

SYLLA GOLD CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended August 31, 2025 and 2024

(unaudited)

EXPRESSED IN CANADIAN DOLLARS

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

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

As at	August 31 2025	February 28 2025
ASSETS		
Current		
Cash	\$ 9,514	\$ 1,237
Sales tax receivable	5,934	55,126
Prepaid expenses and deposits	1,900	6,750
	\$ 17,348	\$ 63,113
LIABILITIES		
Current		
Accounts payable and accrued liabilities (notes 6, 12)	\$ 1,960,228	\$ 1,725,631
Loans payable (notes 7, 12)	134,597	97,500
	2,094,825	1,823,131
DEFICIENCY		
Share capital (note 8)	6,475,437	6,465,447
Warrants (note 9)	57,850	123,296
Contributed surplus	1,805,624	1,740,178
Deficit	(10,416,388)	(10,088,939)
	(2,077,477)	(1,760,018)
	\$ 17,348	\$ 63,113

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

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

	Three months ended		Six months ended	
	August 31		August 31	
	2025	2024	2025	2024
Expenses				
Corporate and administrative (notes 10, 12)	\$ 96,740	\$ 130,826	\$ 189,774	\$ 248,342
Exploration and evaluation (note 11)	43,887	106,445	89,769	149,000
	(140,627)	(237,271)	(279,543)	(397,342)
Other expenses				
Foreign exchange gain (loss)	(17,614)	(5,117)	(43,508)	(10,156)
Financing costs (note 7)	(4,398)	-	(4,398)	-
Net loss and comprehensive loss	\$ (162,639)	\$ (242,388)	\$ (327,449)	\$ (407,498)
Basic and diluted loss per share (note 14)	\$ (0.003)	\$ (0.005)	\$ (0.006)	\$ (0.008)
Weighted average number of common shares outstanding: Basic and diluted	54,454,834	52,646,138	52,779,198	51,950,486

See accompanying notes.

SYLLA GOLD CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)

(unaudited, expressed in Canadian dollars)

	Share capital		Warrants	Contributed Surplus	Deficit	Total
	Number	Amount				
Balance, February 29, 2024	51,254,834	\$ 6,377,581	\$ 1,164,669	\$ 640,955	\$ (9,354,953)	\$ (1,171,748)
Units issued by private placement (notes 8, 9)	3,200,000	104,490	55,510	-	-	160,000
Broker/Finder warrants (notes 8, 9)	-	(2,340)	2,340	-	-	-
Share issuance costs	-	(14,284)	-	-	-	(14,284)
Warrants expired	-	-	(1,027,421)	1,027,421	-	-
Net loss for the period	-	-	-	-	(407,498)	(407,498)
Balance, August 31, 2024	54,454,834	6,465,447	195,098	1,668,376	(9,762,451)	(1,433,530)
Warrants expired	-	-	(71,802)	71,802	-	-
Net loss for the period	-	-	-	-	(326,488)	(326,488)
Balance, February 28, 2025	54,454,834	6,465,447	123,296	1,740,178	(10,088,939)	(1,760,018)
Bonus shares issued for loan (note 8)	599,998	9,990	-	-	-	9,990
Warrants expired	-	-	(65,446)	65,446	-	-
Net loss for the period	-	-	-	-	(327,449)	(327,449)
Balance, August 31, 2025	55,054,832	\$ 6,475,437	\$ 57,850	\$ 1,805,624	\$ (10,416,388)	\$ (2,077,477)

See accompanying notes.

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

		Six months ended
		August 31
	2025	2024
Operating activities		
Loss for the period	\$ (327,449)	\$ (407,498)
Adjustments to reconcile loss to net cash used:		
Financing costs	4,398	-
	(323,051)	(407,498)
Changes in non-cash working capital items		
Sales tax receivable	49,192	8,688
Prepaid expenses and deposits	4,850	6,532
Accounts payable and accrued liabilities	234,597	186,238
	(34,412)	(206,040)
Financing activities		
Loan proceeds	47,500	50,000
Loan transaction costs	(4,811)	-
Units issued by private placement	-	160,000
Share issuance costs	-	(14,284)
	42,689	195,716
Net change in cash	8,277	(10,324)
Cash, beginning of period	1,237	11,000
Cash, end of period	\$ 9,514	\$ 676
Supplemental disclosure		
Bonus shares issued for loan	\$ 9,990	\$ -
Broker/finder warrants	\$ -	\$ 2,340

See accompanying notes.

