

## KOBO RESOURCES INC.

### INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

#### QUARTERLY HIGHLIGHTS

#### PERIOD ENDED JUNE 30, 2024

The following interim Management's Discussion and Analysis ("**Interim MD&A**") of Kobo Resources Inc. (the "**Corporation**" or "**Kobo**") for the three months ended June 30, 2024 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Corporation since its last annual management discussion & analysis, being the Management's Discussion & Analysis ("**Annual MD&A**") for the period ended March 31, 2024. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Annual MD&A, audited annual consolidated financial statements of the Corporation for the period ended March 31, 2024 and December 31, 2022, together with the notes thereto, and unaudited condensed interim consolidated financial statements of the Corporation for the three months ended June 30, 2024, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Corporation's unaudited condensed interim consolidated financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of August 29, 2024, unless otherwise indicated.

In this Interim MD&A, unless the context otherwise requires, references to "Kobo" or the "Corporation" refer to Kobo Resources Inc., together with its subsidiary KOBO Ressources Côte d'Ivoire SA ("**KOBO Ressources C.I.**" or "**KRCI**").

The Corporation was incorporated pursuant to the provisions of the *Canada Business Corporations Act* on April 27, 2018, under the name "Meteorite Capital Inc.". The Corporation completed its initial public offering on October 1, 2018 and was listed on the TSX Venture Exchange (the "**Exchange**") as a capital pool company ("**CPC**") on October 12, 2018. Pursuant to the policies of the Exchange regarding CPCs, the common shares of the Corporation (the "**Common Shares**") were halted from trading from May 19, 2020, until October 19, 2022, and then again from November 1, 2022 until March 31, 2023.

On March 29, 2023, the Corporation announced the completion of its "Qualifying Transaction", as defined under Policy 2.4 – *Capital Pool Companies* of the Exchange. The Qualifying Transaction was completed through a reverse takeover of Boko Resources Inc. ("**Boko**"). Upon completion of the Qualifying Transaction, the business of Boko became the business of the Corporation as a result of Boko becoming a wholly owned subsidiary of the Corporation, the Corporation changed its name to "Kobo Resources Inc.". The Corporation completed a consolidation of its share capital on a basis of one post-consolidation Common Share for every 5 Common Share outstanding immediately before the consolidation. The Common Shares were listed for trading on the Exchange

under the symbol “KRI” on March 31, 2023. Prior to the completion of the Qualifying Transaction, the Corporation did not own any assets other than cash and had not conducted any active business operations. Since its incorporation and prior to the Qualifying Transaction, the principal activities of the Corporation consisted of the financing through its initial public offering.

On December 1, 2023, the Corporation merged with its subsidiary Boko Resources Inc. in order to simplify its reporting obligations and reduce general and administrative costs.

Furthermore, effective in 2023, the Corporation changed its financial year-end from December 31 to March 31, 2024 to align the Corporation's year-end with that of its subsidiary company and to facilitate financial reporting and the preparation of corporate tax returns. The change in year-end resulted in the Corporation's filing a one-time, fifteen-month transition year covering the period of January 1, 2023 to March 31, 2024.

The Corporation’s head office and registered office is located at 388 Grande-Allée East, Suite 101, Québec, Québec, G1R 2J4. As of the date herein, the Corporation has no employees and five (5) consultants.

Additional information about the Corporation and its business activities is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and the Corporation’s website [www.koboresources.com](http://www.koboresources.com), which is still under construction.

## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

Certain of the statements made and contained herein are forward-looking information or forward-looking statements within the meaning of applicable Canadian securities laws, including statements regarding Kobo’s plans and expectations relating to its exploration assets in Côte d’Ivoire. Such forward-looking information or forward-looking statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Statements concerning mineral resource estimates are deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralisation that will be encountered if the property is developed. The assumptions, risks and uncertainties outlined below are non-exhaustive. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results, performance or achievements of the Corporation or its properties and projects may vary materially from those described herein.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as “expects”, “anticipates”, “believes”, “plans”, “projects”, “estimates”, “assumes”, “intends”, “strategy”, “goals”, “objectives”, “potential”, “possible” or variations thereof or stating that certain actions, events, conditions or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements and forward-looking information are not guarantees of future performance and are based upon a number of estimates and assumptions of management at the date the statements are made including without limitation, assumptions about the following (the “**Forward-Looking Factors**”): renewal of the Kossou Permit (as defined below) and the Kotobi Permit (as defined below) on favorable terms; future prices of gold and other metals; successful exploration, development, and production, including the completion and timing of the Reverse Circulation drill program on the Kossou Gold Project (as defined below); performance of contractual obligations by counterparties; operating conditions; political stability; obtaining governmental approvals and

