ROSCAN GOLD CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended January 31, 2020 and 2019

(unaudited)

EXPRESSED IN CANADIAN DOLLARS

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

ROSCAN GOLD CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(expressed in Canadian dollars)

As at	January 31 2020 *(unaudited)*	October 31 2019 *(audited)*
ASSETS		
Current		
Cash	**$ 2,882,632**	$ 240,219
Amounts receivable	**4,000**	-
Sales tax receivable	**39,917**	24,099
Prepaid expenses	**342,855**	86,049
	3,269,404	350,367
Right-of-use assets (note 12)	**108,926**	-
	$ 3,378,330	$ 350,367
LIABILITIES		
Current		
Accounts payable and accrued liabilities (notes 6,11)	**$ 320,174**	$ 414,462
Lease liability (note 12)	**50,153**	-
	370,327	414,462
Lease liability, long-term (note 12)	**59,523**	-
	429,850	414,462
EQUITY (DEFICIENCY)		
Share capital (note 7)	**13,629,490**	10,994,594
Contributed surplus	**2,413,468**	1,474,564
Warrants (note 8)	**4,576,266**	3,107,967
Deficit	**(17,670,744)**	(15,641,220)
	2,948,480	(64,095)
	$ 3,378,330	$ 350,367

Nature of operations and going concern (note 1)
Commitments and contingencies (note 13)
Subsequent events (note 16)

See accompanying notes.

ROSCAN GOLD CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(unaudited, expressed in Canadian dollars)

Three months ended January 31,	2020	2019
Expenses		
Corporate and administrative (notes 9, 11)	**$ 389,458**	$ 128,356
Exploration and evaluation (note 10)	**687,302**	659,226
Share-based payments (notes 7,11)	**949,805**	-
Depreciation (note 12)	**8,889**	-
Loss from operations	**2,035,454**	787,582
Foreign exchange loss (gain)	**(280)**	6,008
Interest income	**(7,239)**	-
Interest on lease liabilities (note 12)	**1,589**	-
Net loss and comprehensive loss	**$ 2,029,524**	$ 793,590
Basic and diluted loss per share (note 14)	**$ 0.014**	$ 0.009
Weighted average number of common shares outstanding:		
Basic and diluted	**147,324,758**	85,995,867

See accompanying notes.

ROSCAN GOLD CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(unaudited, expressed in Canadian dollars)

	Share capital					
	Number of shares	**Amount**	**Contributed surplus**	**Warrants**	**Deficit**	**Total**
Balance, October 31, 2018	85,995,866	$ 8,546,935	$ 897,903	$ 1,124,636	$ (9,929,562)	$ 639,912
Net loss for the period	-	-	-	-	(793,590)	(793,590)
Balance, January 31, 2019	85,995,866	8,546,935	897,903	1,124,636	(10,723,152)	(153,678)
Units issued by private placement (notes 7,8)	27,142,857	2,107,830	-	1,692,170	-	3,800,000
Broker compensation units (notes 7,8)	1,402,286	108,897	-	87,423	-	196,320
Broker warrants (notes 7,8)	-	-	-	427,037	-	427,037
Shares issued for mineral property (notes 7,10)	250,000	38,750	-	-	-	38,750
Share issuance costs (notes 7, 11)	-	(785,125)	-	-	-	(785,125)
Exercise of options (note 7)	1,350,000	110,903	(35,903)	-	-	75,000
Exercise of unit warrants (notes 7,8)	4,567,066	668,757	-	(120,709)	-	548,048
Exercise of broker warrants (notes 7,8)	1,584,292	197,647	-	(102,590)	-	95,057
Share-based payments (note 7)	-	-	612,564	-	-	612,564
Net loss for the period	-	-	-	-	(4,918,068)	(4,918,068)
Balance, October 31, 2019	122,292,367	10,994,594	1,474,564	3,107,967	(15,641,220)	(64,095)
Units issued by private placement (notes 7,8)	44,930,000	3,024,701	-	1,468,299	-	4,493,000
Share issuance costs	-	(415,706)	-	-	-	(415,706)
Exercise of options (note 7)	150,000	25,901	(10,901)	-	-	15,000
Share-based payments (notes 7,11)	-	-	949,805	-	-	949,805
Net loss for the period	-	-	-	-	(2,029,524)	(2,029,524)
Balance, January 31, 2020	**167,372,367**	**$ 13,629,490**	**$ 2,413,468**	**$ 4,576,266**	**$ (17,670,744)**	**$ 2,948,480**

See accompanying notes.

