

**Compass Gold Corporation**  
**Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended September 30, 2022 and 2021**

**(Unaudited, expressed in Canadian Dollars)**

## Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor, DMCL, LLP, has not performed a review of these unaudited condensed interim consolidated financial statements, in accordance with standards established by the Institute of Chartered Professional Accountants for a review of condensed interim consolidated financial statements by an entity's auditor.

Compass Gold Corporation

November 28, 2022

Compass Gold Corporation  
Condensed interim consolidated statements of financial position  
(Unaudited, expressed in Canadian dollars)

|   | Note     | September 30<br>2022 | December 31<br>2021  |
|---|----------|----------------------|----------------------|
| <b>Assets</b>                                     |          |                      |                      |
| <b>Current assets</b>                             |          |                      |                      |
| Cash  |          | \$ 402,092           | \$ 1,070,415         |
| Receivables                                       | 4        | 136,312              | 78,472               |
| Prepays   |          | 49,943               | 36,675               |
| <b>Total Current Assets</b>                       |          | <b>588,347</b>       | <b>1,185,562</b>     |
| <b>Non-Current assets</b>                         |          |                      |                      |
| Exploration and evaluation asset                  | 5,10     | 22,884,408           | 21,829,219           |
| Equipment   | 6        | 45,998               | 60,465               |
| <b>Non-Current Assets</b>                         |          | <b>22,930,406</b>    | <b>21,889,684</b>    |
| <b>Total Assets</b>                               |          | <b>\$ 23,518,753</b> | <b>\$ 23,075,246</b> |
| <b>Liabilities</b>                                |          |                      |                      |
| <b>Current liabilities</b>                        |          |                      |                      |
| Trade payables and accrued liabilities            | 7        | \$ 68,003            | \$ 48,483            |
| <b>Total Liabilities</b>                          |          | <b>68,003</b>        | <b>48,483</b>        |
| <b>Shareholders' Equity</b>                       |          |                      |                      |
| Share capital                                     | 8        | 37,862,854           | 36,762,777           |
| Share-based payment reserve                       | 9        | 4,034,189            | 3,973,874            |
| Deficit   |          | (18,446,293)         | (17,709,888)         |
| <b>Total Shareholders' Equity</b>                 |          | <b>23,450,750</b>    | <b>23,026,763</b>    |
| <b>Total Liabilities and Shareholders' Equity</b> |          | <b>\$ 23,518,753</b> | <b>\$ 23,075,246</b> |
| <b>Nature and continuance of operation</b>        | <b>1</b> |                      |                      |
| <b>Commitments related to project spending</b>    | <b>5</b> |                      |                      |

**ON BEHALF OF THE BOARD**

/s/ Larry Phillips

\_\_\_\_\_  
Larry Phillips, Chief Executive Office

/s/ Lou Nagy

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Lou Nagy, Chief Financial Officer

Compass Gold Corporation  
Condensed interim consolidated statements of comprehensive loss  
(Unaudited, expressed in Canadian dollars)

|  | Note | Three months ended<br>September 30 |            | Nine months ended<br>September 30 |             |
|--|------|------------------------------------|------------|-----------------------------------|-------------|
|  |      | 2022<br>\$                         | 2021<br>\$ | 2022<br>\$                        | 2021<br>\$  |
| <b>Expenses</b>  |      |                                    |            |                                   |             |
| Management fees  | 10   | 109,664                            | 111,232    | 334,812                           | 330,367     |
| Consulting fees  |      | 30,000                             | 6,000      | 42,000                            | 80,500      |
| Listing and registration fees                            |      | 20,032                             | 8,900      | 41,140                            | 38,615      |
| Investor relations                                       |      | -                                  | -          | -                                 | 10,416      |
| Insurance  |      | -                                  | -          | 25,707                            | 23,513      |
| General office expenses                                  |      | 3,309                              | 11,165     | 12,997                            | 29,575      |
| Professional fees  |      | 32,276                             | 11,181     | 47,222                            | 38,803      |
| Travel   |      | -                                  | 1,921      | 1,553                             | 3,383       |
| Interest and bank charges                                |      | 302                                | 1,065      | 1,665                             | 3,080       |
| Share based payments                                     | 9,10 | 20,105                             | 61,669     | 60,315                            | 185,007     |
| Foreign exchange loss                                    |      | 14,032                             | 72,470     | 168,994                           | 286,397     |
| <b>Total Expenses</b>                                    |      | <b>229,720</b>                     | 285,603    | <b>736,405</b>                    | 1,029,656   |
| <b>Net and comprehensive loss</b>                        |      | <b>(229,720)</b>                   | (285,603)  | <b>(736,405)</b>                  | (1,029,656) |
| <b>Loss per share –</b>                                  |      |                                    |            |                                   |             |
| <b>Basic and diluted</b>                                 | 8    | <b>0.00</b>                        | 0.00       | <b>(0.01)</b>                     | (0.01)      |
| <b>Weighted average number of<br/>shares outstanding</b> |      |                                    |            |                                   |             |
| <b>Basic and diluted</b>                                 | 8    | <b>93,929,557</b>                  | 82,680,528 | <b>89,795,334</b>                 | 76,035,176  |