financing on time; financial projections and budgets; obtaining licenses and permits; government regulation of the Corporation's mining activities; environmental risks and expenses; market conditions; the state of the capital market; variation in the price of the Corporation's securities; currency exchange rates; foreign mining tax regimes; financial projections and results; competition; availability of sufficient capital, infrastructure, equipment and labour; litigation; land title issues; local community issues; estimation of mineral resources; realization of mineral resources; timing and amount of estimated future production; the life of mine; reclamation obligations; changes in project parameters as plans continue to be evaluated; and anticipated costs and expenditures and the Corporation's ability to achieve its goals. While the Corporation considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies, many of which are based on factors and events that are not within the control of the Corporation and there is no assurance they will prove to be correct.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, known and unknown risks, uncertainties and other factors relating to the Forward-Looking Factors above, and those factors disclosed under the heading "Risks and Uncertainties" in the section below and the Corporation's other continuous disclosure documents filed from time to time with the securities regulators in Canada.

In addition, a number of other factors could cause the actual results, performance or achievements of the Corporation to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information, and there is no assurance that the actual results, performance or achievements of the Corporation will be consistent with them. Although the Corporation has attempted to identify important factors that could cause actual actions, events, results, performance or achievements to differ materially from those described in forward-looking statements and forward-looking information, there may be other factors that cause actions, events, results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements or information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Such forward-looking statements and information are made or given as at the date of this management's discussion and analysis and the Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable securities law. The reader is cautioned not to place undue reliance on forward-looking statements or forward-looking information.

## **HIGHLIGHTS AND KEY BUSINESS DEVELOPMENTS**

During the three months ended June 30, 2024, and prior to the release of this period results:

- On April 30, 2024, the Corporation announced first drill results of its diamond drill program at the Kossou Gold Project, drilling 19.0 meters ("m") at 2.82 g/t Au, including 3.7 m at 11.82 g/t Au.
- On June 4, 2024, the Corporation announced that it has closed its first tranche of a non-brokered private placement of 4,243,804 units for gross proceeds of \$1,485,332. In addition, the Corporation announced the closing of a brokered private placement of 8,378,700 additional units of the Corporation for additional gross proceeds of \$2,932,545.
- On July 2, 2024, the Corporation announced that it has closed its second tranche of a non-brokered private placement of 8,558,563 units for gross proceeds \$2,995,497.
- On July 11, 2024, the Corporation announced fourteen holes from the diamond drilling program at the Kossou Gold

Project, including significant initial results at the Kadie Zone of 9.0 m at 23.89 g/t gold and 9.0 m at 4.27 g/t Au at the Road Cut Zone.

- On July 18, 2024, the Corporation announced the results of three more drill hole results at the Kossou Gold Project reporting significant gold intersections of 5.0 meters at 4.30 g/t Au, including 1.0 meter at 20.0 g/t Au and 2.0 meters at 7.26 g/t Au at the Road Cut Zone.
- On July 30, 2024, the Corporation announces the execution of a Relationship Agreement with Luso Global Mining and the filing of Fiscal Year 2024 Financial Results.
- On August 13, 2024, the Corporation announced the final gold assay results (seven (7) holes) from its Initial Diamond Drill at the Kossou Gold Project highlighted by 14.0 meters at 2.91 g/t and 6.0 meters at 5.47 g/t from the Jagger Zone.

## **BUSINESS OVERVIEW**

Kobo is a junior Canadian exploration and mining development company focused on acquiring, exploring and developing gold property assets located in West Africa, primarily in Côte d'Ivoire which include the Kossou Permit, which forms the basis of the Kossou Gold Project (“**Kossou**”) and the Kotobi Permit (formerly known as the Bongouanou Permit and collectively referred to as the “**Kobo Properties**”). The Corporation has not yet determined whether the Kossou Permit contains mineral reserves that are economically recoverable. The continued operations of Kobo and the recoverability of the amounts shown for the Kobo Properties is dependent upon, among other things, the existence of economically recoverable mineral reserves, the ability of Kobo to obtain necessary financing to complete the exploration and development of such properties and upon future profitable production from or disposition of such properties.