SYLLA GOLD CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(unaudited, expressed in Canadian dollars)

For the six months ended August 31, 2025 and 2024

1. NATURE OF OPERATIONS AND GOING CONCERN

Sylla Gold Corp. (the “Company”) is an exploration stage company involved in the business of acquiring, exploring and developing mineral properties. The Company’s Niaouléni Gold Project (note 11) is in Mali, West Africa. The Company’s common shares are listed on the TSX Venture Exchange under the trading symbol “SYG”. During the three-month period ended May 31, 2025, the Company discontinued its listing on the United States OTCQB Venture Market. The address of the Company’s registered office is 1550 Bedford Highway, Suite 802, Bedford, Nova Scotia, B4A 1E6.

Malian New Mining Code and Moratorium

In 2020 and again in 2021, a coup was staged by Mali’s military resulting in the dissolution of the Malian government. Mali is currently being governed by a ruling junta, which adopted a new mining code in August 2023 and suspended the issuance and renewals of permits/licenses pending its review of the Malian mining sector. The new government approved a mining code Implementation Decree in July 2024. In March 2025, the government partially lifted the moratorium to allow for the processing of applications to renew exploration permits/licenses. The ability to transfer exploration permits/licenses or obtain new exploration permits/licenses remains suspended. However, the Company has witnessed the completion of several agreements between the new government and other mining companies and remains optimistic that its permits/licenses will be either renewed or issued, as applicable, though the timing remains uncertain. The Company’s ability to finance and conduct exploration activities on its properties has been significantly constrained by these events.

The Company’s Malian properties may expose the Company to risks and different considerations not normally associated with companies or exploration activities in North America. The Company’s ability to retain its properties, raise and deploy capital may be adversely affected by changes in governing regimes, policies, laws and regulations, all of which are beyond the Company’s control.

Going Concern

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

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

At August 31, 2025, the Company had a working capital deficiency of \$2,077,477 (February 28, 2025 - \$1,760,018), incurred a loss for the current six-month period of \$327,449 (August 31, 2024 – \$407,498), and had an accumulated deficit of \$10,416,388 (February 28, 2025 - \$10,088,939).

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NATURE OF OPERATIONS AND GOING CONCERN (continued)

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

These financial statements do not include the necessary adjustments to reflect the recoverability and classification of recorded assets and liabilities and related expenses that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

Statement of Compliance

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

These consolidated financial statements for the six-month period ended August 31, 2025, were approved and authorized for issue by the Company's board of directors on October 21, 2025.

Basis of Consolidation and Presentation

These consolidated financial statements include the accounts of the Company, its wholly-owned Malian subsidiary, Sylla Gold Mining SARL and its wholly-owned Canadian subsidiary, Glencoe Resources Inc. All significant inter-company transactions and balances have been eliminated on consolidation.

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

These condensed 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 audited February 28, 2025 annual consolidated financial statements. These consolidated financial statements are not necessarily indicative of the results that may be anticipated for the entire year.

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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 warrant valuation;
- measurement of financial liability and equity component of loans payable;
- recognition of deferred tax assets and liabilities; and,
- establishment of provisions.

Significant judgements relate to:

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

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Company's accounting policies, as described in Note 4, Material Accounting Policy Information of the Company's audited annual consolidated financial statements for the year ended February 28, 2025, have been applied consistently to all periods presented in these condensed interim consolidated financial statements, unless otherwise noted.

5. NEW STANDARDS AND INTERPRETATIONS ISSUED

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

IFRS 18 – Presentation and disclosure in Financial Statements

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

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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For the six months ended August 31, 2025 and 2024

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	August 31 2025	February 28 2025
Trade payables	\$ 709,410	\$ 615,985
Accrued liabilities	50,004	68,335
Related parties (note 12)	1,200,814	1,041,311
	\$ 1,960,228	\$ 1,725,631

7. LOANS PAYABLE

	August 31 2025	February 28 2025
Promissory Notes - Non-interest bearing	\$ 100,000	\$ 97,500
Promissory Notes - Interest bearing	34,597	-
	\$ 134,597	\$ 97,500

Promissory Notes - Non-interest bearing

	August 31 2025	February 28 2025
Balance, beginning	\$ 97,500	\$ 30,000
Loan proceeds (note 12)	2,500	67,500
Balance, ending	\$ 100,000	\$ 97,500

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

Promissory Notes - Interest bearing

On June 6, 2025, the Company issued promissory notes for gross proceeds of \$45,000 bearing interest at 7% per annum (the "7% Promissory Notes"). In addition, the holders of the 7% Promissory Notes received bonus common shares equivalent to 20% of the gross proceeds. The Company issued 599,998 bonus shares on July 25, 2025, having a fair value of \$9,990. Financing costs expensed for the six-month period ended August 31, 2025, was \$4,398 and consisted of accrued loan interest and accretion. The 7% Promissory Notes are payable on demand after June 6, 2026, and are unsecured.

