



**SAMA RESOURCES INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2021**

**AS OF NOVEMBER 29, 2021**

**TSX-V: SME**

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# **SAMA RESOURCES INC.**

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## **SCOPE OF MD&A AND NOTICE TO INVESTORS**

This management's discussion and analysis of financial position and results of operations ("MD&A") is prepared as of November 29, 2021 and complements the unaudited interim condensed consolidated financial statements of Sama Resources Inc. (the "Company"), for the third quarter ended September 30, 2021 which are compared to the third quarter ended September 30, 2020.

The consolidated financial statements include the parent company Sama Resources Inc. ("Sama") and its wholly owned subsidiaries Sama Resources Quebec Inc. ("SRQ »), Sama Resources Liberia Inc. ("SRL") and Sama Resources Development Inc. ("SRDI") as well as Sama Nickel Corporation ("SNC"), Sama Nickel Côte d'Ivoire SARL ("Sama CI") and Société Minière du Tonkpi SARL ("SMT") owned at 70% (since August 27, 2021) all referred as the Company.

The interim condensed consolidated financial statements and related notes have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board. They do not contain all the information required to be disclosed in annual financial statements. Certain information and notes usually provided in the annual financial statements have been omitted or condensed when not deemed essential to the understanding of the interim financial information of the Company. Therefore, this MD&A should be read in conjunction with the information contained in the annual audited consolidated financial statements of the Company and the notes thereto for the year ended December 31, 2020. All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all amounts are in Canadian dollars unless otherwise indicated.

Management of the Company is responsible for the preparation and presentation of the unaudited interim condensed consolidated financial statements and notes thereto, MD&A and other information contained in this MD&A. Additionally, it is management's responsibility to ensure the Company complies with the laws and regulations applicable to its activities.

The unaudited interim condensed consolidated financial statements and the MD&A have been reviewed by the audit committee and approved by the Company's Board of Directors on November 29, 2021. These documents and more information about the Company are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **FORWARD LOOKING STATEMENTS**

Certain statements made in this MD&A are forward-looking statements or information. The Company is hereby providing cautionary statements identifying important factors that could cause the Company's actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, the Company has assumed that the current market will continue and grow and that the risks listed below will not adversely impact the business of the Company. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Company that could influence actual results are summarized below under the heading "Risks and Uncertainties".

Further, unless otherwise noted, any forward-looking statement speaks only as of the date of this MD&A, and, except as required by applicable law, the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement.

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## COMPANY OVERVIEW

Sama is a Canadian-based mineral exploration and development business with activities in West Africa and in Canada. Sama was incorporated on July 11, 2006, under the *Business Corporations Act* (British Columbia). On May 13, 2013, the Company continued its jurisdiction of incorporation from British Columbia into the federal jurisdiction of Canada under the *Canada Business Corporations Act*. The Company's head office is located at #132 – 1320 Graham Blvd., Mont-Royal, Quebec, Canada, H3P 3C8. The Company's common shares are listed on the TSX-V under the trading symbol "SME.V".

Based on the information available to date, the Company has not yet determined whether its mineral properties contain economically recoverable reserves. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete exploration and development programs and, ultimately, upon future profitable production.

