

## KOBO RESOURCES INC.

### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### THREE AND SIX MONTHS ENDED JUNE 30, 2023

The following Management Discussion and Analysis (“**MD&A**”) of Kobo Resources Inc. (“**Kobo**” or the “**Corporation**”) dated August 29, 2023 covers the three and six months period ended June 30, 2023 and should be read in conjunction with the Corporation’s condensed unaudited interim consolidated financial statements for the three and six months ended June 30, 2023, the interim financial statements for the three and six months periods ended June 30, 2022 and the audited annual consolidated financial statements and related notes for the year ended December 31, 2022 (the “**Financial Statements**”). The financial information in this MD&A is reported in Canadian dollars unless otherwise indicated and is derived from the Financial Statements prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“**IFRS**”). This MD&A provides information management believes is relevant to an assessment and understanding of the consolidated results of operations, cash flows and financial condition of the Corporation.

In this MD&A, unless the context otherwise requires, references to “Kobo” or the “Corporation” refer to Kobo Resources Inc., together with its subsidiaries, Boko Resources Inc. (formerly Kobo Resources Inc.) (“**Boko**”) and KOBO Ressources Côte d’Ivoire SA (“**KOBO Ressources C.I.**” or “**KRCI**”).

The Corporation was incorporated pursuant to the provisions of the *Canada Business Corporation 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 Corporation (“**CPC**”) on October 12, 2018. Pursuant to the policies of the Exchange regarding CPCs, the shares of the Corporation were halted from trading from May 19, 2020, until October 19, 2022 and then again from November 1, 2022 until March 31, 2023.

Boko was incorporated under the *Business Corporations Act* (Québec) on December 14, 2015, under the name “9333-9141 Québec Inc.” and on March 4, 2016, Boko changed its name to “Kobo Resources Inc.”.

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. 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.” and Boko changed its name to “Boko Resources Inc.”. The common shares of the Corporation (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.

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 four (4) consultants.

Additional information about the Corporation and its business activities is available on SEDAR at [www.sedar.com](http://www.sedar.com) 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"): future prices of gold and other metals; successful exploration, development, and production; 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 "Risk Factors" in the Corporation's Filing Statement filed on March 22, 2023 and available at <http://www.sedar.com> and the Corporation's other continuous disclosure documents filed from time to time with the securities regulators in the provinces of 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 second quarter and prior to the release of the second quarter results:

- In late April, the Corporation signed a drilling contract with GeoDrill and commissioned the latter to perform, under the Corporation's guidance, the planned +/- 8,000 meter Reverse Circulation ("RC") drill program at the Kossou Gold Project;
- In April, the Corporation initiated a UAV magnetic survey at the Kotobi Permit but due to drone malfunction the survey was abandoned. Plans are underway to restart the survey once drone issues have been resolved; and
- In early May 2023, the Corporation started building road accesses for its planned 2023 maiden RC drill program at the Kossou Gold Project.

- In June 2023, the Corporation continued its road accesses building for the planned RC drill program and restarted the UAV magnetic survey for the Kotobi permit.
- On June 12, 2023, the Corporation held its Annual General Meeting in Quebec City, during which all of the director nominees were duly elected. The highlights of the Annual General Meeting were published through a press release dated June 21, 2023.
- On June 21, 2023, the Corporation granted 2,075,000 stock options to its directors, officers and advisors.

Subsequent events after June 30, 2023:

- The RC drill program at the Kossou Gold Project began on July 3, 2023 and was completed on August 6, 2023 after having drilled 53 holes and completed 5,887 m of drilling on three key targets. (For further information on the drill results please consult the press releases dated July 24, 2023, and August 14, 2023 posted on the Corporation's website [www.koboresources.com](http://www.koboresources.com)).
- On August 2, 2023 the Corporation 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. The application is currently under review;
- Between July 28 and August 29, 2023, the Corporation has received notices to exercise a total of 4,250,034 Common Share Purchase Warrants allowing holders thereof to subscribe to 4,250,034 Common Shares of the Corporation at a price of \$0.30 per share prior to the expiry date of August 31, 2023. As of August 29, 2023, the Corporation has issued 1,275,034 Common Shares following payment in full of the exercise price and the remaining 2,975,000 Common Shares will be issued upon receipt of the exercise price, thereby resulting in the issuance of a total of 4,250,034 Common Shares for a total consideration of \$1,275,010.20.

