SYLLA GOLD CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended August 31, 2026 and 2025

(unaudited)

EXPRESSED IN CANADIAN DOLLARS

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of Sylla Gold Corp. (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor, Jones & O'Connell 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.

SYLLA GOLD CORP.

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

As at	August 31 2026	February 28 2026
ASSETS		
Current		
Cash	**$ 362,858**	$ 1,712,450
Sales tax receivable	**21,254**	54,184
Prepaid expenses and deposits (note 12)	**202,589**	11,284
	$ 586,701	$ 1,777,918
LIABILITIES		
Current		
Accounts payable and accrued liabilities (notes 6, 12)	**$ 1,098,314**	$ 1,950,162
Loans payable (notes 7, 12)	**-**	143,563
	1,098,314	2,093,725
DEFICIENCY		
Share capital (note 8)	**7,964,903**	7,491,249
Warrants (note 9)	**1,219,800**	1,219,800
Contributed surplus	**1,807,964**	1,807,964
Deficit	**(11,504,280)**	(10,834,820)
	(511,613)	(315,807)
	$ 586,701	$ 1,777,918

Nature of operations and going concern (note 1)
Commitments and contingencies (notes 11, 13)

See accompanying notes.

SYLLA GOLD CORP.

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

	Three months ended August 31		Six months ended August 31	
	2026	2025	**2026**	2025
Expenses				
Corporate and administrative (notes 10, 12)	**$ 208,035**	$ 96,740	**$ 420,822**	$ 189,774
Exploration and evaluation (notes 11, 12)	**65,620**	43,887	**132,642**	89,769
	(273,655)	(140,627)	**(553,464)**	(279,543)
Other expenses				
Financing costs (notes 7, 12)	**-**	(4,398)	**(3,767)**	(4,398)
Loss on debt settlement (notes 8, 12)	**-**	-	**(111,440)**	-
Foreign exchange loss	**(204)**	(17,614)	**(789)**	(43,508)
Net loss and comprehensive loss	**$ (273,859)**	$ (162,639)	**$ (669,460)**	$ (327,449)
Basic and diluted loss per share (note 14)	**$ (0.003)**	$ (0.003)	**$ (0.006)**	$ (0.006)
Weighted average number of common shares outstanding: Basic and diluted	**107,297,832**	54,454,834	**106,788,892**	52,779,198

See accompanying notes.

SYLLA GOLD CORP.

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

	Share capital					
	Number	Amount	Warrants	Contributed Surplus	Deficit	Total
Balance, February 28, 2025	54,454,834	$ 6,465,447	$ 123,296	$ 1,740,178	$ (10,088,939)	$ (1,760,018)
Bonus shares issued for loan (notes 8, 12)	599,998	9,990	-	-	-	9,990
Warrants expired	-	-	(65,446)	65,446	-	-
Net loss for the period	-	-	-	-	(327,449)	(327,449)
Balance, August 31, 2025	55,054,832	6,475,437	57,850	1,805,624	(10,416,388)	(2,077,477)
Units issued by private placement (notes 8, 9)	46,000,000	1,196,700	1,103,300	-	-	2,300,000
Broker warrants (notes 8, 9)	-	(60,990)	60,990	-	-	-
Share issuance costs	-	(119,898)	-	-	-	(119,898)
Net loss for the period	-	-	-	-	(418,432)	(418,432)
Balance, February 28, 2026	101,054,832	7,491,249	1,219,800	1,807,964	(10,834,820)	(315,807)
Shares issued for debt (notes 8, 12)	6,243,000	486,020	-	-	-	486,020
Share issuance costs	-	(12,366)	-	-	-	(12,366)
Net loss for the period	-	-	-	-	(669,460)	(669,460)
Balance, August 31, 2026	**107,297,832**	**$ 7,964,903**	**$ 1,219,800**	**$ 1,807,964**	**$ (11,504,280)**	**$ (511,613)**

See accompanying notes.

SYLLA GOLD CORP.

