

## **KOBO RESOURCES INC.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

#### **YEAR ENDED DECEMBER 31, 2022**

The following management's discussion and analysis ("**MD&A**") of Kobo Resources Inc. ("**Kobo**", "**we**", "**our**" or the "**Corporation**") should be read in conjunction with the audited consolidated financial statements of the Corporation for the years ended December 31, 2022 and 2021 and related notes therein (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. The effective date of this MD&A is May 1<sup>st</sup>, 2023.

In this 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 under the *Business Corporations Act* (Québec) on December 14, 2015, under the name "9333-9141 Québec Inc.". On March 4, 2016, the Corporation changed its name to "Kobo Resources Inc."

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 three (3) consultants.

#### **SUBSEQUENT EVENTS**

Meteorite Capital Inc. ("**Meteorite**") was incorporated pursuant to the provisions of the *Canada Business Corporation Act* on April 27, 2018. Meteorite 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 Meteorite ("**Meteorite 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, Meteorite 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 Kobo. Upon completion of the Qualifying Transaction, the business of Kobo became the business of Meteorite as a result of Kobo becoming a wholly-owned subsidiary of Meteorite, Meteorite changed its name to "Kobo Resources Inc." and Kobo changed its name to "Boko Resources Inc."

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 securities market; price volatility 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 our ability to achieve the Corporation's goals. While we consider 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 quarter and prior to the release of the fourth quarter results:

- On February 24, 2023, Kobo and Meteorite closed an offering, on a private placement basis for aggregate gross proceeds of \$4,676,400 (See Business Overview – Concurrent Financing);
- On February 27, 2023, Kobo filed an application with the Minister of Mines of Côte d’Ivoire for the renewal of the Kotobi Permit (as defined below) for an additional 3 years as per the Mining Code of Côte d’Ivoire regulations. The renewal application is currently under review and we expect to have the permit renewed within the next few months;
- In the meantime, Kobo has initiated a 1520-line kilometre UAV-borne magnetic survey with 200m line spacing on the 304 km<sup>2</sup> Kotobi Permit and expects to have the works completed in Q2 2023; and
- On March 29, 2023, Kobo completed its qualifying transaction with Meteorite (See Business Overview – Qualifying Transaction).

## **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**”). As at the date hereof, Kobo’s sole material asset is the Kossou Permit. 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.

Kobo 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 years term with an additional possible two years 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, Kobo filed with the Ministry of Mines of Côte d’Ivoire an application to have the Kotobi Permit renewed for an additional 3 years period and, if granted, would allow Kobo to carry on its exploration activities until April 24, 2026. Kobo 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 Ministry of Mines. Kobo 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 Kobo 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 years term with an additional possible two years 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. The Corporation incurred nearly all the required exploration expenses for the first year, has incurred exploration expenses above the required amount for the second year of the permit and has incurred the exploration expenses required for the third year of the permit. The Corporation has paid the annual surface rights for each year of the initial term of the Kossou permit.

The Corporation has three other pending applications for gold research permits (the “**New Permits**”) totalling approximately 1068 km<sup>2</sup> in the Bocanda (Bocanda North covering 341 km<sup>2</sup> and Bocanda South covering 338 km<sup>2</sup>) and M’batto (389 km<sup>2</sup>) regions.

On November 25, 2021, Kobo filed a preliminary prospectus to have its common shares (the “**Kobo Shares**”) listed on the Exchange as a Tier 2 Mining Issuer pursuant to an initial public offering (“**IPO**”). Kobo also filed its National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”) technical report in support of the preliminary prospectus.

On January 27, 2022, Kobo filed an amended and restated preliminary prospectus as well as an amended NI 43-101 technical report.

On March 30, 2022, Kobo filed a final prospectus with respect to an offering of units of Kobo (“**IPO Units**”) priced at \$0.35 each for aggregate proceeds of a minimum of \$5,000,000 and a maximum of \$10,000,000 (the “**IPO Offering**”), each IPO Unit being comprised of one (1) Kobo Share and one-half (1/2) of one Kobo Share purchase warrant (each whole warrant, a “**IPO Warrant**”), each whole IPO Warrant entitling the holder to purchase one Kobo Share for the purchase price of \$0.40 per Kobo Share for a period of 3 years from the closing date of the IPO Offering.

