



NEXUS GOLD CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JULY 31, 2021

Expressed in Canadian Dollars

Unaudited, Prepared by Management

Head office and registered and records office address

802-750 West Pender Street
Vancouver BC, V6C 2T7

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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

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

NEXUS GOLD CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION****AS AT JULY 31, 2021**

Expressed in Canadian Dollars

	July 31, 2021	January 31, 2021
ASSETS		
Current		
Cash	\$ 806,610	\$ 2,196,670
Commodity tax recoverable	110,912	85,769
Prepays	1,286,672	763,530
Total current assets	2,204,194	3,045,969
Right of use asset (note 8)	81,550	91,778
Leasehold improvement (note 5)	12,006	14,007
Exploration and evaluation assets (note 4)	5,223,402	3,877,687
TOTAL ASSETS	\$ 7,521,152	\$ 7,029,441
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 6)	\$ 330,835	\$ 348,372
Office lease liability (note 8)	19,884	26,222
Flow-through premium liability (note 7)	-	54,426
Total current liabilities	350,719	429,020
Office lease liability, long term (note 8)	71,602	72,156
TOTAL LIABILITIES	422,321	501,176
EQUITY		
Share capital (note 9)	30,938,958	28,356,953
Share-based payment reserve (note 9)	3,088,563	3,077,078
Shares to be issued	-	20,000
Deficit	(26,928,690)	(24,925,766)
Total equity	7,098,831	6,528,265
TOTAL LIABILITIES AND EQUITY	\$ 7,521,152	\$ 7,029,441

Nature and continuance of operations (note 1)

Subsequent events (notes 13)

On behalf of the Board: “Alex Klenman” Director “Warren Robb” Director

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

NEXUS GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND
COMPREHENSIVE LOSS
THREE AND SIX MONTHS ENDED JULY 31, 2021

Expressed in Canadian Dollars

Unaudited, prepared by management

	Three months ended July 31,		Six months ended July 31,	
	2021	2020	2021	2020
EXPENSES				
Advertising	\$ 255,420	\$ 44,993	\$ 288,613	\$ 60,160
Amortization	1,001	1,000	2,001	2,001
Consulting fees	150,872	124,658	322,315	227,212
Corporate development and advising	226,351	73,250	308,500	83,250
Filing fees	21,130	11,180	31,835	27,666
Foreign exchange loss	14,253	6,087	25,162	39,857
Geological consulting	29,941	-	50,829	-
Insurance	7,099	4,327	11,963	8,584
Interest expense (note 8)	2,389	2,838	4,930	5,812
Investor relations	5,148	-	5,148	-
Management and directors' fees (note 10)	31,500	31,500	63,000	63,000
Market research and analysis	209,666	133,977	385,835	231,884
Marketing	110,754	317,474	247,220	343,801
Media	(27,833)	18,140	111,667	109,973
Office and administration (note 10)	14,200	39,277	41,550	73,428
Professional fees	53,302	39,136	94,676	70,474
Project sourcing (note 10)	10,000	110,500	22,500	158,000
Rent (Note 8)	6,796	6,422	15,460	12,978
Share-based compensation (note 9)	7,026	186,465	49,426	297,685
Travel and promotion	1,110	-	1,110	556
Loss for the year before other items	\$ 1,130,125	\$ 1,151,224	\$ 2,083,740	\$ 1,816,321
OTHER ITEMS				
Exploration and evaluation assets recovery (note 4)	-	(70,000)	-	-
Flow-through liability reduction (note 7)	2,024	47,165	54,426	53,739
Other income	24,236	3,150	26,384	9,308
Net loss and comprehensive loss for the year	\$ (1,103,865)	\$ (1,170,909)	\$ (2,002,930)	\$ (1,753,274)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	276,900,979	156,568,874	263,691,597	141,523,501

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

NEXUS GOLD CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Expressed in Canadian Dollars