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

	Six months ended August 31	
	2026	2025
Operating activities		
Loss for the period	**$ (669,460)**	$ (327,449)
Adjustments to reconcile loss to net cash used:		
Financing costs	**3,767**	4,398
Loss on debt settlement (note 8)	**111,440**	-
	(554,253)	(323,051)
Changes in non-cash working capital items		
Sales tax receivable	**32,930**	49,192
Prepaid expenses and deposits	**(191,305)**	4,850
Accounts payable and accrued liabilities	**(477,268)**	234,597
	(1,189,896)	(34,412)
Financing activities		
Loan proceeds	**-**	47,500
Loan transaction costs	**-**	(4,811)
Loan repayments	**(147,330)**	-
Share issuance costs	**(12,366)**	-
	(159,696)	42,689
Net change in cash	**(1,349,592)**	8,277
Cash, beginning of period	**1,712,450**	1,237
Cash, end of period	**$ 362,858**	$ 9,514
Supplemental disclosure		
Shares issued for debt	**$ 486,020**	$ -
Bonus shares issued for loan	**$ -**	$ 9,990

See accompanying notes.

1. NATURE OF OPERATIONS AND GOING CONCERN

Sylla Gold Corp. (the "Company") is an exploration stage company involved in the business of acquiring, exploring and developing mineral properties. The Company's Niaouleni Gold Project (note 11) is located in Mali, West Africa. The Company's common shares are listed on the TSX Venture Exchange under the trading symbol "SYG". During fiscal 2026 the Company discontinued its listing on the United States OTCQB Venture Market. The address of the Company's registered office is 1550 Bedford Highway, Suite 802, Bedford, Nova Scotia, B4A 1E6.

Malian New Mining Code and Moratorium

In 2020 and again in 2021, a coup was staged by Mali's military resulting in the dissolution of the Malian government. Mali is currently being governed by a ruling junta, which adopted a new mining code in August 2023 and suspended the issuance and renewals of permits. The new government approved a mining code Implementation Decree in July 2024. In March 2025, the government partially lifted the moratorium to allow for the processing of applications to renew exploration permits. The ability to transfer exploration permits or obtain new exploration permits remains suspended. The Company is working through the permit application process, and the financial impact has not been fully determined and timing for obtaining approvals remains uncertain. The Company has witnessed the completion of several agreements between the new government and other mining companies and remains optimistic that its permits will be either renewed or issued, as applicable. The Company's ability to finance and conduct exploration activities on its properties has been significantly constrained by these events.

The Company's Malian properties may 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 August 31, 2026, the Company had a working capital deficiency of $511,613 (February 28, 2026 - $315,807), incurred a loss for the six-month period of $669,460 (August 31, 2025– $327,449), and had an accumulated deficit of $11,504,280 (February 28, 2026 - $10,834,820).

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.

NATURE OF OPERATIONS AND GOING CONCERN (continued)

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

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

Statement of Compliance

These unaudited 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").

These consolidated financial statements for the six-month period ended June 30, 2026, were approved and authorized for issue by the Company's board of directors on October 19, 2026.

Basis of Consolidation and Presentation

These consolidated financial statements include the accounts of the Company, its wholly-owned Malian subsidiary, Sylla Gold Mining SARL and its inactive wholly-owned Canadian incorporated subsidiary, Glencoe Resources Inc. 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 or loss. These consolidated financial statements are presented in Canadian dollars, which is the Company's and its subsidiaries' functional currency.

These condensed interim consolidated financial statements do not include all of the disclosure required in annual financial statements and should be read in conjunction with the Company's audited February 28, 2026 annual consolidated financial statements. These consolidated financial statements are not necessarily indicative of the results that may be anticipated for the entire 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 and judgements used in the preparation of these condensed interim consolidated financial statements are disclosed in Note 3 of the Company's annual consolidated financial statements for the year ended February 28, 2026, unless otherwise noted herein.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The Company's accounting policies, as described in Note 4, Material Accounting Policy Information of the Company's audited annual consolidated financial statements for the year ended February 28, 2026, have been applied consistently to all periods presented in these condensed interim consolidated financial statements, unless otherwise noted herein.