On May 27, 2022, Kobo filed an amended and restated final prospectus lowering the purchase price of its IPO Units from \$0.35 to \$0.25 per IPO Unit. Therefore, the number of IPO Units was increased to 20,000,000 in the event of a minimum \$5,000,000 capital raise and 40,000,000 in the event of a maximum \$10,000,000 capital raise. All the other parameters of the offering remained unchanged.

As a result of market conditions, Kobo elected not to proceed with its contemplated IPO late August 2022.

On November 1, 2022, Kobo and Meteorite entered into in an agreement in principal to complete a Qualifying Transaction.

On December 30, 2022, Kobo issued 2,613,750 Kobo Shares at a price of \$0.20 each for a cash consideration of \$522,750.

Kobo and Meteorite 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 Kobo and 4,969,200 subscription receipts of Meteorite (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) Meteorite Share and one-half (1/2) of one Meteorite Share purchase warrant at an exercise price of \$0.40 for each full warrant, for a twenty-four months 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 units of the Corporation at a price of \$0.25 per unit. Each broker warrant unit entitles the holder to purchase one (1) Meteorite Share at a price of \$0.25 per share and one-half (1/2) of one

Meteorite Share purchase warrant at an exercise price of \$0.40 for each full warrant, for a twenty-four months period from the date of the closing of the Qualifying Transaction.

On March 29, 2023, Kobo and Meteorite announced the completion of the Qualifying Transaction. Legal, accounting and other direct costs related to the Qualifying Transaction and Concurrent Financing were estimated at \$275,000. Concurrently with the closing of the Qualifying Transaction, Meteorite completed a consolidation of its issued and outstanding Meteorite Shares (the “**Consolidation**”) on the basis of 0.2 post-Consolidation Meteorite Shares for every one (1) pre-Consolidation Meteorite Share held. Meteorite issued one Meteorite Share to former Kobo’s shareholders in exchange for every one common share of Kobo so acquired.

As of December 31, 2022, Edouard Gosselin, Chief Executive Officer and Corporate Secretary of the Corporation, owns 15,500,000 Kobo Shares or 27.28% of the outstanding securities issued by Kobo, Paul Sarjeant, Chief Operating Officer and President of the Corporation, owns 8,000,000 Kobo Shares or 14.08% of the outstanding securities issued by Kobo and Mr. Jean Coté and a fully controlled company by Mr. Coté, Gestion JCJC Inc., collectively own 6,520,073 Kobo Shares or 11.48% of the outstanding securities of Kobo.

## **SUMMARY OF EXPLORATION ACTIVITIES**

### **2020**

#### **Kossou Gold Project**

The Corporation did commence its exploration activities at the Kossou Gold Project in the second half of the 2020 calendar year. Access to the property was extensively limited or non-existent from March to July 2020 due to travel restrictions imposed following the declaration by the World Health Organization on March 11, 2020 that the COVID-19 coronavirus outbreak had become a global pandemic, among others. The outbreak of COVID-19 resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The Corporation was affected by travel and border restrictions as well as imposed quarantines. Nonetheless, the Corporation has been able to complete a significant amount of field work in advance of a proposed drilling program.

During August 2020, the Corporation conducted a 1,195.4-line kilometre UAV-borne magnetics survey with 50 metres spaced flight lines at a height of approximately 60 metres above ground level. This survey covered what is believed to be the most prospective portion of the license area concentrating on the government mapped volcanic units located within the perimeter of the research permit as well as the zone covered by a classified forest.

Subsequent to the UAV-borne magnetic survey, the Corporation initiated an exploration program with a focus on mapping, soil geochemical surveying and rock sampling of the Road Cut Zone (the “**RCZ**”) initially identified in 2016 and adjacent areas as well as areas of possible extensions to known zones of mineralisation (the “**2020-2021 Soil Geochemistry Program**”).

