss and comprehensive loss	\$ 9,950,731	\$ 3,139,889	\$ 16,801,346	\$ 5,169,413
Basic and diluted loss per share (note 15)	\$ (0.034)	\$ (0.018)	\$ (0.06)	\$ (0.032)
Weighted average number of common shares outstanding: Basic and diluted	291,863,567	171,207,206	279,075,435	159,068,060

See accompanying notes.

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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited, expressed in Canadian dollars)

	Share capital		Contributed surplus	Warrants	Deficit	Total
	Number of shares	Amount				
Balance, October 31, 2019	122,292,367	\$ 10,994,594	\$ 1,474,564	\$ 3,107,967	\$ (15,641,220)	\$ (64,095)
Units issued by private placement (notes 8,9)	44,930,000	3,024,701	-	1,468,299	-	4,493,000
Share issuance costs (notes 8, 9)	-	(415,706)	-	-	-	(415,706)
Exercise of options (note 8)	2,450,000	443,004	(190,004)	-	-	253,000
Exercise of unit warrants (notes 8,9)	21,725,068	3,192,811	-	(583,303)	-	2,609,508
Share-based payments (note 8)	-	-	1,308,394	-	-	1,308,394
Net loss for the period	-	-	-	-	(5,169,413)	(5,169,413)
Balance, April 30, 2020	191,397,435	17,239,404	2,592,954	3,992,963	(20,810,633)	3,014,688
Units issued by private placement (notes 8, 9)	23,437,500	7,500,000	-	-	-	7,500,000
Broker warrants (notes 8, 9)	-	-	-	200,478	-	200,478
Shares issued for mineral property (notes 8, 11)	250,000	92,500	-	-	-	92,500
Shares issued for Komet Mali SARL (notes 8, 11)	4,060,336	1,664,738	-	-	-	1,664,738
Share issuance costs (notes 8, 9)	-	(809,048)	-	-	-	(809,048)
Exercise of options (note 8)	1,250,000	302,012	(129,512)	-	-	172,500
Exercise of unit warrants (notes 8, 9)	24,304,075	5,152,633	-	(1,068,502)	-	4,084,131
Share-based payments (note 8)	-	-	551,652	-	-	551,652
Net loss for the period	-	-	-	-	(17,281,926)	(17,281,926)
Balance, October 31, 2020	244,699,346	31,142,239	3,015,094	3,124,939	(38,092,559)	(810,287)
Shares issued by prospectus offering (notes 8,9)	35,714,500	15,000,090	-	-	-	15,000,090
Share issuance costs (notes 8, 9)	-	(1,989,013)	-	360,146	-	(1,628,867)
Broker warrants issued	-	-	-	393,199	-	393,199
Exercise of options (note 8)	2,700,000	790,378	(340,378)	-	-	450,000
Exercise of unit warrants (notes 8, 9)	34,545,115	8,342,309	-	(1,817,359)	-	6,524,950
Exercise of broker warrants (notes 8, 9)	4,020,679	1,635,376	-	(827,279)	-	808,097
Share based payments (notes 8,9)	-	-	938,400	-	-	938,400
Warrants expired	-	-	41,449	(41,449)	-	-
Net loss for the period	-	-	-	-	(16,801,346)	(16,801,346)
Balance, April 30, 2021	321,679,640	\$ 54,921,379	\$ 3,654,565	\$ 1,192,197	\$ (54,893,905)	\$ (4,874,236)

See accompanying notes.

ROSCAN GOLD

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited, expressed in Canadian dollars)