5. NEW STANDARDS AND INTERPRETATIONS ISSUED

The following standard has been issued but is not yet effective:

IFRS 18 – Presentation and disclosure in Financial Statements
In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required, and early adoption is permitted. The Company is evaluating the impact of adopting this amendment on its financial statements.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		August 31 2026		February 28 2026
Trade payables	**$**	**414,526**	$	953,959
Accrued trade liabilities		**4,554**		70,602
Related parties (note 12)		**679,234**		925,601
	$	**1,098,314**	$	1,950,162

7. LOANS PAYABLE

		August 31 2026		February 28 2026
Promissory Notes - Non-interest bearing	**$**	**-**	$	100,000
Promissory Notes - Interest bearing		**-**		43,563
	$	**-**	$	143,563

LOANS PAYABLE (continued)

Promissory Notes - Non-interest bearing

	August 31 2026	February 28 2026
Balance, beginning	**$ 100,000**	$ 97,500
Loans proceeds	**-**	2,500
Loan repayments (note 12)	**(100,000)**	-
Balance, ending	**$ -**	$ 100,000

All of the non-interest bearing promissory notes were payable on demand.

Promissory Notes - Interest bearing

	August 31 2026	February 28 2025
Balance, beginning	**$ 43,563**	$ -
Loan proceeds (note 12)	**-**	45,000
Bonus shares (notes 8,12)	**-**	(9,990)
Transaction costs	**-**	(4,811)
Financing costs - Accrued interest	**17**	2,313
Financing costs - Accretion	**3,750**	11,051
Loan repayments	**(47,330)**	-
Balance, ending	**$ -**	$ 43,563

On June 6, 2025, the Company issued promissory notes for gross proceeds of $45,000 bearing interest at 7% per annum (the "7% Promissory Notes"). In addition, the holders of the 7% Promissory Notes received bonus common shares equivalent to 20% of the gross proceeds. The Company issued 599,998 bonus shares on July 25, 2025, having a fair value of $9,990. Financing costs expensed for the current six-month period was $3,767 (2025 - $nil) and consisted of accrued loan interest and accretion. The Company exercised its right to repay the 7% Promissory Notes in advance of their June 6, 2026 maturity.

In accordance with IFRS 9, the 7% promissory notes are a compound financial instrument which is bifurcated into a liability and equity component using the fair value method at the time of initial recognition. The fair value of the bonus shares plus transaction costs were applied against the gross proceeds of the loans and are being amortized over the term of the 7% Promissory Notes as an accretion expense.

8. SHARE CAPITAL

Authorized

Unlimited common shares (no par value) - Issued 107,297,832

SHARE CAPITAL (continued)

Shares issued – Private Placements

On February 25, 2026, the Company completed a private placement for gross proceeds of $2,300,000 by issuing 46,000,000 units at $0.05 per unit. Each unit consists of one common share and one common share purchase warrant. Each unit warrant entitles the holder thereof to purchase one additional common share at an exercise price of $0.05 for a period of 24 months from the date of closing. The fair value of the unit warrants was estimated at $1,103,300, using the relative fair value method. In addition, the Company issued 945,000 broker/finder warrants. Each broker/finder warrant entitles the holder to purchase one common share at $0.05 for a period of 24 months from closing. The fair value of the broker/finder warrants was estimated at $60,990 using the Black-Scholes option pricing model.

Shares issued – Bonus Shares

On July 25, 2025, the Company issued 599,998 bonus common shares having a fair value of $9,990 pursuant to the 7% Promissory Notes issued on June 6, 2025 (note 7).

Shares Issued – Debt Settlement

On March 16, 2026, the Company issued 6,243,000 common shares with a with a fair value $486,020 ($0.078 per share) to settle $374,580 of payables, resulting in a loss of $111,440.

Stock Options

Under the terms of the Company's stock option plan, the Company is authorized to issue up to a maximum of 10% of the issued common shares with an exercise period not to exceed ten years. The term, exercise price and vesting conditions of the options are fixed by the Company's Board of Directors at the time of grant. There was no option activity for the current six-month period or for year ended February 28, 2026.