## **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 Permits 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, Boko 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 Boko to carry on its exploration activities until April 24, 2026. Boko 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. Boko 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 Boko to retain the total initial permit perimeter.

On November 6, 2019, a research permit (the “**Kossou Permit**”) was awarded to KRCI and is located in the administrative departments of Bouafle 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, 2023, the Corporation spent a cumulative amount of 649,622,100 CFA (\$1,444,200) in exploration activities, an amount well above its financial commitments. Additional expenditures have been incurred during the drill program conducted in July and August 2023, which will be reported and reflected in the Condensed Unaudited Interim Consolidated Financial Statements for the three and nine months period ended September 30, 2023.

On August 2, 2023, the Corporation 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. The application is currently under review.

The Corporation has three other pending applications for gold research permits (the “**New Permits**”) totalling approximately 1,069.6 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>) and M’batto (389.37 km<sup>2</sup>) regions.

Boko and the Corporation completed on February 24, 2023, a concurrent financing for aggregate gross proceeds of \$4,676,400 (the “**Concurrent Financing**”), consisting of: (i) the issuance of 13,736,400 Subscription Receipts of Boko and 4,969,200 Subscription Receipts of the Corporation (collectively, the “**Subscription Receipts**”) at a price of \$0.25 per Subscription Receipt. Each Subscription Receipt was convertible for no additional consideration into one (1) Common Share and one-half (1/2) of one Common Share purchase warrant at an exercise price of \$0.40 for each

full warrant, for a twenty-four month period from the date of the closing of the Qualifying Transaction. As part consideration of their services, Leede Jones Gables Inc., as agent, received a cash consideration of \$246,000 and 721,312 broker warrants entitling the holder to purchase 721,312 broker unit warrants of the Corporation at a price of \$0.25 per unit. Each broker unit warrant entitles the holder to purchase one (1) Common Share at a price of \$0.25 per share and one-half (1/2) of one Common Share purchase warrant at an exercise price of \$0.40 for each full warrant, for a twenty-four month period from the date of the closing of the Qualifying Transaction.

On March 29, 2023, Boko and the Corporation announced the completion of the Qualifying Transaction. Concurrently with the closing of the Qualifying Transaction, the Corporation completed a consolidation of its issued and outstanding Common Shares (the “**Consolidation**”) on the basis of 0.2 post-Consolidation Common Shares for every one (1) pre-Consolidation Common Share held. The Corporation issued one Common Share to former Boko’s shareholders in exchange for every one common share of Boko (the “**Boko Shares**”) so acquired.

Between July 28, 2023, and August 29, 2023, the Corporation received notices to exercise a total of 4,250,034 Common Share Purchase Warrants allowing holders thereof to subscribe to 4,250,034 Common Shares of the Corporation at a price of \$0.30 per share. Upon the issuance of the additional 4,250,034 Common Shares, the total issued and outstanding Common Shares will increase from 76,928,349 to 81,178,383.

Edouard Gosselin, Chief Executive Officer and Corporate Secretary of the Corporation, owns 15,500,000 Common Shares or 20.15% of the issued outstanding Common Shares as of June 30, 2023. Upon the issuance of the 4,250,034 Common Shares as a result of the exercise of Common Share Purchase Warrants, Edouard Gosselin will hold 19.10% of the issued and outstanding Common Shares. Paul Sarjeant, Chief Operating Officer and President of the Corporation, owns 8,000,000 Common Shares or 10.4% of the issued outstanding Common Shares as at June 30, 2023. Upon the issuance of the 4,250,034 Common Shares as a result of the exercise of Common Share Purchase Warrants, Paul Sarjeant will hold 9.85% of the issued and outstanding Common Shares. Mr. Jean Coté and a fully controlled company by Mr. Coté, Gestion JCJC Inc., collectively own 6,520,073 Common Shares or 8.46% of the issued and outstanding Common Shares as at June 30, 2023. Upon the issuance of the 4,250,034 Common Shares as a result of the exercise of Common Share Purchase Warrants, Mr. Coté and Gestion JCJC Inc. will collectively own 8.03% of the issued and outstanding Common Shares.