	Three months ended		Six months ended	
	April 30		April 30	
	2021	2020	2021	2020
Operating activities				
Loss for the period	\$ (9,950,731)	\$ (3,139,889)	\$ (16,801,346)	\$ (5,169,413)
Adjustments to reconcile loss to net cash used:				
Amortization of right-of-use asset	6,823	13,021	13,645	21,910
Share-based payments	938,400	358,589	938,400	1,308,394
Unrealized foreign exchange	20,385	98,658	48,593	(13,712)
	(8,985,123)	(2,669,621)	(15,800,708)	(3,852,821)
Changes in non-cash working capital items				
Amounts receivable		4,000		-
Sales tax receivable	41,875	(28,133)	50,596	(43,951)
Prepaid expenses and deposits	84,869	(29,713)	81,285	(228,919)
Prepaid expenses and deposits - Exploration	33,076	-	(127,901)	-
Accounts payable and accrued liabilities	609,180	229,669	1,336,480	189,052
Accounts payable and accrued liabilities – Rel Party	25,730	-	(23,142)	-
	(8,190,393)	(2,493,798)	(14,483,390)	(3,936,639)
Financing activities				
Repayment of lease liabilities	(6,879)	(12,166)	(13,623)	(20,305)
Shares issued by prospectus offering	15,000,090	-	15,000,090	-
Units issued by private placement	-	-	-	4,493,000
Shares issued on exercise of options	277,500	238,000	450,000	253,000
Shares issued on exercise of warrants	1,504,180	2,609,508	7,333,047	2,609,508
Share issuance costs broker warrants	753,345	-	753,345	-
Share issuance costs	(1,989,013)	-	(1,989,013)	(415,706)
	15,539,223	2,835,342	21,533,846	6,919,497
Net change in cash	7,348,830	341,544	7,050,456	2,982,858
Cash, beginning of period	2,057,786	2,882,632	2,356,405	240,219
Effect of exchange rate changes on cash	(3,330)	59,782	(3,575)	60,881
Cash, end of period	\$ 9,403,286	\$ 3,283,958	\$ 9,403,286	\$ 3,283,958

ROSCANGOLD

Notes to Financial Statements

For the three and six months ended April 30, 2021 and 2020

(In Canadian Dollars)

1. NATURE OF OPERATIONS

Roscan Gold Corporation (the "Company") was incorporated under the Business Corporations Act (British Columbia) on June 15, 1987, under the name of Copeland Resources Ltd. The Company changed its name to Copeland Technologies Inc. on October 22, 1991, and subsequently changed its name to Golden Chief Resources Inc. on September 15, 1994. The Company was continued under the laws of the province of Ontario and changed its name to Roscan Minerals Corporation on November 19, 2004. The Company changed its name to its current name, Roscan Gold Corporation, on September 19, 2018.

The address of the Company's head office is 161 Bay Street, 27th Floor Toronto ON M5J 2S1 and registered office is 217 Queen Street West, Suite 401, Toronto, ON, M5V 0R2.

The Common Shares are traded on the TSXV under the symbol "ROS" and on the Frankfurt Stock Exchange under the symbol "2OJ" and on the OTC Pink under the symbol "RCGCF".

The principal business of the Company is to acquire, explore, evaluate and develop gold properties in Mali, West Africa.

IMPACT OF COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally. The international response to the spread of COVID-19 has led to significant restrictions on travel; temporary business closures; quarantines; global stock market and financial market volatility; a general reduction in consumer activity; operating, supply chain and project development delays and disruptions; and declining trade and market sentiment; all of which have and could further affect commodity prices, interest rates, credit ratings and credit risk.

Current global financial and economic conditions can be unpredictable. Many industries are impacted by these market conditions and the COVID-19 virus. Some key impacts of the current financial market turmoil arising from the COVID-19 virus include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange, novel fiscal policy and monetary policy and monetary markets and a lack of market liquidity. Additionally, global economic conditions arising from the COVID-19 virus may cause a long-term decrease in asset values. If such global volatility and market turmoil continue, the Company's operations and financial condition could be adversely impacted. The overall severity and duration of COVID-19-related adverse impacts on the Company's business will depend on future developments, which cannot currently be predicted, including directives of the federal and provincial governments and health authorities.

MALI COUP

In August 2020 and again in May 2021, a coup was staged by Mali's military resulting in the dissolution of the Malian government. Mali is currently being governed by a transitional government. The Company's exploration activities have not been disrupted. It should be noted that the Mali capital, Bamako, the centre of the political transition, is over 600 kilometres from its exploration site.

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.

