

CENTRAL AFRICAN GOLD INC.
(formerly Bankers Cobalt Corp.)
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Nine months ended September 30, 2021 and 2020
(Expressed in United States Dollars, unless otherwise noted)

**CENTRAL AFRICAN GOLD INC.
(formerly Bankers Cobalt Corp.)**

(the “Company”)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Nine months ended September 30, 2021 and 2020

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The management of Central African Gold Inc. (formerly Bankers Cobalt Corp.) is responsible for the preparation of the accompanying unaudited condensed consolidated interim financial statements. The unaudited condensed consolidated interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of condensed interim financial statements and are in accordance with IAS 34 - Interim Financial Reporting.

The Company’s auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditor.

November 26, 2021

Central African Gold Inc. (formerly Bankers Cobalt Corp.)
Condensed Consolidated Interim Statements of Financial Position
(Expressed in United States dollars unless otherwise noted)

	Notes	September 30, 2021	December 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents		\$ 565,598	\$ 25,223
Accounts receivable		173,043	11,030
Prepaid expenses	3	259,591	58,918
		998,232	95,171
Non-current assets			
Exploration and evaluation assets	4	1,045,836	-
TOTAL ASSETS		\$ 2,044,068	\$ 95,171
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	5	\$ 2,714,633	\$ 2,410,048
TOTAL LIABILITIES		2,714,633	2,410,048
SHAREHOLDERS' DEFICIENCY			
Share capital	6	18,861,807	16,816,752
Reserves	6	8,168,186	7,341,858
Shares to be issued		7,849	-
Accumulated other comprehensive loss /(income)		27,988	6,117
Deficit		(27,736,395)	(26,479,604)
SHAREHOLDERS' DEFICIENCY		(670,565)	(2,314,877)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		\$ 2,044,068	\$ 95,171

Nature of operations and going concern (Note 1)

Subsequent events (Note 10)

On behalf of the Board of Directors:

"Stephen Barley" Director

"Michael Townsend" Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Central African Gold Inc. (formerly Bankers Cobalt Corp.)
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in United States dollars unless otherwise noted)

	Notes	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Expenses					
Filing fees		\$ 13,090	\$ 1,967	\$ 28,435	\$ 21,784
Investor relations		95,412	1,113	95,412	3,313
Management and consulting fees	7	217,172	132,181	554,287	567,354
Office and sundry		6,148	3,091	9,573	5,100
Professional fees		27,111	46,476	57,059	91,371
Project generation		87,850	6,044	107,366	21,578
Share-based payments	6,7	-	519,343	175,086	519,343
Travel and accommodation		110,428	1,453	225,481	1,569
Total expenses		(557,211)	(711,668)	(1,252,699)	(1,231,412)
Other income (expense)					
Interest expense		-	-	-	(30,595)
Forgiveness of debt	5	-	36,112	-	36,112
Loss on settlement of debt	5	-	42,852	-	9,497
Gain / (Loss) foreign exchange		(1,442)	26,829	(4,092)	13,416
Net loss		(558,653)	(605,875)	(1,256,791)	(1,202,982)
Other comprehensive income					
Exchange difference on translation		44,806	52,240	21,871	114,277
Total comprehensive loss		\$ (513,847)	\$ (553,635)	\$ (1,234,920)	\$ (1,088,705)
Basic and diluted loss per share		\$ (0.02)	\$ (0.02)	\$ (0.03)	\$ (0.07)
Weighted average number of common shares outstanding		22,867,132	31,933,842	36,551,480	18,442,940

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Central African Gold Inc. (formerly Bankers Cobalt Corp.)
Condensed Consolidated Interim Statements of Changes in Shareholders' Deficiency
(Expressed in United States dollars unless otherwise noted)

	Notes	Share Capital		Reserves	Shares to be issued	Accumulated other comprehensive income	Deficit	Total
		Number of shares	Amount					
Balance at December 31, 2019		11,587,466	\$ 15,702,173	\$6,601,180	\$ -	\$ (33,216)	\$ (25,027,526)	\$ (2,757,389)
Private placement		23,500,000	1,095,037	203,401				1,298,438
Share issuance costs		-	(49,200)	(22,247)				(71,447)
Shares issued for debt		933,333	65,239	-	-	-	-	65,239
Exchange difference on translation		-	-	-	-	114,277	-	114,277
Share-based payments		-	-	519,343	-	-	-	519,343
Net loss		-	-	-	-	-	(1,202,982)	(1,202,982)
Balance at September 30, 2020		36,020,799	\$ 16,813,249	\$7,301,677	\$ -	\$ 81,061	\$ (26,230,508)	\$ (2,034,521)
Balance at December 31, 2020		36,060,924	\$ 16,816,752	\$7,341,858	\$ -	\$ 6,117	\$ (26,479,604)	\$ (2,314,877)
Private placement	6	13,000,000	849,567	683,499	-	-	-	1,533,066
Shares issued for property purchased		5,330,000	1,038,743	-	-	-	-	1,038,743
Share issuance costs		-	(10,427)	(5,770)	-	-	-	(16,197)
Shares to be issued		-	-	-	7,849	-	-	7,849
Warrants exercised for cash		1,749,500	167,172	(27,670)	-	-	-	139,502
Share-based payments	6	-	-	176,269	-	-	-	176,269
Exchange difference on translation		-	-	-	-	21,871	-	21,871
Net loss		-	-	-	-	-	(1,256,791)	(1,256,791)
Balance at September 30, 2021		56,140,424	\$ 18,861,807	\$8,168,186	\$ 7,849	\$ 27,988	\$ (27,736,395)	\$ (670,565)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Central African Gold Inc. (formerly Bankers Cobalt Corp.)
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in United States dollars unless otherwise noted)