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

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LOANS PAYABLE (continued)

	August 31 2025	February 28 2025
Balance, beginning	\$ -	\$ -
Loan proceeds (note 12)	45,000	-
Bonus shares (note 8, 12)	(9,990)	-
Transaction costs	(4,811)	-
Accrued interest	751	-
Accretion	3,647	-
Balance, ending	\$ 34,597	\$ -

8. SHARE CAPITAL

Authorized

Unlimited common shares.

Shares issued – Private Placements

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

Shares issued – Bonus Shares

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

Stock Options

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

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

	Number	Weighted average exercise price
Balance, February 29, 2024	3,075,000	\$0.20
Expired/Cancelled	(400,000)	0.20
Balance, February 28, 2025 and August 31, 2025	2,675,000	\$0.20

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SHARE CAPITAL (continued)

The following summarizes information on the outstanding stock options:

Expiry Date	Number	Exercise price	Exercisable	Average remaining contractual life (years)
May 9, 2027	2,675,000	\$0.20	2,675,000	1.68

9. WARRANTS

Warrant transactions and number of warrants outstanding are as follows:

	Number	Weighted average exercise price
Balance, February 29, 2024	20,862,559	\$0.26
Issued	3,200,000	0.07
Issued - Broker/Finder	98,000	0.05
Expired	(16,337,559)	0.30
Balance, February 28, 2025	7,823,000	0.09
Expired	(4,525,000)	0.10
Balance, August 31, 2025	3,298,000	\$0.07

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

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

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WARRANTS (continued)

The following summarizes information on the outstanding warrants:

Expiry Date	Number	Exercise price	Weighted average remaining life (years)	Relative fair value
January 23, 2026	3,200,000	\$0.07	0.39	\$ 55,510
January 23, 2026	98,000	0.05	0.39	2,340
	3,298,000	\$0.07	0.39	\$ 57,850

10. CORPORATE AND ADMINISTRATIVE

	Three months ended		Six months ended	
	August 31 2025	August 31 2024	August 31 2025	August 31 2024
Consulting (note 12)	\$ 21,500	\$ 25,000	\$ 43,000	\$ 50,000
Filing and transfer agent fees	6,452	19,973	9,302	30,148
Management fees (note 12)	58,500	58,500	117,000	117,000
Office and general (note 12)	3,989	8,179	11,579	15,324
Professional fees	5,314	16,419	7,109	23,124
Shareholder relations and promotion	985	2,755	1,784	12,746
	\$ 96,740	\$ 130,826	\$ 189,774	\$ 248,342

11. EXPLORATION AND EVALUATION

	Three months ended		Six months ended	
	August 31 2025	August 31 2024	August 31 2025	August 31 2024
Acquisition costs	\$ -	\$ 68,808	\$ -	\$ 68,808
Consulting/Contracting	35,079	32,635	64,892	64,932
Environmental	-	-	3,099	-
Equipment and supplies	4,671	1,209	8,958	7,933
Professional fees	-	-	4,783	-
Site costs	4,137	3,793	8,037	7,327
	\$ 43,887	\$ 106,445	\$ 89,769	\$ 149,000

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EXPLORATION AND EVALUATION (continued)

Niaouleni Gold Project – Mali, West Africa

The Niaouleni Gold Project (the “Niaouleni Project”) is in southwest Mali and is comprised of four option agreements to acquire four contiguous permits.

Permit		Renewal date
Deguefarakole	Option exercised	February 5, 2024 – renewal and transfer pending
Niaouleni West	Under option	Exploration license pending
Samaya South	Under option	Exploration license pending
Sananfara	Under option	Exploration license pending

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

General

Each option agreement requires the Company to keep the applicable permit in good standing, including completing the expenditure requirements and paying all permit fees and taxes. The Company is not entitled to any partial interest in a permit in which the option is not exercised. The expenditure requirements in the Touba Mining SARL option agreements are based on mineral exploitation agreements issued by the Malian government with the issuance of the accompanying exploration license pending. The Company has engaged Touba to provide support for its Malian operations.