As of March 31, 2023, following the completion of the Qualifying Transaction, in each case on a non-diluted and post-Consolidation basis:

- the former shareholders of Boko held 56,809,749 Common Shares;
- the shareholders of the Corporation, immediately prior to the Qualifying Transaction, held 1,413,000 Common Shares;
- 18,705,600 Common Shares were issued to participants in the Concurrent Financing;
- 9,352,800 Common Shares purchase warrants were issued to participants in the Concurrent Financing;

- 721,312 broker unit warrants were issued entitling the holder to purchase 721,312 units of the Corporation at a price of \$0.25 per unit;
- the former holders of Boko common share purchase warrants hold 4,250,034 warrants to purchase Common Shares; and
- there are 5,588,040 outstanding options awarded to the Corporation's management, directors and consultants.

### **Q2-2023 QUARTER EXPLORATION HIGHLIGHTS**

During the three months ended June 30, 2023, the Corporation continued its soil geochemical sampling, rock sampling and trenching programs on the Kossou permit in preparation of the planned RC drill program. The Corporation also commenced a road access building program for the upcoming drill program of +/- 8,000 meters. Technical efforts also focused primarily on organising and verifying the entire database for the Kossou Gold Project and logistics planning for the upcoming drilling program.

During the three months ended June 30, 2023, the Corporation continued its exploration efforts primarily at the Kossou Gold Project. A total of 478 soil samples (including QAQC) were collected from the RCZ, Jagger and Kadie zones to further refine gold in soil anomalies. Results included samples as high as 112,000 ppb (112 g/t) Au from the Jagger Zone along strike of the observed shear zone and up to 7,000 ppb Au from the southern portion of the RCZ.

Trenching work continued primarily at the Jagger Zone and South Jagger Zone where 9 trenches were excavated and sampled. Very encouraging results were received from trenches KTR028 and KTR030 on the Jagger Zone. In KTR028 trenching of the Jagger Shear Zone included 6.42 g/t Au over 29 m, including sub-intervals of 18.04 g/t Au over 5 m and 5.53 g/t Au over 17 m and a second zone of 1.62 g/t over 15 m. Results from trench KTR030, located approximately 130 m south of KTR028, included 3.32 g/t Au over 16 m, including a sub-interval of 9.23 g/t Au over 5 m. Results confirm that the Jagger Shear Zone hosts significant gold mineralisation at surface and is a primary target for the upcoming RC drill program. The reader is referred to press releases dated June 7, 2023, and July 24, 2023, posted on the Corporation's website ([www.koboresources.com](http://www.koboresources.com)) for details of these trench results.

The historical database of rock, soil and trench sampling was reorganised, consolidated, and confirmed to ensure accuracy prior to the upcoming drill program.

The Corporation also initiated road access work to planned drill sites at the Jagger Zone, RCZ and Contact Zone and constructed drill pads in advance of the RC drill program.

### **OUTLOOK**

On July 3, 2023, the Corporation initiated its maiden RC drill program following the completion of the Concurrent Financing and the completion of the Qualifying Transaction on March 29, 2023. The Corporation completed the first phase of its drill program on August 6, 2023, after having

drilled 5,887 m in 53 holes at the Jagger Zone (3,164 m in 25 holes), RCZ (1,699 m in 13 holes) and the Contact Zone (1,024 m in 15 holes). The Corporation is currently completing geological logging and assessment of each hole. All analytical results have been received. Results indicate that the Jagger and RCZ zones represent significant zones of shearing, silicification and gold mineralisation along the explored known strike extents and to 80 to 100 m depth below surface. The reader is directed to press releases dated July 24, 2023, and August 14, 2023, posted on the Corporation's website ([www.koboresources.com](http://www.koboresources.com)) for details of the drill results and an updated presentation.