	Number of shares	Share capital	Shares to be issued	Share-based payment reserve	Deficit	Total equity
Balance, January 31, 2020	115,098,239	\$ 21,496,815	\$ -	\$ 2,577,204	\$ (19,792,655)	\$ 4,281,364
Shares issued in private placement	38,035,456	1,717,073	-	184,700	-	1,901,773
Share issue costs	-	(124,331)	-	31,273	-	(93,058)
Shares issued for mineral properties	11,950,000	430,250	-	-	-	430,250
Units issued for debt	945,000	44,100	-	-	-	44,100
Shares issued for services	250,000	16,250	-	-	-	16,250
Shares issued on exercise of stock options	3,000,000	237,916	-	(87,916)	-	150,000
Shares issued on exercise of warrants	1,100,000	77,000	-	-	-	77,000
Share-based compensation	-	-	-	297,685	-	297,685
Loss for the year	-	-	-	-	(1,753,274)	(1,753,274)
Balance, July 31, 2020	170,378,695	\$ 23,895,073	\$ -	\$ 3,002,946	\$ (21,545,929)	\$ 5,352,090
Balance, January 31, 2021	245,811,577	\$ 28,356,953	\$ 20,000	\$ 3,077,078	\$ (24,925,766)	\$ 6,528,265
Shares issued in private placement	41,202,090	2,060,105	-	-	-	2,060,105
Share issuance costs	-	(55,977)	-	19,231	-	(36,746)
Shares issued for services	500,000	36,250	-	-	-	36,250
Shares issued on exercise of stock options	1,000,000	102,400	-	(42,400)	-	60,000
Shares issued on exercise of warrants	5,369,566	439,227	-	(14,772)	-	424,455
Shares to be issued	-	-	(20,000)	-	-	(20,000)
Share-based compensation	-	-	-	49,426	-	49,426
Loss for the year	-	-	-	-	(2,002,924)	(2,002,924)
Balance, July 31, 2021	293,883,233	\$ 30,938,958	\$ -	\$ 3,088,563	\$ (26,928,690)	\$ 7,098,831

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

NEXUS GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JULY 31, 2021

Expressed in Canadian Dollars

	Six months ended July 31,	
	2021	2020
CASH USED IN OPERATING ACTIVITIES		
Loss for the year	\$ (2,002,924)	\$ (1,753,274)
Adjustments for non-cash items:		
Share-based compensation	49,426	297,685
Amortization	2,001	2,001
Right of use asset amortization	15,460	12,978
Shares for services	36,250	-
Changes in working capital items:		
Commodity tax recoverable	(25,143)	(53,222)
Prepays	(523,142)	(470,462)
Office lease liability	(6,892)	(10,902)
Accounts payable and accrued liabilities	(91,963)	(161,940)
Net cash used in operating activities	(2,546,927)	(2,137,136)
FINANCING ACTIVITIES		
Proceeds from issuance of shares	2,060,103	1,901,773
Proceeds from options exercised	60,000	150,000
Proceeds from warrants exercised	424,457	77,000
Share issue costs	(36,746)	(93,058)
Net cash provided by financing activities	2,507,814	2,035,715
INVESTING ACTIVITIES		
Right of use asset	(5,232)	134
Recovery of exploration and evaluation assets	50,000	170,000
Exploration and evaluation expenditures	(1,395,715)	(673,001)
Net cash used in investing activities	(1,350,947)	(502,867)
Change in cash for the year	(1,390,060)	(604,288)
Cash, beginning of the year	2,196,670	1,191,574
Cash, end of year	\$ 806,610	\$ 587,286

NON-CASH TRANSACTIONS

Shares issued for mineral properties	\$ -	\$ 430,250
Units issued for debt	\$ -	\$ 44,100
Shares issued for services	\$ 36,250	\$ 16,250

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

NEXUS GOLD CORP.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED JULY 31, 2021
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.

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.

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.

NEXUS GOLD CORP.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED JULY 31, 2021
Expressed in Canadian Dollars

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" ("IAS 34"). These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the Company's most recent annual consolidated financial statements for the year ended January 31, 2021, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations by the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed consolidated interim financial statements and should be read in conjunction with those audited combined financial statements.

These condensed consolidated interim financial statements were approved by the Board of Directors of the Company on September 23, 2021.

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 period ended July 31, 2021, 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) and Nexus Gold Corp Burkina (Burkina Faso). All significant inter-company balances and transactions have been eliminated upon consolidation.

2. BASIS OF PREPARATION (continued)

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.

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.

Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

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.

NEXUS GOLD CORP.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED JULY 31, 2021
Expressed in Canadian Dollars

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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).

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.