Boko created a 100% owned subsidiary in Côte d'Ivoire in September 2016 under the legal name Kobo Ressources Côte d'Ivoire SA.

On April 24, 2019, a research permit (the “**Kotobi Permit**”) was awarded to KRCI and is located within the Birimian Dimbokro-Abengourou Belt, Boaulé-Mossi domain. It is located in the administrative departments of Arrah, Bongouanou and Daoukro covering 301.75 km<sup>2</sup>. The Kotobi Permit forms the basis of the Kotobi Project. The Kotobi Permit was issued for four years and is renewable for two consecutive three year terms with an additional possible two year term. Pursuant to the terms of the Kotobi Permit, the Corporation is required to engage 100 million CFA franc in expenses related to exploration activities annually in each of the first three years and 200 million CFA franc in the fourth year. The Corporation incurred nearly all the required exploration expenses for the first year. At this time, the Corporation has not yet incurred the exploration expenses for the second, third and fourth years.

On February 27, 2023, KRCI filed with the Minister of Mines of Côte d'Ivoire an application to have the Kotobi Permit renewed for an additional 3 year period and, if granted, would allow KRCI to carry on its exploration activities until April 24, 2026. KRCI has elected to conserve the total original perimeter of the permit and has proposed to carry forward the remaining exploration expenses not incurred in its initial permit term during the renewal period. The application is currently under review by the Minister of Mines. KRCI has paid the required annual surface right payments for each of the first 4 years for the Kotobi Permit as well as the Renewal Application Fee and the Right of Option Fee allowing KRCI to retain the total initial permit perimeter.

On March 30, 2023, the Ministry of Mines and Geology of Côte d'Ivoire issued a notice of favorable admissibility

of the renewal application for the Kotobi Permit. The renewal application is still under review and the Corporation expects receiving the formal renewal approval before the end of the calendar year.

On November 6, 2019, a research permit (the “**Kossou Permit**”) was awarded to KRCI and is located in the administrative departments of Bouaflé and Yamoussoukro, approximately 22 km northwest of the capital city of Yamoussoukro covering 147.365 km<sup>2</sup>. The Kossou Permit forms the basis of the Kossou Gold Project. The Kossou Permit is issued for four years and is renewable for two consecutive three year terms with an additional possible two year term. Pursuant to the terms of the Kossou Permit, the Corporation is required to engage 110 million CFA franc in expenses related to exploration activities annually in each of the first three years and 220 million CFA franc in the fourth year. As at June 30, 2024, the Corporation spent a cumulative amount of 1,874,700,341 CFA franc (\$4,187,861) in exploration activities, an amount well above its financial commitments.

On August 2, 2023, the KRCI filed an application with the Minister of Mines of Côte d’Ivoire for the renewal of the Kossou Permit for an additional three (3) years and, if granted, would allow the Corporation to carry on its exploration activities until November 6, 2026. The application is currently under review and the Corporation expects receiving the formal renewal approval before the end of the calendar year. As part of the renewal process, the Corporation elected to reduce the size of the Kossou Permit to 110.2 km<sup>2</sup>.

The KRCI has two (2) other pending applications for gold research permits (the “**New Permits**”) totaling approximately 680.23 km<sup>2</sup> in the Bocanda (Bocanda North covering 338.6 km<sup>2</sup> and Bocanda South covering 341.63 km<sup>2</sup>) region.

Edouard Gosselin, Chief Executive Officer and Corporate Secretary of the Corporation, owns 15,268,500 Common Shares or 16.28% of the issued outstanding Common Shares as of June 30, 2024. Paul Sarjeant, Chief Operating Officer and President of the Corporation, owns 8,000,000 Common Shares or 8.53% of the issued outstanding Common Shares as at June 30, 2024.

## **SUMMARY OF EXPLORATION ACTIVITIES**

### **Kossou Gold Project**

Work in the current quarter focused on the diamond drilling program at the Kossou Gold Project (“**Kossou**”). For the period April 1, 2024, to July 5, 2024, the Corporation completed 26 diamond holes (4,368.50 meters (“**m**”)) at the Road Cut Zone, Jagger Zone and Kadie Zone.

