



NEXUS GOLD CORP.

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JANUARY 31, 2023 AND 2022**

Expressed in Canadian Dollars

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Nexus Gold Corp.

Opinion

We have audited the accompanying consolidated financial statements of Nexus Gold Corp. (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years ended January 31, 2023 and 2022 and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at January 31, 2023 and 2022, and its consolidated financial performance and cash flows for the year ended January 31, 2023 and 2022 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Restatement of Prior Period Financial Statements

The consolidated financial statements for the year January 31, 2022 have been restated as described in Note 16. We audited the adjustments described in Note 16 that were applied to restate the 2022 financial statements. Such adjustments are appropriate and have been properly applied.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended January 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matters described in the *Material Uncertainty Related to Going Concern* section and *Restatement of Prior Period Financial Statements* section, we have determined that there are no key audit matters to communicate in our auditors' report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Dong H. Shim.

"SHIM & Associates LLP"

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada

May 31, 2023

NEXUS GOLD CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JANUARY 31, 2023 AND 2022

Expressed in Canadian Dollars

	January 31, 2023	January 31, 2022 (Restated)
	\$	\$
ASSETS		
Current		
Cash	30,115	139,349
Commodity tax recoverable	194,649	109,438
Marketable securities (note 6)	45,000	-
Prepays	33,022	603,053
Total current assets	302,786	851,840
Right of use asset (note 10)	40,775	67,958
Leasehold improvement (note 7)	6,003	10,005
Exploration and evaluation assets (note 5)	1,545,137	6,462,609
TOTAL ASSETS	1,894,701	7,392,412
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 8)	467,779	272,240
Due to Nexus Metals Corp. (note 12)	712,066	-
Loans payable (note 9)	660,000	275,000
Office lease liability (note 10)	32,270	28,567
Total current liabilities	1,872,115	575,807
Office lease liability, long term (note 10)	17,559	49,829
TOTAL LIABILITIES	1,889,674	625,636
EQUITY		
Share capital (note 11)	27,563,856	31,974,563
Share-based payment reserve (note 11)	3,200,287	3,200,287
Deficit	(30,759,116)	(28,408,074)
TOTAL EQUITY	5,027	6,766,776
TOTAL LIABILITIES AND EQUITY	1,894,701	7,392,412

Nature and continuance of operations (note 1)
Subsequent events (note 17)

On behalf of the Board: "Alex Klenman" Director "Warren Robb" Director

The accompanying notes form an integral part of these consolidated financial statements.

NEXUS GOLD CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
YEARS ENDED JANUARY 31, 2023 AND 2022
Expressed in Canadian Dollars

Years ended January 31,	2023	2022 (Restated)
	\$	\$
EXPENSES		
Advertising (recovery)	(1,115)	290,193
Amortization	4,002	4,002
Consulting fees	333,909	612,088
Corporate development and advising	90,299	358,125
Filing fees	64,430	57,151
Foreign exchange loss	23,144	23,637
Geological consulting	67,139	53,267
Insurance	17,093	20,196
Interest expense (notes 9 and 10)	35,507	9,235
Investor relations	10,158	5,148
Management and directors' fees (note 12)	90,000	116,200
Market research and analysis	99,784	719,766
Marketing	326,783	488,196
Media	149,966	256,667
Office and administration (note 12)	207,317	127,257
Professional fees	284,143	158,339
Project sourcing	-	22,500
Rent (note 9)	23,800	29,052
Share-based compensation (note 11)	-	186,753
Travel and promotion	-	1,110
Loss for the year before other items	1,826,359	3,538,882
OTHER ITEMS		
Loss on settlement of debt (note 11)	(100,000)	-
Loss on impairment of exploration and evaluation asset (note 5)	(410,101)	-
Other income	-	56,574
Excess property option payments received (note 5)	3,751	-
Unrealized loss on marketable securities	(18,333)	-
Net loss and comprehensive loss for the year	(2,351,042)	(3,482,308)
Basic and diluted loss per common share	\$ (0.07)	\$ (0.12)
Weighted average number of common shares outstanding	31,829,213	28,522,478

The accompanying notes form an integral part of these consolidated financial statements.

NEXUS GOLD CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEAR ENDED JANUARY 31, 2023 AND 2022

Expressed in Canadian Dollars

	Number of shares	Share capital	Shares to be issued	Share-based payment reserve	Deficit	Total equity
		\$	\$	\$	\$	\$
Balance, January 31, 2021	24,581,157	28,356,953	20,000	3,077,078	(24,925,766)	6,528,265
Shares issued in private placement	5,180,209	2,534,128	-	19,232	-	2,553,360
Shares issued for mineral properties	1,225,000	430,000	-	-	-	430,000
Shares issued on exercise of warrants	536,957	439,229	-	(14,773)	-	424,456
Shares issued on exercise of options	200,000	178,003	-	(68,003)	-	110,000
Shares issued for services	50,000	36,250	(20,000)	-	-	16,250
Share-based compensation	-	-	-	186,753	-	186,753
Loss for the year	-	-	-	-	(3,482,308)	(3,482,308)
Balance, January 31, 2022 (restated)	31,773,323	31,974,563	-	3,200,287	(28,408,074)	6,766,776
Plan of Arrangement – spin out of Nexus Metals Corp.	-	(4,560,707)	-	-	-	(4,560,707)
Shares issued for debt settlement	100,000	150,000	-	-	-	150,000
Loss for the year	-	-	-	-	(2,351,042)	(2,351,042)
Balance, January 31, 2023	31,873,323	27,563,856	-	3,200,287	(30,759,116)	5,027

The accompanying notes form an integral part of these consolidated financial statements.

