ROSCAN GOLD CORPORATION
(formerly, Roscan Minerals Corporation)

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended October 31, 2018 and 2017

EXPRESSED IN CANADIAN DOLLARS

RSM

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Roscan Gold Corporation (Formerly Roscan Minerals Corporation)

We have audited the accompanying consolidated financial statements of Roscan Gold Corporation and its subsidiary, which comprise the consolidated statements of financial position as at October 31, 2018 and October 31, 2017, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years ended October 31, 2018 and 2017 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Roscan Gold Corporation and its subsidiary as at October 31, 2018 and October 31, 2017, and its financial performance and its cash flows for the years ended October 31, 2018 and 2017 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about Roscan Gold Corporation's ability to continue as a going concern.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
February 22, 2019
Toronto, Ontario

ROSCAN GOLD CORPORATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(expressed in Canadian dollars)

As at		October 31 2018		October 31 2017
ASSETS				
Current				
Cash	**$**	**1,050,780**	$	18,181
Sales tax receivable		**36,211**		4,797
Prepaid expenses		**137,598**		-
	$	**1,224,589**	$	22,978
LIABILITIES				
Current				
Accounts payable and accrued liabilities (notes 7,12)	**$**	**98,762**	$	95,497
Loans due to related parties (note 12)		**485,915**		-
		584,677		95,497
EQUITY (DEFICIENCY)				
Share capital (note 8)		**8,546,935**		7,582,065
Contributed surplus		**897,903**		475,611
Warrants (note 9)		**1,124,636**		194,792
Deficit		**(9,929,562)**		(8,324,987)
		639,912		(72,519)
	$	**1,224,589**	$	22,978

Nature of operations and going concern (note 1)
Commitments and contingencies (note 15)
Subsequent events (note 18)

Approved by the Board — ***"Donald Whalen"*** Director (Signed) — ***"Gregory Isenor"*** Director (Signed)

See accompanying notes.

ROSCAN GOLD CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(expressed in Canadian dollars)

Years ended October 31,	2018	2017
Expenses		
Corporate and administrative (notes 10,12)	**$ 466,626**	$ 155,714
Exploration and evaluation (notes 11,12)	**892,516**	335,109
Share-based payments (notes 8,12)	**239,810**	22,530
Foreign exchange loss	**5,623**	165
	1,604,575	513,518
Net loss and comprehensive loss	**$ (1,604,575)**	$ (513,518)
Basic and diluted loss per share (note 14)	**$ (0.028)**	$ (0.013)
Weighted average number of common shares outstanding:		
Basic and diluted	**57,507,915**	40,571,388

See accompanying notes.

ROSCAN GOLD CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(expressed in Canadian dollars)

	Share capital					
	Number of shares	Amount	Contributed surplus	Warrants	Deficit	Total
Balance, October 31, 2016	33,766,073	$ 7,126,207	$ 453,081	$ -	$ (7,811,469)	$ (232,181)
Units issued by private placement (notes 8,9,12)	8,740,000	242,208	-	194,792	-	437,000
Shares issued for debt (note 8,12)	4,520,000	226,000	-	-	-	226,000
Share issuance costs (notes 8,12)	-	(12,350)	-	-	-	(12,350)
Share-based payments (notes 8,12)	-	-	22,530	-	-	22,530
Net loss for the year	-	-	-	-	(513,518)	(513,518)
Balance, October 31, 2017	47,026,073	7,582,065	475,611	194,792	(8,324,987)	(72,519)
Units issued by private placement (notes 8,9,12)	36,635,499	1,218,557	-	979,573	-	2,198,130
Broker compensation units (notes 8,9)	1,584,295	52,585	-	42,473	-	95,058
Broker warrants (notes 8,9)	-	-	-	102,590	-	102,590
Shares issued for mineral property (notes 8,11)	250,000	17,500	-	-	-	17,500
Share issuance costs (notes 8,12)	-	(373,082)	-	-	-	(373,082)
Exercise of options (note 8)	100,000	8,367	(3,367)	-	-	5,000
Exercise of warrants (note 8)	400,000	40,943	-	(8,943)	-	32,000
Warrants expired	-	-	185,849	(185,849)	-	-
Share-based payments (notes 8,12)	-	-	239,810	-	-	239,810
Net loss for the year	-	-	-	-	(1,604,575)	(1,604,575)
Balance, October 31, 2018	**85,995,867**	**$ 8,546,935**	**$ 897,903**	**$ 1,124,636**	**$ (9,929,562)**	**$ 639,912**

See accompanying notes.