ROSCAN GOLD

Notes to Financial Statements

For the three and six months ended April 30, 2021 and 2020

(In Canadian Dollars)

2. 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 April 30, 2021, the Company had a working capital surplus/(deficit) of \$4,846,947 (2020 – (\$836,467)), incurred losses for the current six-month period of \$16,801,346 (2020 - \$5,169,413), and, had an accumulated deficit of \$54,893,905 (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 April 30, 2021, the Company's cash position was augmented through the exercise of 151,562 warrants and 50,000 stock options for proceeds of \$51,750. The Company currently has 14,575,000 warrants that are "in the money". There is no assurance that these warrants will be exercised, however if all these warrants are exercised the Company would receive additional cash proceeds of \$2,332,000.

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 several 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.

3. 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.

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Notes to Financial Statements

For the three and six months ended April 30, 2021 and 2020

(In Canadian Dollars)

BASIS OF PREPARATION (continued)

These interim consolidated financial statements do not include all 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.

4. 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.

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,

5. 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.

6. 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 establish 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.

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Notes to Financial Statements

For the three and six months ended April 30, 2021 and 2020

(In Canadian Dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	April 30 2021	October 31 2020
Trade payables	\$ 4,329,639	\$ 2,889,795
Accrued liabilities	668,109	706,887
Related parties (i)	69,650	92,792
	\$ 5,067,398	\$ 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.

8. 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 by prospectus offering (vii)	35,714,500	15,000,090
Shares issuance costs – prospectus offering (vi, vii)	-	(1,989,013)
Shares issued on exercise of unit warrants (x)	34,545,115	8,342,309
Shares issued on exercise of broker warrants (x)	4,020,679	1,635,376
Shares issued on exercise of options (xi)	2,700,000	790,378
Balance, April 30, 2021	321,679,640	\$ 54,921,379

- (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

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Notes to Financial Statements

For the three and six months ended April 30, 2021 and 2020

(In Canadian Dollars)

SHARE CAPITAL (continued)

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.
- (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) 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 \$411,337. The aggregate fair value of the 3,739,428 broker warrants was \$787,183 and was transferred from the warrant reserve account.
- (vii) On April 8, 2021, pursuant to its previously announced overnight marketed public offering, the Company issued 35,714,500 common shares for gross proceeds of \$15,000,090. The Company also issued 2,142,870 non-transferable common share purchase warrants as compensation to the Agents Each warrant entitles the holder to acquire an additional common share at a price of \$0.55 for a period of 12 months, expiring on April 8, 2022. The value of the broker warrants was estimated at \$393,199 using the relative fair value method. In addition, the Company paid cash commissions of \$900,005 to the agents led by Clarus Securities Inc. that included Beacon Securities Limited, Echelon Wealth Partners Inc., Cormark Securities Inc. and Paradigm Capital Inc.
- (viii) On May 21, 2021, the Company issued 90,731 common shares at \$0.51 per share in accordance with the option agreement made with Harmattan Consulting SARL for Bantanko East permit (note 11)
- (ix) On June 2, 2021, the Company issued 250,000 common shares at \$0.49 per share in accordance with the option agreement made with Minex SARL for the Kandiole Project's Mankouke permit (note 11).
- (x) During the six-month period ended April 30, 2021, the Company issued 38,565,794 shares in connection to the exercise of unit and broker warrants for proceeds of \$7,333,048. The fair value of these warrants was \$2,644,638. The fair value of the unit warrants was transferred from the warrant reserve account.
- (xi) During the six-month period ended April 30, 2021, the Company issued 2,700,000 shares in connection to the exercise of stock options for proceeds of \$450,000. The fair value of these stock options was \$340,378, which was transferred from contributed surplus to share capital.

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Notes to Financial Statements

For the three and six months ended April 30, 2021 and 2020

(In Canadian Dollars)

SHARE CAPITAL (continued)

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 April 30, 2021, the Company had 8,917,964 common shares available for future grants under the Plans.

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
Granted (i)	5,300,000	0.46
Exercised	(2,700,000)	0.17
Balance, April 30, 2021	23,250,000	\$0.26

- (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:

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Notes to Financial Statements

For the three and six months ended April 30, 2021 and 2020

(In Canadian Dollars)

SHARE CAPITAL (continued)

- 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.