ROSCAN GOLD CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, expressed in Canadian dollars)

Three months ended January 31,	**2020**	2019
Operating activities		
Loss for the period	**$ (2,029,524)**	$ (793,590)
Adjustments to reconcile loss to net cash used:		
Depreciation	**8,889**	-
Share-based payments	**949,805**	-
Unrealized foreign exchange	**(112,370)**	-
	(1,183,200)	(793,590)
Changes in non-cash working capital items		
Amounts receivable	**(4,000)**	-
Sales tax receivable	**(15,818)**	(28,146)
Prepaid expenses	**(199,206)**	87,110
Accounts payable and accrued liabilities	**(40,617)**	184,754
	(1,442,841)	(549,872)
Financing activities		
Repayment of lease liabilities	**(8,139)**	-
Loan repayments to related parties	**-**	(50,045)
Units issued by private placement	**4,493,000**	-
Shares issued on exercise of options	**15,000**	-
Share issuance costs	**(415,706)**	-
	4,084,155	(50,045)
Net change in cash	**2,641,314**	(599,917)
Cash, beginning of the period	**240,219**	1,050,780
Effect of exchange rate changes on cash	**1,099**	51,868
Cash, end of period	**$ 2,882,632**	$ 502,731

See accompanying notes.

1. NATURE OF OPERATIONS AND GOING CONCERN

RosCan Gold Corporation (the "Company") is an exploration stage company involved in the business of acquiring, exploring and developing gold properties in West Africa. The Company's properties are located in Mali. The Company's shares are listed on the TSX Venture Exchange under the trading symbol "ROS" and on the Frankfurt Stock Exchange under the trading symbol "2OJ". The address of the Company's registered office is 217 Queen Street West, Suite 401, Toronto, Ontario, M5V 0R2.

Political and other risks

The Company's Malian properties 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 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 January 31, 2020, the Company had working capital of $2,899,077 (2019 – deficit of $64,095), incurred losses for the current three month period of $2,029,524 (2019 - $793,590), and, has an accumulated deficit of $17,670,744 (2019 - $15,641,220).

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

Basis of Consolidation and Presentation

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

BASIS OF PREPARATION (continued)

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 Canadian dollar.

These interim financial statements do not include all of the disclosure required in annual financial statements and should be read in conjunction with the Company's 2019 audited annual consolidated financial statements. These interim results are not necessarily indicative of the results that may be anticipated for the entire fiscal year.

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;
- measurement of right-of use assets and lease liabilities;
- 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 Company's significant accounting policies, as described in Note 4 of the Company's audited consolidated financial statements for the year ended October 31, 2019, have been applied consistently to all periods presented in these financial statements, unless otherwise noted. During 2020 the Company adopted the following policies:

Adoption of IFRS 16 - Leases
The Company adopted IFRS 16 - Leases ("IFRS 16"), as of November 1, 2019 using the modified retrospective approach, which does not require a restatement of prior period financial information as it recognizes the cumulative effect of applying the standard to prior periods as an adjustment to opening retained earnings as at November 1, 2019. The new standard provides a comprehensive model for the identification, measurement and disclosure of lease arrangements. This standard eliminates the classification of material leases as either an operating or finance lease, and instead, these leases are to be recognized as assets and liabilities.

SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company used the following practical expedients and recognition exemptions when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- used the exemption to not recognize right-of-use ("ROU") assets and liabilities for leases with a remaining lease term of less than 12 months, as at November 1, 2019;
- used the exemption to not recognize ROU assets and liabilities for leases with low value;
- excluded initial direct costs from measuring the ROU assets at the date of initial application;
- used hindsight in determining lease term at the date of initial application;

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contracts conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specific explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefit from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when is has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

The Company recognizes a right-of-use (ROU) asset at the commencement date of a lease. ROU assets are measured at cost, which includes the amount of the lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. Purchase, renewal and termination options that are reasonably certain of being exercised are also included in the measurement of the lease liability. ROU assets are subject to impairment.