NEXUS GOLD CORP.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED JULY 31, 2021
Expressed in Canadian Dollars

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial instrument risk exposure and risk management (continued)

(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, commodity tax recoverable, and subscription receivable. 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.

(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.

NEXUS GOLD CORP.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED JULY 31, 2021
Expressed in Canadian Dollars

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial instrument risk exposure and risk management (continued)

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.

NEXUS GOLD CORP.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED JULY 31, 2021
Expressed in Canadian Dollars

4. EXPLORATION AND EVALUATION ASSETS

During the year ended January 31, 2021, 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	McKenzie ON, Canada	New Pilot Project BC, Canada	Gummy Bear NL, Canada	Dorset Property, NL and Labrador	Black Ridge and Bauline NL, Canada	TOTAL
Balance, January 31, 2020	\$ 1,056,104	\$ 1	\$ 260,089	\$ 22,137	\$ 788,475	\$ 437,663	\$ 397,875	\$ -	\$ 541,105	\$ 3,503,449
Deferred exploration costs:										
Administration	20,210	51,039	80,537	18,090	18,800	-	-	-	-	188,676
Assay	-	-	36,469	-	66,761	-	-	-	764	103,994
Drilling	-	-	165,313	-	193,955	-	-	-	-	359,268
General field	1,450	-	23,044	-	36,390	-	-	-	-	60,884
Geological	2,027	22,100	24,950	1,800	123,927	23,792	8,525	-	22,292	229,413
Report	7,924	-	8,949	2,975	3,328	-	-	5,332	-	28,508
Travel and accommodation	3,892	2,512	65,696	2,683	1,858	-	-	-	-	76,641
Total exploration costs	35,503	75,651	404,958	25,548	445,019	23,792	8,525	5,332	23,056	1,047,384
Acquisition costs:										
Cash	1,674	122,795	-	3,915	4,000	-	-	-	-	132,384
Shares	-	27,500	-	-	26,000	-	-	404,250	-	457,750
Total acquisition costs	1,674	150,295	-	3,915	30,000	-	-	404,250	-	590,134
Total expenditures	37,177	225,946	404,958	29,463	475,019	23,792	8,525	409,582	23,056	1,637,518
Exploration and evaluation assets written off	(1,093,280)	-	-	-	-	-	-	-	-	(1,093,280)
Recovery	-	(70,000)	-	-	-	-	-	(100,000)	-	(170,000)
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

NEXUS GOLD CORP.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED JULY 31, 2021
Expressed in Canadian Dollars

4. EXPLORATION AND EVALUATION ASSETS (continued)

During the six months ended July 31, 2021, 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	McKenzie ON, Canada	New Pilot Project BC, Canada	Gummy Bear NL, Canada	Dorset Property, NL and Labrador	Black Ridge and Bauline NL, Canada	TOTAL
Balance, January 31, 2019	\$ 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	-	3,608	73,118	25,642	19,236	-	-	-	-	121,604
Assay	-	-	-	-	68,811	28,000	39,084	-	-	135,895
Drilling	-	-	373,609	-	287,037	-	-	-	-	660,646
General field	-	2,063	59,828	849	36,125	-	1,443	-	-	100,308
Geological	-	4,506	63,173	-	107,730	8,875	14,245	-	4,250	202,779
Report	-	-	34,718	-	1,500	-	-	-	-	36,218
Travel and accommodation	-	11,451	102,970	6,583	8,345	-	3,858	-	-	133,207
Total exploration costs	-	21,628	707,416	33,074	528,784	36,875	58,630	-	4,250	1,390,657
Acquisition costs:										
Cash	-	5,058	-	-	-	-	-	-	-	5,058
Shares	-	-	-	-	-	-	-	-	-	-
Total acquisition costs	-	5,058	-	-	-	-	-	-	-	5,058
Total expenditures	-	26,686	707,416	33,074	528,784	36,875	58,630	-	4,250	1,395,715
Exploration and evaluation assets written off	-	-	-	-	-	-	-	-	-	-
Option payments received	-	-	-	-	-	-	-	(50,000)	-	(50,000)
Balance, January 31, 2020	\$ 1	\$ 182,633	\$ 1,372,463	\$ 84,674	\$ 1,792,278	\$ 498,330	\$ 465,030	\$ 259,582	\$ 568,411	\$ 5,223,402