NEXUS GOLD CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JANUARY 31, 2023 AND 2022

Expressed in Canadian Dollars

Years ended January 31,	2023	2022 (Restated)
	\$	\$
CASH USED IN OPERATING ACTIVITIES		
Loss for the year	(2,351,042)	(3,482,308)
Adjustments for non-cash items:		
Share-based compensation	-	186,753
Accrued interest on loans payable	28,945	-
Amortization	4,002	4,002
Right of use asset amortization	27,183	23,820
Shares for services	-	36,250
Loss on settlement of debt	100,000	-
Loss on impairment of exploration and evaluation asset	410,101	-
Other income	-	(54,426)
Gain on excess option payment received	(3,751)	-
Unrealized loss on marketable securities	18,333	-
Changes in working capital items:		
Commodity tax recoverable	(85,211)	(23,669)
Prepays	570,031	160,477
Office lease liability	(28,567)	(19,982)
Accounts payable and accrued liabilities	216,594	(76,132)
Due to Nexus Metals Corp.	712,066	-
Net cash used in operating activities	(381,316)	(3,245,215)
FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	2,570,105
Proceeds from options exercised	-	110,000
Proceeds from warrants exercised	-	424,456
Share issue costs	-	(36,745)
Cash from a loan agreement	385,000	275,000
Net cash provided by financing activities	385,000	3,342,816
INVESTING ACTIVITIES		
Recovery of exploration and evaluation assets	200,000	100,000
Exploration and evaluation expenditures	(312,918)	(2,254,922)
Net cash used in investing activities	(112,918)	(2,154,922)
Change in cash for the year	(109,234)	(2,057,321)
Cash, beginning of the year	139,349	2,196,670
Cash, end of year	30,115	139,349
NON-CASH TRANSACTIONS		
Plan of Arrangement – spin out of Nexus Metals	4,560,707	-
Shares issued for a debt settlement	150,000	-
Shares issued for mineral properties	-	430,000
Shares issued for services	-	36,250
Finder's warrants	-	19,232

The accompanying notes form an integral part of these consolidated financial statements.

NEXUS GOLD CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JANUARY 31, 2023 AND 2022
Expressed in Canadian Dollars

1. NATURE AND CONTINUANCE OF OPERATIONS

Nexus Gold Corp. (the “Company”) incorporated under the Business Corporations Act of British Columbia on May 7, 2009, is a public company listed on the TSX Venture Exchange (the “TSXV”) and trades under the symbol NXS. The Company also trades under the ticker symbol “NXXGF” in the United States. The address of the Company’s corporate office and its principal place of business is 802 - 750 West Pender Street, Vancouver, BC.

On October 12, 2022, the Company completed the spin-out the Company's existing Canadian projects. The plan of arrangement involves the spin-out of Nexus Metals Corp. (“Nexus Metals”), a newly established subsidiary of the Company, and its Canadian resource projects to shareholders (the “Plan of Arrangement”). As a result of the completion of the Plan of Arrangement, the Company transferred all of its rights to the Canadian projects to Nexus Metals. A total of 45,390,460 shares of Nexus Metals have been distributed on a pro rata basis to shareholders of the Company. The Company shareholders received approximately one Nexus Metals share for every seven common shares of the Company (note 4).

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of mineral properties.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company does not generate revenues or cash flow from operations to fund its activities and relies on financing raised from the issuance of shares and the support of creditors and related parties.

NEXUS GOLD CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JANUARY 31, 2023 AND 2022
Expressed in Canadian Dollars

1. NATURE AND CONTINUANCE OF OPERATIONS (continued)

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of operating revenue and has significant cash requirements to meet its administrative overhead and maintain its exploration and evaluation assets. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets. The carrying value of the Company's exploration and evaluation assets do not reflect current or future values. The Company has not yet determined whether its exploration and evaluation assets contain economically recoverable ore reserves. The recovery of the amounts comprising exploration and evaluation assets are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete the exploration and development of those reserves and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis. The Company estimates that additional financing will be required to continue operations over the next 12 months.

These factors form a material uncertainty that may cast significant doubt upon the entity's ability to continue as a going concern.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were approved by the Board of Directors of the Company on May 31, 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of presentation

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company and of its subsidiaries.

During the year ended January 31, 2023, the COVID-19 pandemic has caused significant and negative impact to the global financial markets. The Company's exploration activities in West Africa and Canada have not been significantly affected by the pandemic to date. If the Company becomes unable to conduct future exploration activities over the long-term in the future, this may result in a potential material impairment of exploration and evaluation assets. The Company continues to monitor and assess the impact of COVID-19 on its business activities. Currently the impact has been minimal, and it is difficult to reliably measure the extent of the effect of the COVID-19 pandemic on future financial results.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries,

- CSR (British Columbia) (inactive),
- Nexus Gold Corp Burkina (Burkina Faso), and
- Cyclone North Resources Inc. (inactive).

All significant inter-company balances and transactions have been eliminated upon consolidation.

Significant accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting estimates and judgments (continued)

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of exploration and evaluation assets, valuation of share-based compensation and other equity-based payments, the recoverability and measurement of income taxes, and decommissioning restoration provision.

Key estimates made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements are as follows:

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Decommissioning restoration provision

The Company's provision for decommissioning and restoration provision represents management's best estimate of the present value of the future cash outflows required to settle the liability. The provision reflects estimates of future costs, inflation, and assumptions of risks associated with the future cash outflows, and the applicable risk-adjusted discount rate for the discounting future cash outflows. Changes in the above factors can result in a change to the provision recognized by the Company. Changes to the restoration and decommissioning costs are recorded with a corresponding change to the carrying amount of the related mining property. Adjustments to the carrying amounts of the related mineral property can result in a change to future depletion expenses.

Income taxes

In assessing the probability of realizing deferred tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Going concern

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 is subject to significant judgment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets

Pre-exploration costs are expensed as incurred. Costs directly related to the exploration and evaluation of mineral properties are capitalized once the legal rights to explore the mineral properties are acquired or obtained. When the technical and commercial viability of a mineral resource have been demonstrated and a development decision has been made, the capitalized costs of the related property are first tested for impairment and transferred to mining assets and amortized over the estimated useful life of the property following commencement of commercial production.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount. Exploration and evaluation assets are reviewed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

The costs include the cash or other consideration and the assigned value of shares issued, if any, on the acquisition of exploration and evaluation assets. Costs related to properties acquired under option agreements or joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made. The Company does not accrue estimated future costs of maintaining its exploration and evaluation assets in good standing.