The Company recognizes a lease liability at the commencement date of a lease, measured at the present value of the lease payments to be made over the lease term. The measurement of the Company's lease liabilities depends on the interest rate implicit in the lease used to discount the remaining lease payments. In calculating the present value of lease payments, the Company uses an incremental borrowing rate at the lease commencement date, if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is the rate of interest that the Company assumes it would have to pay to borrow over a similar term, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment. Significant assumptions are required to be made on the basis for which the incremental borrowing rate was derived. These assumptions are considered to be a key source of estimation uncertainty. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The lease liability is remeasured when there is a change in future lease payments arising from a change in index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss when the carrying amount of the right-of-use asset has been reduced to nil.

(unaudited, expressed in Canadian dollars)

SIGNIFICANT ACCOUNTING POLICIES (continued)

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. The Company adopted the amendment to IFRS 2 on November, 2 2019. There was no material impact from its adoption.

5. CAPITAL MANAGEMENT

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

The Company considers its capital structure to consist of shareholder equity. In order to maintain its capital structure the Company is dependent on equity funding and loans from related 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 period. The Company is not subject to any externally imposed capital requirements.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31 2020	October 31 2019
Trade payables	**$ 40,896**	$ 268,407
Accrued liabilities	**196,857**	67,890
Related parties (note xx)	**82,421**	78,165
	$ 320,174	$ 414,462

(unaudited, expressed in Canadian dollars)

7. SHARE CAPITAL

Authorized
Unlimited common shares

	Number	Amount
Balance, October 31, 2018	85,995,866	$ 8,546,935
Shares issued by private placement (i)	27,142,857	3,800,000
Shares issued for broker compensation (i)	1,402,286	196,320
Value attributed to private placement warrants (i)	-	(1,692,170)
Value attributed to broker compensation warrants (i)	-	(87,423)
Shares issued for mineral property (ii)	250,000	38,750
Shares issued on exercise of unit warrants (iii)	4,567,066	668,757
Shares issued on exercise of broker warrants (iii)	1,584,292	197,647
Shares issued on exercise of options (iv)	1,350,000	110,903
Share issuance costs - broker compensation warrants (i)	-	(196,320)
Share issuance costs - broker warrants (i)	-	(427,037)
Share issuance costs	-	(161,768)
Balance, October 31, 2019	122,292,367	$ 10,994,594
Shares issued by private placement (v)	44,930,000	4,493,000
Value attributed to private placement warrants (v)	-	(1,468,299)
Shares issued on exercise of options (vi)	150,000	25,901
Share issuance costs	-	(415,706)
Balance, January 31, 2020	**167,372,367**	**$ 13,629,490**

(i) On March 21, 2019, pursuant to a brokered and non-brokered private placement, the Company issued 27,142,857 units at $0.14 per unit for gross proceeds of $3,800,000. 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 $0.22 for a period of 24 months, expiring on March 21, 2021. The value of the warrants was estimated at $1,692,170 using the relative fair value method. As consideration for the services of the broker, the Company issued: 1,402,286 compensation units on the same terms as the private placement units; and, 1,869,714 broker warrants having an exercise price of $0.14 with a 24 month term. Each broker warrant entitles the holder to purchase one broker unit consisting of one common share and one share purchase warrant that entitles the holder to purchase one additional common share at an exercise price of $0.22 for a period of 24 months, expiring March 21, 2021.

The value of the compensation unit warrants was estimated at $87,423 using the relative fair value method and the value of the broker warrants was estimated at $427,037 using the Black-Scholes option pricing model. The units issued as broker compensation were estimated to have a fair value of $196,320. Cash share issuance costs relating to this private placements was $161,768.

(ii) On June 7, 2019, the Company issued 250,000 common shares at $0.155 per share in accordance with the option agreement made with Minex SARL for the Kandiole Project's Mankouke permit (note 10).