At the Jagger Zone the Corporation completed 1,218.75 m in 5 diamond holes. Holes were drilled to test mineralisation below the 2023 Reverse Circulation (“**RC**”) holes and to gain a better understanding of the geological units and stratigraphy that host the shear zones, gold mineralisation and cross-cutting quartz-carbonate vein system(s). Significant drill results were released on April 30, 2024, with KDD0001 reporting 38.2 m at 1.55 g/t Au, including sub intervals of 19.0 m at 2.82 g/t Au and 3.7 m at 11.82 g/t Au (see press release April 30, 2024). Additional results were reported on August 13, 2024, including KDD0021 reporting two strong intervals of 3.0 m at 3.91 g/t Au and 14.0 m at 2.91 g/t Au, including sub intervals of 10.0 m at 3.96 g/t Au and 3.0 m at 8.35 g/t Au. Holes KDD0022 and KDD0023 also returned strong results of 6.0 m at 5.47 g/t Au, including 1.0 m at 30.90 g/t Au and 4.0 m at 2.79 g/t Au respectively. The Jagger Shear Zone has been intersected approximately 140 m below surface and the zone remains open in all directions.

The Corporation completed 2,320.25 m in 15 diamond drill holes at the Road Cut Zone (“RCZ”). Drill holes were positioned to test the core of largely unexplored gold in soil geochemical anomaly that was inaccessible during the RC drill phase in 2023. Overall drill results were very good with every drill hole intersecting targeted shear zones and gold mineralisation.

- KDD0012 returned 11.0 m at 1.71 g/t Au and has confirmed a down dip extension of approximately 25 m to mineralisation reported in a series of trenches on the eastern edge of the RCZ, highlighted by 28.0 m at 4.44 g/t Au and 6.0 m at 2.50 g/t Au (see press release date December 5, 2023).
- Drill hole KDD0014 and KDD0015 both tested the core of the main gold in soil geochemical anomaly at the RCZ and intercepted multiple gold bearing shear zones. Key results for KDD0014 included 7.0 m at 1.04 g/t Au from 13.0 m and 9.0 m at 4.27 g/t Au. KDD0015 returned 6.0 m at 2.48 g/t Au, including a sub interval of 1.0 m at 11.60 g/t Au (see press release dated July 11, 2024).
- Other key drill holes included KDD0016 returning 2.0 m at 7.26 g/t Au and KDD0018 returning 11.0 m at 1.13 g/t Au, including 3.0 m at 3.11 g/t Au (see press release dated July 18, 2024). These holes are significant as they are located at the southern extent of the gold in soil geochemical anomaly.
- Drill hole KDD0017 returned 5.0 m at 4.30 g/t Au and was located toward the northern extent of the zone and has confirmed grades reported in RC drill holes KRC0040 (12.0 m at 1.49 g/t Au) and KRC0041 (10.0 m at 1.33 g/t Au) (see press release dated August 14, 2023). The result in KDD0017 is the deepest intersection to date in this area (approximately 130 m below surface) and maps a previously undefined shear zone at this depth that will require additional follow up drilling. The RCZ remains open in all directions.

At the Kadie Zone, the Corporation completed 829.50 m of drilling in 6 diamond drill holes. Drill hole KDD0005 (Kadie 3) returned a very strong mineralised zone of 9.0 m at 23.89 g/t Au, including a 1.0 m zone assaying 210.00 g/t Au. This zone clearly exhibits the bonanza style mineralisation associated with the NW trending shear zones and the cross-cutting V2 veins sets. Other drill holes intersected low grade mineralized shear zones (see press release dated July 11, 2024). Diamond drill hole KDD0024 returned several intervals of gold mineralisation in sheared volcanics including 2.0 m at 3.95 g/t Au and 7.0 m at 1.71 g/t Au (see press release dated August 13, 2024). Additional drilling is required at the Kadie Zone to test the undrilled portions of the gold in soil geochemical anomaly.

Subsequent to the quarter ending June 2024, the Corporation continued to log and process diamond drill core and is actively planning additional drilling that is anticipated to start in early-mid September. Project staff is currently planning and executing on adding additional drill road access and drill pads at all three key zones. For the remainder of 2024 the Company plans on drilling approximately 10,000 meters, based on results to advance the Kossou Gold Project.