Capitalized costs as reported on the statements of financial position represent costs incurred to date and may not reflect actual, present, or future values. Recovery of carrying value is dependent upon future commercial success or proceeds from disposition of the exploration and evaluation property interests.

Management assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. Write-downs due to impairment in value are charged to profit or loss. General exploration costs not related to specific properties and general administrative expenses are charged to profit or loss in the period in which they are incurred.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restoration and environmental obligations (continued)

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in amount and timing of the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

Impairment of assets

The carrying amount of the Company's assets (which include exploration and evaluation interests) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share purchase warrants, and stock options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity, net of tax.

The fair value of the common shares issued in a private placement was determined to be the more easily measurable component and were valued at their fair value. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as share-based payment reserve.

The Company may from time to time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company separates the flow-through common share into: i) a flow-through common share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability and; ii) share capital. When the resource property expenditures are incurred, the Company derecognizes the liability and recognizes as other income.

Share-based compensation

The Company grants share purchase options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The Company uses the fair value-based method of accounting for stock options granted to directors and for compensatory warrants. Under this method, the fair value of the stock options and compensatory warrants are determined using the Black-Scholes option pricing model. The fair value of stock options is recognized to expense over the vesting period, and the fair value of compensatory warrants is recognized as share issuance costs, with the offsetting credit to reserves.

Consideration paid for the shares on the exercise of share purchase options is credited to share capital.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share issue costs

Costs directly identifiable with the raising of capital will be charged against the related share capital. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued.

Basic and diluted loss per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. For the periods presented, this calculation proved to be anti-dilutive.

Financial instruments

The Company classifies its financial assets into one of the following categories as follows: Financial assets are classified and measured based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. IFRS 9 contains three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit and loss. Financial assets are recognized in the statements of financial position if the Company has a contractual right to receive cash or other financial assets from another entity. Financial assets are derecognized when the rights to receive cash flows from the asset have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company has classified its cash as a financial asset measured at fair value through profit and loss. Such assets are recognized initially at fair value inclusive of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses.

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company has classified its accounts payables and due to related parties as financial liabilities measured at amortized cost. Such liabilities are recognized initially at fair value inclusive of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Derivatives are carried at fair value and are reported as assets when they have a positive fair value and as liabilities when they have a negative fair value. Changes in the fair values of derivative financial instruments are reported in the consolidated statements of loss and comprehensive loss.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. A significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivables are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Losses are recognized in the consolidated statement of comprehensive loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statements of comprehensive loss.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost. The Company's non-derivative liabilities consist of amounts payable and due to related parties. Derivative liabilities are classified as fair value through profit or loss. The Company has no derivative assets or liabilities.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided for based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency for the Company and its subsidiaries is the Canadian dollar. The functional currency determination was conducted through an analysis of the consideration factors identified in International Accounting Standard (“IAS”) 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the period.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

Flow-through Shares

The Company will, from time to time, issue flow-through shares to finance a significant portion of its Canadian exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the issuance of a flow-through share, it is bifurcated into equity (share) and liability (flow-through) components on the issue date. The equity portion is measured at the market value and the residual is allocated as a liability. The liability is recorded at the fair value of the obligation to renounce the expenditures that the issuer has incurred. This is effectively the “premium” the investor attributes to a flow-through share versus an ordinary share. When the expenditures are renounced, the Company records a deferred tax liability and deferred tax expense (renounced expenditures multiplied by the effective corporate tax rate).

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

The Company assesses whether a contract is, or contains, a lease, at the inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Accounting standards issued but not yet effective

There are no accounting pronouncements with future effective dates that are applicable or are expected to have a material impact on the Company's consolidated financial statements.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 - inputs other than quoted prices included in 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 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Fair values (continued)

The fair value of cash is determined using level 1 of the fair value hierarchy. The carrying values of accounts payable, and due to related parties approximate their fair values due to the expected maturity of these financial instruments.

Financial instrument risk exposure and risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

(a) Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash. The Company manages credit risk, in respect of cash, by placing its cash with a major Canadian financial institution in accordance with the Company's investment policy.

Concentration of credit risk exists with respect to the Company's cash as all amounts are held at a single major Canadian financial institution. The Company's concentration of credit risk and maximum exposure thereto is considered minimal.

The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet commitments. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities.

Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instrument risk exposure and risk management (continued)

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and commodity price risk.

i. Interest rate risk

Some of the Company's accounts payable are subject to interest on unpaid balances.

ii. Foreign currency risk

The Company's functional currency is the Canadian dollar; however, exploration costs and property option payments are transacted in US dollars and West African CFA franc. A one percent change in foreign exchange rates will result in an immaterial change to profit or loss.

iii. Commodity price risk

Commodity price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company actively monitors commodity price changes and stock market prices to determine the appropriate course of action to be taken by the Company.

4. PLAN OF ARRANGEMENT

On October 12, 2022, the Company completed the spin-out of the Company's Canadian projects to Nexus Metals pursuant to the Plan of Arrangement in exchange for 45,390,460 common shares of Nexus Metals, which have been distributed on an approximate one-for-seven basis to the shareholders of the Company (note 1).

The fair value of the net assets transferred to Nexus Metals pursuant to the Plan of Arrangement was \$4,560,707 related to the Company's carrying value of the Canadian projects (note 5) which has been recorded as a distribution to the shareholders presented as a reduction in share capital.

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5. EXPLORATION AND EVALUATION ASSETS

During the year ended January 31, 2023, the Company incurred the following exploration and evaluation costs related to the properties.