During the three months ended December 31, 2020, the Corporation collected 325 soil samples and 403 rock samples as well conducting geological mapping and trenching activities. The

Corporation contracted a third party to conduct a 3D Magnetic Vector Inversion of the UAV-borne magnetic survey data previously collected.

Through the course of in 2020, the Corporation collected 813 soil samples with a maximum gold value of 28.227 ppm, 553 rock samples with a maximum gold value of 15.99g/t, 244 trenching samples and a 1,195-line kilometre magnetic survey. The results of the exploration work show anomalous zones of gold mineralisation within the RCZ area, the Kadie and Jagger zones as well as other areas of interest. Additional geological mapping and analysis are ongoing with the goal to initiate diamond drilling on the RCZ and other priority target areas.

## **2021**

In Q1 2021, the Corporation contracted InnovExplo to carry out a structural and geological study on key area of interest at Kossou Gold Project. The work program was executed in Q2 2021. The Corporation also continued geological mapping and sampling to further develop its understanding of the geological setting and extents of mineralised zones. Field work focused primarily on a soil geochemical survey of the northern portion of the property. Kobo collected 879 soil samples and 74 rock samples and undertook. Limited trenching activities took place.

During the three months ended June 30, 2021, the Corporation continued its soil (1261 samples) and rock (40 samples) sampling activities as well as additional geological mapping and trenching activities. The structural and geological study of the Kossou Gold Project was completed and results provided the Corporation increased knowledge on the geology and structural controls on gold mineralisation across the norther portion of the permit area.

During the three months ended September 30, 2021 the Corporation continued its soil (932 samples) and rock (150 samples) sampling activities as well as additional geological mapping and trenching activities. The Corporation has not received the results of analysis for these samples as of the quarter end.

In October 2021, the Corporation acquired five plots in the village of Kossou, Côte d'Ivoire of an aggregate size of 2,600 m<sup>2</sup> for a total amount of \$8,000, which plots and land will eventually serve for the Corporation's local base operations.

## **2022**

During 2022, the Corporation continued limited geological mapping and sampling to further develop its understanding of the geology of the Kossou Gold Project. Limited field exploration was undertaken in Q1, Q2 and Q3 of 2022 as corporate efforts were focused on the proposed IPO that was terminated late August 2022 due to market conditions.

During the three months ended December 31, 2022, the Corporation increased exploration efforts with a trenching, sampling and mapping programs. Ten new trenches were excavated at geochemical anomalies hosted at the RCZ and Jagger targets and two previous trenches were extended for a total combined length of 986.20 m. A total of 1,027 rock samples were collected from the trenches and other surface showings. Of this total, 662 samples were submitted to SGS Laboratories in Yamoussoukro for analysis. The results of these 662 samples are included in the updated Technical Report issued as part of the reverse takeover transaction. The remaining 365

samples did not meet the cut-off time for the new technical report and the assay results remain outstanding at the close of this report.

The Corporation also issued an updated technical report by Kangari Consulting LLC as a requirement for the Qualifying Transaction. The report titled “NI 43-101 Technical Report of the Kossou Gold Project, Yamoussoukro District, Côte d’Ivoire” with a report date and effective date of December 19, 2022 (the “**Technical Report**”) was filed on March 22, 2023. The Technical Report was updated with all trench and rock sample results obtained prior to the cut-off time and provides a significant increase in understanding of priority targets in advance of an anticipated reverse circulation drill campaign in Q2 of 2023.

## **OUTLOOK**

For 2023, the Corporation intends to commence its maiden drill program of approximately 8,000 m of Reverse Circulation (“**RC**”) drilling following the completion of the Concurrent Financing and the completion of the Qualifying Transaction on March 29, 2023. The Corporation also intends to conduct an airborne magnetic survey of the Kotobi Permit to be completed in Q2 2023.