The following summarizes information on the outstanding stock options:

Expiry Date	Number	Exercise price	Exercisable	Average remaining contractual life (years)
May 9, 2027	2,675,000	$0.20	2,675,000	0.68

9. WARRANTS

Warrant transactions and number of warrants outstanding are as follows:

	Number	Weighted average exercise price	Relative fair value
Balance, February 28, 2025 (i)	7,823,000	$0.09	$ 123,296
Issued	46,000,000	0.05	1,103,300
Issued - Broker/Finder	945,000	0.05	60,990
Expired	(4,623,000)	0.10	(67,786)
Balance, February 28, 2026 and August 31, 2026	**50,145,000**	**$0.05**	**$ 1,219,800**

WARRANTS (continued)

(i) On January 9, 2026, the Company extended the expiry date of 3,200,000 unit warrants for an additional twelve months to January 23, 2027. The warrants were issued as part of a private placement that closed on July 23, 2024, and were originally set to expire on January 23, 2026. Extension of the warrants received TSX Venture Exchange consent on January 14, 2026. Pursuant to the Company's accounting policy, the fair value of the warrants was not remeasured.

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

	February 28 2026
Dividend yield	Nil
Expected volatility (based on historical prices)	236%
Risk-free rate of return	2.44%
Expected life	2.00%
Share price	$0.07

The following summarizes information on the outstanding warrants:

Expiry Date	Number	Exercise price	Weighted average remaining life (years)	Relative fair value
January 23, 2027	3,200,000	$0.07	0.39	$ 55,510
February 25, 2028	46,945,000	$0.05	1.48	1,164,290
	50,145,000	$0.05	1.41	$ 1,219,800

10. CORPORATE AND ADMINISTRATIVE

	Three months ended		Six months ended	
	August 31 2026	August 31 2025	**August 31 2026**	August 31 2025
Consulting (note 12)	**$ 16,830**	$ 21,500	**$ 30,330**	$ 43,000
Filing and transfer agent fees	**19,432**	6,452	**24,659**	9,302
Investor relations and marketing	**91,961**	985	**212,917**	1,784
Management fees (note 12)	**58,500**	58,500	**117,000**	117,000
Office and general (note 12)	**6,390**	3,989	**12,189**	11,579
Professional fees	**14,922**	5,314	**23,727**	7,109
	$ 208,035	$ 96,740	**$ 420,822**	$ 189,774

11. EXPLORATION AND EVALUATION

	Three months ended		Six months ended	
	August 31 2026	August 31 2025	**August 31 2026**	August 31 2025
Property costs	**$ 18,151**	$ -	**$ 19,956**	$ -
Consulting/Contracting	**41,799**	35,079	**83,367**	64,892
Environmental	**-**	-	**-**	3,099
Equipment and supplies	**3,878**	4,671	**7,730**	8,958
Professional fees	**-**	-	**2,453**	4,783
Reports	**-**	-	**10,131**	-
Site costs	**1,792**	4,137	**9,005**	8,037
	$ 65,620	$ 43,887	**$ 132,642**	$ 89,769

Niaouleni Gold Project – Mali, West Africa

The Niaouleni Gold Project (the "Niaouleni Project") is located in southwest Mali and is comprised of four option agreements to acquire four contiguous properties.

Property		Renewal date
Deguefarakole	Option exercised	February 5, 2024 – renewal and transfer pending
Niaouleni West	Option exercised	Issuance of exploration permit pending
Samaya South	Option exercised	Issuance of exploration permit pending
Sananfara	Under option	Issuance of exploration permit pending

Mali is currently being governed by a ruling junta, which adopted a new mining code in August 2023 and suspended the issuance and renewals of permits. The new government approved the new mining code Implementation Decree in July 2024. In March 2025, the government partially lifted the moratorium to allow for the processing of applications to renew exploration permits. The ability to transfer exploration permits or obtain new exploration permits remains suspended. The Company is working through the permit application process, and the financial impact has not been fully determined and timing for obtaining approvals remains uncertain. However, the Company has witnessed the completion of several agreements between the new government and other mining companies and remains optimistic that its permits will be either renewed or issued, as applicable.