	Bouboulou Burkina Faso	Rakounga Burkina Faso	Dakuli II Burkina Faso	Manzour Dayere Burkina Faso	Nianguela Burkina Faso	McKenzie ON, Canada	New Pilot Project BC, Canada	Gummy Bear NL, Canada	Dorset Property, NL and Labrador	Black Ridge and Bauline NL, Canada	Cyclone Project	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance, January 31, 2022 (restated)	1	387,393	1,374,102	112,281	2,541	2,289,989	516,837	509,846	259,582	589,037	421,000	6,462,609
Deferred exploration costs:												
Administration	-	17,561	29,642	14,421	-	19,151	-	-	-	-	-	80,775
Assay	-	-	-	-	-	51,962	-	6,899	-	2,162	-	61,023
General field	-	357	675	-	-	3,289	-	760	-	720	64,916	70,717
Geological	-	2,250	2,325	-	-	30,822	11,250	13,330	-	18,950	7,250	86,177
Travel and accommodation	-	2,541	6,252	2,896	-	2,537	-	-	-	-	-	14,226
Total exploration costs	-	22,709	38,894	17,317	-	107,761	11,250	20,989	-	21,832	72,166	312,918
Option payments received	-	-	-	-	-	-	-	-	(259,582)	-	-	(259,582)
Impairment	-	(410,101)	-	-	-	-	-	-	-	-	-	(410,101)
Plan of arrangement (note 4)	-	-	-	-	-	(2,397,750)	(528,087)	(530,835)	-	(610,869)	(493,166)	(4,560,707)
Balance, January 31, 2023	1	1	1,412,996	129,598	2,541	-	-	-	-	-	-	1,545,137

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5. EXPLORATION AND EVALUATION ASSETS (continued)

During the year ended January 31, 2022, the Company incurred the following exploration and evaluation costs related to the properties.

	Bouboulou Burkina Faso	Rakounga Burkina Faso	Dakuli II Burkina Faso	Manzour Dayere Burkina Faso	Nianguela Burkina Faso	McKenzie ON, Canada	New Pilot Project BC, Canada	Gummy Bear NL, Canada	Dorset Property, NL and Labrador	Black Ridge and Bauline NL, Canada	Cyclone Project	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance, January 31, 2021	1	155,947	665,047	51,600	-	1,263,494	461,455	406,400	309,582	564,161	-	3,877,687
Deferred exploration costs:												
Administration	-	37,629	94,676	39,248	-	34,696	-	-	-	-	-	206,249
Assay	-	-	35,344	-	-	75,739	28,000	45,827	-	1,550	-	186,460
Drilling	-	19,259	351,251	-	-	595,855	-	-	-	-	-	966,365
General field	-	233	46,845	717	-	63,755	457	1,982	-	20	-	114,009
Geological	-	18,972	72,884	6,271	-	229,255	26,425	47,353	-	18,537	1,000	420,697
Report	-	-	-	-	-	10,800	-	-	-	-	-	10,800
Travel and accommodation	-	17,496	105,961	10,126	-	16,395	500	8,284	-	4,769	-	163,531
Total exploration costs	-	93,589	706,961	56,362	-	1,026,495	55,382	103,446	-	24,876	1,000	2,068,111
Acquisition costs:												
Cash	-	177,857	2,094	4,319	2,541	-	-	-	-	-	-	186,811
Shares	-	10,000	-	-	-	-	-	-	-	-	420,000	430,000
Total acquisition costs	-	187,857	2,094	4,319	2,541	-	-	-	-	-	420,000	616,811
Option payments received	-	(50,000)	-	-	-	-	-	-	(50,000)	-	-	(100,000)
Balance, January 31, 2022 (restated)	1	387,393	1,374,102	112,281	2,541	2,289,989	516,837	509,846	259,582	589,037	421,000	6,462,609

5. EXPLORATION AND EVALUATION ASSETS (continued)

Properties in West Africa

Bouboulou Property, Burkina Faso, West Africa

During the year ended January 31, 2017, the Company entered into an option agreement to acquire a 100% interest in the Bouboulou Exploration Permit located in Burkina Faso, West Africa. The agreement was amended in February 2020.

According to the amended agreement, the Company has an option to acquire up to 75% interest in the property, in consideration for cash payments of US\$500,000 and the issuance of 90,000 common shares of the Company, over a period of three years as follows:

- i) pay US\$10,000 (paid) and issue 5,000 shares (issued at a value of \$2,500);
- ii) pay US\$35,000 (paid) and issue 10,000 shares (issued at a value of \$7,000);
- iii) pay US\$125,000 (paid) and issue 25,000 shares on or before April 5, 2019 (issued at a value of \$30,000);
- iv) issue 25,000 shares on or before May 31, 2020 as amended;
- v) pay US\$150,000 on or before June 30, 2020 as amended;
- vi) issue 25,000 shares on or before August 31, 2020 as amended;
- vii) pay US\$180,000 on or before November 30, 2020 as amended.

Following the acquisition of a 75% interest in the property, the Company will have the option to acquire the remaining 25% interest in the Property through a cash payment of US\$1,000,000 with a 1% NSR remaining with the Optionor.

During the year ended January 31, 2021, the Company did not make the payments required by the option agreement to keep it in good standing and accordingly the carrying value of the property was written down to \$1.

Rakounga Gold Property, Burkina Faso, West Africa

On July 11, 2017, the Company entered into a letter of intent with Belemyida SA (the "Optionor"), pursuant to which the Company will acquire the right to earn up to 100% interest in the Rakounga Gold Property located in Burkina Faso, West Africa. The agreement was amended in August 2019.

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5. EXPLORATION AND EVALUATION ASSETS (continued)

Rakounga Gold Property, Burkina Faso, West Africa (continued)

According to the terms of the amended agreement, the Company will have an option to acquire a 90% interest in the property, in consideration for the following cash payments and the issuance of common shares of the Company as follows:

- i) pay US\$15,000 (paid) and issue 250 shares (issued at a value of \$4,625) upon signing of a definitive agreement;
- ii) pay US\$15,000 (paid) and issue 5,000 shares on or before August 31, 2018 (issued at a value of \$15,250);
- iii) pay US \$25,000 (paid) and issue 25,000 shares on or before December 13, 2019, as amended (issued at a value of \$25,000);
- iv) pay US\$70,000 (paid) on or before April 30, 2020, as amended;
- v) issue 25,000 shares (issued) on or before August 30, 2020;
- vi) issue 25,000 shares (issued) on or before August 30, 2021, as amended;
- vii) pay US\$125,000 on or before November 30, 2021 (paid), as amended and
- viii) pay US\$150,000 on or before November 30, 2024, as amended.

Following the acquisition of a 90% interest in the property, the Company will have the option to acquire the remaining 10% interest in the property through a cash payment of US\$1,000,000 with a 1% NSR remaining with the Optionor.