	Nine months ended September 30, 2021		Nine months ended September 30, 2020	
Operating activities				
Net loss	\$	(1,256,791)	\$	(1,202,982)
Items not affecting cash				
Share-based payments		176,270		519,343
Foreign exchange		14,777		96,850
(Loss) / gain on settlement of debt		-		(9,497)
Forgiveness of debt		-		(36,112)
Changes in non-cash working capital items:				
Accounts receivable		(17,597)		(17,255)
Prepaid expenses		(200,673)		(14,692)
Trade payables and accrued liabilities		363,710		348,336
Net cash outflow from operating activities		(920,304)		(316,009)
Financing activities				
Issuance of common shares, net of share issuance costs		1,313,328		498,985
Loans		-		(74,151)
Warrants exercised for cash		139,502		-
Shares to be issued		7,849		-
Net cash inflow from financing activities		1,460,679		424,834
Decrease in cash and cash equivalents		540,375		108,825
Cash and cash equivalents, beginning of the period		25,223		3,991
Cash and cash equivalents, end of the period	\$	565,598	\$	112,816
Significant non-cash transactions:				
Issue of common shares for property	\$	1,038,743	\$	-
Shares issued for debt	\$	-	\$	65,239

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. Nature of Operations and Going Concern

On March 27, 2007, Central African Gold Inc. (formerly Bankers Cobalt Corp) (“the Company” or “Central African Gold”), was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia). The Company’s registered office is located at 2900 – 550 Burrard Street, Vancouver, BC V6C 0A3. The Company commenced trading on the TSX Venture Exchange (“TSX-V”) under the symbol NMD.V on February 17, 2010. On October 11, 2017, the Company changed its name to Bankers Cobalt Corp. and commenced trading on the TSX-V under the symbol BANC effective October 12, 2017. On August 25, 2020, the Company changed its name to Central African Gold Inc. and commenced trading on the TSX-V under the symbol CAGR effective August 26, 2020.

On October 20, 2017, the Company acquired Katanga Cobalt Corp. (“Katanga”) pursuant to the terms of a previously executed amalgamation agreement between Bankers, Katanga and a subsidiary of Bankers (“Subco”), under which Subco amalgamated with Katanga. For accounting purposes this was considered a reverse takeover whereby Katanga was identified as the acquirer of Central African Gold.

The Company’s principal activity is the acquisition and exploration of mineral properties.

These condensed consolidated interim financial statements have been prepared on a going concern basis which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future.

As September 30, 2021, the Company had not yet achieved profitable operations. During the nine-month period ended September 30, 2021, the Company incurred a net loss of \$1,256,791 (2020 - \$1,202,982) and had a cash outflow from operating activities of \$920,304 (2020 - \$316,009). As of September 30, 2021, the Company had a working capital (current assets minus current liabilities) deficiency of \$1,716,401 (December 31, 2020 – \$2,314,877) and a cumulative deficit of \$27,736,395 (December 31, 2020 - \$26,479,604).

The Company’s continuing existence and its ability to discharge its liabilities and fulfill its commitments as they come due is dependent upon the ability of the Company to obtain equity and/or debt financing and the successful discovery of mineral resources that the Company can profitably commercialize. Management plans to continue exploring the Company’s mineral concessions in order to achieve a commercial discovery that will generate sustainable, long-term profitability and obtain additional financing, if needed. While the Company has been successful at securing financing in the past, there can be no assurance that it will be able to do so in the future. These material uncertainties cast significant doubt upon the Company’s ability to continue as a going concern. Furthermore, the novel coronavirus outbreak (“COVID-19”) was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the Company’s business are not known at this time. These impacts could include an impact on the Company’s ability to obtain debt and equity financing to fund ongoing exploration and evaluation activities as well as its ability to explore and conduct business. These condensed consolidated interim financial statements do not include any adjustments to the amount and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

2. Summary of Significant Accounting Policies and Basis of Preparation

These condensed consolidated interim financial statements were authorized for issue by the directors of the Company on November 26, 2021.