On February 8, 2021, the Company granted 3,500,000 stock options to a director. 1,500,000 of these options vested immediately, the balance 2,000,000 options vest in two equal tranches on February 8, 2022 and February 8, 2023 respectively and were issued with an exercise price of \$0.385 and a five year term.

On April 13, 2021, the Company granted 1,800,000 stock options to officers of the Company. These options vested over 24 months and were issued with an exercise price of \$0.59 and a five year term.

Fair value of the options issued 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)	176%	191%
Risk-free rate of return	0.65%	1.13%
Expected life	5 Years	5 Years
Share price	\$0.46	\$0.21

During the six-month period ended April 30, 2021, the Company recognized share-based payments expense of \$938,400 (2020 - \$1,308,394).

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Notes to Financial Statements

For the three and six months ended April 30, 2021 and 2020

(In Canadian Dollars)

SHARE CAPITAL (continued)

The following summarizes information on the outstanding stock options:

Expiry Date	Number	Weighted average exercise price	Exercisable	Weighted average remaining life (years)
August 1, 2021	500,000	0.10	500,000	0.25
August 31, 2021	50,000	0.15	50,000	0.34
May 14, 2022	1,900,000	0.15	1,900,000	1.04
December 19, 2024	5,000,000	0.12	5,000,000	3.64
January 12, 2025	3,500,000	0.12	3,500,000	3.71
February 19, 2025	1,500,000	0.17	1,500,000	3.81
September 23, 2025	5,500,000	0.37	1,500,000	4.40
February 8, 2026	3,500,000	0.385	1,500,000	4.78
April 13, 2026	1,800,000	0.59	400,000	4.96
	23,250,000	\$0.26	15,850,000	2.99

9. 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	4,012,584	0.40
Exercised	(38,565,794)	0.19
Expired	(664,860)	0.22
Balance, April 30, 2021	17,924,119	\$0.227

Relative fair value of the warrants was 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)	89%	145%
Risk-free rate of return	0.25%	1.64%
Expected life	1.0 Years	2 Years
Share price	\$0.54	\$0.120

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Notes to Financial Statements

For the three and six months ended April 30, 2021 and 2020

(In Canadian Dollars)

SHARE CAPITAL (continued)

The following summarizes information on the outstanding warrants:

Expiry Date	Number	Exercise price	Weighted average remaining life (years)	Relative fair value
May 27, 2021	1,124,999	0.48	0.07	160,382
December 12, 2021	14,656,250	0.16	0.62	638,616
April 8, 2021	2,142,870	0.55	0.94	393,199
	17,924,119	\$0.227	0.54	\$ 1,192,197

10. CORPORATE AND ADMINISTRATIVE

	Three months ended		Six months ended	
	2021	April 30 2020	2021	April 30 2020
Consulting	66,479	37,120	129,082	76,808
Corporate development and promotion	178,970	277,333	278,413	413,246
Listing and share transfer	27,400	43,648	43,085	52,577
Management fees	352,210	316,550	594,801	408,600
Office and general	28,500	17,367	61,691	29,455
Premises	3,777	-	9,492	-
Professional fees	58,031	33,516	74,868	58,227
Travel	-	16,677	2,138	92,756
	\$ 715,367	\$ 742,211	\$ 1,193,570	\$ 1,131,669

11. EXPLORATION AND EVALUATION

	Three months ended		Six months ended	
	2021	April 30 2020	2021	April 30 2020
Acquisition costs	\$ 348,951	\$ 85,598	\$ 378,951	\$ 184,107
Property costs	110,049	(46,739)	227,046	11,048
Assaying	584,414	176,697	1,195,135	182,150
Community relations	9,168	1,383	14,206	1,649
Consulting/Contracting	253,987	119,602	533,370	203,449
Drilling and ancillary costs	5,381,599	993,183	8,923,887	1,137,234
Environmental	5,132	-	12,968	-
Field expenses and equipment	1,118,308	465,432	2,210,995	572,374
Field office	318,215	181,330	602,304	320,362
General and administrative	4,127	2,499	8,302	4,616
Geophysics/Surveys	75,451	49,840	605,994	49,840
Professional fees	24,023	3,979	25,856	6,143
Reports	365	-	365	290
Travel/Transportation	16,189	12,712	26,302	59,556
	\$ 8,249,978	\$ 2,045,516	\$ 14,765,681	\$ 2,732,818