## **SELECTED ANNUAL FINANCIAL INFORMATION**

	<b><u>12/31/2022</u></b>	<b><u>12/31/2021</u></b>	<b><u>12/31/2020</u></b>
	\$	\$	\$
Exploration Costs	276,958	449,782	477,429
Net loss and comprehensive loss for the year	1,451,529	1,466,582	990,760
Basic and diluted net loss per share	0.027	0.030	0.026
Total assets	307,623	721,337	336,449
Total current financial liabilities	979,282	621,171	282,522
Total long term debt	44,469	38,350	22,120

### **Year ended December 31, 2022 compared to year ended December 31, 2021**

For the year ended December 31, 2022, Kobo incurred a net and comprehensive loss of \$1,451,529 compared to \$1,466,582 for the year ended December 31, 2021. Share-based compensation was \$163,673 for 2022 compared to \$221,576 for 2021 due to the conditions having been met related to the granting of 400,000 options in January 2021 and extended the term on 600,000 options previously granted in 2017. Professional fees were \$373,182 for 2022 and \$215,349 were written-off due to the non-completion of the IPO compared to \$484,518 for 2021. The increase in professional fees is explained by the legal and accounting fees incurred for the Corporation’s IPO as well as the Qualifying Transaction.

### **Year ended December 31, 2021 compared to year ended December 31, 2020**



For the year ended December 31, 2021, Kobo incurred a net and comprehensive lost of \$1,466,582 compared to \$990,760 for the year ended December 31, 2020. Share-based compensation was \$221,576 for 2021 compared to \$127,652 for 2020 due to the granting of options in January 2021 and professional fees were \$608,540 for 2021 compared to \$164,630 for 2020. The increase in professional fees is explained by the legal and accounting fees incurred for the proposed IPO. Exploration expenses decreased by \$29,293 in 2021 compared to 2020. Most of the exploration expenses for 2021 were incurred on the Kossou Permit, whereas in 2020 the Corporation allocated its exploration expenses between both of its permits, Kossou and Kotobi. In the fall of 2020, management of the Corporation decided to concentrate its exploration activities on the Kossou Permit as it became its primary objective.

## Exploration expenses

Exploration expenses decreased by \$172,824 in 2022 compared to 2021 as most of the exploration expenses for 2022 were incurred on the Kossou Permit as the Corporation focused its energy on the IPO. In the fall of 2020, Management decided to concentrate its exploration activities on the Kossou Permit as it became its primary objective. Exploration expenses incurred for years ended in December 31, 2022, 2021 and 2020 are detailed hereinafter:

	Year ended December 31, 2022			Year ended December 31, 2021			Year ended December 31, 2020		
	Kossou (\$)	Kotobi (\$)	Total (\$)	Kossou (\$)	Kotobi (\$)	Total (\$)	Kossou (\$)	Kotobi (\$)	Total (\$)
Geochemistry (Laboratory)	0	0	0	72,354	0	72,354	11,008	63,416	74,424
Geophysics	2,550	0	2,550	85,567	0	85,567	119,361	0	119,361
Geology and sampling	232,621	0	232,621	209,135	0	209,135	108,477	75,463	183,940
Exploration tools	2,528	0	2,528	10,778	0	10,778	35,036	15,202	50,238
Exploration office expenses	15,561	4,986	20,547	28,944	4,954	33,898	8,583	10,357	18,940
Duties, taxes and permits	3,477	0	3,477	2,196	0	2,196	1,273	2,361	3,624
Vehicles expenses	15,235	0	15,235	35,854	0	35,854	18,655	8,327	26,892
	<u>271,972</u>	<u>4,986</u>	<u>276,958</u>	<u>444,828</u>	<u>4,954</u>	<u>449,782</u>	<u>302,393</u>	<u>175,036</u>	<u>477,429</u>

## SHARE CAPITAL

As at December 31, 2022, the Corporation had 56,809,749 Kobo Shares, 3,150,000 options to acquire Kobo Shares and 4,250,034 Kobo Share purchase warrants (with a strike price of \$0.30 per Kobo Share) issued and outstanding.

Subsequent to the year ended December 31, 2022, no options or warrants have been exercised.

## 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
	\$	\$	\$
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
June 30, 2021	1,038,645	321,906	0.007
March 31, 2021	935,459	319,259	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 has not received the results of analysis for these samples yet. 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 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 concentrating 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 concentrating 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 concentrating 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 Kobo 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.