NEXUS GOLD CORP.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED JULY 31, 2021
Expressed in Canadian Dollars

4. 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 900,000 common shares of the Company, over a period of three years as follows:

- i) pay US\$10,000 (paid) and issue 50,000 shares (issued at a value of \$2,500);
- ii) pay US\$35,000 (paid) and issue 100,000 shares (issued at a value of \$7,000);
- iii) pay US\$125,000 (paid) and issue 250,000 shares on or before April 5, 2019 (issued at a value of \$30,000);
- iv) issue 250,000 shares on or before May 31, 2020 as amended;
- v) pay US\$150,000 on or before June 30, 2020 as amended;
- vi) issue 250,000 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 after an impairment charge of \$1,093,280 was expensed as an asset write-off.

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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NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED JULY 31, 2021
Expressed in Canadian Dollars

4. 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 2,500 shares (issued at a value of \$4,625) upon signing of a definitive agreement;
- ii) pay US\$15,000 (paid) and issue 50,000 shares on or before August 31, 2018 (issued at a value of \$15,250);
- iii) pay US \$25,000 (paid) and issue 250,000 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 250,000 shares (issued) on or before August 30, 2020;
- vi) issue 250,000 shares (issued subsequent to the period end) on or before August 30, 2021, as amended;
- vii) pay US\$125,000 on or before November 30, 2021, 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;
- iv) paying \$250,000 on or before December 2, 2022;
- 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.

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4. 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, resulting in a write-off of exploration and evaluation assets of \$951,856. During the year ended 2021 the Company incurred and capitalized additional exploration and evaluation costs which were deemed recoverable due an established history of payments received from the optionee and management expects those future payments to be received will exceed capitalized costs as at July 31, 2021.

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.

Properties in Canada

New Pilot Project

In January 2019, the Company issued 3,500,000 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.

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4. EXPLORATION AND EVALUATION ASSETS (continued)

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 4,000,000 shares (issued). In addition, 300,000 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 400,000 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 4,000,000 (issued) common shares valued at \$360,000. The Company issued 400,000 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 5,500,000 (issued) common shares valued at \$495,000. The Company issued 491,448 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.

Dorset Gold Project – Acquisition

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 11,000,000 common shares as consideration and also issued 550,000 common shares to finders; with a total value of \$404,250.

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4. EXPLORATION AND EVALUATION ASSETS (continued)

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:

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;
- iv) an additional \$400,000, on or before April 22, 2023; and
- v) an additional \$600,000, on or before April 22, 2024;

and by incurring Expenditures of not less than \$1,500,000, as follows:

- i) \$150,000, on or before the April 22, 2022;
- ii) an additional \$200,000, on or before April 22, 2023;
- iii) an additional \$400,000, on or before April 22, 2024; and
- iv) an additional \$750,000, on or before April 22, 2025.

5. LEASEHOLD IMPROVEMENTS

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 July 31, 2021 are as follows:

	Cost	Accumulated Amortization	Net book value
Leasehold improvements, January 31, 2021	\$ 20,010	\$ 6,003	\$ 14,007
Amortization	-	2,001	
Leasehold improvements, July 31, 2021	\$ 20,010	\$ 8,004	\$ 12,006

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	July 31, 2021	January 31, 2021
Trade payables	\$ 299,585	\$ 294,372
Accrued liabilities	31,250	54,000
	\$ 330,835	\$ 348,372

During the year ended January 31, 2021 the Company settled payables in the amount of \$63,000 by issuing 1,110,790 common shares. During the year ended January 31, 2021 the Company wrote off \$121,504 in payables.

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7. FLOW-THROUGH LIABILITY

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the year ended January 31, 2021, the Company received \$1,264,250 (2020: \$771,350) from the issuance of flow-through units (Note 9). These amounts will not be available to the Company for future deduction from taxable income as the Company renounced \$1,264,250 (2020: \$771,350) in exploration expenditures to the subscribers.

The flow-through share premium is an amount reflecting the higher value that flow-through shares were issued to subscribers above the value of non-flow-through shares; and is recorded as a liability until the respective flow-through expenditure commitment has been incurred. During the six months ended July 31, 2021 the Company recognized \$nil (during the year ended January 31, 2021 \$23,237) as a flow-through premium liability upon the issuances of flow-through shares.