Compass Gold Corporation  
Condensed interim consolidated statements of changes in shareholders' equity  
(Unaudited, expressed in Canadian dollars)

| <b>Share Capital</b>                           |             |                             |               |  |                 |                     |
|--|-------------|-----------------------------|---------------|--|-----------------|---------------------|
|  | <b>Note</b> | <b>Number of<br/>shares</b> | <b>Amount</b> | <b>Share-based<br/>payment<br/>reserve</b> | <b>Deficit</b>  | <b>Total Equity</b> |
| <b>Balance at December 31, 2020</b>            |             | 72,610,378                  | \$ 34,146,767 | \$ 3,693,038                               | \$ (16,601,880) | \$ 21,237,925       |
| Shares issued from exercise of broker warrants | 8(a)        | 138,900                     | 27,780        | -  | -               | 27,780              |
| Fair market value adjustment from exercise     | 8(a)        | -                           | 20,940        | (20,940)                                   | -               | -                   |
| Shares issued pursuant to private placement    | 8(b)        | 13,762,500                  | 2,752,500     | -  | -               | 2,752,500           |
| Share issue costs                              | 8(b)        | -                           | (185,210)     | 55,100                                     | -               | (130,110)           |
| Share based compensation                       | 9           | -                           | -             | 185,007                                    | -               | 185,007             |
| Net and comprehensive loss for the period      |             | -                           | -             | -  | (1,029,656)     | (1,029,656)         |
| <b>Balance at September 30, 2021</b>           |             | 86,511,778                  | \$ 36,762,777 | \$ 3,912,205                               | \$ (17,631,536) | \$ 23,043,446       |
| Share based compensation                       | 9           | -                           | -             | 61,669                                     | -               | 61,669              |
| Net and comprehensive loss for the period      |             | -                           | -             | -  | (78,352)        | (78,352)            |
| <b>Balance at December 31, 2021</b>            |             | 86,511,778                  | \$ 36,762,777 | \$ 3,973,874                               | \$ (17,709,888) | \$ 23,026,763       |
| Shares issued pursuant to private placement    | 8(c)        | 7,298,668                   | 1,094,800     | -  | -               | 1,094,800           |
| Shares issued for services                     | 8(d)        | 160,000                     | 24,000        | -  | -               | 24,000              |
| Share issue costs                              | 8(c)        | -                           | (18,723)      | -  | -               | (18,723)            |
| Share based compensation                       | 9           | -                           | -             | 60,315                                     | -               | 60,315              |
| Net and comprehensive loss for the period      |             | -                           | -             | -  | (736,405)       | (736,405)           |
| <b>Balance at September 30, 2022</b>           |             | 93,970,446                  | \$ 37,862,854 | \$ 4,034,189                               | \$ (18,446,293) | \$ 23,450,750       |

See accompanying notes to the condensed interim consolidated financial statements