## HIGHLIGHTS

- On March 24, 2021, the Company announced that it has started a 5,000 m diamond drilling program at Samapleu and Yepleu as part of its work program for Q1 and Q2 of 2021. Additionally, the Company has formalized, finalized and executed the earn-in and joint venture agreement with Ivanhoe Electric Inc. or "IVNE" (previously HPX Ivory Coast Holdings Inc. or "HPX"), first announced on October 23, 2017.
- On April 12, 2021, the Company announced that it has mobilized two core rigs at the Samapleu and Yepleu projects as part of its work program for Q1 and Q2 of 2021. The Company confirmed excellent results using the Typhoon™ system at Samapleu and Yepleu from down-hole electromagnetic surveys (DHTEM) completed in November 2020.
- On May 4, 2021, the Company announced that it has entered into an arm'-length agreement, dated April 30, 2021, with Seahawk Gold Corp. for the acquisition of the Company's Zwedru South project, St-John River gold project and Nuon project, each of which is located in Liberia, Africa. The acquisition will be affected by the purchase of SRDI, a wholly owned subsidiary of Sama, which holds 100% of the issued and outstanding securities of SRL. SRL holds all rights, title and interest in the projects. In consideration for the purchase of SRDI, Seahawk Gold Corp. will issue 8.5 million of its common shares to Sama.
- On May 12, 2021, the Company announced the preliminary results from the first hole of the current 5,000 m drilling program at the Samapleu and Yepleu projects. The Company has intersected a near-surface high-grade mineralized zone at Samapleu Main of 9.30 m grading 2.68% nickel and 1.47% copper within a larger 81.35 m mineralized intersect grading 0.50% Ni and 0.39% Cu in hole SM44-454265. Assays for platinum, palladium and gold are pending.
- On June 2, 2021, Mr. Demers, a Canadian Ambassador in Côte d'Ivoire visited the Samapleu and Yepleu projects sites.
- On June 15, 2021, the Company announced that it has launched the Lac Brulé Ni-Cu and the Lac Brennan projects by acquiring 355 exploration claims in the Nivernais and Esgriseilles Townships and 16 claims in the Dauphine Township, all in the Province of Québec following the discovery at surface of a mineralized gossan at the 100% owned new project called Lac Brulé Nickel - Copper. The gossan is exposed at surface over a strike length of 115 m and is part of a larger meta-gabbro/ultramafic unit that can be traced over more than 430 m of strike and 200 m of width. In addition, the Company completed a total of 609 km-lines of a mixed drone's magnetic and radiometric surveys at the Lac Brulé project in August 2021.
- In August 2021, the Company completed 10 boreholes with 2 additional boreholes ongoing for a total of 5,148 m. Six holes were drilled for 1,381 m at Samapleu and one is ongoing, three holes were completed at Yepleu for 1,507 m with one ongoing and one hole was drilled at Grata.
- On September 9, 2021, the Company announced that Ivanhoe Electric Inc. ("IVNE") reached the first threshold of the earn-in and joint venture agreement by investing a total of \$15,523,195 which entitles IVNE to acquire a 30% interest in SNC. In addition, IVNE has elected to proceed with Phase 2 aiming at acquiring 60% of SNC in consideration of an additional \$10M.

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- On November 2, 2021, the Company announced the completion of a 609 km-lines unmanned aerial vehicle ("UAV") magnetic and radiometric survey and the launch of a 1,444 km-lines high-resolution magnetic and radiometric survey at the Lac Brulé project.

## OVERALL PERFORMANCE

In May and June 2019, the Company proceeded with Typhoon™ electromagnetic ("EM") geophysical surveys at the Yepleu area, within the Zérégouiné permit (**Figures 1 & 2**). The Typhoon program continued during the fall of 2019 until the end of February 2020. Restrictions due to the COVID-19 international crisis forced the postponing of the planned program. At the beginning of April 2021, the Company launched a 5,000m drilling program to the Samapleu, Grata and Yepleu prospects as part of its work program for 2021. The Company confirms excellent results using the Typhoon™ system at Samapleu and Yepleu from DHTEM completed in November 2020.

In April 2021, the Company launched a reinterpretation of the 2013 small grid Heli-HTEM which returned new anomalous areas in the vicinity of the Samapleu Main and Extensions 1 sectors as well as a couple of other areas including in Grata property (PR604). In September 2021, the Company announced the discovery of a new mineralized sector located 5 km East of Samapleu deposit returning a sequence of 310 m of pyroxenite and gabbro part of the Yacouba mafic-ultramafic complex. Hole SM20-070410 at the Grata property returned a combined 147 m of sulphide mineralisation including a combined 56m grading 0.39%Ni, 0.45% Cu and 0.33 g/t Pd. This is a new discovery for the Company. Following-up on this new discovery is ongoing and will continue in Q1 of 2022.