(iii) During fiscal 2019, the Company issued 4,567,066 shares in connection to the exercise of 4,567,066 unit warrants for net proceeds of $548,048. The fair value of these warrants was $120,709.

(unaudited, expressed in Canadian dollars)

SHARE CAPITAL (continued)

On June 26, 2019, the Company issued 1,584,292 shares in connection to the exercise of broker warrants for net proceeds of $95,057. The fair value of these warrants was $102,590.

The fair value of the unit and broker warrants was transferred from the warrant reserve account.

(iv) During fiscal 2019, the Company issued 1,350,000 shares in connection to the exercise of 1,350,000 stock options for net proceeds of $75,000. The fair value of these options was $35,903, which was transferred form contributed surplus to share capital.

(v) On December 12, 2019, pursuant to a brokered private placement, the Company issued 44,930,000 units at $0.10 per unit for gross proceeds of $4,493,000. Each unit was comprised of one common share and three-quarters of one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of $0.16 for a period of 24 months, expiring on December 12, 2021. The value of the warrants was estimated at $1,468,299 using the relative fair value method. The Company paid cash commissions of $292,045.

(vi) During November, 2019, the Company issued 150,000 shares in connection to the exercise of stock options for net proceeds of $15,000. The fair value of these stock options was $10,901, which was transferred from contributed surplus to capital stock.

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.

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

	Number	Weighted average exercise price
Balance, October 31, 2018	4,800,000	$0.09
Granted (i)	5,900,000	0.15
Exercised	(1,350,000)	0.06
Expired	(600,000)	0.15
Balance, October 31, 2019	8,750,000	$0.13
Granted (ii)	8,500,000	0.12
Exercised	(150,000)	0.10
Expired	(400,000)	0.15
Balance, January 31, 2020	**16,700,000**	**$0.12**

(i) On May 14, 2019, the Company granted 4,650,000 stock options to directors, officers and consultants. These options vested immediately and were issued with an exercise price of $0.15 and a three year term.

(unaudited, expressed in Canadian dollars)

SHARE CAPITAL (continued)

On May 14, 2019, the Company granted 150,000 stock options to an investor relations consultant. These options vest in instalments of 37,500 options every three months and were issued with an exercise price of $0.15 and a three year term.

On June 1, 2019, the Company granted 600,000 stock options to an investor relations consultant. These options vest in instalments of 150,000 options every three months and were issued with an exercise price of $0.15 and a three year term.

On July 23, 2019, the Company granted 500,000 stock options to a director. These options vested immediately and were issued with an exercise price of $0.15 and a three year term.

(ii) On December 19, 2019, the Company granted 5,000,000 stock options to a director, officer and a consultant. These options vested immediately and were issued with an exercise price of $0.12 and a five year term.

On January 12, 2020, the Company granted 3,500,000 stock options to a director. These options vested immediately and were issued with an exercise price of $0.12 and a five year term.

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

	2020	2019
Dividend yield	Nil	Nil
Expected volatility (based on historical prices)	199%	197%
Risk-free rate of return	1.64%	1.55%
Expected life	5 Years	3 Years
Share price	$0.11	$0.13

Share-based payment expense recognized for the options vested during fiscal 2020 was $949,805 and $612,564 for the options vested during fiscal 2019.

The following summarizes information on the outstanding stock options:

Expiry Date	Number	Weighted average exercise price	Exercisable	Weighted average remaining life (years)
March 31, 2020	100,000	$0.15	100,000	0.16
January 12, 2021	600,000	0.10	600,000	0.95
January 12, 2021	700,000	0.15	700,000	0.95
August 1, 2021	2,400,000	0.10	2,400,000	1.50
March 15, 2022	300,000	0.06	300,000	2.12
May 14, 2022	3,600,000	0.15	3,525,000	2.28
July 23, 2022	500,000	0.15	500,000	2.47
December 19, 2024	5,000,000	0.12	5,000,000	4.88
January 12, 2025	3,500,000	0.12	3,500,000	4.95
	16,700,000	$0.12	16,625,000	3.39

(unaudited, expressed in Canadian dollars)