## Liquidity and Capital Resources

As at December 31, 2022 the Corporation had a cash balance of \$260,284 and a working capital deficiency of \$695,983 compared to a working capital of \$11,795 as at December 31, 2021. The decrease in working capital is due to management fees, professional fees incurred related to the proposed IPO which was withdrawn due to market conditions.

## 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

	<b>Kotobi Permit (301.75 km<sup>2</sup>)</b>	<b>Kossou Permit (147.365 km<sup>2</sup>)</b>
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

The Corporation expects to surpass its expenditure commitments on the Kossou Permit before its renewal later this year whereas it expects, upon renewal of the Kotobi Permit, to carry forward the expenditures not yet incurred during the initial period of issuance of said permit.

### **Capital Resources**

As at December 31, 2022 the Corporation had a cash balance of \$260,284, and commodity taxes receivable of \$23,015. Further to the completion of the Concurrent Financing, the Corporation and Meteorite raised \$4,676,400 in additional 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 funds will be used for general corporate expenses and working capital purposes during 2023.

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 new capital, 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 year ended December 31, 2022.

As at December 31, 2022, the Corporation shows a shareholders' deficiency amounting to \$731,659.

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 periods 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 companies controlled by them:

	<b>Year ended December 31 2022 \$</b>	<b>Year ended December 31 2021 \$</b>
<b>Compensation of key management<sup>(1)</sup></b>		
Share-based compensation	163,673	221,576
Management fees	266,376	244,022
	430,049	465,598

(1) As at December 31, 2022 an amount of \$8,986 (nil as at December 31, 2021) is included in accounts payable regarding 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:

	As at December 31, 2022	As at December 31, 2021
	\$	\$
<b>Financial assets at amortized cost</b>		
Cash	260,284	506,915
	<hr/>	<hr/>
<b>Financial liabilities at amortized cost</b>		
Accounts payable	930,795	589,269
Advances from a director and a consultant	-	1,219
Long-term debt	42,944	38,850
	<hr/>	<hr/>
	975,264	628,838
	<hr/>	<hr/>

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, credit risk and liquidity risk. No significant changes occurred during the year ended December 31, 2022 compared to 2021 concerning financial risks factors.

#### 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 and accounts payable. Long-term debt approximates carrying amount due to discounted interest rate used.

#### Foreign exchange risk

As of December 31, 2022, 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 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:

	As at December 31, 2022	As at December 31, 2021
	\$	\$
Cash	14,406	17,645
Security deposits	5,107	5,107
Accounts payable	(73,883)	(108,768)
Net balance in Canadian dollars	<u>(54,370)</u>	<u>(86,016)</u>
Net balance in CFA francs	<u>(24,632,577)</u>	<u>(39,437,476)</u>

US dollars balances in Canadian dollars are as follows:

	As at December 31, 2022	As at December 31, 2021
	\$	\$
Cash	47,740	-
Accounts payable	(47,750)	-
Net balance in Canadian dollars	<u>(10)</u>	<u>-</u>
Net balance in US dollars	<u>(7)</u>	<u>-</u>

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 year ended December 31, 2022.

### **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 from deposits with banks and the carrying amount of this financial asset represents the Corporation's maximum exposure to credit risk as at the date of the financial statements. The credit risk on cash 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.

As at December 31, 2022, all of the Corporation's financial liabilities had contractual maturities of less than one year except for the long-term debt and the Corporation did not have enough cash available to meet its financial liabilities.

The contractual maturities of financial liabilities as at December 31, 2022, 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	930,795	930,795	930,795	-	-
Long term debt	44,469	60,000	-	60,000	-

## **NEW ACCOUNTING STANDARDS AND FUTURE CHANGES TO ACCOUNTING STANDARDS**

The new accounting standards issued and adopted by the Corporation and future changes are disclosed in note 3 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 "Risk 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.

May 1<sup>st</sup>, 2023.

Chief Executive Officer

Chief Financial Officer

*(S) Edouard Gosselin*  
Edouard Gosselin

*(S) Gilles Couture*  
Gilles Couture