Though the option has been exercised to acquire Deguefarakole, the Company is in the process of renewing the Dequefarakole permit through the optionor, as the transfer of the permit to the Company is currently suspended due to the Malian government's moratorium. For each of the three Touba Mining SARL ("Touba") option agreements, as further described below, the exploration agreements issued by the by Mali's Direction Nationale de la Géologie et des Mines (the "DNGM") pre-date the new mining code adopted by the new Malian government and may be subject to change. These exploration agreements grant Touba the right to explore these properties with the issuance of the accompanying exploration permit currently suspended.

EXPLORATION AND EVALUATION (continued)

General
Each option agreement requires the Company to keep the applicable permit in good standing, including paying all fees and taxes and completing the expenditure requirements, if applicable. The Company is not entitled to any partial interest in a permit in which the option is not exercised. In addition, the Company has engaged Touba to provide support for its Malian operations

Deguefarakole Option Agreement (Exercised)
On September 15, 2021, the Company entered into an option agreement (the "Option Agreement") with Niaouleni Gold Inc. and Niaouleni Gold Mali SARL, a wholly owned subsidiary of Niaouleni Gold Inc., (collectively, "Niaouleni Gold") pursuant to which the Company was granted an option to acquire an indirect 100-per-cent interest in the Deguefarakole gold exploration permit. Mr. Gregory Isenor, a director and former officer of the Company, is also a director, officer and shareholder of Niaouleni Gold Inc. The Company received shareholder approval for the Option Agreement on November 12, 2021, which received TSX Venture Exchange acceptance on April 12, 2022.

In February 2024 the Company exercised the option, having:
a) paid an aggregate of $100,000;
b) issued 5,000,000 common shares of the Company; and,
c) incurred an aggregate of $1,380,000 of exploration expenditures.

Niaouleni Gold retained a 3% net smelter return royalty (NSR). The Company has the right to purchase up to 2% of the NSR (resulting in the remaining NSR being potentially reduced to 1%) for a cost of up to $2 million.

Niaouleni West Option Agreement (Exercised)
On February 21, 2023, the Company entered into an option agreement with Touba pursuant to which Touba granted the Company an option to acquire a 100% interest in the Niaouleni West gold exploration permit, located contiguously west of the Company's Deguefarakole permit. To facilitate the exercise of the option, in February 2026, Touba waived its requirement for the Company to incur expenditures of 528,000,000 FCFA as set out in the mineral exploration agreement issued by the DNGM in 2022.

In February 2026 the Company exercised the option, having paid an aggregate of 100,000,000 West African CFA Franc ("FCFA") for a total of CDN $226,241 as follows:
a) 20,000,000 FCFA (CDN $40,935) by January 31, 2022;
b) 30,000,000 FCFA (CDN $67,166) by March 31, 2023, which date was subsequently amended to September 30, 2023; and,
c) 50,000,000 FCFA (CDN $118,140) by January 31, 2024, which date and payment were subsequently amended as follows:
    - 30,000,000 FCFA (CDN $68,808) by August 15, 2024; and,
    - 20,000,000 FCFA (CDN $49,332) by April 30, 2025, which date was subsequently amended to February 28, 2026.

Touba shall retain a 2% net smelter return royalty (NSR). The Company has the right to purchase one-half of the NSR (equivalent to a 1% NSR) for US $1 million.

EXPLORATION AND EVALUATION (continued)

The expenditure requirements pursuant to the mineral exploration agreement issued by the DNGM in 2022 require an aggregate of 528,000,000 FCFA (approximately CDN $1,296,000) of exploration expenditures to be incurred over a three-year period upon the issuance of the exploration permit. The annual minimum expenditures to be incurred are as follows:

- first year 111,000,000 FCFA (approximately CDN $272,000)
- second year 145,000,000 FCFA (approximately CDN $356,000)
- third year 272,000,000 FCFA (approximately CDN $668,000)

Samaya South Option Agreement (Exercised)

On February 21, 2023, the Company entered into an option agreement with Touba pursuant to which Touba granted the Company an option to acquire a 100% interest in the Samaya South gold exploration permit, located contiguously northwest of the Company's Deguefarakole permit. To facilitate the exercise of the option, in February 2026, Touba waived its requirement for the Company to incur expenditures of 528,000,000 FCFA as set out in the mineral exploration agreement issued by the DNGM in 2022.