In 2019, the Company purchased a new drill rig capable to reach depth down to 1,500 m from Beijing Cortech Drilling Equipment Co. Ltd. in China. The new rig arrived in Ivory Coast on February 13, 2020. This new rig allows a greater flexibility to test various and remote targets quickly and cheaply. The 2020's drilling campaign included 11 boreholes for 4,772 m. Boreholes were drilled at three sites, Samapleu, Bounta and Yepleu, over a 25 kilometers strike distance within the Yacouba Ultramafic-Mafic intrusive complex discovered by Sama in 2010.

Back in 2018, the Company and IVNE have selected the Yepleu area for the Phase 1 of the Typhoon ground survey for its high quality HTEM response as well as the prospective geological setting. It is at the Yepleu area that the Company made the first discovery of nickel-copper sulphide mineralization at surface in West Africa with material grading up to 1.39% nickel and 2.26% copper sulphide (tested using a hand-held Niton XRF analyzer) (see *Company's Press Release dated June 6, 2013*). The Yepleu area is located 18 kilometers southwest of the Samapleu nickel-copper deposit.

The 2021 sequence of holes at Yepleu aimed at following up on holes drilled in 2020 as well as testing downhole EM targets (DHTEM) along a mineralised trend and horizon striking more than 4,500 m (**Figures 4 & 5**). The mineralised horizon starts near surface and reach a depth of more than 850 m toward the south-southwest. The horizon appears to be open at depth. The very strong conductive target at 850 m from surface defined by the Typhoon remains to be drilled as hole YE2020-03 intercepted the edge of the system. The mineralisation encountered in YE2020-03 has yet explain by itself the high conductivity target (20,000 conductivity thickness ("CT")) defined by the DHTEM.

Dr David Evens, an imminent specialist of nickel-copper magmatic deposits visited the project in Côte d'Ivoire from October 17 to 26 2020. Dr Evens was mandated by IVNE and Sama for a thorough review of the geology associated with Sama's Ni-Cu discoveries and to comments on possible indicators that can be used in our exploration strategy at finding larges accumulations of high-grade Ni-Cu-PGE materials.

In March 2021, the Company formalized, finalized and executed the earn-in and joint venture agreement (the "Agreement") with IVNE, previously announced on October 23, 2017. Under the Agreement, IVNE may acquire a total of up to a 60% interest in Sama's Ivory Coast projects, including the Samapleu, Bounta and Yepleu projects, by funding exploration expenses through total investments of up to \$25,000,000.

Sama gained a greater understanding of the entire Yacouba magmatic system through additional academic research performed in the last few years. At Samapleu and at the newly discovered Grata sectors, the Company is searching for massive sulphide veins and lenses that could have accumulated in traps and embayment's at depth along the feeder system of the large Yacouba intrusive complex. At Yepleu, Sama is searching for the same types of accumulations as at Samapleu but within a more dynamic magmatic system. Yepleu is considered to be the centre of the intrusive feeder system with evidence of multiple magma injections generating a large volume of host rock assimilation.

The Company has completed more than 60,000 m of drilling since 2010 until November 2021 and delivered a positive Preliminary Economic Assessment for the Samapleu deposits in May 2020.

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## Samapleu technical Study

In June 2018, the Company gave to DRA Met-Chem, an engineering group based in Montreal, the mandate to continue technical study on the current open cast amenable resource defined by the Company. Geotechnical investigation was launched in early August 2018, by two geotechnical engineers from DMeng Group (Kingston, Ontario) visiting the Samapleu project. In October 2018, DRA's Geological Qualify Person ("QP") visited the project site. In October 2019, two representatives of DRA visited Abidjan, San-Pedro port as well as the project site. On May 27, 2020, the Company announced results for the positive preliminary economic assessment.

## MINERAL PROPERTY PORTFOLIO

The exploration programs and technical disclosure for the Company are designed by Marc-Antoine Audet, P. Geo, PhD, President and Chief Executive Officer of the Company who is a 'qualified person' ("QP"), as defined by National Instrument 43-101, Standards for Disclosure for Mineral Projects ("NI 43-101").