ROSCAN GOLD CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

(expressed in Canadian dollars)

Years ended October 31,	2018	2017
Operating activities		
Loss for the year	**$ (1,604,575)**	$ (513,518)
Adjustments to reconcile loss to net cash used:		
Share-based payments	**239,810**	22,530
Shares issued for mineral property (note 11)	**17,500**	-
Management fees	**-**	10,000
	(1,347,265)	(480,988)
Changes in non-cash working capital items		
Sales tax receivable	**(31,414)**	(3,374)
Prepaid expenses	**(132,040)**	833
Accounts payable and accrued liabilities	**3,265**	63,791
	(1,507,454)	(419,738)
Financing activities		
Loans from related party (note 12)	**545,985**	190,000
Loan repayments to related parties (note 12)	**(60,070)**	(179,000)
Units issued by private placement	**2,198,130**	437,000
Shares issued on exercise of options	**5,000**	-
Shares issued on exercise of warrants	**32,000**	-
Share issuance costs (note 8)	**(175,434)**	(12,350)
	2,545,611	435,650
Net change in cash	**1,038,157**	15,912
Cash, beginning of year	**18,181**	2,269
Effect of exchange rate changes on cash	**(5,558)**	-
Cash, end of year	**$ 1,050,780**	$ 18,181
Supplemental disclosure		
Shares issued for debt	**$ -**	$ 226,000

See accompanying notes.

1. NATURE OF OPERATIONS AND GOING CONCERN

RosCan Gold Corporation, formerly Roscan Minerals Corporation, (the "Company") is an exploration stage company involved in the business of acquiring, exploring and developing mineral properties in West Africa. The Company's mineral projects are located in Mali. The name of the Company was changed on September 19, 2018. The Company's shares are listed on the TSX Venture Exchange and the address of the Company's registered office is 365 Bay St., Suite 400, Toronto, Ontario, M5H 2V1.

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

Going Concern

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

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

At October 31, 2018, the Company had working capital of $639,912 (2017 – deficit of $72,519), incurred losses for the current year of $1,604,575 (2017 - $513,518), and, has an accumulated deficit of $9,929,562 (2017 - $8,324,987).

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

2. BASIS OF PREPARATION

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") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements for the year ended October 31, 2018 were approved and authorized for issue by the Company's board of directors on February 21, 2019.

BASIS OF PREPARATION (continued)

Basis of Consolidation and Presentation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Roscan Gold Mali SARL, a Malian company incorporated on October 26, 2018. All significant inter-company transactions and balances have been eliminated on consolidation.

These consolidated financial statements are prepared on the historical cost basis, except for financial instruments classified as fair value through profit and loss.

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. The functional currency of Roscan Gold Mali SARL is the West African CFA franc.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements, in conformity with IFRS, requires the Company's management to make certain estimates and judgements that they consider reasonable and realistic. These estimates and judgements are based on historical experience, future expectations, economic conditions and other factors. Despite regular reviews, changes in circumstances and assumptions may result in changes in these estimates and judgements, which could materially impact the reported amount of the Company's assets, liabilities, equity or earnings. By their nature, estimates and judgements are subject to measurement uncertainty and actual results could vary from estimates.

Significant estimates relate to:

- measurement of share-based payments and warrant valuation;
- measurement of shares issued to acquire mineral properties and settle debt;
- establishment of provisions; and,
- recognition of deferred tax assets.

Significant judgements relate to:

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

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

Adoption of IFRS 9 – Financial Instruments

The Company adopted IFRS 9 *Financial Instruments*, effective November 1, 2017, which supersedes IAS 39, *Financial Instruments: recognition and measurement* (IAS 39). IFRS 9 utilize a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains three primary measurement categories for financial

SIGNIFICANT ACCOUNTING POLICIES (continued)

assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI), and fair value through profit and loss (FVTPL).

Below is a summary showing the classification and measurement bases of the Company's financial instruments as a result of adopting IFRS 9 (along with a comparison to IAS 39). There was no impact on the Company's consolidated financial statements from the adoption of IFRS 9.

Financial instrument	IAS 39	IFRS 9
Cash	Fair value through profit or loss	Fair value through profit or loss
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Loans due to related parties	Other financial liabilities	Amortized cost

Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

<u>Classification</u>
The classification of a financial asset is made at the time it is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or if the Company has opted to measure them at FVTPL.

A debt instrument that meets both the business model test and cash flow characteristics test must be measured at amortized cost (net of any write down for impairment) unless the asset is designated at FVTPL, under the fair value option.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

If certain conditions are met, the classification of a financial asset, debt instrument or equity instrument may subsequently need to be reclassified.