8. WARRANTS

Warrant transactions and number of warrants outstanding are as follows:

	Number	Weighted average exercise price
Balance, October 31, 2018	39,804,083	$0.12
Issued	30,414,857	0.22
Exercised	(6,151,358)	0.11
Balance, October 31, 2019	64,067,582	$0.17
Issued	33,697,500	0.16
Balance, January 31, 2020	**97,765,082**	**$0.16**

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

	2020	2019
Dividend yield	Nil	Nil
Expected volatility (based on historical prices)	147%	172%
Risk-free rate of return	1.70%	1.60%
Expected life	2 Years	2 Years
Share price	$0.11	$0.27

The following summarizes information on the outstanding warrants:

Expiry Date	Number	Exercise price	Weighted average remaining life (years)	Relative fair value
July 26, 2020	33,652,725	$0.12	0.48	$ 901,337
March 21, 2021	28,545,143	0.22	1.13	1,779,593
March 21, 2021 (i)	1,869,714	0.14	1.13	427,037
December 12, 2021	33,697,500	0.16	1.86	1,468,299
	97,765,082	$0.16	1.16	$ 4,576,266

(i) Broker warrants that entitle the holder to purchase one broker unit for each warrant held. Each broker unit consists of one common share and one share purchase warrant that entitles the holder to purchase one additional common share at an exercise price of $0.22 for a period of 24 months, expiring March 21, 2021.

(unaudited, expressed in Canadian dollars)

9. CORPORATE AND ADMINISTRATIVE

	Three months ended January 31 **2020**	2019
Consulting (note 11)	**$ 39,688**	$ 9,000
Listing and share transfer	**8,929**	6,311
Management fees (note 11)	**92,050**	55,500
Office and general	**12,088**	7,590
Premises (note 11)	**-**	5,550
Professional fees (note 11)	**24,711**	11,195
Shareholder relations and promotions	**135,913**	25,608
Travel	**76,079**	7,602
	$ 389,458	$ 128,356

10. EXPLORATION AND EVALUATION

	Three months ended January 31 **2020**	2019
Acquisition costs	**$ 98,509**	$ 30,000
Property costs	**57,787**	-
Assaying	**5,453**	104,115
Community relations	**266**	-
Consulting/Contracting	**83,847**	33,216
Drilling	**144,051**	195,164
Field expenses and equipment	**106,942**	146,087
Field office	**139,032**	123,258
General and administrative	**2,117**	4,431
Professional fees	**2,164**	16,139
Reports	**290**	-
Travel/Transportation	**46,844**	6,816
	$ 687,302	$ 659,226

Kandiole Project – Mali

The Company entered into five option agreement to acquire a 100% interest in six contiguous gold prospective permits, encompassing 254 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

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

(unaudited, expressed in Canadian dollars)

EXPLORATION AND EVALUATION (continued)

(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.

- The renewal date for the Kandiole North permit is March 1, 2021.
- Touba has assigned its option rights under its agreement with Oauni-Or SARL to the Company.

B) Kandiole West Option Agreement (25 sq. kms.) effective November 3, 2017

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

(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.

- The renewal dated for the Kandiole West permit is June 13, 2021.
- 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 (paid)
- March 31, 2020 US$120,000 (paid - subsequent to January 31, 2020)
- 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 (completed)
- Second year US$60,000
- Third year US$65,000

(c) Pay permitting fees (paid) to the DNGM.

(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)

- The DNGM is in the process of formalizing the grant of the Segando South and Moussala North permits.

D) Niala Option Agreement (75 sq. kms.) effective April 27, 2018

(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 (paid)
- 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 (completed)
- 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.

- The renewal date for the Niala permit is May 23, 2021.

E) Mankouke Option Agreement (17 sq. kms.) effective June 22, 2018

(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 (paid)
- 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 (issued)
- 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 (completed)
- 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.

(unaudited, expressed in Canadian dollars)

EXPLORATION AND EVALUATION (continued)

- The renewal date for the Mankouke permit on April 3, 2020.

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.

11. RELATED PARTY TRANSACTIONS AND BALANCES

A summary of the compensation of key management (directors/officers) of the Company is included in the table below. Key management are those persons having authority and responsibility for planning, directing and controlling activities, directly or indirectly, of the Company.