## IVORY COAST NICKEL PROJECTS

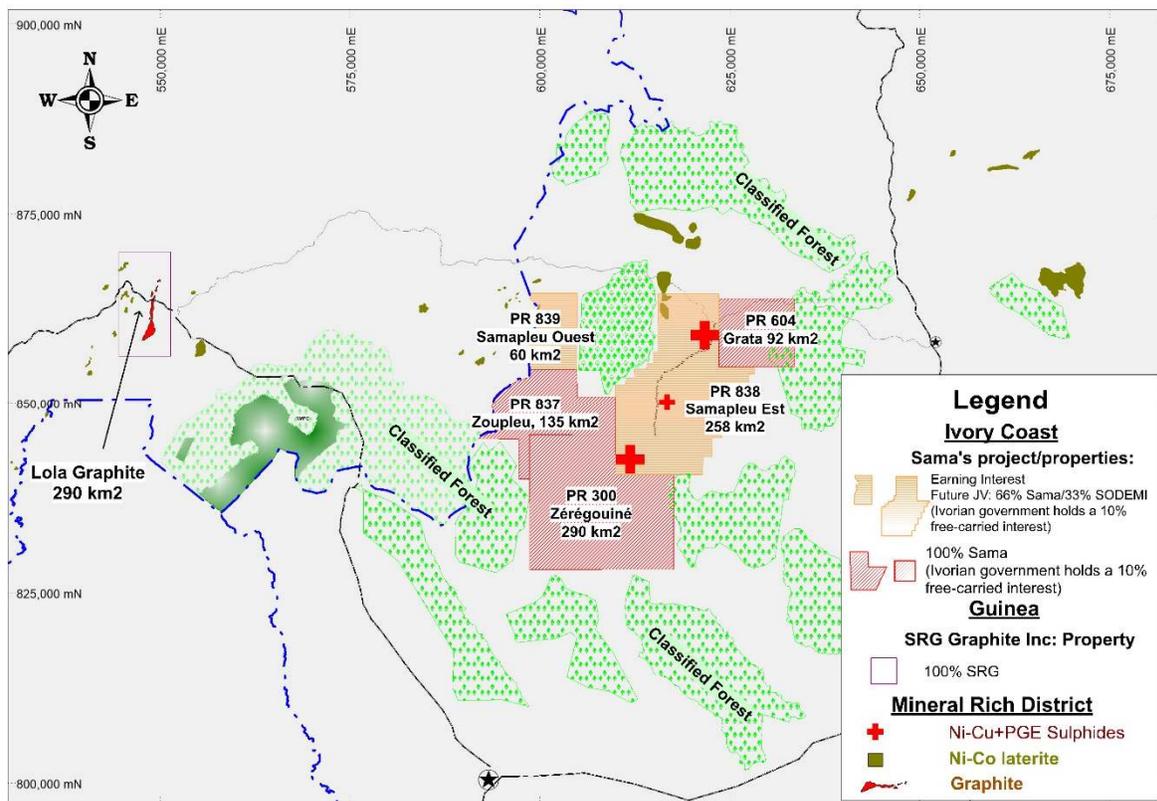


Figure 1: Sama Resources exploration permits in Ivory Coast.