## **Kotobi Project**

The Corporation received a detailed report on the “Interpretation of UAV Magnetic Data, Kotobi Property” from Paterson, Grant & Watson Limited (“PGW”). The main goal of this geophysical interpretation program was to better define the structures and magnetic lithologies that potentially host gold mineralization within the property, and to define follow-up targets. This includes identification of major regional and local structures and their geometries. The concession is prospective for gold mineralization within Birimian host rocks and recent alluvial diggings are apparent in satellite imagery in the north of the permit.

Available geophysical data covering the Kotobi property includes UAV magnetic data acquired by MWH Geo-Surveys International Inc. (2023) for the Corporation and legacy regional aeromagnetic data acquired by Kenting Earth Sciences Ltd. (1976) available in PGW’s data archives. The UAV magnetic data was acquired along NW-SE

trending lines spaced 200 m with a nominal ground clearance of 90 m. Regional aeromagnetic data was acquired along N-S oriented lines spaced 500 m and with a nominal ground clearance of 150 m. Both datasets were fully reprocessed by PGW and a series of magnetic derivatives and inversion models computed.

Additional geoscience data used to support the interpretation include moderate resolution multispectral satellite imagery (Sentinel-2) and moderate resolution digital elevation model data (Copernicus DEM). Regional (1/200 000 and 1/2 000 000 scale) geological maps published by the Côte d'Ivoire Ministry of Mines and soil geochemistry samples collected by Kobo within the Kotobi property, and by BRGM in a property partly overlapping and immediately southwest of Kotobi, were also used.

The report indicates two high priority areas for ground follow up and the Corporation is currently planning an exploration program involving additional soil geochemical surveying, mapping and prospecting and trenching at key sites. It estimates the costs associated with this program to represent approximately \$410,000 and expects the work to be completed from October 2024 to December 2024.

### Exploration Expenses

Exploration expenses increased by \$535,377 in the three months ended June 30, 2024 compared to the three months ended June 30, 2023. Exploration expenses for the three months ended June 30, 2024 incurred on the Kossou Gold Project amounted to \$913,907 as the Corporation expanded its exploration activities with continued trenching, soil geochemical surveying, rock sampling and equipment work related to future drill access and pad construction. The exploration expenses incurred on the Kotobi Permit during the three months ended June 30, 2024, amounted to \$1,340 and represent expenses incurred for the maintaining of a base camp. Exploration expenses incurred for the period ended June 30, 2024 and June 30, 2023 are detailed hereinafter:

	Three months ended June 30, 2024			Three months ended June 30, 2023		
	Kossou \$	Kotobi \$	Total \$	Kossou \$	Kotobi \$	Total \$
Drilling	567,962	-	567,962	-	-	-
Geochemistry (Laboratories)	12,671	-	12,671	-	-	-
Geophysics	35,400	-	35,400	63,940	51,011	114,951
Geology and sampling	190,749	-	190,749	195,933	-	195,933
Exploration tools	-	-	-	22,648	-	22,648
Exploration office expenses	35,770	1,340	37,111	20,985	1,342	22,327
Duties, taxes and permits	-	-	-	520	-	520
Vehicles expenses	71,355	-	71,355	23,491	-	23,491
	<b>913,907</b>	<b>1,340</b>	<b>915,247</b>	<b>327,517</b>	<b>52,353</b>	<b>379,870</b>

## **QUALIFIED PERSON**

All scientific and technical information contained in this Interim MD&A was prepared by the Corporation's geological staff under the supervision of a Qualified Persons as defined in NI 43-101. The exploration and technical information presented in this Interim MD&A has been reviewed by Paul Sarjeant, P.Geo., who is a Qualified Person under NI 43-101. Mr. Sarjeant is the President and Chief Operating Officer and Director of Kobo Resources Inc.

## **TRENDS**

Management regularly monitors economic conditions and estimates their impact on the Corporation's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Corporation's business, financial condition or results of operations.

See "Cautionary Statement Regarding Forward Looking Information" above.