Compass Gold Corporation  
Condensed interim consolidated financial statements of cash flows  
For the three and nine months ended September 30, 2022 and 2021

|  | Nine months ended<br>September 30, 2022 | Nine months ended<br>September 30, 2021 |
|--|---|---|
| <b>Cash flows used in operating activities</b>   |   |   |
| Net loss for the period                          | \$ (736,405)                            | \$ (1,029,656)                          |
| Adjustments for items not affecting cash:        |   |   |
| Share based payments                             | 60,315                                  | 185,007                                 |
| Changes in non-cash working capital items:       |   |   |
| Receivables and prepayments                      | (57,840)                                | (20,899)                                |
| Prepays  | (13,268)                                | 721                                     |
| Trade payable and accrued liabilities            | 19,520                                  | (481,063)                               |
| Cash flows used in operating activities          | (727,678)                               | (1,345,890)                             |
| <b>Cash flows from investing activities</b>      |   |   |
| Acquisition of equipment                         | (847)                                   | (33,147)                                |
| Exploration and evaluation expenditures          | (1,039,875)                             | (2,927,987)                             |
| Cash flows used in investing activities          | (1,040,722)                             | (2,961,134)                             |
| <b>Cash flows from financing activities</b>      |   |   |
| Proceeds from exercise of broker warrants        | -                                       | 27,780                                  |
| Proceeds from private placements and share issue | 1,118,800                               | 2,752,500                               |
| Share issue costs                                | (18,723)                                | (130,110)                               |
| Cash flows from financing activities             | 1,100,077                               | 2,650,170                               |
| <b>Net change in cash</b>                        | <b>(668,323)</b>                        | <b>(1,656,854)</b>                      |
| Cash, beginning of the period                    | 1,070,415                               | 3,846,616                               |
| <b>Cash, end of the period</b>                   | <b>\$ 402,092</b>                       | <b>\$ 2,189,762</b>                     |

**1. Nature and continuance of operations**

Compass Gold Corporation (the "Company") was incorporated on July 1, 2002, under the laws of Alberta and subsequently continued into Ontario, Canada, and its principal activity is the acquisition and exploration of mineral properties. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "CVB.V". The registered office of the Company is located at 365 Bay Street, Toronto, Ontario, Canada, M5H 2S8.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company has incurred cumulative net losses of 18,446,293 as at September 30, 2022. The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations and, upon successful results from its exploration activities, to be able to attain profitable operations. There is no guarantee that the Company will be able to complete any of the above objectives. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with available cash on hand and, if required, through the private placement of common shares. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

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, potentially leading to an economic downturn. Management continues to monitor the impact of the pandemic on all aspects of its business but anticipates that it may impact its ability to raise financing.

**2. Significant accounting policies and basis of preparation**

***Statement of Compliance with International Financial Reporting Standards***

These condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies the Company reported in Note 2 and 3 in its audited annual consolidated financial statements for the year ending December 31, 2021. These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on November 28, 2022.

***Basis of preparation***

The condensed interim consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The condensed interim consolidated financial statements are presented in Canadian dollars unless otherwise noted.

The accounting policies have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

***Comparative information***

Certain amounts of the prior period balances have been reclassified to conform with the presentation of the current period financial statements.

**Consolidation**

The condensed interim consolidated financial statements include the accounts of the Company and its controlled entities. Details of the controlled entities are as follows:

|                               | Country of incorporation | Percentage owned*  |                   |
|-------------------------------|--------------------------|--------------------|-------------------|
|                               |                          | September 30, 2022 | December 31, 2021 |
| Compass Gold Exploration      | Canada                   | 100%               | 100%              |
| Exploration Azteca S.A De.C.V | Mexico                   | 100%               | 100%              |
| Mali Gold Exploration PTY LTD | Australia                | 100%               | 100%              |
| SERM S.A.                     | Republic of Mali         | 100%               | 100%              |
| REM S.A.                      | Republic of Mali         | 100%               | 100%              |
| ML Commodities Mali S.A.      | Republic of Mali         | 100%               | 100%              |
| Mali Gold Exploration SARL    | Republic of Mali         | 100%               | 100%              |
| Compass Gold Mining SARL      | Republic of Mali         | 100%               | 100%              |

\*Percentage of voting power is in proportion to ownership.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

**Significant estimates and assumptions**

The preparation of the Company's condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ from these estimates.

Areas requiring a significant degree of estimation relate to fair value measurements for financial instruments and stock-based compensation and other equity-based payments, the recoverability of its exploration and evaluation assets and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates.

**Significant judgments**

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification of financial instruments; and,
- the determination of the functional currency of the parent company and its subsidiaries.

### 3. Adoption and future changes in accounting standards

Certain pronouncements were issued by the IASB that are mandatory for accounting years on or after January 1, 2022 or later years. Many are not applicable or do not have significant impact on the Company and have been excluded. The following standard has been adopted by the Company.