The Corporation is planning to resume a program of both RC and diamond drilling at the Kossou Gold Project in the near future based on the positive results of the maiden RC drill program. Logistic and road access to drill sites and pad constructions is being undertaken. Additional trenching at the Kadie Zone is also planned to confirm gold in soil anomalies previously identified.

The Corporation completed an airborne magnetic survey of the Kotobi Permit August 29, 2023.

#### **SELECTED QUARTERLY FINANCIAL INFORMATION**

	<b><u>Three months ended June 30, 2023</u></b> \$	<b><u>Three months ended June 30, 2022</u></b> \$	<b><u>Six Months ended June 30, 2023</u></b>	<b><u>Six months ended June 30, 2022</u></b>
Exploration Costs	379,870	40,752	511,402	74,836
Transaction costs	7,572	-	276,277	-
Listing costs expensed	-	-	352,515	-
Net loss and comprehensive loss for the period	736,616	244,600	1,639,697	517,261
Basic and diluted net loss per share	0.010	0.005	0.023	0.010
	<b><u>As at June 30, 2023</u></b> \$	<b><u>As at December 31, 2022</u></b> \$		
Total assets	3,031,930	307,623		
Total current liabilities	764,762	979,282		
Total long-term debt	-	44,469		

#### **Exploration expenses**

Exploration expenses increased by \$339,118 in the three months ended June 30, 2023 compared to the three months ended June 30, 2022. Exploration expenses for Q2 2023 incurred on the Kossou Gold Project amounted to \$327,517 as the Corporation began to expand its exploration activities with the intention to execute on its planned RC drill program of +/- 8,000 meters. Management decided to concentrate its exploration activities on the Kossou Gold Project as it became its primary objective. The exploration expenses incurred on the Kotobi license during the three months ended June 30, 2023, amounted to \$52,353 and represent expenses incurred for the UAV



magnetic survey. Exploration expenses incurred for the three and six months ended June 30, 2023, and 2022 are detailed hereinafter:

<u>KOBO Resources Inc.</u>												
<u>Exploration expenses</u>												
<u>Three months ended</u>			<u>Three months ended</u>			<u>Six months ended</u>			<u>Six months ended</u>			
<u>June 30, 2023</u>			<u>June 30, 2022</u>			<u>June 30, 2023</u>			<u>June 30, 2022</u>			
	<u>Kossou</u>	<u>Kotchi</u>	<u>Total</u>	<u>Kossou</u>	<u>Kotchi</u>	<u>Total</u>	<u>Kossou</u>	<u>Kotchi</u>	<u>Total</u>	<u>Kossou</u>	<u>Kotchi</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Geochemistry (Laboratory)												
Geophysics	63,940	51,011	114,951				63,940	51,011	114,951	2,550		2,550
Geology and sampling	195,933		195,933	32,825		32,825	284,817		284,817	55,066		55,066
Exploration tools	22,648		22,648	91		91	22,700		22,700	267		267
Exploration office expenses	20,985	1,342	22,327	4,007	1,228	5,235	26,634	3,113	29,747	7,574	2,529	10,103
Duties, taxes and permits	520		520	(143)		(143)	608	28,533	29,141	1,881		1,881
Vehicles expenses	23,491		23,491	2,744		2,744	30,046		30,046	4,969		4,969
	327,517	52,353	379,870	39,524	1,228	40,752	428,745	82,657	511,402	72,307	2,529	74,836

### **SHARE CAPITAL**

As at June 30, 2023, the Corporation had (i) 76,928,349 Common Shares; (ii) 9,352,800 Common Share purchase warrants (with strike price of \$0.40 per common share); (iii) 4,250,034 Common Share purchase warrants (with strike price of \$0.30 per common share expiring on August 31, 2023) ; (iv) 721,312 broker unit warrants entitling the holder to purchase 721,312 units of the Corporation at a price of \$0.25 per unit and (v) 5,588,040 options (of which 3,325,540 have vested), issued and outstanding.

In connection with the Qualifying Transaction, the Corporation issued (on a post-Consolidation basis); (i) 56,809,749 Common Shares; (ii) 4,250,034 Common Share purchase warrants; and (iii) 3,400,000 options.