<u>Financial assets and liabilities at FVTPL</u>
Financial assets and liabilities carried at FVTPL are initially recorded at fair value. Transaction costs and any realized or unrealized gains or losses arising from changes in the fair value of the financial asset or liability held at FVTPL are included in the consolidated statements of comprehensive income (loss) in the period in which they arise.

<u>Financial assets and liabilities at amortized cost</u>
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

SIGNIFICANT ACCOUNTING POLICIES (continued)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

Derecognition of financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of comprehensive loss.

Adoption of IFRIC 23 – Uncertainty Over Income Tax Treatments
IFRIC 23 was issued in June 2017 and clarifies the accounting for uncertainties under IAS 12, Income Taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. The Company adopted IFRIC 23, effective November 1, 2017. There was no material impact from its adoption.

Foreign Currency Translation
Foreign currency transactions are initially recorded in the entity's functional currency at the transaction date exchange rate. At each reporting date, monetary assets and liabilities that are denominated in a foreign currency are translated into the functional currency using the end of the reporting period exchange rate. All foreign currency adjustments are recognized in the statement of operations and comprehensive income.

Financial statements of the subsidiaries for which the functional currency is not the Canadian dollar are translated into Canadian dollar, the presentation currency, as follows: all asset and liability accounts are translated at the year-end exchange rate and all earnings and expense accounts and cash flow statement items are translated at prevailing exchange rates at the invoice date. The resulting translation gains and losses are recorded as foreign currency translation adjustments in other comprehensive income (loss).

Income Taxes
Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the period using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred assets and liabilities are recognized for the deferred tax consequences attributable to difference between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply when the asset is realized or the liability settled. Deferred income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is probable that they will be recognized.

SIGNIFICANT ACCOUNTING POLICIES (continued)

Interest
The Company classifies interest received and interest paid as an operating cash flow within the statement of cash flows.

Loss per Share
The computation of loss per share and diluted loss per share amounts are based upon the weighted average number of shares outstanding during the year. Diluted loss per share is calculated based on the assumed conversion, exercise or contingent issuance of "in the money" securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share, at the weighted average market price during the period.

Exploration and Evaluation
The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition cost of mineral properties, property payments and evaluation activities. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Provisions
A provision is recognized in the consolidated statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to discharge the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Share-based Payments
The Company accounts for share-based payments using the fair value based method. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche of options issued to employees and others providing similar services is determined by using the Black-Scholes option pricing model. The fair value of each tranche of options issued to non-employees is determined by the fair value of the goods or services received. If the fair value of goods or services received cannot be reliably measured, then the Black-Scholes option pricing model is used.

The fair value of stock options, adjusted for expected forfeitures, is recognized as share-based payments expense over each tranche's vesting period with an offsetting credit charged to contributed surplus. The applicable contributed surplus is transferred to share capital if and when, the stock options are exercised. Any consideration paid on the exercise of stock options is credited to share capital.

Share Issue Costs
Share issue costs are recorded as a reduction of share capital.

Warrants
The Company follows the relative fair value method with respect to the measurement of common shares and warrants issued as private placement units. The proceeds from the issuance of units are allocated between share capital and warrants. Unit proceeds are allocated to shares and warrants using the Black-Scholes option pricing model and the share price at the time of financing.

SIGNIFICANT ACCOUNTING POLICIES (continued)

If and when the warrants are exercised, the applicable relative fair value recognized in warrants is transferred to share capital. Any consideration paid on the exercise of the warrants is credited to share capital. For those warrants that expire unexercised on maturity, the recorded value is transferred to contributed surplus.

In situations where warrants are issued as consideration for goods and services received and some or all of the goods or services received cannot be specifically identified or reliably measured, then these warrants are measured at the fair value of the share-based payment. The fair value of the share-based payment is determined using the Black-Scholes option pricing model.

5. NEW STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET ADOPTED

The following standards has been issued but are not yet effective:

IFRS 2 Share-Based Payments
In June 2016, the IASB issued an amendment to IFRS 2 addressing (i) certain issues related to the accounting for cash-settled awards, and (ii) the accounting for equity-settled awards that include a "net settlement" feature in respect of employee withholding taxes. This amendment is effective for annual periods beginning on or after January 1, 2019.

IFRIC 22 – Foreign Currency Transactions and Advanced Consideration
IFRIC 22, was issued on December 2016 and clarifies the accounting for transactions that include the receipt or payment of advanced consideration in a foreign currency. For purposes of determining the exchange rate to use on initial recognition, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. IFRIC 22 is applicable for annual periods beginning on or after January 1, 2018.

The Company is currently evaluating the impact of the above standards on its financial performance and financial statement disclosures, but expects that such impact would not be material.