IAS 1 - Presentation of Financial Statements ("IAS 1") was amended in January 2020 to address inconsistencies with how entities apply the standard over classification of current and non-current liabilities. The amendment addresses whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. This amendment is effective for annual beginning on or after January 1, 2023. There is no impact of the adoption of this amendment on its financial statements.

### 4. Receivables

|                   | September 30<br>2022 | December 31<br>2021 |
|-------------------|----------------------|---------------------|
| Taxes recoverable | 35,373               | 20,640              |
| Other receivables | 100,939              | 57,832              |
|                   | <b>\$ 136,312</b>    | <b>\$ 78,472</b>    |

### 5. Exploration and evaluation assets

|  | September 30<br>2022 | December 31<br>2021  |
|--|----------------------|----------------------|
| Acquisition of Sikasso Property                  | \$ 6,172,837         | \$ 6,172,837         |
| Exploration expenditure incurred and capitalized | 16,711,571           | 15,656,382           |
|  | <b>\$ 22,884,408</b> | <b>\$ 21,829,219</b> |

The exploration and evaluation assets comprise the Faraba-Koura, Ouassada, Kalé, Sankarani, Kourou, Lontola, Badogo, Kapélégué, Tiélouléna, Sankarani Est, Moribala, Koroféréla, N'Tjila and Kouma gold exploration permits, collectively referred to as the Sikasso Property. All permits are for properties located in Mali.

The permits were all granted to subsidiaries of the Company or held in trust by third parties under binding memorandum of understanding for permit purchase. The permits are effective for three years, and the Company may renew the permits twice for additional three and nine years. In order to maintain these permits in good standing, the Company was required to incur minimum exploration expenditures on each of the permits.

During the ended December 31, 2021, the Company renewed the permits held to extend the life of the licenses in order to continue mineral exploration. As a result of this process, the permits have been renewed from their initial expiry date in fiscal 2021 to 2024. The Company commitment to exploration expenditures from the permit from 2021 to 2024 were as follows:

|             |             |
|-------------|-------------|
| First year  | \$2,019,918 |
| Second year | \$3,255,738 |
| Third year  | \$4,264,710 |

In May 2012, Mali Gold Exploration PTY Ltd. ("MGE") granted to certain shareholders at the time, and who are now directors of the Company, a joint 2% Net Smelter Royalty over the Ouassada, Kalé, Sankarani, Kourou and Tiélouléna permits, which remains in place.

**6. Equipment**

Equipment consists of the following:

| <b>Cost</b>                        | <b>Machinery</b>  | <b>Equipment</b> | <b>Total</b>      |
|------------------------------------|-------------------|------------------|-------------------|
| <b>Balance, December 31, 2020</b>  | <b>207,923</b>    | <b>55,896</b>    | <b>263,819</b>    |
| Additions                          | 30,714            | 17,525           | 48,239            |
| <b>Balance, December 31, 2021</b>  | <b>\$ 238,637</b> | <b>\$ 73,421</b> | <b>\$ 312,058</b> |
| Additions                          | -                 | 847              | 847               |
| <b>Balance, September 30, 2022</b> | <b>\$ 238,637</b> | <b>\$ 74,268</b> | <b>\$ 312,905</b> |
| <hr/>                              |                   |                  |                   |
| <b>Accumulated Depreciation</b>    | <b>Machinery</b>  | <b>Equipment</b> | <b>Total</b>      |
| <b>Balance, December 31, 2020</b>  | <b>200,435</b>    | <b>27,903</b>    | <b>228,338</b>    |
| Amortization                       | 6,581             | 16,674           | 23,255            |
| <b>Balance, December 31, 2021</b>  | <b>\$ 207,016</b> | <b>\$ 44,577</b> | <b>\$ 251,593</b> |
| Amortization                       | -                 | 15,324           | 15,324            |
| <b>Balance, September 30, 2022</b> | <b>\$ 207,016</b> | <b>\$ 59,901</b> | <b>\$ 266,917</b> |
| <hr/>                              |                   |                  |                   |
| <b>Net Book Value</b>              | <b>Machinery</b>  | <b>Equipment</b> | <b>Total</b>      |
| <b>December 31, 2021</b>           | <b>\$ 31,621</b>  | <b>\$ 28,844</b> | <b>\$ 60,465</b>  |
| <b>September 30, 2022</b>          | <b>\$ 31,621</b>  | <b>\$ 14,367</b> | <b>\$ 45,988</b>  |