	Three months ended January 31	
	2020	2019
Consulting (i)	**$ 1,250**	$ -
Lease liability payments/Premises (ii)	**7,500**	4,500
Management fees (iii)	**92,050**	55,500
Professional fees (iv)	**20,135**	10,995
Share issuance costs (iv)	**26,350**	-
Share-based payments (v)	**757,705**	-
	$ 904,990	$ 70,995

(i) Consulting fees were paid to a company controlled by a Company 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 controlled by a Company officer for the Company's office in Bedford, Nova Scotia. The office lease expires on April 30, 2022. With the adoption of IFRS 16 on November 1, 2019, these payments are now applied to the lease liability account with no restatement to the comparative period. The present value of the right-of use asset and the corresponding lease liability at the time of adoption was $68,224.

(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 stock options granted to Company directors/officers.

Included in accounts payable and accrued liabilities is $82,421 (October 31, 2019 - $78,165) payable to directors/officers or entities controlled by or associated with Company directors/officers.

12. LEASES

On November 1, 2019, the Company adopted IFRS 16 using the modified retrospective approach. The right-of-use assets and corresponding lease liability were measured at the present value of the remaining lease payments upon the commencement of a lease. The lease payments are discounted using an interest rate of 8%, which is the Company's incremental borrowing rate.

(unaudited, expressed in Canadian dollars)

LEASES (continued)

The right-of-use assets and lease liabilities are comprised of two office leases.

Right-of-use assets		
Adoption of IFRS 16 on November 1, 2019	$	68,224
Additions		49,591
Depreciation		(8,889)
Balance, January 31, 2020	**$**	**108,926**

The continuity of the lease liability is as follows:

Lease liabilities		
Adoption of IFRS 16 on November 1, 2019	**$**	**68,224**
Additions		49,591
Interest on lease liabilities		1,589
Lease payments		(9,728)
Balance, January 31, 2020	**$**	**109,676**
Less: Current portion		(50,153)
Long-term lease liability	**$**	**59,523**

13. 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, or there is a change in control of the Company then each officer shall be entitled to a lump sum payment amount equal to two (2) years of base remuneration plus one (1) month of current compensation for each year of service, beginning November 1, 2017. The Company has a similar agreement with a consultant. As a triggering event has not taken place, the contingent payments of $640,831 have not been reflected in these consolidated financial statements.

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. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

The carrying value of cash, amounts receivable and accounts payable and accrued liabilities 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.

(unaudited, expressed in Canadian dollars)

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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 January 31, 2020 and October 31, 2019, cash was the only financial instrument classified within the fair value hierarchy and was classified as Level 1.

Classification of Financial Instruments

		January 31 2020	October 31 2019
Financial assets			
Cash	Amortized cost	**$ 2,882,632**	$ 240,219
Amounts receivable	Amortized cost	**4,000**	-
Financial liabilities			
Accounts payable and accrued liabilities	Amortized cost	**$ 320,174**	$ 414,462

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.

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 (FCFA), the Euro (EUR) and the United States dollar (USD), giving rise to market risks from changes in foreign exchange rates. The Company monitors foreign exchange rates on an as needed basis. As at January 31, 2020 the Company did not have significant exposure to foreign currency risk.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Interest Rate Risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates The Company's excess cash is invested in financial instruments that provide safety and flexibility for early redemption. The Company's excess cash is subject to interest rate risk resulting from fluctuations in prime rates.

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 5. 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 January 31, 2020, the Company had cash of $2,882,632 to settle current liabilities of $370,327.

16. SUBSEQUENT EVENTS

(a) On February 19, 2020, the Company granted 1,500,000 stock options to a Company director. These options vested immediately and were issued with an exercise price of $0.17 and have a five year term, expiring on February 19, 2025.

(b) Subsequent to January 31, 2020, the Company received proceeds of $72,000 from the exercise of 600,000 warrants.

(c) Subsequent to January 31, 2020, the Company received proceeds of $178,000 from the exercise of 1,700,000 stock options.