ROSCAN GOLD

Notes to Financial Statements

For the three and six months ended April 30, 2021 and 2020

(In Canadian Dollars)

EXPLORATION AND EVALUATION (continued)

MINERAL PROPERTIES

Kandiole Project – Mali, West Africa

The Kandiole Project is comprised of ten contiguous gold prospective permits, encompassing approximately 401.8 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 described below. As of April 30, 2021, the Company holds a 100% interest in seven exploration permits and three option agreements to acquire a 100% interest in an additional three contiguous gold exploration permits.

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

Permit	Area (sq kms)		Renewal date
Dabia South	35	Company held through Komet	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
Moussala North	32	Option exercised	April 6, 2023
Niala	75	Option exercised	May 23, 2021
Segondo South	65	Option exercised	Pending
Segondo West	42	Under option	March 20, 2023
Bantanko East	55	Under option	March 2, 2024

Dabia South Gold Property – Komet Mali SARL

On July 2, 2020, the Company acquired through its wholly owned subsidiary Roscan Gold Mali SARL 100% of the shares of Komet Mali SARL from Komet Resources Inc. Komet Mali SARL, a wholly owned subsidiary of Roscan Gold 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.

Option Agreements

Roscan has the right to acquire a 100%-interest in the following privately held gold prospective permits pursuant to option agreements, as described below. Roscan shall be responsible for keeping each permit in good standing and performing all obligations required by law during the applicable option period.

- 1) Kandiole North Option Agreement* - Option exercised, and transfer of permit is pending

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), approximately \$23,500, to the Malian government's Direction Nationale de la Geologie et des Mines ("DNGM").

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

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Notes to Financial Statements

For the three and six months ended April 30, 2021 and 2020

(In Canadian Dollars)

EXPLORATION AND EVALUATION (continued)

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

- 2) Kandiole West Option Agreement* - Option exercised, and transfer of permit is pending

To exercise the option the Company:

- a) paid Touba an aggregate of \$80,000 over a three (3) year option period.
- b) paid permitting fees of 10,000,000 CFA francs (paid), approximately \$23,500, to the DNGM.

* 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% net smelter return royalty (“NSR”) on all ore mined from the property. Roscan has the right to purchase one-half of the NSR (equivalent to a 1% NSR) for \$1,000,000.

- 3) Segando South and Moussala North Option Agreement* - Option exercised, and transfer of permit is pending

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 over a three (3) year option period, as follows:

- (i) US\$40,000 in signing (paid);
- (ii) US\$60,000, payable by March 31, 2019 (paid);
- (iii) US\$120,000, payable by March 31, 2020 (paid); and,
- (iv) US\$180,000, payable by March 31, 2021 (paid).

- b) incur an aggregate of US\$165,000 in exploration expenditures over the option period, as follows:

- (i) First year - US\$40,000 (completed)
- (ii) Second year - US\$60,000 (completed)
- (iii) Third year - US\$65,000 (completed)

- c) pay permitting fees (paid) to the DNGM.

The Optionor retained a 2% NSR on all ore mined from the property. Roscan 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 to the Company on April 6, 2020. The Segando South permit is in the process of being cancelled and the renewal is pending.

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Notes to Financial Statements

For the three and six months ended April 30, 2021 and 2020

(In Canadian Dollars)

EXPLORATION AND EVALUATION (continued)

- 4) Niala Option Agreement - Option exercised, and transfer of permit is pending

To exercise the option the Company shall:

- a) pay SOLF SARL an aggregate of \$117,500 over a three (3) year option period, as follows:

- (i) \$12,500 on signing (paid);
- (ii) \$30,000, payable by April 27, 2019 (paid);
- (iii) \$35,000, payable by April 27, 2020 (paid); and,
- (iv) \$40,000, payable by April 27, 2021 (paid).

- b) incur an aggregate of \$205,000 in exploration expenditures over the option period, as follows:

- (i) First year - \$50,000 (completed)
- (ii) Second year - \$75,000 (completed)
- (iii) Third year - \$80,000 (completed)

- c) pay permitting fees of 5,000,000 CFA francs (paid), approximately \$12,500, to the DNGM.