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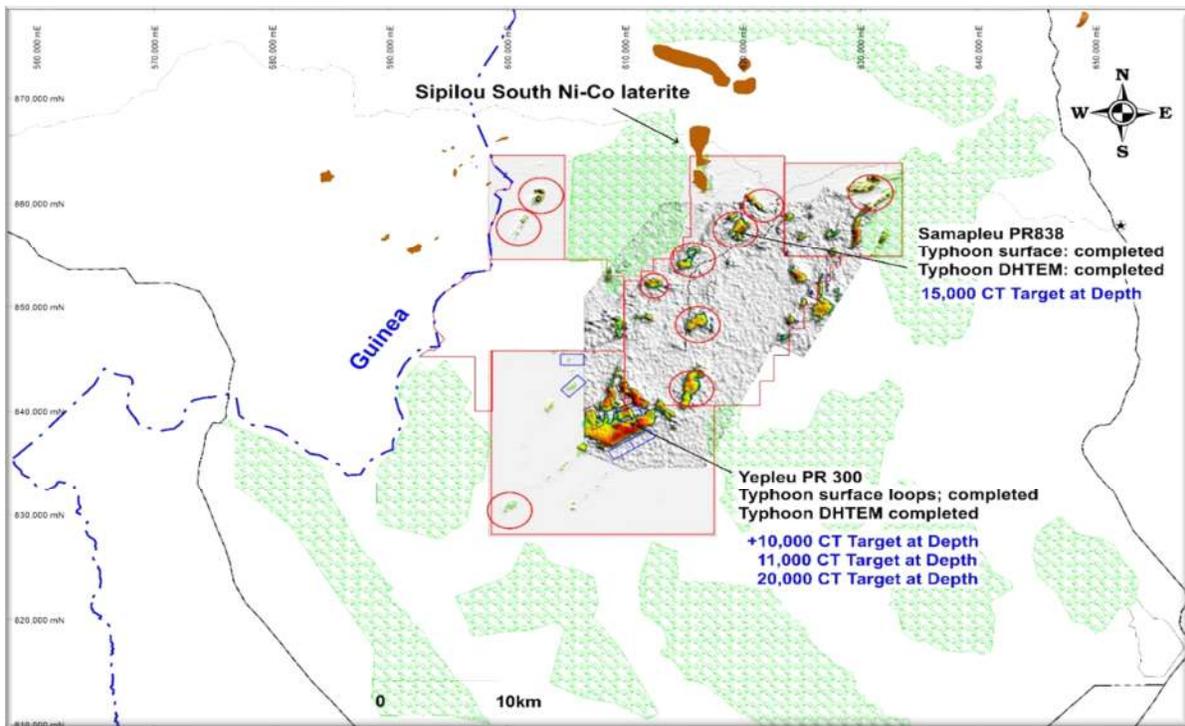


Figure 2: Samapleu, Zérégouiné, Zoupleu and Grata Exploration Permits showing targets for the 2021's drilling program.