In connection with the Concurrent Financing, the Corporation issued a total of 18,705,600 Common Shares and 9,352,800 Common Share purchase warrants of the Corporation. In connection with the Concurrent Financing, the agent was issued 721,312 broker unit warrants.

Except as noted above, no Common Shares or Common Share purchase warrants were issued during the three months ended June 30, 2023 and 2,075,000 options were granted during the three months ended June 30, 2023.

Between July 28, 2023 and August 29, 2023, the Corporation received notices to exercise a total of 4,250,034 Common Share Purchase Warrants allowing holders thereof to subscribe to 4,250,034 Common Shares of the Corporation at a price of \$0.30 per share. As of August 29, 2023, the Corporation has issued 1,275,034 Common Shares following payment in full of the exercise price

and the remaining 2,975,000 Common Shares will be issued upon receipt of the exercise price, thereby resulting in the issuance of a total of 4,250,034 Common Shares for a total consideration of \$1,275,010.20. Upon the issuance of the 4,250,034 Common Shares, the total issued and outstanding Common Shares will be 81,178,383.

#### **Prior Securities of Boko**

Prior to the completion of the Qualifying Transaction, Boko had 56,809,749 Boko Shares issued and outstanding. Pursuant to the Qualifying Transaction, such Boko Shares were exchanged for Common Shares. 56,809,749 Common Shares (on a post-Consolidation basis) were issued to prior holders of Boko Shares in connection with the Qualifying Transaction.

Prior to the completion of the Qualifying Transaction, Boko had (i) 4,250,034 common share purchase warrants (with a strike price of \$0.30 per Boko Share), and (ii) 3,400,000 options to purchase Common Shares outstanding and issued. Pursuant to the Qualifying Transaction, the Corporation issued (on a post-Consolidation basis) 4,250,034 Common Share purchase warrants and 3,400,000 options.

#### **Summary of Quarterly Results**

The Corporation has recorded no revenue in the prior eight (8) quarters.

Three months ended	Total assets	Net Loss and Comprehensive Loss for the period	Basic and diluted Net loss per share for the period
	\$	\$	\$
June 30, 2023	3,031,930	736,616	0.010
March 31, 2023	4,354,536	903,081	0.014
December 31, 2022	307,623	581,945	0.011
September 30, 2022	188,785	352,323	0.007
June 30, 2022	504,268	244,600	0.005
March 31, 2022	706,994	272,661	0.005
December 31, 2021	721,337	467,300	0.009
September 30, 2021	783,142	358,117	0.007

#### **Discussion of Quarterly Results**

During the three months ended September 30, 2021, the Corporation incurred a net loss and comprehensive loss of \$358,117 compared to \$341,006 for the three months ended September 30, 2020. The increase in net loss is due to an increase in professional fees for an amount of \$104,876 and a decrease in exploration expenses on the Kossou property of \$79,565.

During the three months ended September 30, 2021, Kobo continued its soil (932 samples) and rock (150 samples) sampling activities as well as additional geological mapping and trenching activities. The Corporation received the structural analysis commissioned of the various zones of interest discovered to date including potential drill targets.

During the three months ended December 31, 2021, the Corporation incurred a net loss and a comprehensive loss of \$467,300 compared to \$238,582 for the three months ended December 31, 2020. The increase in net loss is due to an increase in legal and accounting fees for an amount of \$265,000 in conjunction with the proposed initial public offering (“**IPO**”) and a decrease in exploration expenses of \$34,000 following management’s decision to concentrate its exploration activities exclusively on the Kossou Gold Permit.

During the three months ended March 31, 2022, the Corporation incurred a net loss and a comprehensive loss of \$272,661 compared to \$319,259 for the three months ended March 31, 2021. The Corporation reduced its exploration activities considerably to \$34,084 for the three months ended March 31, 2022 compared to \$118,395 for the three months ended March 31, 2021 and increased its professional fees to \$140,789 for the three months ended March 31, 2022 compared to \$45,070 for the three months ended March 31, 2021. The variation in exploration expenses and professional fees is due to the Corporation concentration its efforts on the proposed IPO.