During the six months ended July 31, 2021 the Company incurred \$1,096,231 (during the six months ended July 31, 2020: \$415,195) in eligible flow-through expenditures. This reduced the premium liability by \$54,426 (during the six months ended July 31, 2020: \$47,165) which was recognized as other income and resulted in the balance of flow through premium liability of \$nil as at July 31, 2021 (January 31, 2021: \$54,426).

8. 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 six months ended July 31, 2021 \$15,460 (2020 - \$12,978) was recorded in rent expense for amortization of this asset and \$4,930 (2020 - \$5,812) in interest.

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, 2021. The lease payments are discounted using a 10% interest rate which is the Company's estimated incremental borrowing rate.

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8. RIGHT OF USE ASSET AND LEASE OBLIGATION (continued)

The following schedule provides details of the lease liability at July 31, 2021:

Minimum lease payments:	
Fiscal year 2022	\$ 17,394
Fiscal years 2023-2024	89,012
Total future minimum lease payments	106,406
Less: Imputed interest	(14,921)
Total lease liability	91,485
Less: Current portion	\$ 19,884
Long-term portion of future minimum lease payments	\$ 71,602

9. SHARE CAPITAL AND SHARE-BASED PAYMENT RESERVE

Share Capital

During the six months ended July 31, 2021:

- i) In February 2021 the Company issued 250,000 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 869,565 shares on exercise of warrants at \$0.10 per warrant;
- ii) On March 15, 2021 the Company issued 1,000,000 shares on exercise of stock options at \$0.06 per option. The fair value of the options of \$42,400 was deducted from share-based payment reserve;
- iii) On March 25, 2021 the Company closed a non-brokered private placement through the issuance of 6,592,640 units at a price of \$0.05 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 \$0.07 for a period of three years. No finders' fees or commissions were paid in connection with completion of the Offering.
- iv) In April 2021 the Company issued 250,000 shares for services valued at \$16,250;
- v) In April 2021 the Company issued 1,545,455 shares on exercise of warrants at \$0.075 per warrant;
- vi) On May 13, 2021 the Company issued 2,954,546 shares on exercise of warrants at \$0.0075 per warrant. The fair value of the warrants of \$14,773 was deducted from share-based payment reserve;

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

Share Capital (continued)

- vii) On May 31, 2021 the Company closed a non-brokered private placement through the issuance of 18,500,000 units at a price of \$0.05 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 \$0.07 for a period of three years. The company paid \$12,000 in finders' fee and issued 240,000 warrants with the fair value of \$10,052 in connection with completion of the Offering.
- viii) On June 28, 2021 the Company closed a non-brokered private placement through the issuance of 16,109,450 units at a price of \$0.05 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 \$0.07 for a period of three years. The company paid \$13,500 in finders' fee and issued 240,000 warrants with the fair value of \$9,179 in connection with completion of the Offering.

During the year ended January 31, 2021:

- i) On March 4, 2020 the Company issued 630,000 shares to settle accounts payable of \$31,500 and recorded gain of \$3,150 on debt settlement;
- ii) On March 6, 2020, the Company entered into a mineral property acquisition agreement pursuant to which the Company acquired the right to earn up to 100% interest in the Dorset Gold Project located in the Province of Newfoundland and Labrador, Canada. Under the terms of the agreement the Company issued 11,000,000 shares valued at \$385,000 and 550,000 shares valued at \$19,250 to finders;
- iii) On March 23, 2020 the Company closed a non-brokered private placement through the issuance of 8,980,000 units at a price of \$0.05 per unit for gross proceeds of \$449,000. 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 \$0.07 for a period of five years. The residual value of the warrants issued in the offering was estimated to be \$134,700. No finders' fees or commissions were paid in connection with completion of the Offering.
- iv) On March 27, 2020 the Company issued 450,000 shares on exercise of stock options at \$0.05 per option. The fair value of the options of \$11,768 was deducted from share-based payment reserve;
- v) On April 9, 2020 the Company closed a non-brokered private placement through the issuance of 5,000,000 units at a price of \$0.05 per unit for gross proceeds of \$250,000. 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 \$0.07 for a period of two years. The residual value of the warrants issued in the offering was estimated to be \$50,000. No finders' fees or commissions were paid in connection with completion of the Offering.