Rakounga Gold Property, Burkina Faso, West Africa - Option Out agreement

On December 2, 2019, as amended on March 20, 2020, the Company entered into an agreement to grant 90% of the interest in Rakounga property to an unrelated party ("Optionee") in consideration for completing a financing or going public transaction before December 13, 2020, and making the following payments:

- i) paying \$30,000 on December 2, 2019(received);
- ii) paying \$70,000 on or before April 30, 2020 (received);
- iii) paying \$150,000 on or before December 2, 2021 (\$50,000 received);
- iv) paying \$250,000 on or before December 2, 2022 (not received);
- v) paying \$500,000 on or before December 2, 2023

incurring the following exploration expenditures:

- i) \$100,000 on or before December 2, 2021;
- ii) an additional \$150,000 on or before December 2, 2022;
- iii) an additional \$500,000 on or before December 2, 2023 and
- iv) an additional \$500,000 on or before December 2, 2024.

5. EXPLORATION AND EVALUATION ASSETS (continued)

Rakounga Gold Property, Burkina Faso, West Africa (continued)

At any time, following exercise of the option, and until November 30, 2025, subject to the terms of the underlying option agreement, the Optionee will have the right to acquire the remaining 10% interest in the Property in consideration for a one-time cash payment of \$1,000,000.

During the year ended January 31, 2020, management had considered whether the costs capitalized for Rakounga property was recoverable based on the review of future option payments to be made and option payments to be received from the optionee. Based on the results of this assessment, it was determined that as of January 31, 2020 the capitalized costs are not recoverable and as such the related capitalized exploration and evaluation costs were written-down to \$1.

During the years ended January 31, 2021 and 2022, the Company incurred and capitalized additional exploration and evaluation costs which were deemed recoverable due an established history of payments received from the optionee. The Company was not able to recover any further costs from the optionee and as of January 31, 2023, the Company determined that the capitalized costs are not recoverable and such the related capitalized exploration and evaluation costs were written down to \$1, resulting in a write-off of exploration and evaluation assets of \$410,101.

Dakuli II Property, Burkina Faso, West Africa

In 2019, the Company applied to the Ministry of Mines in Burkina Faso to stake Dakuli II claims. During the year ended January 31, 2020, the Company received approval from the Ministry of Mines in Burkina Faso and started exploration work on the property.

Manzour Dayere, Burkina Faso, West Africa

During the year ended January 31, 2020, the Company paid \$4,510 in staking fees to stake Manzour Dayere claims. The Company started exploration work on the property in fiscal 2020.

Nianguela, Burkina Faso, West Africa

During the year ended January 31, 2022, the Company paid \$2,541 in staking fees to stake Nianguela claims. The Company has not yet started to explore the property.

5. EXPLORATION AND EVALUATION ASSETS (continued)

Properties in Canada

The Company spun out the Canadian properties to Nexus Metals (note 4).

New Pilot Project

In January 2019, the Company issued 350,000 common shares valued at \$385,000 to a company with a director in common to acquire a 100% interest in New Pilot Project located in British Columbia, Canada. The acquisition agreement was finalized in February 2019 and as a result, \$385,000 was reclassified from exploration advance to acquisition costs in fiscal 2020.

McKenzie Property

On February 12, 2019, the Company entered into a mineral property acquisition agreement to acquire a 100% interest in the McKenzie Island Claims in consideration for a cash payment of \$150,000 (paid) and issuance of 400,000 shares (issued). In addition, 30,000 shares valued at \$39,000 were issued to the finders of this property. On May 19, 2020, the Company entered into another mineral property acquisition agreement to acquire two additional claims in consideration for a cash payment of \$4,000 (paid) and issuance of 40,000 shares (issued).

Gummy Bear

On May 22, 2019, the Company entered into a mineral property acquisition agreement to acquire a 100% interest in the Gummy Bear claims located in Newfoundland and Labrador, Canada in consideration for an issuance of 400,000 (issued) common shares valued at \$360,000. The Company issued 40,000 common shares valued at \$36,000 to a finder of the property. The underlying owners are entitled to a 2% NSR royalty of which 1% can be purchased back for \$1,000,000.

Black Ridge and Bauline

On June 17, 2019, the Company entered into a mineral property acquisition agreement to acquire a 100% interest in the Black Ridge and Bauline claims located in Newfoundland and Labrador, Canada in consideration of the issuance of 550,000 (issued) common shares valued at \$495,000. The Company issued 49,145 common shares valued at \$44,230 to a finder of the property.

The underlying owners are entitled to a 2% NSR royalty of which 1% can be purchased back for \$1,000,000.

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5. EXPLORATION AND EVALUATION ASSETS (continued)

Dorset Gold Project

On March 6, 2020, the Company entered into a mineral property acquisition agreement pursuant to which the Company could purchase a 100% interest in the Dorset Gold Project located in the Province of Newfoundland and Labrador, Canada. The Company completed this acquisition in fiscal 2021 and acquired the interest in the property by issuing 1,100,000 common shares as consideration and also issued 55,000 common shares to finders; with a total value of \$404,250.

Dorset Gold Project - Option Out agreement

On April 22, 2020, the Company entered into an agreement to grant 100% of the interest in Dorset Gold property to a corporation which has an officer in common with the Company in consideration of the following:

- (a) making cash payments totalling \$1,250,000, as follows:
 - i) \$100,000 (received) on the closing date;
 - ii) \$50,000, on or before April 22, 2021 (received);
 - iii) an additional \$100,000, on or before April 22, 2022 (amended – see below);
 - iv) an additional \$400,000, on or before April 22, 2023 (amended – see below); and
 - v) an additional \$600,000, on or before April 22, 2024 (amended – see below);
- (b) and by incurring Expenditures of not less than \$1,500,000, as follows:
 - i) \$150,000, on or before the April 22, 2022 (incurred);
 - ii) an additional \$200,000, on or before April 22, 2023 (incurred);
 - iii) an additional \$400,000, on or before April 22, 2024; and
 - iv) an additional \$750,000, on or before April 22, 2025.