Depreciation is included with exploration expenditure incurred and capitalized

**7. Trade payable and accrued liabilities**

|                             | <b>September 30<br/>2022</b> | <b>December 31<br/>2021</b> |
|-----------------------------|------------------------------|-----------------------------|
| Trade payables and accruals | \$ 68,003                    | \$ 48,483                   |
|                             | <b>\$ 68,003</b>             | <b>\$ 48,483</b>            |

**8. Share capital**

***Authorized share capital***

Unlimited number of common shares without par value.

***Issued share capital***

At September 30, 2022 there were 93,970,446 issued and fully paid common shares (December 31, 2021 – 86,511,778).

***Basic and diluted loss per share***

The calculation of basic and diluted loss per share for the nine months ended September 30, 2022 was based on the loss attributable to common shareholders of \$736,405 (2021 - \$1,029,656) and the weighted average number of common shares outstanding of 89,795,334 (2021 – 76,035,176). For the three months ended September 30, 2022, the calculation of basic and diluted loss per share was based on loss attributable to common shareholders of \$226,720 (2021 – \$285,603) and the weighted average number of common shares outstanding of 93,929,557 (2021 – 82,680,528).

***(a) Exercise of broker warrants***

During the year ended December 31, 2021, 138,900 broker warrants were exercised at a price of \$0.20 per share to issue 138,900 common shares to settle accounts payable of \$27,780 with no gain or loss.

A fair value adjustment from the exercise of the warrants was recognized in an amount of \$20,940 and is shown as an adjustment between share based payment reserve and share capital.

**(b) Private Placement July 27, 2021**

On July 27, 2021, the Company closed a private placement with gross proceeds of \$2,752,500 through the issue of 13,762,500 common shares at a price of \$0.20 per common share.

As part of the private placement, finders' fees in aggregate of \$36,300 in cash, 375,000 common shares with a fair value of \$75,000 in lieu of cash and 556,500 broker warrants were issued to qualified persons acting as finders. Each broker warrant is exercisable into one common share at a price of \$0.20 per share until July 27, 2023. The fair value of broker warrants issued in this placement is estimated at \$55,100. Additional share issuance costs of \$18,810 were incurred related to this private placement.

Insiders of the Company purchased an aggregate of 312,500 shares under the Offering, for aggregate consideration of \$62,500.

**(c) Private Placement June 2, 2022**

On June 2, 2022, the Company closed a private placement with gross proceeds of \$1,094,800 through the issue of 7,298,668 common shares and 7,298,668 common share purchase warrants at a price of \$0.15 per unit. Each share purchase warrant is exercisable into one common share at a price of \$0.30 per share until June 2, 2025.

As part of the private placement, share issuance costs of \$18,723 were incurred related to this private placement.

Insiders of the Company purchased an aggregate of 1,575,000 units under the Offering, for aggregate consideration of \$236,500.

**(d) Issue of commons shares for services**

During the period ended September 30, 2022, 160,000 commons shares were issued for services valued at \$24,000 with no gain or loss.

**Warrants**

The changes in warrants during the nine months ended September 30, 2022 and the year ended December 31, 2021 are as follows:

|                                 | September 30, 2022 |                                      | December 31, 2021  |                                      |
|---------------------------------|--------------------|--------------------------------------|--------------------|--------------------------------------|
|                                 | Number of warrants | Weighted average exercise price (\$) | Number of warrants | Weighted average exercise price (\$) |
| Warrants outstanding, beginning | -                  | -                                    | 12,200,000         | 0.75                                 |
| Warrants expired                | -                  | -                                    | (12,200,000)       | 0.75                                 |
| Warrants issued                 | 7,298,668          | 0.30                                 | -                  | -                                    |
| Warrants outstanding, ending    | 7,298,668          | 0.30                                 | -                  | -                                    |

Details of warrants outstanding as at September 30, 2022 are as follows:

| Expiry Date       | Weighted average exercise price (\$) | warrants Outstanding | Weighted average Contractual Life (Years) |
|-------------------|--------------------------------------|----------------------|---|
| September 2, 2025 | 0.30                                 | 7,298,668            | 2.68                                      |
|                   | 0.30                                 | 7,298,668            | 2.68                                      |