In February 2026 the Company exercised the option, having paid an aggregate of 45,000,000 FCFA for a total of CDN $99,076 as follows:

a) 30,000,000 FCFA (CDN $62,076) by May 14, 2022; and,
b) 15,000,000 FCFA (CDN $37,000) by May 14, 2023, which date was subsequently amended to February 28, 2026.

Touba shall retain a 2% net smelter return royalty (NSR). The Company has the right to purchase one-half of the NSR (equivalent to a 1% NSR) for US $1 million.

The expenditure requirements pursuant to the mineral exploration agreement issued by the DNGM in 2022 require an aggregate of 528,000,000 FCFA (approximately CDN $1,296,000) of exploration expenditures to be incurred over a three-year period upon the issuance of the exploration permit. The annual minimum expenditures to be incurred are as follows:

- first year 111,000,000 FCFA (approximately CDN $272,000)
- second year 145,000,000 FCFA (approximately CDN $356,000)
- third year 272,000,000 FCFA (approximately CDN $668,000)

Sananfara Option Agreement

On February 21, 2023, the Company entered into an option agreement with Touba pursuant to which Touba granted the Company an option to acquire a 100% interest in the Sananfara gold exploration permit, located contiguously south of the Company's Deguefarakole permit. In February 2026, Touba waived its requirement for the Company to incur expenditures of 641,025,000 FCFA, as set out in exploration agreement issued by the DNGM in 2022. In addition, Touba deferred the remaining option payment of 80,000,000 FCFA (approximately CDN $196,000) to August 31, 2026, which payment was subsequently deferred to February 28, 2027.

To exercise the option, the Company shall pay an aggregate of 100,000,000 FCFA (approximately CDN $232,061) as follows:

a) 20,000,000 FCFA (CDN $41,061) by April 30, 2022 (paid);
b) 30,000,000 FCFA (approximately CDN $73,000) by April 30, 2023, which date was subsequently amended to February 28, 2027; and,

EXPLORATION AND EVALUATION (continued)

c) 50,000,000 FCFA (approximately CDN $123,000) by April 30, 2024, which date was subsequently amended to February 28, 2027.

Touba shall retain a 2% net smelter return royalty (NSR). The Company has the right to purchase one-half of the NSR (equivalent to a 1% NSR) for US $1 million.

The expenditure requirements pursuant to the mineral exploration agreement issued by the DNGM in 2022 require an aggregate of 641,025,000 FCFA (approximately CDN $1,573,000) of exploration expenditures to be incurred over a three-year period upon the issuance of the exploration permit. The annual minimum expenditures to be incurred are as follows:

- first year 75,275,000 FCFA (approximately CDN $185,000)
- second year 179,900,000 FCFA (approximately CDN $441,000)
- third year 385,850,000 FCFA (approximately CDN $947,000)

12. 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. Related party transactions are in the normal course of business and are recorded at the amount agreed to between the parties.

	Three months ended		Six months ended	
	August 31 2026	August 31 2025	**August 31 2026**	August 31 2025
Consulting (i)	**$ 12,330**	$ 12,500	**$ 21,330**	$ 25,000
Management fees (ii)	**58,500**	58,500	**117,000**	117,000
Office and general (iii)	**3,000**	3,000	**6,000**	6,000
Financing costs (iv)	**-**	-	**9**	-
Exploration and evaluation (v)	**15,801**	-	**18,151**	-
	$ 89,631	$ 74,000	**$ 162,490**	$ 148,000

(i) Consulting fees were paid or became payable to a company controlled by a Company officer/director for bookkeeping services and to a Company director for technical advisory services.

(ii) Management fees were paid or became payable to a company controlled by the Company's President and Chief Executive Officer and to a company controlled by the Company's Chief Financial Officer.

(iii) Rent was paid or became payable to a company controlled by a Company director for the Company's offices in Bedford, Nova Scotia. The rental term is monthly.

(iv) Financing costs include accrued interest paid or payable to Company directors in relation to the 7% Promissory Notes issued on June 6, 2025 (note 7).