The property is subject to a 2% Net Smelter Returns Royalty (“NSR”).

On February 8, 2022, the Company agreed to amend the terms which replaces the existing property option agreement dated April 22, 2020. Under the terms of the amended agreement, the optionee will continue to hold a right to acquire up to a 100% interest in the project. Considerations for the acquisition are as below:

- (a) making cash payments totaling \$550,000, as follows:
 - i) \$100,000 (received) on the closing date;
 - ii) \$50,000, on or before April 22, 2021 (received);
 - iii) \$200,000 on or before February 28, 2022 (received); and
 - iv) \$200,000 on or before February 28, 2023.

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5. EXPLORATION AND EVALUATION ASSETS (continued)

- (b) issuing to the Company 1,000,000 shares, as follows:
- i) 333,333 shares on or before February 28, 2022 (received valued at \$63,333);
 - ii) 333,333 shares on or before February 28, 2023 (received subsequent to year end) (note 17); and
 - iii) 333,334 shares on or before February 28, 2024.

On October 25, 2022, the amended agreement was further amended with respect to the fourth payment in the amount of \$200,000 that was due on or before February 28, 2023. Under the amended agreement dated October 25, 2022, the optionee agreed to pay \$180,000 in full and as final cash consideration on or before October 31, 2022 (received subsequent to the spin-out).

The options payments received from the optionee in excess of the Company's carrying value of the Dorset property was \$3,751 which is recognized as a gain on the Company's profit or loss.

Cyclone Project

On September 22, 2021, Cyclone North Resources Inc ("Cyclone") entered into a mineral property acquisition agreement pursuant to which Cyclone has an option to acquire a 100% interest in and to a series of mineral claims located in the James Bay Territory of the Province of Quebec.

The Company acquired all of the outstanding issued shares of Cyclone by issuing 1,200,000 common shares with a fair value of \$420,000. The value of the shares issued was allocated to a mineral property purchased with Cyclone.

Following completion of the cash payments and the incurrence of the exploration expenditures, Cyclone shall have exercised the option in full and shall be the beneficial owner of the claims, subject to a 3% net smelter returns royalty on commercial production from the claims in favor of the third party. 1.5% of the royalty may be purchased by Cyclone at any time prior to December 31, 2024 through a one-time cash payment of \$2,500,000 to a third party, and anytime thereafter through a one-time cash payment of \$5,000,000.

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6. MARKETABLE SECURITIES

During the year ended January 31, 2023, the Company received 333,333 shares of Leocor Gold Inc. valued at \$63,333 in relation to the Dorset Option Out agreement.

At January 31, 2023, the 333,333 shares had a fair value of \$45,000 resulting in an unrealized loss of \$18,333 for the year.

7. LEASEHOLD IMPROVEMENTS

At the time of entering into an office lease for the Company's offices, during the year ended January 31, 2020, the Company incurred leasehold improvement expenses of \$20,010. The leasehold improvements are amortized on a straight-line basis over the term of the lease of five years. Leasehold improvements as at January 31, 2023 are as follows:

	Cost	Accumulated Amortization	Net book value
	\$	\$	\$
Leasehold improvements, January 31, 2022	20,010	(10,005)	10,005
Amortization	-	(4,002)	(4,002)
Leasehold improvements, January 31, 2023	20,010	(14,007)	6,003

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities consist of:

	January 31, 2023	January 31, 2022
	\$	\$
Trade payables	388,834	225,365
Accrued liabilities	50,000	46,875
Accrued interest on loan payable (note 8)	28,945	-
	<u>467,779</u>	<u>272,240</u>

During the year ended January 31, 2023, the Company settled payables in the amount of \$50,000 (2022 - \$26,250) by issuing 100,000 common shares (2022 - 50,000 common shares) resulting in a loss on settle of debt of \$100,000 (2022 - \$Nil) (note 11).

9. LOAN PAYABLE

As of January 31, 2023, the Company had \$660,000 (January 31, 2022 - \$275,000) in loan bearing interest at 6% per annum, unsecured and is due on demand and no later than April 28, 2024. During the year ended January 31, 2023, the Company recorded interest expense of \$28,945 (2022 - \$Nil).

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10. RIGHT OF USE ASSET AND LEASE OBLIGATION

Right-of-Use asset represents the Company's right to lease the office space. It is amortized over the term of the lease. During the year ended January 31, 2023, \$27,183 was recorded in rent expense for amortization of this asset (2022 - \$23,820) and \$6,562 in interest expense (2022 - \$14,467).

Office lease liability represents the Company's obligation to pay office rent during the term of the office lease contract. The Company measures the lease liability at the present value of the lease payments that are not paid at January 31, 2023. The lease payments are discounted using a 10% interest rate which is the Company's estimated incremental borrowing rate.

The following schedule provides details of the lease liability at January 31, 2023:

Minimum lease payments:	\$
Next 12 months	35,809
Beyond 12 months	18,074
Total future minimum lease payments	53,883
Less: Imputed interest	(4,054)
Total lease liability	49,829
Less: Current portion	(32,270)
Long-term portion of future minimum lease payments	17,559

11. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE

Share Capital

During the year ended January 31, 2023:

- i) In July 2022, the Company issued 100,000 shares valued at \$150,000 to settle accounts payable of \$50,000 resulting in a loss of \$100,000 (note 8).
- ii) In October 2022, the Company completed the spin-out of its Canadian projects to Nexus Metals pursuant to the Plan of Arrangement resulting in a decrease of share capital of \$4,560,707 (notes 4 and 5).