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

Share Capital (continued)

- vi) In May 2020 the Company issued 315,000 shares to settle accounts payable of \$12,600 and 250,000 shares for services valued at \$16,250. The Company record loss of \$829 on debt settlement;
- vii) In May 2020 the Company issued 1,150,000 shares on exercise of stock options at \$0.05 per option. The fair value of the options of \$32,535 was deducted from share-based payment reserve;
- viii) In May 2020 the Company issued 400,000 shares for McKenzie mineral project valued at \$26,000;
- ix) In June 2020 the Company closed a non-brokered private placement through the issuance of 16,150,000 non-flow-through units at a price of \$0.05 per unit, and 4,085,456 flow-through units at a price of \$0.055 per unit. The Company raised gross proceeds of \$1,032,200. \$20,427 was allocated to flow through liability related the Company's obligation to spend the funds on exploration of mineral properties in Canada (note 7). Each non-flow-through unit, and each flow-through 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 \$0.07 for a period of three years. The Company paid finders' fees of \$42,850, and issued 824,182 finder's warrants valued at \$31,272, to certain parties who have assisted the Company by introducing subscribers to the placement. The finders' warrants are exercisable at \$0.07 per warrant for a period of three years. The residual value of the warrants issued in the offering was estimated to be \$nil;
- x) In July 2020 the Company issued 1,400,000 shares on exercise of stock options at \$0.05 per option. The fair value of the options of \$43,613 was deducted from share-based payment reserve;
- xi) In July 2020 the Company issued 1,100,000 shares on exercise of warrants at \$0.07 per warrant;
- xii) In July 2020 the Company closed a non-brokered private placement through the issuance of 3,360,000 non-flow-through units at a price of \$0.05 per unit, and 460,000 flow-through units at a price of \$0.055 per unit. The Company raised gross proceeds of \$193,300. \$2,300 was allocated to flow through liability related the Company's obligation to spend the funds on exploration of mineral properties in Canada (note 7). Each non-flow-through unit, and each flow-through 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 \$0.07 for a period of three years. The Company paid finders' fees of \$nil. The residual value of the warrants issued in the offering was estimated to be \$nil;

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

Share Capital (continued)

- xiii) In August 2020 the Company closed a non-brokered private placement through the issuance of 4,066,600 units at a price of \$0.075 per unit, for gross proceeds of \$304,995. Each unit consists of one common share of the Company, and one common share purchase warrant. Each warrant is exercisable to acquire one additional common share of the Company at a price of \$0.12 per share until August 4, 2023. The residual value of the warrants issued in the offering was estimated to be \$nil. The Company paid \$20,400 in finders' fees and issued 272,000 finders' warrants valued at \$14,596 to certain parties who assisted the Company by introducing subscribers to the placement. The warrants are exercisable at \$0.12 for a period of three years;
- xiv) In August 2020 the Company closed a non-brokered private placement through the issuance of 2,352,941 units at a price of \$0.085 per unit for gross proceeds of \$200,000. Each unit consists of one common share of the Company, and one common share purchase warrant exercisable to acquire an additional common share of the Company at a price of \$0.12 until August 20, 2024. The residual value of the warrants issued in the offering was estimated to be \$nil.
- xv) In November 2020 the Company closed a non-brokered private placement through the issuance of 10,369,764 units at a price of \$0.055 per unit for gross proceeds of \$570,337. Each unit consists of one common share of the Company, and one half of common share purchase warrant. Each whole purchase warrant is exercisable to acquire an additional common share of the Company at a price of \$0.075 until November 30, 2022. The residual value of the warrants issued in the offering was estimated to be \$25,924. The Company paid \$nil in finders' fees.
- xvi) In December 2020 the Company closed a non-brokered private placement through the issuance of 18,440,910 flow-through units at a price of \$0.055 per unit for gross proceeds of \$1,014,250. Each unit consists of one common share of the Company, and one common share purchase warrant exercisable to acquire an additional common share of the Company at a price of \$0.07 until December 23, 2023. The Company paid \$56,615 in finders' fees and issued 1,029,354 finders' warrants valued at \$56,623 to certain parties who assisted the Company by introducing subscribers to the placement. The finders' warrants are exercisable at \$0.055 - \$0.07 for a period of three years.
- xvii) In December 2020 the Company closed a non-brokered private placement through the issuance of 25,873,682 units at a price of \$0.055 per unit for gross proceeds of \$1,423,053. Each unit consists of one common share of the Company, and one half of common share purchase warrant. Each whole purchase warrant is exercisable to acquire an additional common share of the Company at a price of \$0.075 until December 31, 2022. The Company paid \$18,810 in finders' fees and issued 644,400 finders' warrants valued at \$32,690 to certain parties who assisted the Company by introducing subscribers to the placement. The finders' warrants are exercisable at \$0.075 for a period of two years.