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

- 5) Mankouke Option Agreement - Effective, June 22, 2018

To exercise the option the Company shall:

- a) pay Minex SARL an aggregate of \$250,000 over a three (3) year option period, as follows:

- (i) \$40,000 on signing (paid);
- (ii) \$60,000, payable by June 22, 2019 (paid);
- (iii) \$70,000, payable by June 22, 2020 (paid); and,
- (iv) \$80,000, payable by June 22, 2021.

- b) issue 1,000,000 Roscan shares (1,000,000 shares issued) to Minex in four equal instalments during the option period.

- c) incur an aggregate of \$205,000 in exploration expenditures over the option period, as follows:

- (i) First year - \$50,000 (completed)
- (ii) Second year - \$75,000 (completed)
- (iii) Third year - \$80,000 (completed)

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

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Notes to Financial Statements

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EXPLORATION AND EVALUATION (continued)

- 6) Mankouke West Option Agreement – Option exercised, and transfer or permit is pending

To exercise the option the Company:

- a) paid Touba \$10,000 upon receipt of the authorization permit for exploration, which permit was received on March 25, 2021.
- b) paid all permitting fees and taxes.

Touba retained a 1% net smelter return royalty (“NSR”) on all ore mined from the property. The Company has the right to purchase the entire NSR for CDN \$1 million.

- 7) Segundo 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 \$150,000) over a two (2) year option period, as follows:
 - (i) 10,000,000 FCFA (approximately \$23,000) on signing (paid);
 - (ii) 20,000,000 FCFA (approximately \$46,000), payable by February 5, 2022; and
 - (iii) 35,000,000 FCFA (approximately \$81,000), payable by February 5, 2023.
- b) incur an aggregate of 160,000,000 CFA francs (approximately \$368,000) in exploration expenditures over the option period, as follows:
 - (i) 50,000,000 FCFA (approximately \$115,000) by February 5, 2022; and,
 - (ii) 110,000,000 FCFA (approximately \$253,000) by February 5, 2023

SO.FI.SI SARLU retained a 2% NSR on all ore mined from the property. Roscan has the right to purchase one-half of the NSR (equivalent to a 1.0% NSR) for 450,000,000 CFA francs (approximately \$1,000,000).

- 8) Bantanko East Option Agreement - Effective, April 7, 2021

To exercise the option the Company shall:

- a) pay Harmattan Consulting SARL, an aggregate of 115,000,000 CFA francs (approximately \$260,000) over a two (2) year option period to earn a 100% interest by April 7, 2023.
 - (i) 20,000,000 FCFA (approximately \$45,000) on signing (paid);
 - (ii) 27,500,000 FCFA (approximately \$62,000), payable by April 7, 2022;
 - (iii) 30,000,000 FCFA (approximately \$68,000), payable by April 7, 2023; and
 - (iv) 37,500,000 FCFA (approximately \$85,000), payable after the filing of the transfer request for the transfer of the Mining Permit to the Issuer.

EXPLORATION AND EVALUATION (continued)

- b) In addition, pay Harmattan Consulting SARL, an aggregate of approximately \$260,000 in common shares of the Company or approximately 520,338 common shares based on an exchange ratio of 1 CAD = CFA442.02 or approximately \$0.50 per common share as at April 7, 2021. The number of common shares to be issued will increase if the price falls below \$0.50 per common share and decrease if the price of the common share is above \$0.50. The number of future shares to be issued will also be subject to movement in exchange rate ratio as above.
- (i) 90,493 common shares (approximately \$46,273) on signing (issued on May 21, 2021);
 - (ii) 122,000 common shares (approximately \$61,000), issuable by April 7, 2022;
 - (v) 136,000 common shares (approximately \$68,000), issuable by April 7, 2023; and
 - (vi) 171,845 common shares (approximately \$85,753), issuable after the filing of the transfer request for the transfer of the Mining Permit to the Issuer
- c) incur an aggregate of 191,000,000 CFA francs (approximately \$432,000) in exploration expenditures over the option period, as follows:
- (i) 44,000,000 FCFA (approximately \$100,000) by April 7, 2023; and,
 - (ii) 147,000,000 FCFA (approximately \$332,000) by April 7, 2024

Upon the Property entering into industrial gold production under the Mining Permit, the Issuer agrees to (i) send written notice to Harmattan advising of the date of commencement of production and (ii) issue, within 30 days of the date of commencement of production, to Harmattan, the equivalent of \$1,000,000 in common share of the Issuer.