## **OUTLOOK**

Based on results from the first phase diamond drilling program the Corporation is planning additional diamond drilling at the Kossou Gold Project to further define gold mineralisation at the RCZ, Jagger and Kadie zones. Drilling at the RCZ will continue to test multiple shear zones identified in the previous RC and diamond drill programs and will also test for mineralised structures approaching the Contact Zone Fault, believed to be a significant first order structural break. Additional drill holes will also aid in understanding the stratigraphy and structural relationships to better understand mineralised zones and their extensions. Drilling at the Jagger Zone will test the depth extension of gold mineralisation below the 200m RL level and mineralisation south of drill section JZ 700. The Jagger Zone remains open in all directions. At the Kadie Zone, additional drilling is planned to test for down dip and strike extensions of previously intersected mineralised zones and to test portions of the geochemical anomalies that have not been drilled.

The Corporation will also test the Contact Zone itself with a series of exploration drill holes based on geophysical and geological evidence of gold mineralisation along this key structure. Additional drilling is also being reviewed for both the Kilo and Shadow zones.

The Corporation, based on full results, is planning drilling approximately 10,000 meters of drilling for the remainder of 2024.

Based on results of the geophysical interpretation of the UAV magnetic data, a program of additional soil geochemistry, geological mapping and trenching is expected to be carried out from October to December, 2024 at the Kotobi Project.



## **FINANCIAL HIGHLIGHTS**

### **Three months ended June 30, 2024, compared with three months ended June 30, 2023**

The Corporation's net loss totaled \$1,154,631 for the three months ended June 30, 2024, with basic and diluted loss per share of \$0.01. This compares with a net loss of \$736,616 with basic and diluted loss per share of \$0.01 for the three months ended June 30, 2023. The Corporation had no revenue in both periods presented. The increase in net loss was principally due to:

- Exploration expenses of \$915,247 for the three months ended June 30, 2024, is higher than exploration expenses of \$379,870 for the three months ended June 30, 2023. The increase is due to the expenses on the Kossou Gold Project during the three months ended June 30, 2024. Refer to the heading "Summary of exploration activities" above for a summary of the Corporation's exploration expenditures.
- Professional fees decreased in the three months ended June 30, 2024, to \$48,660 compared with \$99,210 for the same period in 2023, primarily due to lower corporate activity requiring external professional support services.
- Share-based compensation increased by \$18,729 to \$68,317 in the three months ended June 30, 2024, compared to the three months ended June 30, 2023. The increase is due to the timing of expensing the estimated fair value of stock options granted in prior periods. The Corporation expenses its stock options in accordance with the vesting terms of the stock options granted.
- All other expenses related to general working capital purposes.

The Corporation's total assets as of June 30, 2024 were \$4,259,636 (March 31, 2024 - \$1,190,301) against total liabilities of \$527,759 (March 31, 2024 - \$353,666). The increase in total assets of \$3,069,335 resulted from the acquisition of the private placement of \$4.4 million completed in June 2024 which was offset from cash spent on exploration expenses and operating costs. The Corporation has sufficient current assets to pay its existing liabilities of \$527,759 on June 30, 2024.

## **SHARE CAPITAL**

As at August 29, 2024, the Corporation had (i) 102,359,450 Common Shares; (ii) 19,943,334 Common Share purchase warrants (with a strike price of \$0.40 to \$0.55 per common share); (iii) 1,366,272 broker unit warrants entitling the holder to purchase 721,312 units of the Corporation at a price of \$0.15 to \$0.35 per unit and (iv) 5,725,000 options (of which 4,906,250 have vested), issued and outstanding.

On June 4, 2024, the Corporation announced that it has closed its first tranche of a non-brokered private placement of 4,243,804 units for gross proceeds of \$1,485,332. In addition, the Corporation announced the closing of a brokered private placement of 8,378,700 additional units of the Corporation for additional gross proceeds of \$2,932,545.

On July 2, 2024, the Corporation announced that it has closed its second tranche of a non-brokered private placement of 8,558,563 units for gross proceeds \$2,995,497.

## **LIQUIDITY AND CAPITAL RESOURCES**

As at June 30, 2024, the Corporation had a cash balance and term deposit of \$544,195 and a working capital of \$3,607,040 compared to a cash balance of \$130,659 and a working capital of \$703,124 as at March 31, 2024. The increase in working capital is due to the completion of the private placement of \$4.4M completed in June 2024.