During the three months ended June 30, 2022, the Corporation incurred a net loss and a comprehensive loss of \$244,600 compared to \$321,906 for the three months ended June 30, 2021. The Corporation reduced its exploration activities considerably to \$40,752 for the three months ended June 30, 2022, compared to \$139,744 for the three months ended June 30, 2021 and increased its professional fees to \$87,140 for the three months ended June 30, 2022 compared to \$50,205 for the three months ended June 30, 2021. The variation in exploration expenses and professional fees is due to the Corporation’s concentration its efforts on the proposed IPO.

During the three months ended September 30, 2022, the Corporation incurred a net loss and a comprehensive loss of \$352,323 compared to \$358,117 for the three months ended September 30, 2021. The Corporation maintained the reduction in its exploration activities to \$65,943 for the three months ended September 30, 2022, compared to \$116,052 for the three months ended September 30, 2021 and decreased its professional fees to \$11,042 compared to \$124,088 for the three months ended September 30, 2021. The variation in exploration expenses and professional fees is due to the Corporation’s concentration its efforts on the proposed IPO which was terminated as a result of the market conditions.

The Corporation has elected not to proceed with its contemplated IPO and therefore the capitalized costs related to the share issuance as deferred expenses in the amount of \$215,349 was written off in the three months ended September 30, 2022.

During the three months ended December 31, 2022, the Corporation issued 2,613,750 Common Shares at a price of \$0.20 each for a cash consideration of \$522,750 and entered into an agreement in principle with the intent to complete the Qualifying Transaction.

During the three months ended March 31, 2023, the Corporation:

- in connection with the Concurrent Financing, issued a total of (i) 18,705,600 Common Shares, (ii) 9,352,800 Common Share purchase warrants, and (iii) 721,312 broker unit warrants to the agent;
- generated gross proceeds of \$4,676,400 from the Concurrent Financing;
- in connection with the Qualifying Transaction, issued (on a post-Consolidation basis); (i) 56,809,749 Common Shares, (ii) 4,250,034 Common Share purchase warrants, and (iii) 3,400,000 options to the shareholders, warrant holders and option holders of Boko;
- incurred transaction costs for the Qualifying Transaction in an amount of \$268,705 and listing costs in an amount of \$352,515;
- realized a gain of \$20,000 following the forgiveness of the Canada Emergency Business Account (CEBA) loan from the Federal Government and generated \$12,008 in interest derived from a term deposit held by the broker (Agent) before transferring the proceeds to the Corporation;
- incurred management fees of \$120,110 for the period ended March 31, 2023, compared to \$66,612 for the period ended March 31, 2022; and
- incurred share issuance costs related to the Concurrent Financing in the amount of \$405,473, which have been accounted for in the deficit.

During the three months ended June 30, 2023, the Corporation:

- incurred management fees of \$100,004 for the period compared to \$52,801 for the period ended June 30, 2022;
- incurred continuous disclosure costs of \$49,160 for the period ended June 30, 2023 following the completion of the Qualifying Transaction compared to nil for the period ended June 30, 2022;
- incurred exploration costs of \$379,870, of which \$327,517 were incurred on the Kossou Permit and \$52,353 incurred on the Kotobi permit for the period ended June 30, 2023 compared \$39,524 for the Kossou permit and \$1,228 for the Kotobi permit for the period ended June 30, 2022; the increase in exploration costs is the result of preparatory drill work for the Kossou permit and the start of the UAV magnetic survey on the Kossou permit.

### **Liquidity and Capital Resources**

As at June 30, 2023, the Corporation had a cash balance and term deposit of \$2,811,751 and a working capital of \$2,267,168 compared to a cash balance of \$260,284 and a working capital deficiency of \$695,983 as at December 31, 2022. The increase in working capital is due to the completion of the Concurrent Financing and closing of Qualifying Transaction described previously.