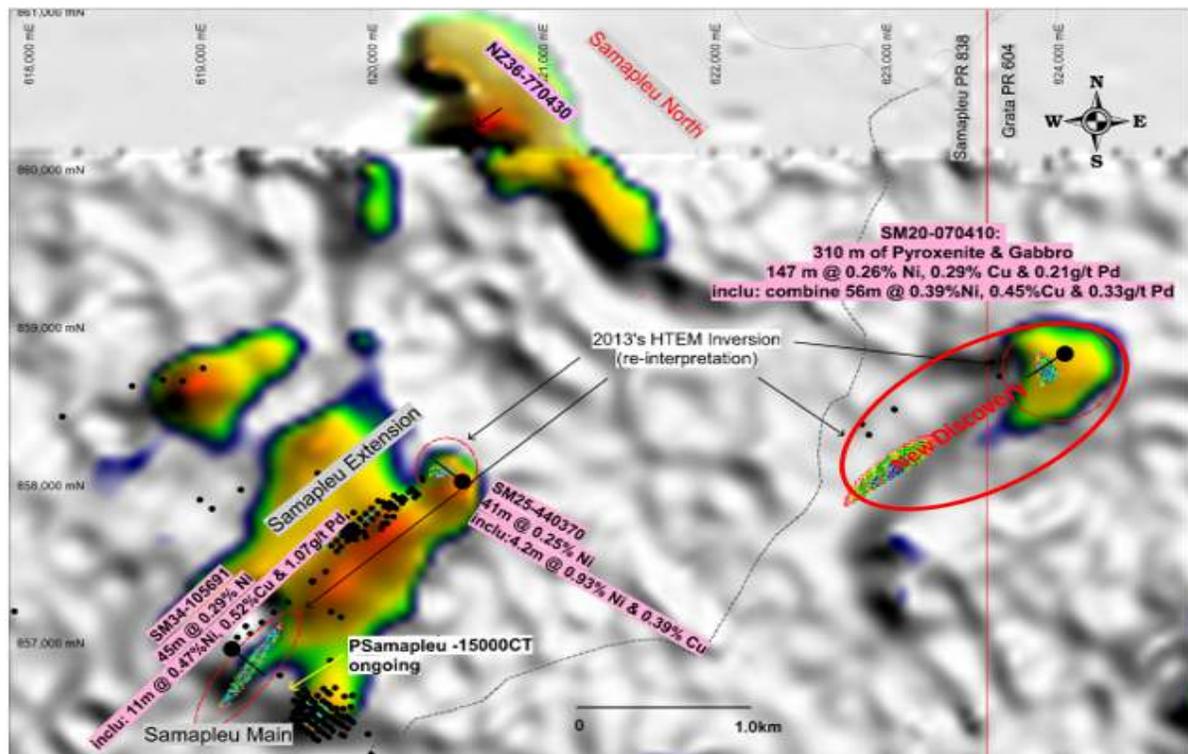


Figure 3: Newly discovered sector at Grata property located 5 km East of Samapleu. Hole SM20-070410 returned a combined 147 m of sulphide mineralisation including a combined 56m grading 0.39%Ni, 0.45% Cu and 0.33 g/t Pd.

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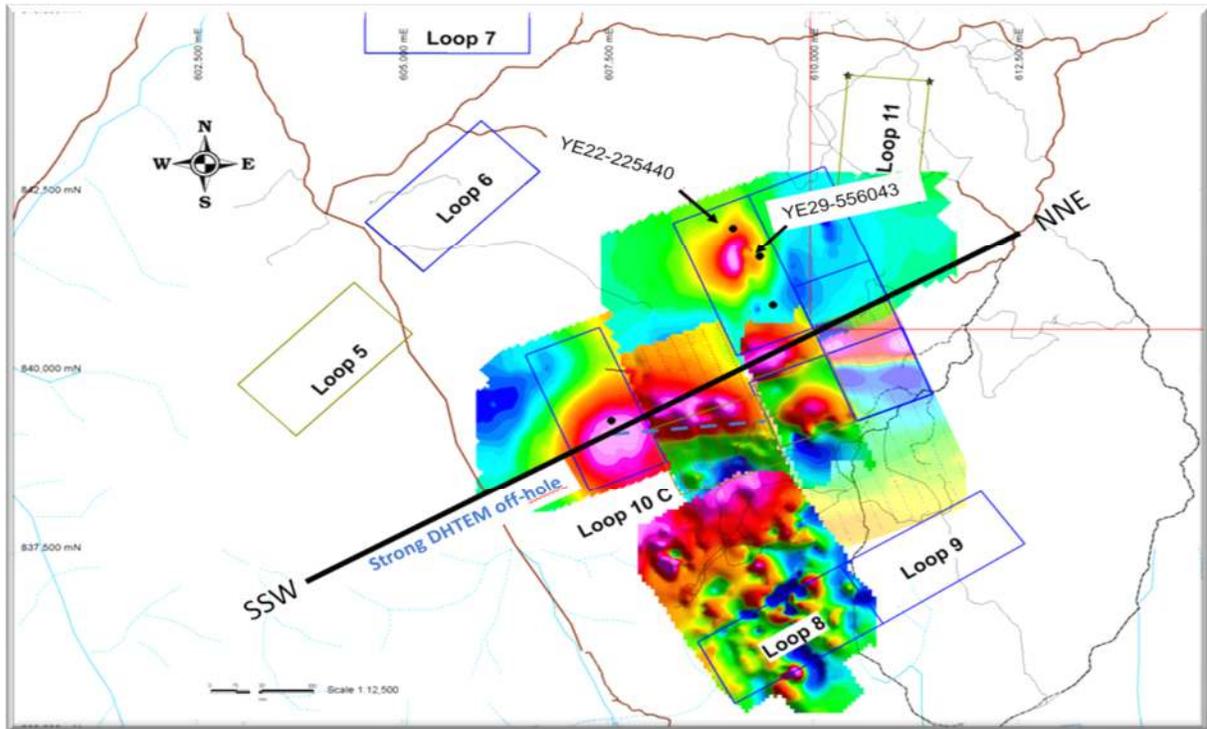


Figure 4: Surface map at the Yepleu prospect showing Typhoon EM results for the area surrounding the loops 10 series. The cross-section SSW-NNE is shown on figure 5 below.