Dequefarakole Option Agreement, effective April 12, 2022

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

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EXPLORATION AND EVALUATION (continued)

On February 19, 2024, the Option Agreement was amended to waive the remaining cash payments of \$600,000 and reduce the number of common shares remaining to be issued by 4 million common shares. As a result, in February 2024 the Company exercised the option, having:

- a) paid an aggregate of \$100,000 as follows:
 - (i) \$50,000 on April 12, 2022; and,
 - (ii) \$50,000 on October 13, 2023.
- b) Issued 5,000,000 common shares of the Company as follows:
 - (i) 1,000,000 common shares on April 12, 2022;
 - (ii) 1,000,000 common shares on April 12, 2023; and,
 - (iii) 3,000,000 common shares on February 19, 2024.
- c) Incurred an aggregate of \$1,380,000 of exploration expenditures.

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

Niaouleni West Option Agreement

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

To exercise the option, the Company shall:

- a) pay an aggregate of 100,000,000 West African CFA Franc ("FCFA") (approximately CDN \$225,909, of which CDN \$176,909 has been paid) as follows:
 - (i) 20,000,000 FCFA (CDN \$40,935) by January 31, 2022 (paid);
 - (ii) 30,000,000 FCFA (CDN \$67,166) by March 31, 2023, which date was subsequently deferred to September 30, 2023 (paid); and,
 - (iii) 50,000,000 FCFA (approximately CDN \$116,808) by January 31, 2024, which date and payment were subsequently deferred and amended as follows:
 - 30,000,000 FCFA (CDN \$68,808) by August 15, 2024 (paid); and,
 - 20,000,000 FCFA (approximately CDN \$49,000) by April 30, 2025, which date was subsequently deferred to August 31, 2025, and a further deferral is pending.
- b) upon the issuance of the exploration license by the Direction Nationale de la Géologie et des Mines (the "DNGM"), incur an aggregate of 528,000,000 FCFA (approximately CDN \$1,293,000) of exploration expenditures over a three-year period, as follows:
 - (i) first year 111,000,000 FCFA (approximately CDN \$272,000)
 - (ii) second year 145,000,000 FCFA (approximately CDN \$355,000)
 - (iii) third year 272,000,000 FCFA (approximately CDN \$666,000)

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EXPLORATION AND EVALUATION (continued)

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

Samaya South Option Agreement

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

To exercise the option, the Company shall:

- a) pay an aggregate of 45,000,000 FCFA (approximately CDN \$99,076) as follows:
 - (i) 30,000,000 FCFA (CDN \$62,076) by May 14, 2022 (paid); and,
 - (ii) 15,000,000 FCFA (approximately CDN \$37,000) by May 14, 2023, which date was subsequently deferred to August 31, 2025, and a further deferral is pending.
- b) upon the issuance of the exploration license by the DNGM, incur an aggregate of 528,000,000 FCFA (approximately CDN \$1,293,000) of exploration expenditures over a three-year period, as follows:
 - (i) first year 111,000,000 FCFA (approximately CDN \$272,000)
 - (ii) second year 145,000,000 FCFA (approximately CDN \$355,000)
 - (iii) third year 272,000,000 FCFA (approximately CDN \$666,000)

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

Sananfara Option Agreement

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

To exercise the option, the Company shall:

- a) pay an aggregate of 100,000,000 FCFA (approximately CDN \$237,061) as follows:
 - (i) 20,000,000 FCFA (CDN \$41,061) by April 30, 2022 (paid);
 - (ii) 30,000,000 FCFA (approximately CDN \$73,000) by April 30, 2023, which date was subsequently deferred to August 31, 2025, and a further deferral is pending; and,
 - (iii) 50,000,000 FCFA (approximately CDN \$123,000) by April 30, 2024, which date was subsequently deferred to August 31, 2025, and a further deferral is pending.
- b) upon the issuance of the exploration license by the DNGM, incur an aggregate of 641,025,000 FCFA (approximately CDN \$1,570,000) of exploration expenditures over a three-year period, as follows:
 - (i) first year 75,275,000 FCFA (approximately CDN \$184,000)
 - (ii) second year 179,900,000 FCFA (approximately CDN \$441,000)
 - (iii) third year 385,850,000 FCFA (approximately CDN \$945,000)