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

Share Capital (continued)

- xviii) On August 25, 2020 the Company issued 250,000 shares for Rakounga mineral property valued at \$27,500;
- xix) In August 2020 the Company issued 165,790 shares to settle accounts payable of \$18,750 and 250,000 for services valued at \$18,750;
- xx) In August and September 2020, the Company issued 8,095,100 shares on exercise of warrants at \$0.07 per warrant;
- xxi) In August, September and October 2020, the Company issued 2,080,000 shares on exercise of stock options at \$0.05 and \$0.10 per option. The fair value of the options of \$97,735 was deducted from share-based payment reserve;
- xxii) During the period from November 2020 to January 2021 the Company issued 1,488,095 shares on exercise of stock options at \$0.055, \$0.075 and \$0.105 per option. The fair value of the options of \$60,542 was deducted from share-based payment reserve;
- xxiii) In January 2021 the Company issued 2,000,000 shares on exercise of warrants at \$0.07 per warrant.
- xxiv) The Company received services from five different consulting corporations and vendors during the year ended January 31, 2021 who also subscribed to a combined 23,735,562 shares of the Company totaling \$1,271,250 and these share subscriptions are included in various subscriptions listed above. The Company incurred a total of \$891,623 in costs for services rendered by these five consulting corporations and vendors which are included in advertising, consulting fees, corporate development and advising and project sourcing expenses according to the nature of these services.

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 \$0.05. 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.

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

Options (continued)

At July 31, 2021, the Company had the following share purchase options outstanding:

Number of options	Exercise price	Expiry date	Weighted Average Contractual Life Remaining, years
25,000	\$ 0.85	September 6, 2021	0.10
1,150,000	\$ 0.05	March 22, 2022	0.59
1,250,000	\$ 0.075	July 3, 2022	0.92
1,250,000	\$ 0.33	October 1, 2022	1.17
1,250,000	\$ 0.09	January 1, 2023	1.42
1,500,000	\$ 0.06	March 1, 2023	1.59
900,000	\$ 0.33	June 14, 2023	1.87
261,905	\$ 0.105	August 14, 2023	2.24
1,000,000	\$ 0.24	September 12, 2023	2.12
200,000	\$ 0.11	November 16, 2023	2.30
1,300,000	\$ 0.13	February 28, 2024	2.58
1,400,000	\$ 0.10	August 13, 2024	3.04
1,000,000	\$ 0.10	July 3, 2025	3.93
12,486,905			1.90

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, 2020	6,867,500	\$ 0.21
Granted	10,800,000	0.07
Exercised	(6,568,095)	0.06
Expired	(112,500)	1.20
Cancelled	(930,000)	0.30
Outstanding and exercisable, January 31, 2021	10,056,905	\$ 0.13
Granted	3,750,000	0.07
Exercised	1,000,000	0.06
Expired	120,000	0.05
Cancelled	200,000	0.24
Outstanding and exercisable, July 31, 2021	12,486,905	\$ 0.12

The fair value of the compensatory share purchase options issued during the six months ended July 31, 2021 was measured based on the Black-Scholes formula. Expected volatility is estimated by considering historic average share price.