RELATED PARTY TRANSACTION AND BALANCES (continued)

(v) Exploration and evaluation include costs incurred or to be incurred by Niaouleni Gold to renew the Deguefarakole permit. A Company director is also a director, officer and shareholder of Niaouleni Gold.

Prepaid expenses and deposits include $122,706 paid to Niaouleni Gold for the renewal of the Deguefarakole permit. These funds are held by a Malian bank. The amount is impacted by fluctuations in the West African CFA franc and Euro foreign exchange rates.

Loans payable includes $nil (February 28, 2026 - $70,000) of non-interest bearing promissory notes and $nil (February 28, 2026 - $25,000) of 7% Promissory Notes (note 7) issued to Company directors on June 6, 2026. In connection to the issuance of the 7% Promissory Notes, on July 25, 2025, Company directors received 333,332 bonus common shares. In March 2026, the Company repaid the non-interest bearing promissory notes and the interest bearing promissory notes, which included interest of $1,294.

The Company issued 3,457,000 shares having a deemed value of $0.06 per share to entities controlled by Company officers and directors in settlement of $207,420 of payables. A fair value adjustment gain or loss was not realized.

Accounts payable and accrued liabilities include $679,234 (February 28, 2026 - $925,601) payable to Company directors/officers or companies controlled by Company directors/officers.

13. COMMITMENTS AND CONTINGENCIES

The Company has a management services agreement with a Company officer that contains the provision of change of control benefits. The agreement provides that in the event there is a change in control of the Company then the officer is entitled to receive a lump sum payment equal to two (2) years of remuneration. As a triggering event has not taken place, the contingent payment of $300,000 has not been reflected in these consolidated financial statements.

14. EARNINGS/LOSS PER SHARE

Earnings/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. 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 shareholders' equity (deficiency). 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 has 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.

CAPITAL MANAFEMENT (continued)

There were no changes in the Company's management of its capital during the current six-month period. The Company is not subject to any externally imposed capital requirements.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

The carrying value of cash, accounts payable and accrued liabilities and the loans payable 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 13 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. The Company held no fair value assets at August 31, 2026.

Risk Management

The Company's financial risk management activities include the preservation of its capital by minimizing risk related to its cash. The Company does not trade financial instruments for speculative purposes. The Company does not have a risk management committee or written risk management policies. The primary risks the Company's financial instruments are exposed to are described below:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party, by failing to discharge their obligations. The financial instruments that potentially exposes the Company to this risk is its cash and funds held by a Malian bank for the purposes of renewing the Dequefarakole permit. The Company mitigates the risk to its cash by depositing a large majority of its cash with a Canadian bank.

Currency Risk

The Company operates in Canada and Mali and has potential future commitments (note 11) in Mali that are denominated in the West African CFA franc (FCFA), which is pegged to Euro (EUR), giving rise to market risks from changes in foreign exchange rates. The Company monitors foreign exchange rates and has not entered into any financial arrangements to hedge or protect the Company from unfavourable changes in foreign exchange rates.

As at August 31, 2026, the Company's net exposure to the Euro was approximately €99,000 (February 28, 2026 - €33,000), of which a 10% change in the Euro exchange rate would impact the Company's loss by approximately $16,000 (February 28, 2026 - $5,000).

FINANCIAL 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. When applicable, the Company's excess cash is invested in financial instruments that provide safety and flexibility for early redemption. The Company has no interest-bearing debt.

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 attempts to manage liquidity risk through the management of its capital structure as described in Note 15. The Company has no income from operations or a regular source of cash flow and is highly dependent on its working capital and on equity funding to support its exploration and corporate activities. Should the need for equity funding arise, there is a risk that the Company may not be successful in selling new common shares at acceptable prices.

Accounts payable and accrued liabilities are generally due within 30 days. As at August 31, 2026, the Company had cash of $362,858 (February 28, 2026 - $1,712,450) to settle current liabilities of $1,098,314 (February 28, 2026 - $2,093,725). The Company will require additional capital to eliminate its working capital deficiency and fund its Niaouleni Project and corporate activities for the next twelve months.