If a bankable feasibility study is prepared by the Issuer, it being understood, among other things, that the Issuer shall have no obligation to commission such a study and that the Issuer may commission such study at any time it deems appropriate, in its sole discretion, in respect of the Property and the study reveals proven gold reserves equivalent to more than 1,000,000 oz, the Issuer agrees to (i) send written notice to Harmattan of the results of the study and (ii) issue, within thirty (30) days of receipt of such notice, to Harmattan the equivalent of US\$1,000,000 in common shares of the Issuer.

Harmattan shall retain a two percent (2%) net smelter royalty the "NSR") on all ore mined under the Mining Permit, provided, however, that Optionee has commenced industrial gold production pursuant to the Mining Permit, in accordance with the terms of the NSR. The Issuer shall have the right to buy back, at any time and at its sole option, one-half of the NSR, namely a one percent (1%) net smelter return royalty, held by Harmattan for a payment of US\$1,000,000.

12. 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.

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LEASES (continued)**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		(13,645)
Balance, April 30, 2021	\$	27,289

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		1,377
Lease payments		(15,000)
Balance, April 30, 2021	\$	28,931
Less: Current portion		(28,931)
Long-term lease liability	\$	-

13. 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		Six months ended	
	2020	April 30 2020	2020	April 30 2020
Consulting (i)	\$ 61,636	\$ -	\$ 109,669	\$ 1,250
Lease liability payments/Premises (ii)	7,950	7,500	15,450	15,000
Management fees (iii)	290,574	316,550	494,624	408,600
Professional fees (iv)	-	23,317	-	43,452
Share issuance costs (iv)	-	-	-	26,350
Share-based payments (v)	808,620	356,100	808,620	1,113,805
	\$ 1,168,780	\$ 703,467	\$ 1,428,363	\$ 1,608,457

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Notes to Financial Statements

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RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- (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 April 30, 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.
- (v) Share-based payments represents the fair value assigned to stock options granted to Company directors/officers.

14. 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.

15. 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.

16. 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 April 30, 2021 and October 31, 2020, cash was the only financial instrument classified within the fair value hierarchy and was classified as Level 1.

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FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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:

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 April 30, 2021, a 10% change in the USD or the EUR exchange rate would impact the Company's loss by approximately \$58,000 and \$31,000, 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 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 April 30, 2021, the Company had cash of \$9,403,286 to settle current liabilities of \$5,067,398. Subsequent to April 30, 2021, the Company's cash position was augmented through the exercise of 151,562 warrants and 50,000 options as discussed in note 17 below. The Company currently has 14,575,000 warrants that are "in the money", representing potential additional proceeds of \$2,332,000.

17. SUBSEQUENT EVENTS

On May 21, 2021, the Company issued 90,731 common shares at \$0.51 per share in accordance with the option agreement made with Harmattan Consulting SARL for Bantanko East permit (note 11)

On June 2, 2021, the Company issued 250,000 common shares at \$0.49 per share in accordance with the option agreement made with Minex SARL for the Kandiole Project's Mankouke permit (note 11).

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Subsequent to April 30, 2021, the Company raised additional capital of \$46,750 from the exercise of 151,562 warrants and \$5,000 from the exercise of 50,000 stock options.

On June 18, 2021, the Company granted 600,000 stock options in the capital of the Company to a Director at an exercise price of \$0.41 per Common Share vesting 300,000 per year (300,000 at the end of year one and 300,000 at the end of year two) and expiring on June 18, 2023.

On June 18, 2021, the Company granted 500,000 stock options in the capital of the Company to an Officer at an exercise price of \$0.41 per Common Share vesting immediately and expiring on June 18, 2026.