	<b>Three months ended June 30, 2024 \$</b>	<b>Three months ended June 30, 2023 \$</b>
Operations	(1,105,080)	(681,547)
Changes in non-cash working capital items	282,713	(587,731)
Operating activities	(822,367)	(1,269,278)
Investing activities	(2,763,277)	(2,095,931)
Financing activities	3,999,180	(85,651)
Increase (decrease) in cash	413,536	(3,450,860)
Cash at the beginning of period	130,659	4,262,611
<b>Cash at end of period</b>	<b>544,195</b>	<b>811,751</b>

### **Operating activities**

For the three months period ended June 30, 2024, operating activities before non-cash working capital items, used cash flows of \$1,105,080 compared to \$681,547 for the three months ended March 31, 2023. This variation is mainly due to an increase in exploration expenses of \$497,282 and an increase in share-based compensation of \$18,729 which was offset by a decrease in management fees of \$24,936 and a decrease in professional fees of \$12,455.

### **Changes in non-cash working capital items**

Changes in non-cash working capital items generated cash flows of \$282,713 for the three months ended June 30, 2024, compared to cash flows used of \$549,927 for the three months ended June 30, 2023. This change is mainly due to decrease in commodity taxes receivable, an increase in prepaid and other assets and an increase in accounts payable between the two periods.

### **Investing activities**

For the three months ended June 30, 2024, investing activities used cash flows of \$2,763,277 mainly due to the cash invested in a term deposit of \$3,322,951 which was offset by the proceeds from sale of a term deposit of \$559,674. This compared to cash flows used of \$2,095,931 for the three months ended June 30, 2023 due to the cash invested in a term deposit of \$2,000,000, an increase in security deposit of \$4,474 and purchase of property, plant and equipment of \$91,457.

### **Financing activities**

During the three months ended June 30, 2024, cash flows generated from financing activities were \$3,999,180 compared to cash flows used of \$85,651 for the three months ended June 30, 2023. During the three months ended June 30, 2024, the Corporation issued shares for \$4,417,876 which was offset by share issued costs of \$418,696. This compared to cash used of \$85,651 for the share issue costs of \$45,651 and repayment of long-term debt of

\$40,000.

### **Exploration Work Programs**

The Corporation had implied commitment in terms of spending on work programs submitted to regulatory bodies in order to maintain the good standing of exploration and exploitation permits at its mineral properties, including the Kossou Gold Project and the Kotobi Project. The following table sets forth the Corporation's long-term obligations as per the conditions of each permit at the time of grant, subject to fluctuations in currency exchange rates:

	<b>Kotobi Permit (301.75 km<sup>2</sup>)</b>	<b>Kossou Permit (147.365 km<sup>2</sup>)</b>
Y1 (Kotobi: 04/24/2019 – 04/23/2020) (Kossou: 11/06/2019 – 11/05/2020)	100 millions CFA F	110 millions CFA F
Y2 (Kotobi: 04/24/2020 – 04/23/2021) (Kossou: 11/06/2020 – 11/05/2021)	100 millions CFA F	110 millions CFA F
Y3 (Kotobi: 04/24/2021 – 04/23/2022) (Kossou: 11/06/2021 – 11/05/2022)	100 millions CFA F	110 millions CFA F
Y4 (Kotobi: 04/24/2022 – 04/23/2023) (Kossou: 11/06/2022 – 11/05/2023)	200 millions CFA F	220 millions CFA F

Upon the renewal of the Kossou Permit the Corporation expects to have implied exploration commitments totaling 176,000,000 CFA F for the first 3-years renewal period.

As at June 30, 2024, the Corporation had already more than doubled its expenditure commitments on the Kossou Permit before its renewal later this year and it expects to incur additional exploration expenses before year end through several diamond drill programs as well as additional trenching and sampling.

Whereas on the Kotobi Permit it expects, upon renewal of the latter, to carry forward the expenditures not yet incurred during the initial period of issuance of said permit in addition to the implied commitments for the first 3-years renewal period for a total estimated of +/- 782,800,000 CFA F. However, the Corporation has already committed \$179,991 (+/- 82,000,000 CFA F) in exploration expenses mainly for the execution of an UAV-drone magnetic survey which was completed in Q3 of 2023.

### **CAPITAL RESOURCES**

As at March 31, 2024, the Corporation had a cash balance of \$544,195, a term deposit of \$3,332,767, commodity taxes receivable of \$206,023 and prepaid and other assets of \$51,814.