**Broker warrants**

The changes in broker warrants during the nine months ended September 30, 2022 and year ended December 31, 2021 are as follows:

|                                 | September 30, 2022 |                                      | December 31, 2021  |                                      |
|---------------------------------|--------------------|--------------------------------------|--------------------|--------------------------------------|
|                                 | Number of warrants | Weighted average exercise price (\$) | Number of warrants | Weighted average exercise price (\$) |
| Warrants outstanding, beginning | 1,192,500          | 0.20                                 | 774,900            | 0.20                                 |
| Warrants granted                | -                  | -                                    | 556,500            | 0.20                                 |
| Warrants exercised              | -                  | -                                    | (138,900)          | 0.20                                 |
| Warrants outstanding, ending    | 1,192,500          | 0.20                                 | 1,192,500          | 0.20                                 |

The fair values of the broker warrants issued for the year ended December 31, 2021 were estimated using the Black-Scholes Option Pricing Model with the following assumptions:

|                         | 2021    |
|-------------------------|---------|
| Risk free interest rate | 0.45%   |
| Expected dividend yield | Nil     |
| Expected volatility     | 107%    |
| Expected life           | 2 years |

Volatility was determined based on the historical volatility of the Company's share price over a period of time equivalent to the expected life of the warrant granted.

Details of broker warrants outstanding as at September 30, 2022 are as follows:

| Expiry Date       | Weighted average exercise price (\$) | Warrants Outstanding | Weighted average Contractual Life (Years) |
|-------------------|--------------------------------------|----------------------|---|
| December 15, 2022 | 0.20                                 | 666,000              | 0.21                                      |
| July 27, 2023     | 0.20                                 | 526,500              | 0.82                                      |
|                   | 0.20                                 | 1,192,500            | 0.48                                      |

**9 Reserves**

***Share-based payment reserve***

The share-based payment reserve records items recognized as stock-based compensation expense until such time that the stock options or broker warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised and cancelled, the amount recorded is transferred to deficit.

***Stock options***

The Company has a stock option plan (the "Plan"), under which the Company may grant options to directors, officers, employees, and third-party service providers. Under the terms of the Plan, which was re-approved by the shareholders on August 2, 2022, the Company is authorized to issue a maximum of 10% of the issued and outstanding shares.

The purpose of the Plan is to attract, retain and motivate directors, officers, and certain third-party service providers by providing them with the opportunity to acquire a proprietary interest in the Company and benefit from its growth. The options granted under the Plan are non-assignable, have a term of up to 10 years and vest over periods of up to two years from the date of issue.

The changes in options during the nine months ended September 30, 2022 and year ended December 31, 2021 are as follows:

|                                | <b>September 30, 2022</b> |   | <b>December 31, 2021</b> |   |
|--------------------------------|---------------------------|---|--------------------------|---|
|                                | <b>Number of options</b>  | <b>Weighted average exercise price (\$)</b> | <b>Number of options</b> | <b>Weighted average exercise price (\$)</b> |
| Options outstanding, beginning | 5,251,000                 | 0.40  | 3,810,000                | 0.46  |
| Options granted                | -                         | -   | 1,441,000                | 0.25  |
| Options outstanding, ending    | 5,251,000                 | 0.40  | 5,251,000                | 0.40  |

Details of options outstanding as at September 30, 2022 are as follows:

| <b>Expiry Date</b> | <b>Weighted average exercise price (\$)</b> | <b>Options Outstanding</b> | <b>Options Exercisable</b> | <b>Weighted average Contractual Life (Years)</b> |
|--------------------|---|----------------------------|----------------------------|--|
| December 31, 2022  | 0.50  | 2,025,000                  | 2,025,000                  | 0.25   |
| May 20, 2024       | 0.30  | 775,000                    | 775,000                    | 1.64   |
| December 14, 2024  | 0.50  | 935,000                    | 935,000                    | 2.21   |
| January 31, 2025   | 0.325                                       | 75,000                     | 75,000                     | 2.34   |
| January 5, 2026    | 0.25  | 1,126,000                  | 750,667                    | 3.27   |
| January 8, 2026    | 0.25  | 315,000                    | 210,000                    | 3.28   |
|                    | 0.40  | 5,251,000                  | 4,770,667                  | 1.66   |

During the year ended December 31, 2021, the Company granted 1,441,000 stock options and recognized a total share-based payment expenses of \$246,676 from the vesting of options granted. During the nine months ended September 30, 2022, the Company granted no new stock option and recognized a total share-based payment expense of \$60,315 from the vesting of options granted.