6. CAPITAL MANAGEMENT

The Company's objectives when managing capital are: to safeguard its ability to continue as a going concern; and, to have sufficient capital to fund the exploration and development of its mineral properties and the acquisition of other mineral properties for the benefit of its shareholders.

As at October 31, 2018, the Company had working capital of $639,912 (October 31, 2017 – deficiency of $72,519).

The Company considers its capital structure to consist of shareholder equity. In order to maintain its capital structure the Company is dependent on equity funding and loans from related parties. Funding through equity instruments is comprised of common shares, warrants and incentive stock options. The Board of Directors does not established quantitative targets on its capital criteria for management, however, it relies on management to review its capital management methods and requirements on an ongoing basis and make adjustments, accordingly, to sustain future development of the business. There were no changes in the Company's management of its capital during the year. The Company is not subject to any externally imposed capital requirements.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	October 31 2018	October 31 2017
Trade payables	**$ 26,021**	$ 7,264
Accrued liabilities	**52,241**	28,538
Related parties (note 12)	**20,500**	59,695
	$ 98,762	$ 95,497

8. SHARE CAPITAL

Authorized

Unlimited common shares

	Number	**Amount**
Balance, October 31, 2016	33,766,073	$ 7,126,207
Shares issued by private placement (i)	8,740,000	437,000
Value attributable to warrants (i)	-	(194,792)
Shares issued for debt (ii)	4,520,000	226,000
Share issuance costs	-	(12,350)
Balance, October 31, 2017	47,026,073	$ 7,582,065
Shares issued on exercise of options (iii)	100,000	8,367
Shares issued on exercise of warrants (iv)	400,000	40,943
Shares issued for mineral property (v)	250,000	17,500
Shares issued by private placement (vi)	36,635,499	2,198,130
Shares issued for broker compensation (vi)	1,584,295	95,058
Value attributed to private placement warrants (vi)	-	(979,573)
Value attributed to broker compensation warrants (vi)	-	(42,473)
Share issuance costs - broker compensation warrants (vi)	-	(95,058)
Share issuance costs - broker warrants (vi)	-	(102,590)
Share issuance costs	-	(175,434)
Balance, October 31, 2018	**85,995,867**	**$ 8,546,935**

(i) On April 26, 2017, the Company completed a private placement by issuing 4,300,000 units at $0.05 per unit for gross proceeds of $215,000. Each unit was comprised of one common share and common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of $0.08 for a period of 12 months, expiring on April 26, 2018. If at any time, after August 26, 2017, the closing price of the common shares of the Company, as traded on the TSX Venture Exchange, equals or exceeds $0.15 for 20 consecutive trading days, the Company has the right to accelerate the expiry date of the warrants to a date which is 30 days following the date of the Company announcing the accelerated expiry. The value of the warrants was estimated at $96,139 using the relative fair value method.

SHARE CAPITAL (continued)

On May 1, 2017, pursuant to the private placement completed on April 26, 2017, the Company completed a second tranche by issuing 4,440,000 units at $0.05 per unit for gross proceeds of $222,000. Each unit was comprised of one common share and common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of $0.08 for a period of 12 months, expiring on May 1, 2018. If at any time, after September 1, 2017, the closing price of the common shares of the Company, as traded on the TSX Venture Exchange, equals or exceeds $0.15 for 20 consecutive trading days, the Company has the right to accelerate the expiry date of the warrants to a date which is 30 days following the date of the Company announcing the accelerated expiry. The value of the warrants was estimated at $98,653 using the relative fair value method.

(ii) On April 26, 2017, the Company issued 4,520,000 shares at $0.05 per share in settlement of accounts payable and management fees totalling $148,000 and loans due to related parties of $78,000.

(iii) On April 19, 2018, the Company issued 100,000 shares in connection to the exercise of stock options for net proceeds of $5,000. The fair value of these stock options was $3,367, which was transferred from contributed surplus to capital stock. The share price on the date of exercise was $0.07.

(iv) In April 2018, the Company issued 400,000 shares in connection to the exercise of warrants for net proceeds of $32,000. The fair value of these warrants was $8,943, which was transferred from the warrant reserve account.

(v) On June 21, 2018, the Company issued 250,000 common shares at $0.07 per share in accordance with the option agreement made with Minex SARL for the Kandiole Project's Mankouke permit (Note 11).