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

Options (continued)

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

	April 30, 2021	April 30, 2020
Risk free interest rate	0.25%	1.04%
Expected life of options	2 years	2 years
Annualized volatility	112%	101%
Dividend yield	0%	0%
Exercise price	\$ 0.06	\$ 0.05
Share price at measurement date	\$ 0.07	\$ 0.05

Warrants

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

	Number of Warrants	Weighted average exercise price
Balance, January 31, 2020	67,575,978	\$ 0.13
Granted	83,787,578	0.07
Expired	(10,013,566)	0.25
Exercised	(11,195,100)	0.07
Balance, January 31, 2021	130,154,890	\$ 0.08
Granted	41,712,090	0.07
Expired	(6,115,326)	0.16
Exercised	(5,369,566)	0.08
Balance, July 31, 2021	160,382,088	\$ 0.08

During the six months ended July 31, 2021 the Company extended the expiration date and reduced the exercise price to the terms of an aggregate of 12,532,477 warrants issued by the Company. More particularly, the Company amended the terms of 8,649,913 warrants set to expire on February 26, 2021. Of this series, all are held by non-insiders and exercisable at \$0.18 (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 \$0.10 per warrant. Further, the Company amended the terms of 2,867,565 warrants held by non-insiders set to expire on March 19, 2021 and exercisable at \$0.18 and 1,014,999 warrants held by non-insiders set to expire on March 19, 2021 and exercisable at \$0.20 (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 \$0.10 per warrant.

During the six months ended July 31, 2021 5,369,566 shares were issued on exercise of warrants at \$0.075 per warrant.

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

Warrants (continued)

During the six months ended July 31, 2021 the Company issued 25,332,640 warrants exercisable at \$0.07 until May 31, 2021 and 16,379,450 warrants exercisable at \$0.07 until June 28, 2024.

As at July 31, 2021, the Company has the following warrants outstanding:

Number of warrants	Exercise price	Expiry date	Weighted Average Contractual Life Remaining, years
8,649,913	\$ 0.10	February 26, 2022	0.58
3,012,999	\$ 0.10	March 19, 2022	0.63
5,000,000	\$ 0.07	April 9, 2022	0.69
4,750,000	\$ 0.15	October 7, 2022	1.19
2,230,337	\$ 0.075	November 30, 2022	1.33
328,000	\$ 0.075	December 23, 2022	1.40
7,421,855	\$ 0.075	December 31, 2022	1.42
12,666,000	\$ 0.07	June 3, 2023	1.84
2,723,638	\$ 0.07	June 19, 2023	1.88
3,670,000	\$ 0.07	June 26, 2023	1.90
1,360,000	\$ 0.07	July 1, 2023	1.92
460,000	\$ 0.07	July 14, 2023	1.95
4,338,600	\$ 0.12	August 4, 2023	2.01
20,014,842	\$ 0.07	December 23, 2023	2.40
636,364	\$ 0.055	December 23, 2023	2.40
3,105,000	\$ 0.07	December 31, 2023	2.42
6,592,640	\$ 0.07	March 31, 2024	2.67
18,740,000	\$ 0.07	May 31, 2024	2.84
16,379,450	\$ 0.07	June 28, 2024	2.91
2,352,941	\$ 0.12	August 20, 2024	3.06
12,153,409	\$ 0.07	December 23, 2024	3.40
241,200	\$ 0.07	December 31, 2024	3.42
19,220,000	\$ 0.07	January 31, 2025	3.51
4,334,900	\$ 0.07	March 23, 2025	3.65
160,382,088	\$ 0.08		2.26

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.

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

Warrants (continued)

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

	July 31, 2020
Risk free interest rate	0.57%
Expected life of warrants	3 years
Annualized volatility	109.25%
Dividend yield	0%
Exercise price	\$ 0.07

10. 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:

	Six months ended July 31,	
	2021	2020
Management fees	\$ 63,000	\$ 63,000
Office and administration	30,000	30,000
Exploration and evaluation assets, capitalized	80,750	50,764
Geological consulting	3,000	-
Share-based compensation	-	112,280
Total	\$ 176,750	\$ 256,044

As at July 31, 2021, the Company owed \$5,000 (January 31, 2021 - \$810) to companies controlled by directors and officers.

As at July 31, 2021, prepaid expenses included \$109,213 (January 31, 2021 - \$133,664) paid to a corporation with an officer in common with the Company for consulting services. During the six months ended July 31, 2021 the Company incurred marketing expenses related to this company in the amount of \$155,507 (2020 - \$nil).

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11. 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 and Canada and this geographic information is disclosed in Note 4.

12. 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 consist 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.

12. CAPITAL MANAGEMENT

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 six months ended July 31, 2021. The Company is not subject to externally imposed capital requirements.

13. SUBSEQUENT EVENTS

Subsequent to the period ended July 31, 2021 the Company issued 250,000 for mineral property.