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EXPLORATION AND EVALUATION (continued)

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

12. RELATED PARTY TRANSACTIONS AND BALANCES

	Three months ended		Six months ended	
	August 31	August 31	August 31	August 31
	2025	2024	2025	2024
Consulting (i)	\$ 12,500	\$ 12,500	\$ 25,000	\$ 25,000
Management fees (ii)	58,500	58,500	117,000	117,000
Office and general (note iii)	3,000	3,000	6,000	6,000
	\$ 74,000	\$ 74,000	\$ 148,000	\$ 148,000

- (i) Consulting fees were paid to a company controlled by a Company officer/director for bookkeeping services.
- (ii) Management fees were paid or became payable to a company controlled by the Company's President and Chief Executive Officer and to a company controlled by the Company's Chief Financial Officer.
- (iii) Rent was paid or became payable to a company controlled by a Company director for the Company's offices in Bedford, Nova Scotia. The rental term is monthly.

Accounts payable and accrued liabilities include \$1,200,814 (February 28, 2025 - \$1,041,311) payable to Company directors/officers or companies controlled by Company directors/officers. Of this amount, \$369,754 (February 28, 2025 - \$362,965) is payable to Niaouleni Gold Inc. a company in which a Company director is a director, officer and shareholder and represents past due amounts payable to suppliers engaged by Niaouleni Gold Inc. to conduct work at the Niaouleni Gold Project. The payable to Niaouleni Gold Inc. is impacted by fluctuations in the West African CFA franc and Euro foreign exchange rates.

Loans payable includes \$70,000 (February 28, 2025 - \$67,500) of non-interest bearing promissory notes and \$25,000 (February 28, 2025 - \$nil) of the 7% Promissory Notes provided by Company directors or officers. Company directors received 333,332 bonus common shares through the issuance of the 7% Promissory Notes.

13. COMMITMENTS AND CONTINGENCIES

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

SYLLA GOLD CORP.

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For the six months ended August 31, 2025 and 2024

14. EARNINGS/LOSS PER SHARE

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

15. 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 and non-related parties. Funding through equity instruments is comprised of common shares, warrants and incentive stock options. The Board of Directors has not established quantitative targets on its capital criteria for management, however, it relies on management to review its capital management methods and requirements on an ongoing basis and make adjustments, accordingly, to sustain future development of the business.

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

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

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

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

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

The Company held no fair value assets at August 31, 2025.

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FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Risk Management

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

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party, by failing to discharge their obligations. The financial instrument that potentially exposes the Company to this risk is its cash, which the Company mitigates by depositing a large majority of its cash with a Canadian bank.

Currency Risk

The Company operates in Canada and Mali and has potential future commitments (note 11) in Mali that are denominated in the West African CFA franc (FCFA), which is pegged to Euro (EUR), giving rise to market risks from changes in foreign exchange rates. The Company monitors foreign exchange rates and has not entered into any financial arrangements to hedge or protect the Company from unfavourable changes in foreign exchange rates.

As at August 31, 2025, the Company has current liabilities, net of current assets, of approximately EUR 436,000 (February 28, 2025 - EUR 406,000), of which a 10% change in the EUR exchange rate would impact the Company's loss by approximately \$70,000 (February 28, 2025 - \$61,000).

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Company is not exposed to any significant interest rate risk. When applicable, excess cash is invested in financial instruments that provide safety and flexibility for early redemption. The Company has no interest-bearing debt.

Liquidity Risk

Liquidity risk management requires maintaining sufficient cash, liquid investments or credit facilities to meet the Company's operating expenditures and commitments, as they come due. The Company manages liquidity risk through the management of its capital structure as described in Note 15. The Company has no income from operations or a regular source of cash flow and is highly dependent on its working capital and on equity funding to support its exploration and corporate activities. Should the need for equity funding arise, there is a risk that the Company may not be successful in selling new common shares at acceptable prices.

Accounts payable and accrued liabilities are generally due within 30 days and the loans payable have no specific terms of repayment. As at August 31, 2025, the Company had cash of \$9,514 (February 28, 2025 - \$1,237) to settle current liabilities of \$2,094,825 (February 28, 2025 - \$1,823,131). The Company will require additional capital to eliminate its working capital deficiency, fund its Niaouleni Project option payments and exploration and its corporate activities for fiscal 2026 and 2027.