(vi) On July 26, 2018, pursuant to a brokered and non-brokered private placement, the Company issued 34,598,799 units at $0.06 per unit for gross proceeds of $2,075,928. Each unit was comprised of one common share and common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of $0.12 for a period of 24 months, expiring on July 26, 2020. If at any time, after November 26, 2018, the daily volume weighted average trading price of the common shares of the Company, as traded on the TSX Venture Exchange, equals or exceeds $0.24 for 20 consecutive trading days, the Company has the right to accelerate the expiry date of the warrants to a date which is 10 days following the date of the Company provides notice of the accelerated expiry. The value of the warrants was estimated at $927,539 using the relative fair value method. As consideration for the services of the broker, the Company issued: 1,584,295 compensation units on the same terms as the private placement units; and, 1,584,295 broker warrants having an exercise price of $0.06 with a 24 month term. The value of the compensation unit warrants was estimated at $42,473 and the using the relative fair value method and the value of the broker warrants was estimated at $102,590 using the Black-Scholes option pricing model. The units issued as broker compensation were estimated to have a fair value of $95,058.

On August 20, 2018, pursuant to the private placement completed on July 26, 2018, the Company completed a non-brokered second tranche by issuing an additional 2,036,700 units at $0.06 per unit for gross proceeds of $122,202. Each unit was comprised of one common share and common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of $0.12 for a period of approximately 23 months, expiring on July 26, 2020. If at any time, after December 20, 2018, the daily volume weighted average trading price of the common shares of the Company, as traded on the TSX Venture Exchange, equals or exceeds $0.24 for 20 consecutive trading days, the Company has the right to accelerate the expiry date of the warrants

SHARE CAPITAL (continued)

to a date which is 10 days following the date of the Company provides notice of the accelerated expiry. The value of the warrants was estimated at $52,034 using the relative fair value method.

Cash share issuance costs relating to these private placements was $175,434.

Stock Options

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

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

	Number	Weighted average exercise price
Balance, October 31, 2016	1,400,000	$0.05
Granted (i)	450,000	0.06
Balance, October 31, 2017	1,850,000	0.05
Granted (ii)	3,300,000	0.10
Exercised	(100,000)	0.05
Expired	(250,000)	0.05
Balance, October 31, 2018	**4,800,000**	**$0.09**

(i) On November 7, 2016, the Company granted 150,000 stock options to a director. These options vested immediately and were issued with an exercise price of $0.05 and a five year term. The director left the Company on April 27, 2017 and the expiry date was changed to April 27, 2018.

On March 15, 2017, the Company granted 300,000 stock options to a director. These options vested immediately and were issued with an exercise price of $0.06 and have a five year term, expiring on March 15, 2022.

(ii) On August 1, 2018, the Company granted 3,300,000 stock options to a directors, officers and consultants. These options vested immediately and were issued with an exercise price of $0.10 and a three year term.

SHARE CAPITAL (continued)

Fair value of the options issued were estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2018	2017
Dividend yield	**Nil**	Nil
Expected volatility (based on historical prices)	**199%**	193%
Risk-free rate of return	**2.12%**	1.04%
Expected life	**3 Years**	5 Years
Share price	**$0.080**	$0.052

During the year ended October 31, 2018, the Company recognized share-based payments expense of $239,810 (2017 - $22,530).

The following summarizes information on the outstanding stock options:

Expiry Date	Number	Weighted average exercise price	Exercisable	Weighted average remaining life (years)
September 18, 2019	1,200,000	$0.05	1,200,000	0.88
August 1, 2021	3,300,000	0.10	3,300,000	2.75
March 15, 2022	300,000	0.06	300,000	3.37
	4,800,000	$0.09	4,800,000	2.32

9. WARRANTS

Warrant transactions and number of warrants outstanding are as follows:

	Number	Weighted average exercise price
Balance, October 31, 2016	-	$0.00
Issued	8,740,000	0.08
Balance, October 31, 2017	8,740,000	$0.08
Issued	39,804,089	0.12
Exercised	(400,000)	0.08
Expired	(8,340,000)	0.08
Balance, October 31, 2018	**39,804,089**	**$0.12**

WARRANTS (continued)

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

	2018	2017
Dividend yield	**Nil**	Nil
Expected volatility (based on historical prices)	**199%**	249%
Risk-free rate of return	**2.05%**	0.71%
Expected life	**2 Years**	1 Year
Share price	**$0.075**	$0.095

The following summarizes information on the outstanding warrants:

Expiry Date	Number	Exercise price	Weighted average remaining life (years)	Relative fair value
July 26, 2020	38,219,794	$0.12	1.73	$ 1 ,022,046
July 26, 2020	1,584,295	0.06	1.73	102,590
	39,804,089	$0.12	1.73	$ 1,124,636

10. CORPORATE AND ADMINISTRATIVE

	2018	2017
Consulting	**$ 10,185**	$ 3,600
Management fees (note 12)	**222,000**	36,000
Office and general	**12,585**	5,829
Premises (note 12)	**10,200**	4,200
Professional fees (note 12)	**70,720**	45,261
Listing and share transfer (note 12)	**25,774**	26,818
Shareholder relations and promotion	**105,581**	11,050
Travel	**9,581**	22,956
	$ 466,626	$ 155,714