The fair values of the options issued for the year ended December 31, 2021 were estimated using the Black-Scholes Option Pricing Model with the following assumptions:

|                         | <b>2021</b> |
|-------------------------|-------------|
| Risk free interest rate | 0.4%        |
| Expected dividend yield | Nil         |
| Expected volatility     | 146%        |
| Expected life           | 5 years     |

Volatility was determined based on the historical volatility of the Company's share price over a period of time equivalent to the expected life of the option granted.

**10. Related party transactions**

The Company considers its officers (CEO and CFO) and directors to be key management. Key management are those persons having authority and responsibility for planning, directing, and controlling activities, directly or indirectly, of the Company.

***Related party transactions***

The Company incurred the following transactions with directors and companies that are controlled by directors of the Company.

|   | <b>Nine months ended<br/>September 30, 2022</b> | <b>Nine months ended<br/>September 30, 2021</b> |
|---|---|---|
| Management, officers and director fees              | \$ 291,000                                      | \$ 291,000                                      |
| Share based payments                                | 52,494  | 160,440   |
| Management fees in exploration and evaluation asset | 101,291   | 111,129   |
| <b>Total</b>  | <b>\$ 444,785</b>                               | <b>\$ 562,569</b>                               |

**11. Segmented information**

***Operating segments***

The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties.

***Geographic segments***

The Company's exploration and evaluation assets are based solely in Mali.

## 12. Financial instruments and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

### ***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in its bank account. The majority of cash is held in an account with a major bank in Canada. As the Company's cash is held by one bank, there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

### ***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

All of the Company's financial liabilities as at September 30, 2022 are due within one year of the financial period end date.

### ***Foreign exchange risk***

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's subsidiaries located in Mali are exposed to currency risk as it incurs expenditures that are denominated in the West African CFA franc ("CFA"), which is the currency in the Republic of Mali, while its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates.

The following is an analysis of Canadian dollar equivalent of financial assets and liabilities that are denominated in CFA:

|                             | <b>September 30<br/>2022</b> | <b>December 31<br/>2021</b> |
|-----------------------------|------------------------------|-----------------------------|
| Cash                        | \$ 38,852                    | \$ 94,603                   |
| Receivables                 | 100,939                      | 57,832                      |
| Trade payables and accruals | (28,312)                     | (6,758)                     |
| Net exposure                | \$ 111,479                   | \$ 145,677                  |

Based on the above net exposures, as at September 30, 2022, a 10% change in the CFA franc exchange rate would impact the Company's net loss by \$11,148 (December 31, 2021 – \$14,567).

### ***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 market interest rates. At September 30, 2022, the Company does not have any financial instruments recorded that bear interest at variable rates and therefore interest rate risk is not considered significant.

**Classification of financial instruments**

Financial assets included in the statement of financial position are as follows. All of the financial assets are reflected at amortized costs:

|                                     | September 30<br>2022 | December 31<br>2021 |
|-------------------------------------|----------------------|---------------------|
| Financial assets at amortized cost: |                      |                     |
| Cash                                | \$ 402,092           | \$ 1,070,415        |
| Receivables                         | \$ 136,312           | \$ 78,472           |

Financial liabilities included in the statement of financial position are as follows. All of the financial liabilities are reflected at amortized costs:

|  | September 30<br>2022 | December 31<br>2021 |
|--|----------------------|---------------------|
| Financial liabilities at amortized cost: |                      |                     |
| Trade payables                           | \$ 68,003            | \$ 48,483           |

**Fair value**

The condensed interim consolidated statements of financial position carrying amounts for cash, receivables and trade payables, approximate fair value due to their short-term nature.

The following provides a description of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash falls under Level 1.

There were no transfers between levels during the year ended September 30, 2022.

**Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of share and working capital.

There were no changes in the Company's approach to capital management during the period and the Company is not subject to any externally imposed capital requirements.