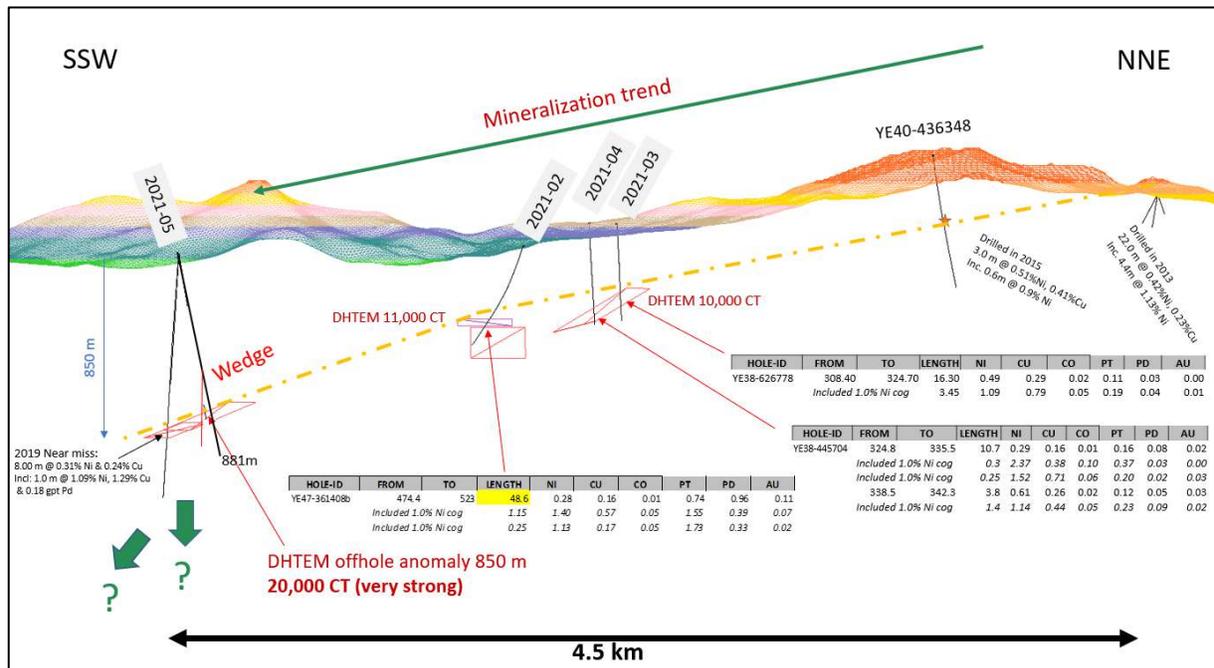


Figure 5: Targets at the Yepleu sector showing the mineralized trend and results from the three first boreholes drilled at Yepleu in 2021. Hole 2021-05 is still ongoing

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## Samapleu Property (PR 838 & 839)

On January 15, 2009 ("Effective Date"), SNC entered into a Syndicate Agreement ("SA") with SODEMI, a parastatal organization, whereby SNC has indicated a particular interest in the exploration of an area covered by the former Permit No. 123 ("PR 123"), held by SODEMI, located in Ivory Coast. The former PR 123 encompassed approximately 446 square kilometers.

Upon execution of the SA, SNC became responsible to finance exploration work programs during the exploration phase of the project through completion of a Bankable Feasibility Study ("BFS"). SODEMI will not contribute to work conducted under the SA.

On June 19, 2019, the two (2) new exploration permits, Samapleu East (PR838) and Samapleu West (PR839), replacing the former PR 123 (**Figure 1**), were granted to SODEMI. Both PRs covers 318 square kilometers, expire on June 18, 2023, and can be renewed for periods totaling up to 12 years. In accordance with both PRs, SNC agreed to complete an exploration program evaluated at F CFA 2,315,000,000 for PR838 (approximately \$5,199,677 as of September 30, 2021) and F CFA 760,000,000 for PR 839 (approximately \$1,707,021 as at September 30, 2021) before the term of the exploration permits.