11. EXPLORATION AND EVALUATION

	2018	2017
Acquisition costs – Payments (note 12)	**$ 156,305**	$ 10,000
Acquisition costs - Exploration contributions (note 12)	**-**	300,000
Property costs	**123,585**	-
Assaying	**73,601**	-
Consulting/Contracting	**101,072**	-
Field expenses and equipment	**95,858**	-
Field office	**270,676**	-
General and administrative	**14,461**	58
Professional fees	**16,294**	-
Reports/Mapping	**9,621**	11,208
Travel/Transportation	**31,043**	13,843
	$ 892,516	$ 335,109

Kandiole Project – Mali

The Company entered into five option agreement to acquire a 100% interest in six contiguous gold prospective permits, encompassing 271 sq. kilometres, in Mali, West Africa. In order to earn a 100% interest in each of the permits, the Company shall:

A) Kandiole North Option Agreement (40 sq. kms.) effective November 3, 2017, expiring February 28, 2021 **

(a) Pay Touba Mining SARL (“Touba”) an aggregate of $80,000 over a three (3) year option period as follows:

- May 3, 2018 $20,000 (paid)
- November 3, 2018 $20,000 (paid *)
- May 3, 2019 $10,000
- November 3, 2019 $10,000
- May 3, 2020 $10,000
- November 3, 2020 $10,000

* Paid subsequent to October 31, 2018

(b) Pay permitting fees of 10,000,000 CFA francs (paid) to the Malian government’s Direction Nationale de la Geologie et des Mines (“DNGM”).

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

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

EXPLORATION AND EVALUATION (continued)

B) Kandiole West Option Agreement (25 sq. kms.) effective November 3, 2017, expiring June 12, 2021 **

(a) Pay Touba an aggregate of $80,000 as follows:
  (i) $5,000 on signing (paid); and,
  (ii) $75,000 over a three (3) year option period as follows:

• May 3, 2018	$5,000 (paid)	• November 3, 2019	$10,000
• November 3, 2018	$10,000 (paid *)	• May 3, 2020	$20,000
• May 3, 2019	$10,000	• November 3, 2020	$20,000

* Paid subsequent to October 31, 2018

(b) Pay permitting fees of 10,000,000 CFA francs (paid) to the DNGM.

(c) Touba shall retain a 5% net profit interest (“NPI”) and a 2% NSR on all ore mined from the property. The Company has the right to purchase one-half of the NSR (equivalent to a 1% NSR) for $1,000,000.

** Touba has assigned its option rights under its agreement with Kara Mining SARL to the Company.

C) Segando South and Moussala North Option Agreement (97 sq. kms.) effective March 31, 2018

(a) Pay K.L. Mining SARL and K.A. Gold Mining SARL (collectively, the “Optionor”) an aggregate of US$400,000 as follows:
  (i) US$40,000 on signing (paid); and,
  (ii) US$360,000 over a three (3) year option period as follows:
  - March 31, 2019 US$60,000
  - March 31, 2020 US$120,000
  - March 31, 2021 US$180,000

(b) Incur an aggregate of US$165,000 in exploration expenditures over the option period, as follows:
  - First year US$40,000
  - Second year US$60,000
  - Third year US$65,000

(c) Pay permitting fees (paid) to the DNGM. The DNGM is in the process of formalizing the grant of these leases.

(d) The Optionor shall retain a 2% NSR on all ore mined from the property. The Company has the right to purchase one-half of the NSR (equivalent to a 1% NSR) for US$1,200,000.

EXPLORATION AND EVALUATION (continued)

D) Niala Option Agreement (93 sq. kms.) effective April 27, 2018, expiring May 22, 2021

(a) Pay SOLF SARL ("SOLF") an aggregate of $117,500 as follows:
  (i) $12,500 on signing (paid); and,
  (ii) $105,000 over a three (3) year option period as follows:
  - April 27, 2019 $30,000
  - April 27, 2020 $35,000
  - April 27, 2021 $40,000

(b) Incur an aggregate of $205,000 in exploration expenditures over the option period, as follows:
  - First year $50,000
  - Second year $75,000
  - Third year $80,000

(c) Pay permitting fees of $5,000,000 CFA francs (paid) to the DNGM.

(d) SOLF shall retain a 2% NSR on all ore mined from the property. The Company has the right to purchase one-half of the NSR (equivalent to a 1% NSR) for $500,000.