Basis of preparation

The condensed consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standards 34, "Interim Financial Reporting" ("IAS 34"), using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended December 31, 2020.

Basis of consolidation

The condensed consolidated interim financial statements of the Company include the accounts of its wholly owned subsidiaries, Bankers Cobalt Mining SASU located in the Democratic Republic of Congo ("DRC"), Bankers Cobalt Mining (Namibia) (Proprietary) Limited located in Namibia and Bankers Cobalt Acquisition Corp. located in Canada.

All significant intercompany transactions and balances are eliminated on consolidation.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

3. Prepaid Expenses

	September 30,		December 31,
	2021		2020
Prepaid consulting fees	\$ 253,760	\$	54,628
Prepaid listing fees	5,831		4,290
	\$ 259,591	\$	58,918

Included in the prepaids as at September 30, 2021, is \$77,366 (December 31, 2020 - \$Nil) due from an officer of the Company.

4. Exploration and Evaluation Assets

The Company entered into an Assignment Agreement with KBG Capital Sarl (KBG) pursuant to which KBG agreed to assign to Central African Gold 100% of KBG's interest in an exclusive option agreement with La Societe Miniere de Bakwanga SA (MIBA) to enter a joint venture to develop and exploit the Musefu Gold Project (the "Project") located in Kasai Central Province in southern DRC. All shareholders of KBG are arms-length to the Corporation. In consideration of the assignment, Central African Gold will reimburse supported prior expenses, assume certain non-material financial obligations and has issued 5,000,000 million common shares of Central African Gold to the beneficial owners of KBG. Central African paid a finder's fee consisting of 330,000 common shares to the arms-length parties.

5. Trade Payables and Accrued Liabilities

	September 30,	December 31,
	2021	2020
Trade payables	\$ 1,139,064	\$ 1,002,655
Accrued and other liabilities	1,575,569	1,407,393
	\$ 2,714,633	\$ 2,410,048

Included in trade payables and accrued liabilities at September 30, 2021, is \$1,048,665 (December 31, 2020 - \$745,345) due to directors and officers of the Company. Amounts due to related parties are non-interest bearing, unsecured and due on demand.

6. Share Capital and Reserves

Authorized share capital

An unlimited number of common shares without par value.

Issued share capital

At September 30, 2021, there were 56,140,424 (December 31, 2020 – 36,060,924) issued and fully paid common shares.

Shares issued during the nine months ended September 30, 2021

On January 6, 2021, the Company completed a non-brokered private placement of 500,000 units at CDN \$0.15 per unit for gross proceeds of CDN \$75,000. Each unit consisted of one common share and one common share purchase warrant exercisable into one share at a price of CDN \$0.25 per share for a period of two years from the date of issue.

On September 17, 2021, the Company completed a non-brokered private placement of 12,500,000 units at CDN \$0.15 per unit for gross proceeds of CDN \$1,875,000. Each unit consisted of one common share and one common share purchase warrant exercisable into one share at a price of CDN \$0.25 per share for a period of two years from the date of issue. The fair value of the warrants of CDN \$825,513 was determined using the Black-Scholes pricing model with a risk-free rate of 0.4583%, a volatility factor of 182.56%, dividends of nil, and an expected life of the warrants of two years. Share issuance costs of CDN \$13,251 were incurred in connection with the private placement. The Company also issued 18,667 brokered warrants with the same terms and conditions with a fair market value of CDN \$3,083.

During the period ended September 30, 2021, the Company issued 5,000,000 common shares pursuant to the agreed assignment of the Musefu Gold Project. In relation to this agreement, the Company paid a finders fee consisting of 330,000 common shares to arms-length parties. The Company valued the 5,330,000 common shares at CDN \$1,332,500. (Note 4)

During the nine-month period ended September 30, 2021, 1,749,500 shares were issued pursuant to the exercise of warrants for cash proceeds of CDN \$174,950.

6. Share Capital and Reserves (continued)

Warrants

Warrant transactions for the nine months ended September 30, 2021:

	Warrants	Exercise Price (CDN\$)
Balance, December 31, 2020	12,323,497	0.17
Issued	13,018,667	0.25
Exercised	(1,749,500)	0.10
Expired	(66,363)	7.00
Balance, September 30, 2021	23,526,301	0.14

Warrants outstanding at September 30, 2021 are as follows:

Outstanding Warrants	Exercise Price (CDN\$)	Expiry Date
266,100	1.50	December 12, 2021
10,059,375	0.10	July 17, 2022
182,159	0.25	July 17, 2022
500,000	0.25	January 6, 2023
12,500,000	0.25	September 17, 2023
18,667	0.25	September 17, 2023
23,526,301		

Stock Options

In connection with the reverse takeover transaction on October 20, 2017, the Company adopted a stock option plan whereby the Board of Directors may grant employees, consultants, directors and officers share purchase options. The aggregate number of options reserved for issuance may not exceed 10% of the Company's issued and outstanding shares at the date of the grant. In any twelve-month period, the Company will not grant more than 2% of the issued and outstanding shares of the Company to any one consultant or any one individual performing investor relations activities. The options vest in stages over twelve months, with no more than one-quarter of the options vesting over any three-month period.