The following table summarizes the cash flows:

	<b>Six months ended June 30,</b>	
	<b>2023</b>	<b>2022</b>
	\$	\$
Operating activities		
Operations	(1,234,249)	(470,738)
Changes in non –cash working capital items	(343,518)	284,250
	<u>(1,577,767)</u>	<u>(186,488)</u>
Investing activities	(2,056,042)	42,500
Financing activities	4,185,276	(128,989)
	<u>511,467</u>	<u>(272,977)</u>
Increase (decrease) in cash		
Cash at the beginning of period	260,284	506,915
Cash at the end of period	<u>811,751</u>	<u>233,938</u>

### **Operating activities**

#### **Operations**

For the six months period ended June 30, 2023, operating activities before non-cash working capital items, used cash flows of \$1,234,249 compared to \$470,738 for the same period in 2022. This variation is due to the transaction costs of \$276,277 incurred to complete the Qualifying Transaction, an increase in exploration expenses of \$436,566, increase in management fees of \$100,701 and a decrease in professional fees of \$94,516.

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

Changes in non-cash working capital items used cash flows of \$343,518 for the six months ended June 30, 2023, compared to cash flows generated of \$284,250 for the same period in 2022. This change is mainly due to increase in accounts payable between the two periods.

#### **Investing activities**

For the quarter ended June 30, 2023, investing activities used cash flows of \$2,056,042 mainly due to the cash invested in a term deposit compared to generated cash flows of \$42,500 from the sale of a vehicle for the same period ended June 30, 2022.

#### **Financing activities**

During the six months ended June 30, 2023, cash flows generated from financing activities were \$4,185,276 compared to cash used for an amount of \$128,989 for the same period in 2022. During the six months ended June 30, 2023, the Corporation issued shares for \$4,676,400 less share issued costs of \$451,124.

As at August 29, 2023, the Corporation has issued 1,275,034 Common Shares following the exercise of 1,275,034 Common Share Purchase Warrants at the exercise price of \$0.30 per Common Share. The Corporation has received notices to exercise the remainder of the 2,975,000 Common Share Purchase Warrants and will issue 2,975,000 Common Shares for a total of 4,250,034 Common Shares.

### Exploration Work Programs

The Corporation has an 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

As at June 30, 2023, the Corporation had already surpassed its expenditure commitments on the Kossou Permit before its renewal later this year and it expects to incur additional exploration expenses following the execution of its maiden RC drill program of +/- 8,000m of which 5,887m have been completed as of August 6, 2023.

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. However, the Corporation has already committed \$52,353 in exploration expenses mainly for the execution of an UAV-drone magnetic survey which was being conducted, in part, during Q2 and is expected to be completed in Q3 of 2023.

### Capital Resources

As at June 30, 2023, the Corporation had a cash balance of \$811,751, a term deposit of \$2,000,000 and commodity taxes receivable of \$110,184. Further to the completion of the Concurrent Financing, the Corporation and Boko raised \$4,676,400 in funds during Q1 2023 with the intention to use most of the net proceeds to advance work related to its planned exploration and drilling program at the Kossou Gold Project as well as incur the minimal work program on its Kotobi

Permit. The remainder of the proceeds will be used for general corporate expenses and working capital purposes during 2023.

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 and cash equivalents. 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.

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 six months ended June 30, 2023.

As at June 30, 2023, the Corporation has shareholders' equity amounting to \$2,267,168.

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.

#### **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:

	<b>Three Months ended June 30, 2023</b>	<b>Three Months ended June 30, 2022</b>	<b>Six Months ended June 30, 2022</b>	<b>Six Months ended June 30, 2022</b>
	\$	\$	\$	\$
<b>Compensation of key management<sup>(1)</sup></b>				
Share-based compensation	49,588	16,738	59,998	36,916
Management fees	100,004	52,801	220,114	119,413
Exploration expenses	18,750	-	-	-
<b>Total</b>	<u>168,342</u>	<u>69,539</u>	<u>298,862</u>	<u>156,329</u>

(1) As at June 30, 2023 an amount of \$20,986 (\$8,986 as at December 31, 2022) is included in accounts payable compensation of key management.

### Financial instruments

Financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the consolidated statement of loss and comprehensive loss. These categories are financial assets and financial liabilities at amortized cost.