During the year ended January 31, 2022:

- i) In February 2021 the Company issued 25,000 shares for services valued at \$20,000 that were recorded as shares to be issued as at January 31, 2021;
- ii) On March 4, 2021 the Company issued 86,956 shares on exercise of warrants at \$0.10 per warrant;

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11. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

Share Capital (continued)

During the year ended January 31, 2022 (continued):

- iii) On March 15, 2021 the Company issued 100,000 shares on exercise of stock options at \$0.60 per option. The fair value of the options of \$42,400 was deducted from share-based payment reserve;
- iv) On March 25, 2021 the Company closed a non-brokered private placement through the issuance of 659,264 units at a price of \$0.50 per unit for gross proceeds of \$329,632. Each unit consists of one common share of the Company and one common share purchase warrant entitling the holder to purchase one additional share at a price of \$0.70 for a period of three years. No finders' fees or commissions were paid.
- v) In April 2021, the Company issued 25,000 shares for services valued at \$16,250;
- vi) In April 2021, the Company issued 154,545 shares on exercise of warrants at \$0.75 per warrant;
- vii) On May 13, 2021, the Company issued 295,455 shares on exercise of warrants at \$0.075 per warrant. The fair value of the warrants of \$14,773 was deducted from share-based payment reserve;
- viii) On May 31, 2021, the Company closed a non-brokered private placement through the issuance of 1,850,000 units at a price of \$0.50 per unit for gross proceeds of \$925,000. Each unit consists of one common share of the Company and one common share purchase warrant entitling the holder to purchase one additional share at a price of \$0.70 for a period of three years. The company paid \$12,000 in finders' fee and issued 24,000 warrants with the fair value of \$10,052.
- ix) On June 28, 2021, the Company closed a non-brokered private placement through the issuance of 1,610,945 units at a price of \$0.50 per unit for gross proceeds of \$805,473. Each unit consists of one common share of the Company and one common share purchase warrant entitling the holder to purchase one additional share at a price of \$0.70 for a period of three years. The company paid \$13,500 in finders' fee and issued 24,000 warrants with the fair value of \$9,180.
- x) On August 26, 2021, the Company issued 100,000 shares on exercise of stock options at \$0.50 per option. The fair value of the options of \$25,603 was deducted from share-based payment reserve;
- xi) In August 2021, the Company issued 25,000 shares for Rakounga mineral project valued at \$10,000;
- xii) On October 1, 2021, the Company issued 1,200,000 shares pursuant to a share purchase agreement between the Company and shareholders of Cyclone North Resources Inc. The shares are valued at \$420,000;

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11. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

Share Capital (continued)

During the year ended January 31, 2022 (continued):

- xiii) On December 1, 2021, the Company has completed a non-brokered private placement for gross proceeds of \$530,000. In connection with closing of the offering, the Company has issued 500,000 flow-through units and 560,000 non-flow-through units. Each unit (flow-through and non-flow-through) was issued at a price of \$0.50 and consists of one common share of the Company and one common share purchase warrant exercisable at price of \$0.70 for a period of three years.

Options

Share-based Compensation Plan:

The Company has a Stock Option Plan ("the Plan") under which it is authorized to grant options to directors, officers, consultants or employees of the Company. The number of options granted under the Plan is limited to 10% of the number issued and outstanding common shares of the Company at the date of grant. The minimum exercise price is set at \$0.50. The exercise price of options granted under the Plan may not be less than the market value of the Company's common shares on the date of grant. Options granted under the Plan have a maximum life of ten years and vest on the date of grant or over periods determined by management. Options granted to consultants performing investor relations activities shall vest over a minimum of 12 months with no more than 1/4 of such options vesting in any 3-month period.

At January 31, 2023, the Company had the following share purchase options outstanding:

Number of options	Exercise price	Expiry date	Weighted Average Contractual Life Remaining, years
	\$		
5,000	3.30	June 14, 2023	0.37
5,000	2.40	September 12, 2023	0.61
20,000	1.30	February 28, 2024	1.08
30,000	1.80		0.88

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11. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

Options (continued)

A summary of changes in share purchase options during the period is as follows:

	Number of Options	Weighted average exercise price \$
Outstanding and exercisable, January 31, 2021	1,005,690	1.30
Granted	475,000	0.70
Exercised	(200,000)	0.60
Expired	(14,500)	1.90
Cancelled	(20,000)	2.40
Outstanding and exercisable, January 31, 2022	1,246,190	1.20
Expired	(115,000)	0.50
Cancelled	(1,101,190)	1.50
Outstanding and exercisable, January 31, 2023	30,000	1.80

The fair value of the compensatory share purchase options issued during the year ended January 31, 2022 was measured based on the Black-Scholes formula. Expected volatility is estimated by considering historic average share price. There were no additional share purchase options issued during the year ended January 31, 2023.

The weighted average inputs used in the measurement of fair value at grant date of the share purchase options are:

	January 31, 2023	January 31, 2022
Risk free interest rate	N/A	0.27%
Expected life of options	N/A	2 years
Annualized volatility	N/A	113%
Dividend yield	N/A	0%
Exercise price	N/A	\$ 0.66
Share price at measurement date	N/A	\$ 0.70

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11. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

Warrants

A summary of changes in warrants during the period is as follows:

	Number of Warrants	Weighted average exercise price
		\$
Balance, January 31, 2021	13,015,489	0.80
Granted	5,231,209	0.70
Expired	(611,533)	1.60
Exercised	(536,957)	0.75
Balance, January 31, 2022	17,098,208	0.80
Expired	(3,139,310)	1.20
Balance, January 31, 2023	13,958,898	0.70

During the year ended January 31, 2022, the Company extended the expiration date and reduced the exercise price to the terms of an aggregate of 1,253,248 warrants issued by the Company. More particularly, the Company amended the terms of 864,991 warrants set to expire on February 26, 2021. Of this series, all are held by non-insiders and exercisable at \$1.80 (the "February Warrants"). The date of expiration of the February Warrants has been extended to February 26, 2022 and the exercise price has been reduced to \$1.00 per warrant. Further, the Company amended the terms of 286,756 warrants held by non-insiders set to expire on March 19, 2021 and exercisable at \$1.80 and 101,500 warrants held by non-insiders set to expire on March 19, 2021 and exercisable at \$2.00 (the "March Warrants"). The date of expiration of the March Warrants has been extended to March 19, 2022 and the exercise price has been reduced to \$1.00 per warrant.

During the year ended January 31, 2022, 536,957 shares were issued on exercise of warrants at \$0.75 per warrant.

During the year ended January 31, 2022, the Company issued 659,264 warrants exercisable at \$0.70 until March 25, 2024, 1,874,000 warrants exercisable at \$0.70 until May 31, 2024, 1,637,945 warrants exercisable at \$0.70 until June 28, 2024, and 1,600,000 warrants exercisable at \$0.70 until December 1, 2024.