Stock option transactions for the nine months ended September 30, 2021:

	Stock Options	Exercise Price (CDN\$)
Balance, December 31, 2020	2,623,750	0.48
Granted	1,000,000	0.20
Expired	(170,000)	0.47
Balance, September 30, 2021	3,453,750	0.40

Total stock-based compensation for the nine months ended September 30, 2021 was \$175,086 (2020 – \$519,343). The fair value of options granted was determined using the Black-Scholes option pricing model using the following assumptions: expected life of options: 5 years (2020 – 5 years); volatility rate of 183.82% (2020 – 194.51%); risk-free interest rate of 0.9565% (2020– 0.34%); and a dividend rate of 0% (2020 – 0%).

6. Share Capital and Reserves (continued)

Stock options outstanding at September 30, 2021 are as follows:

Outstanding Options	Vested Options	Exercise Price (CDN\$)	Expiry Date
25,000	25,000	6.60	December 18, 2022
462,500	462,500	0.50	June 20, 2024
21,250	21,250	0.50	August 29, 2024
1,945,000	1,945,000	0.40	September 1, 2025
1,000,000	1,000,000	0.20	March 31, 2026
3,453,750	3,453,750	0.40	

7. Related Party Transactions

Related party transactions for the nine months ended September 30, 2021 and 2020 are as follows:

Period ended	September 30 2021	September 30 2020
Management fees accrued for or paid to companies controlled by officers of the Company	\$ 215,143	\$ 110,253
Management fees accrued for or paid to companies controlled by officers of the Company's subsidiary	-	300,000
Interest paid on loan from a director	-	4,988
Share-based payments	158,643	346,012
	\$ 373,786	\$ 761,253

See Note 3 and 5 for additional related party transactions.

Included in trade payables and accrued liabilities at September 30, 2021, is \$1,048,665 (December 31, 2020 - \$745,345) due to directors and officers of the Company. Included in the prepaids at September 30, 2021, is \$77,366 (December 31, 2020 - \$Nil) due from an officer of the Company. Amounts due to related parties are non-interest bearing, unsecured and due on demand.

8. Financial Risk and Capital Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. Management approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is summarized as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The cash is deposited in a bank account in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a bank that is a high credit quality financial institution as determined by rating agencies.

8. Financial Risk and Capital Management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from financings and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements or through proceeds from loans. The Company's access to financing is uncertain. There can be no assurance of continued access to necessary levels of equity funding. (Note 1)

Foreign exchange risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company does not hedge its exposure to fluctuations in exchange rates.

The Company has operations in Canada, the DRC and in Namibia, which gives rise to the risk that its financial instruments may be adversely impacted by exchange rate fluctuations. The Company has expenditures in both the Canadian and the US dollar.

A significant change in the currency exchange rate between the Canadian dollar relative to the U.S. dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not entered into foreign currency contracts to hedge its risk against foreign currency fluctuations.

A 10% change in the Canadian dollar to the U.S. dollar exchange rate would impact the Company's net loss by \$30,893.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

Capital Management

The Company's policy is, if permitted by market conditions, to maintain a strong capital base so as to support investor and creditor confidence and support future development of the business. The capital structure of the Company consists of equity, comprising share capital and reserves net of accumulated deficit. The Company is not subject to any externally imposed capital requirements.

Fair value

The Company's financial instruments consist of cash, accounts receivable, prepaid expenses, trade payables and accrued liabilities and loan from related party. The fair value of cash approximates its carrying value due to its short-term maturity. The fair value of accounts receivable, prepaid expenses and trade payables and accrued liabilities may be less than the carrying value as a result of the Company's credit and liquidity risk.

IFRS establishes a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 – Quoted prices in active markets for the same instrument.

Level 2 – Valuation techniques for which significant inputs are based on observable market data.

Level 3 – Valuation techniques for which any significant input is not based on observable market data.

9. Segmented information

Geographic segments

All of the Company's assets are located in Canada.

10. Subsequent Events

- a) Subsequent to September 30, 2021, 81,600 warrants were exercised for cash proceeds in the amount of CDN \$8,160.
- b) The Company issued 2,000,000 stock options to various directors, officers and consultants with an exercise price of CDN \$0.20 expiring in five years.