E) Mankouke Option Agreement (16 sq. kms.) effective June 22, 2018, expiring April 2, 2020

(a) Pay Minex SARL ("Minex") an aggregate of $250,000 as follows:
  (i) $40,000 on signing (paid); and,
  (ii) $210,000 over a three (3) year option period as follows:
  - June 22, 2019 $60,000
  - June 22, 2020 $70,000
  - June 22, 2021 $80,000

(b) Issue 1,000,000 common shares of the Company to Minex in four instalments as follows:
  - On signing 250,000 (issued)
  - June 22, 2019 250,000
  - June 22, 2020 250,000
  - June 22, 2021 250,000

(c) Incur an aggregate of $205,000 in exploration expenditures over the option period, as follows:
  - First year $50,000
  - Second year $75,000
  - Third year $80,000

(d) Minex shall retain a 3% NSR on all ore mined from the property. The Company has the right to purchase two-thirds of the NSR (equivalent to a 2% NSR) for US$1,000,000.

During the option periods for all of the permits, the Company shall be responsible for keeping each permit in good standing and performing all obligations required by law.

EXPLORATION AND EVALUATION (continued)

Kandiole Project		2018		2017
Acquisition costs - Payments	$	156,305	$	-
Property costs		123,585		-
Assaying		73,601		-
Consulting/Contracting		101,072		-
Field expenses and equipment		95,858		-
Field office		270,676		-
General and administrative		14,461		-
Professional fees		16,294		-
Reports/Mapping		9,621		-
Travel/Transportation		31,043		-
	$	892,516	$	-

Dormaa Project – Ghana

On November 7, 2016, the Company entered into an option and joint venture agreement (the “Pelangio Option Agreement”), subsequently amended and restated on January 25, 2018, with Pelangio Exploration Inc. “(Pelangio”), pursuant to which the Company and Pelangio established an earn-in arrangement to jointly advance an early-stage gold exploration project in Ghana (the “Dormaa Project”). During the year, the Company relinquished its rights to participate in the Pelangio Option Agreement.

Dormaa Project		2018		2017
Acquisition costs - Payments	$	-	$	10,000
Acquisition costs - Exploration contributions		-		300,000
General and administrative		-		58
Reports/Mapping		-		11,208
Travel/Transportation		-		13,843
	$	-	$	335,109

12. RELATED PARTY TRANSACTIONS AND BALANCES

	2018	2017
Exploration and evaluation (i)	**$ -**	$ 310,000
Management fees (ii)	**222,000**	36,000
Premises (iii)	**6,000**	-
Professional fees (iv)	**36,390**	19,952
Share issuance costs (iv)	**13,300**	7,100
Share-based payments (v)	**196,208**	22,530
	$ 473,898	$ 395,582

(i) Dormaa Project option payments and exploration contributions were paid to Pelangio Exploration Inc., a company related by virtue of a common director.

(ii) Management fees were paid or became payable for the services of Company officers.

(iii) Rent was paid or became payable to a Company officer for the Company's office in Bedford, Nova Scotia.

(iv) Legal fees were paid or became payable to a law firm in which a Company director/officer is a partner.

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

Loans from related parties balance of $485,915 (October 31, 2018 - $nil) consisted of cash loans provided by a company controlled by a Company director/officer. These loans are non-interest bearing, unsecured and due on demand. The Company received cash loans of $545,985 (2017 - $190,000) for the year from a director and a company controlled by a Company director/officer. The Company repaid $60,070 (2017 - $179,000) of the cash loans during the year.

During fiscal 2017, the Company settled debt of $207,000 owing to directors/officers or entities controlled by or associated with Company directors/officers through the issuance of 4,140,000 shares (Note 8). The debt was comprised of: loans due to related parties of $78,000; and, accounts payable of $129,000.

A company controlled by a Company director/officer and a Company director subscribed for $225,002 (3,750,033 units) of the private placement which closed on July 26, 2018. During 2017, Company directors/officers and an entity controlled by a Company director subscribed for $130,000 (2,600,000 shares) of the private placements which closed in 2017 (Note 8).

Included in accounts payable and accrued liabilities is $20,500 (October 31, 2017 - $59,695) payable to entities controlled by or associated with Company directors/officers.

13. KEY MANAGEMENT COMPENSATION

The Company considers its officers and directors to be key management. Key management are those persons having authority and responsibility for planning, directing and controlling activities, directly or indirectly, of the Company. Compensation of key management is summarized below.