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11. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE (continued)

Warrants (continued)

As at January 31, 2023, the Company has the following warrants outstanding:

Number of warrants	Exercise price	Expiry date	Weighted Average Contractual Life Remaining, years
	\$		
1,266,600	0.70	June 3, 2023	0.34
272,364	0.70	June 19, 2023	0.38
367,000	0.70	June 26, 2023	0.40
136,000	0.70	July 1, 2023	0.41
46,000	0.70	July 14, 2023	0.45
433,860	1.20	August 4, 2023	0.51
2,001,484	0.70	December 23, 2023	0.89
63,636	0.55	December 23, 2023	0.89
310,500	0.70	December 31, 2023	0.92
659,264	0.70	March 25, 2024	1.15
1,874,000	0.70	May 31, 2024	1.33
1,637,945	0.70	June 28, 2024	1.41
235,294	1.20	August 20, 2024	1.55
1,060,000	0.70	December 1, 2024	1.84
1,215,341	0.70	December 23, 2024	1.90
24,120	0.70	December 31, 2024	1.92
1,922,000	0.70	January 31, 2025	2.00
433,490	0.70	March 23, 2025	2.14
13,958,898	0.70		1.30

The fair value of the compensatory share purchase is measured based on the Black-Scholes formula. Expected volatility is estimated by considering historic average share price.

The weighted average inputs used in the measurement of fair value at grant date of the share purchase warrants are:

	January 31, 2023	January 31, 2022
Risk free interest rate	N/A	0.57%
Expected life of warrants	N/A	3 years
Annualized volatility	N/A	109%
Dividend yield	N/A	0%
Exercise price	N/A	\$ 0.70
Share price at measurement date	N/A	\$ 0.60

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12. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Directors. Compensation and transactions are recorded at the exchange amount which are the amounts agreed to by key management and entities over which key management have control or significant influence as follows:

	Years ended January 31,	
	2023	2022
	\$	\$
Management fee	95,000	116,200
Office and administration	-	60,000
Exploration and evaluation assets, capitalized	73,542	175,829
Geological consulting	18,750	5,438
Total	187,292	357,467

As at January 31, 2023, the Company owed \$Nil (January 31, 2022 - \$7,000) to companies controlled by directors and officers.

As at January 31, 2023, the Company owed \$712,066 (January 31, 2022 - \$Nil) to Nexus Metals Corp., a company with certain directors and officers in common.

As at January 31, 2023, prepaid expenses included \$Nil (January 31, 2022 - \$98,292) paid to a corporation with an officer in common with the Company for consulting services.

13. SEGMENTED INFORMATION

The Company has one operating segment being the exploration of exploration and evaluation of mineral properties. The Company's exploration and evaluation assets are located in Burkina Faso.

14. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Management considers the Company's capital structure to primarily consists of the components of shareholders' equity.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

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14. CAPITAL MANAGEMENT (continued)

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended January 31 2023. The Company is not subject to externally imposed capital requirements.

15. INCOME TAX

A reconciliation of the combined Canadian federal and provincial statutory income tax rate of 27% (2022 – 27%) to the income tax expense (recovery) recorded in the consolidated financial statements is as follows:

	2023	2022 (Restated)
Loss for the year	(2,351,042)	(3,482,308)
Expected income tax (recovery)	(635,000)	(940,000)
Permanent differences	78,000	69,000
Non-capital losses derecognized	1,120,000	-
Change in unrecognized deductible temporary differences	(563,000)	871,000
Income tax (recovery)	-	-

The significant components of the Company's deferred tax assets that have not been included in the statement of financial position are as follows:

	2023	2022
Deferred Tax Assets		
Exploration and evaluation assets	1,414,000	1,304,000
Capital assets	4,000	3,000
Share issue costs deductible in future years	47,000	87,000
Non-capital losses available for future period	4,679,000	5,313,000
Unrecognized deferred tax assets	(6,144,000)	(6,707,000)
Net deferred tax assets	-	-

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15. INCOME TAX (continued)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses as at January 31, 2023 that have not been included on the consolidated statement of financial position are as follows:

	Temporary Differences	Expiry Date Range
Exploration and evaluation assets	5,237,000	No expiry date
Capital assets	15,000	No expiry date
Share issue cost	175,000	2024 to 2026
Non-capital losses available for future period	16,784,000	2029 to 2043

16. RESTATEMENT OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended January 31, 2022 have been restated as a result of the incomplete information received from Burkina Faso during the year ended January 31, 2022. Management of the Company was not aware of several missing transactions from Burkina Faso. The changes resulted in the following revisions:

	As previously reported	Changes	As restated
	\$	\$	\$
Statement of Financial Position			
As at January 31, 2022			
Exploration and evaluation assets	6,242,201	220,408	6,462,609
Deficit	(28,628,482)	220,408	(28,408,074)

	As previously reported	Changes	As restated
	\$	\$	\$
Statement of Loss and Comprehensive Loss			
For the year ended January 31, 2022			
Foreign exchange loss	268,133	(244,496)	23,637
Office and administration	103,169	24,088	127,257
Net loss	(3,702,716)	220,408	(3,482,308)

There were no changes to the overall change in cash position for the year ended January 31, 2022.

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17. SUBSEQUENT EVENTS

On February 27, 2023, the Company received an additional 333,333 shares of Leocor Gold Inc. pursuant to the Dorset Option Out agreement (note 5).

On May 17, 2023, the Company consolidated its common shares on a ten-for-one basis. All figures have been retroactively restated on these consolidated financial statements, unless otherwise stated.

On May 29, 2023, the Company closed the first tranche of its non-brokered private placement and has issued 10,000,000 units of the Company at a price of \$0.05 per unit for aggregate proceeds of \$500,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.12 per share until November 29, 2024. In connection with the first tranche, the Company paid cash finders' fees of \$20,000 and issued 400,000 finders' warrants. Each finders' warrant entitles the holder to purchase one common share of the Company until November 29, 2024 at a price of \$0.12 per share.