As at the date hereof, the Corporation's capital structure consists of Common Shares, as well as options to purchase Common Shares, warrants to purchase Common Shares and broker unit warrants. The Corporation's objectives are to safeguard its ability to continue as a going concern in order to pursue the development of the Kossou Gold Project and the Kotobi Project and other opportunities and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk.

The Corporation manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the

Corporation may attempt to issue Common Shares, new debt, acquire or dispose of assets, or rebalance its holdings of cash. In order to facilitate the management of its capital requirements, the Corporation prepares annual expenditure budgets that are updated as necessary depending on various factors, including capital deployment, results from the exploration and development of its properties and general industry conditions. The annual and updated budgets will be approved by the Board of Directors.

In order to maximize ongoing development efforts, the Corporation does not pay dividends. The Corporation's investment policy is to invest its cash in highly liquid, short-term, interest-bearing investments with maturities of six months or less from the original date of investment, selected with regards to the expected timing of expenditures for operations.

The Corporation's capital management objective is to have sufficient capital to be able to pursue its exploration activities plan in order to ensure the growth of its assets. It has also the objective to have sufficient liquidity to finance the exploration expenses, the investing activities and its working capital requirements. No changes were made to the objectives and policies during the three months ended June 30, 2024.

As at June 30, 2024, the Corporation has shareholders' equity amounting to \$3,731,877.

In order to maintain or adjust the capital structure, the Corporation may issue new capital instruments and acquire or sell mining properties to improve its financial performance and flexibility.

The access to financing depends on the economic situation and state of the equity and credit markets.

#### **ENVIRONMENTAL CONTINGENCY**

The Corporation's exploration activities are subject to various laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and are generally becoming more restrictive. As of June 30, 2024, the Corporation does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

#### **PROPOSED TRANSACTIONS**

There are no proposed transactions of a material nature being considered by the Corporation. The Corporation continues to evaluate properties and corporate entities that it may acquire in the future.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

The Corporation had no off-balance sheet arrangements for the period under review.

#### **TRANSACTIONS WITH RELATED PARTIES**

Transactions between the Corporation and its related parties occurred in the normal course of operations and are measured on terms equivalent to those that prevail in arm's length transactions.

The table below summarizes, for the respective periods, the total amount paid to directors and key management personnel having authority and responsibility for planning, directing and controlling the activities of the Corporation or corporations controlled by them:

Compensation of key management <sup>(1)</sup>	Three months ended June 30, 2024 \$	Three months ended June 30, 2023 \$
Share-based compensation	63,729	49,588
Management fees	56,250	100,004
Professional fees	9,961	-
Exploration expenses	51,589	18,750
<b>Total</b>	<b>181,529</b>	<b>168,342</b>

<sup>(1)</sup> As at June 30, 2024 an amount of \$36,387 (\$34,447 as at March 31, 2024) is included in accounts payable compensation of key management.

### **DISCLOSURE OF INTERNAL CONTROLS**

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that the unaudited condensed interim consolidated financial statements (i) do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, and (ii) fairly present in all material respects the financial condition, results of operations and cash flow of the Corporation, in each case as of the date of and for the periods presented by such statements.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings* (“**NI 52-109**”), the Venture Issuer Basic Certificate filed by the Chief Executive Officer and Chief Financial Officer of the Corporation does not include representations relating to the establishment and maintenance of disclosure controls and procedures (“**DC&P**”) and internal control over financial reporting (“**ICFR**”), as such terms are defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited condensed interim consolidated financial statements for external purposes in accordance with IFRS.

The Corporation’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of the Corporation’s certifying officers of a venture issuer to design and implement, on a cost-effective basis, DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports required to be provided under securities legislation.

## **RISKS AND UNCERTAINTIES**

An investment in the securities of the Corporation is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Corporation and its financial position. Please refer to the section titled “Risks and Uncertainties” in the Corporation’s Annual MD&A for the period ended March 31, 2024, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## **MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL INFORMATION**

The financial information presented in this Interim MD&A is the responsibility of the Corporation’s management and was approved by the Board of Directors.

August 29, 2024.

Chief Executive Officer

Chief Financial Officer

(s) Edouard Gosselin

Edouard Gosselin

(s) Carmelo Marrelli

Carmelo Marrelli