		2018		2017
Short-term compensation	$	**272,444**	$	63,727
Share-based payments		**196,208**		22,530
	$	**468,652**	$	72,642

14. LOSS PER SHARE

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

15. COMMITMENTS AND CONTINGENCIES

The Company currently has management services agreements with two Company officers that contain the provision of termination and change of control benefits. The agreements provide that in the event that their services are terminated by the Company other than for cause, then each officer shall be entitled to a lump sum payment amount equal to 2 years of base remuneration plus 1 month of current compensation for each year of service, beginning November 1, 2017. If a change of control were to occur, the officers would be entitled to $462,500. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

16. INCOME TAXES

Income Tax Expense

The following table reconciles income taxes calculated at combined Canadian federal and provincial tax rates with the income tax expense in the financial statements:

		2018		2017
Loss before income taxes	$	**(1,604,575)**	$	(513,518)
Statutory rate		**26.50%**		26.50%
Expected income tax recovery		**(425,212)**		(136,082)
Share-based payments		**63,550**		5,970
Non-deductible expenses and other		**(44,338)**		(3,888)
Change in deferred tax assets not recognized		**406,000**		134,000
Income tax expense	$	**-**	$	-

INCOME TAXES (continued)

Deferred Income Taxes

The temporary differences that give rise to future income tax assets and deferred income tax liabilities are presented below:

	2018	2017
Exploration and evaluation costs	**$ 1,320,000**	$ 1,083,000
Non-capital loss carry forwards	**596,000**	463,000
Share issue costs	**39,000**	3,000
Capital loss carry forwards	**182,000**	182,000
Deferred tax asset	**2,137,000**	1,731,000
Less: Deferred tax assets not recognized	**(2,137,000)**	(1,731,000)
Net deferred income tax asset	**$ -**	$ -

Loss and Tax Credit Carry-forwards

At October 31, 2018, the Company has available non-capital losses to reduce future years' taxable income for Canadian tax purposes of approximately $2,250,000. These losses expire as follows:

2026	$ 173,000
2027	157,000
2028	389,000
2029	198,000
2030	117,000
2031	105,000
2032	115,000
2033	87,000
2034	78,000
2035	79,000
2036	91,000
2037	157,000
2038	504,000
	$ 2,250,000

The Company has $299,679 of Canadian exploration and development costs and $4,679,878 of foreign exploration and development costs that can be carried forward indefinitely and used to offset future taxable income. Additionally, the Company has available $1,373,028 of capital losses that can be carried forward indefinitely to use against future taxable capital gains.

The potential tax benefit relating to these tax losses has not been reflected in these financial statements.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

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

IFRS 7 establishes a fair value hierarchy that prioritizes the valuation techniques for each financial instrument measured at fair value. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgement.

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

As at October 31, 2018 and October 31, 2017, cash was the only financial instrument classified within the fair value hierarchy and was classified as Level 1.

Classification of Financial Instruments

		October 31 2018	October 31 2017
Financial assets			
Cash	Fair value through profit and loss	**$ 1,050,780**	$ 18,181
Financial liabilities			
Accounts payable and accrued liabilities	Amortized cost	**$ 98,762**	$ 95,497
Loans due to related parties	Amortized cost	**$ 485,915**	$ -

Risk Management

The primary objectives of the Company's financial risk management procedures are to ensure that the outcome of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Company's financial position, from events that have the potential to materially impair its financial strength. These activities include the preservation of its capital by minimizing risk related to its cash.

The Company does not trade financial instruments for speculative purposes and does not have a risk management committee or written risk management policies. The Company's financial instruments are exposed to the risks described below:

Credit Risk

Credit risk is the risk of financial loss to the Company, if one party to a financial instrument fails to discharge or meet their obligations. Financial instruments that potentially expose the Company to this risk relate to its cash, which is primarily held at Canadian banking institutions.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Liquidity Risk

Liquidity risk management requires maintaining sufficient cash, liquid investments or credit facilities to meet the Company's operating expenditures and commitments, as they come due. The Company manages liquidity risk through the management of its capital structure as described in Note 6. The Company does not have any income from operations or a regular source of income and is highly dependent on its working capital and equity funding to support its exploration and corporate activities. There can be no assurance that the Company will be successful in its fund raising activities.

As at October 31, 2018, the Company had cash of $1,050,780 to settle current liabilities of $584,677. The Company does not have sufficient cash to fund its future obligations for the coming year and will be required to raise additional capital.

Currency Risk

The Company's operates in Canada and Mali and has potential future commitments in Mali that are denominated in the West African CFA franc (CFAF) and the United States dollar, giving rise to market risks from changes in foreign exchange rates. The Company monitors foreign exchange rates on an as needed basis. As at October 31, 2018 the Company did not have significant exposure to foreign currency risk.

18. SUBSEQUENT EVENTS

Subsequent to October 31, 2018, the Company repaid a $50,045 cash loan provided by a Company director.