The following table shows the carrying amounts of assets and liabilities for each of these categories:

	<b>As at June 30, 2023</b>	<b>As at December 31, 2022</b>
	\$	\$
<b>Financial assets at amortized cost</b>		
Cash	811,751	
Term Deposit	2,000,000	260,284
	<u>2,811,751</u>	<u>260,284</u>
<b>Financial liabilities at amortized cost</b>		
Accounts payable	706,027	930,795
Long-term debt	-	44,469
	<u>706,027</u>	<u>975,264</u>

There are no financial instruments measured at fair value.



### Financial risk factors

Due to the nature of its activities, the Corporation is exposed to financial risks: market risk, foreign exchange risk, credit risk and liquidity risk.

#### Market risk – Fair Value

The Corporation considers that the carrying amount of all its financial liabilities at amortized cost in its consolidated financial statements approximates their fair value. Current financial assets and liabilities are valued at their carrying amounts, which are reasonable estimates of their fair value due to their near-term maturities; this includes cash, a term deposit and accounts payable.

#### Foreign exchange risk

As of June 30, 2023, the Corporation is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US dollars and CFA francs.

The Corporation holds some balances in cash, security deposits and accounts payable in the CFA francs. Accordingly, the Corporation is exposed to foreign exchange risk due to exchange rate fluctuations. The Corporation does not use any derivatives to mitigate its exposure to foreign exchange risk.

CFA franc balances in Canadian dollars are as follows:

	<b>As at June 30, 2023</b>	<b>As at December 31, 2022</b>
	\$	\$
Cash	330,598	14,466
Security deposits	9,581	5,107
Accounts payable	(238,987)	(56,187)
Net balance in Canadian dollars	<u>101,192</u>	<u>(36,674)</u>
Net balance in CFA francs	<u>45,536,400</u>	<u>(16,632,759)</u>

US dollars balances in Canadian dollars are as follows:

	<b>As at June 30, 2023</b>	<b>As at December 31, 2022</b>
	\$	\$

Cash	1,453	47,740
Accounts payable	(16,400)	(47,750)
Net balance in Canadian dollars	(14,947)	(10)
Net balance in US dollars	(11,285)	(7)

Assuming that all other variables are constant, a 5% weakening or strengthening of dollar exchange rate would generate an immaterial impact on the net loss of the Corporation for the six months ended June 30, 2023.

### **Credit Risk**

Credit risk is the risk of a financial loss to the Corporation if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Corporation's cash and term deposit with banks and the carrying amount of these financial assets represents the Corporation's maximum exposure to credit risk as at the date of the Financial Statements. The credit risk on cash and term deposit is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

### **Liquidity Risk**

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations associated with its financial liabilities as they fall due.

The Corporation manages liquidity risk through the management of its capital structure. 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. 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.

The liquidity risk decreased due to the gross proceeds of \$4,676,400 received as part of the Concurrent Financing during the quarter ended March 31, 2023.

As at June 30, 2023, all of the Corporation's financial liabilities had contractual maturities of less than one year.

The contractual maturities of financial liabilities as at June 30, 2023, are as follows:

	<b>Carrying amount</b>	<b>Contractual amount</b>	<b>Less than one year</b>	<b>Between one and two years</b>	<b>Between two and five years</b>
	\$	\$	\$	\$	\$
Accounts payable	706,027	706,027	706,027	-	-

## **NEW ACCOUNTING STANDARDS**

The new accounting standards issued and adopted by the Corporation in 2023 are disclosed in note 2 to the Financial Statements.

## **RISKS AND UNCERTAINTIES**

The operations of the Corporation are speculative due to the high risk nature of its business which includes the acquisition, financing, exploration, development and operation of mining properties. The material risks and uncertainties should be taken into account in assessing the Corporation's activities are described under the heading "Risks Factors" in the Filing Statement available at <http://www.sedar.com>. Any one or more of these risks and uncertainties could have a material adverse effect on the Corporation.

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

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

August 29, 2023.

Chief Executive Officer

Chief Financial Officer

(s) *Edouard Gosselin*  
Edouard Gosselin

(s) *Gilles Couture*  
Gilles Couture