Upon completion of the BFS, the Advisory Committee ("AC"), which consists of two SNC representatives and two SODEMI representatives, will conclude on the feasibility of the project. If the AC decides to proceed with the project, an Exploitation Entity ("EE") will be established whereby future funding will be split between SNC and SODEMI at 66.7% and 33.3%, respectively. The EE will reimburse SODEMI for all costs associated with previous exploration work conducted until January 15, 2009, up to a maximum of F CFA 834,999,457 (approximately \$1,875,476 as at September 30, 2021) and will reimburse SNC for costs associated with exploration work conducted between the Effective Date and the approval of the BFS subject to the approval of the AC which represents a total amount of \$23,974,682 as at September 30, 2021.

On September 20, 2019, SNC and SODEMI signed an amendment to the SA under which the parties confirm the immediate and direct interest of SNC and SODEMI at 66.70% and 33.30% respectively in the two (2) new exploration permits and this notwithstanding any future request for an exploitation permit.

SNC	60%
SODEMI	30%
Ivory Coast Government	10%
	100%

The Samapleu Property is subject to a 1% net smelter return royalty.

**Table 1:** Highlight table of high-grade drill intercepts previously reported.

Hole-ID	From m	To m	Interval m	Ni %	Cu %	Pd gr/t	Date of News Release
<b>Samapleu Deposits</b>							
SM44-454256	16.05	97.40	81.35	0.50	0.39	Pending	May 12, 2021
	107.50	111.70	4.20	0.65	0.62	Pending	
<b>including</b>	<b>83.80</b>	<b>93.50</b>	<b>9.70</b>	<b>2.59</b>	<b>1.44</b>	Pending	
SM34-459218	64.10	117.05	52.95	0.43	0.30	0.52	Jan 27, 2020
<b>including</b>	<b>108.00</b>	<b>112.60</b>	<b>4.60</b>	<b>2.01</b>	<b>0.94</b>	<b>2.57</b>	
SM44-565203	70.50	104.90	34.40	0.39	0.33	0.77	June 27, 2018
<b>including</b>	<b>70.50</b>	<b>78.50</b>	<b>8.00</b>	<b>0.77</b>	<b>0.86</b>	<b>1.67</b>	
SM44-454255	12.30	103.55	91.25	0.66	0.65	0.77	June 27, 2018
<b>including</b>	<b>87.50</b>	<b>99.35</b>	<b>11.85</b>	<b>2.72</b>	<b>2.36</b>	<b>2.91</b>	
SM25-159493	25.50	157.40	131.90	0.26	0.15	0.61	Dec 17, 2017
<b>including</b>	<b>87.00</b>	<b>93.35</b>	<b>6.35</b>	<b>0.92</b>	<b>0.61</b>	<b>1.69</b>	
SM25-073652	58.50	128.50	70.00	0.32	0.26	0.52	Dec 17, 2017

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	including	73.20	81.40	8.20	0.73	0.90	1.27	
SM44-428267		15	68.9	53.9	0.96	0.76	0.74	April 20, 2015
	including	57.65	60.55	2.9	4.45	2.2	3.08	
	including	62.9	68	5.1	3.87	2.56	2.83	
SM25-133537		30	63	33	0.38	0.31	0.63	April 20, 2015
	including	32.45	36.65	4.2	1.13	1.03	1.75	
SM44-683140		347	495.85	149	0.3	0.29	0.42	August 12, 2014
	including	347	356.2	9.2	0.46	1.12	1.11	
SM44-693140b		513.2	604.4	91.2	0.25	0.17	0.24	August 12, 2014
	including	513.95	514.25	0.3	0.19	6.55	1.99	
	including	594.15	597.55	3.4	1.12	0.5	1.61	
SM44-494350b		11	64	53	0.52	0.5	0.31	February 16, 2012
	including	29.2	34.8	5.6	1.91	1.71	0.94	
SM44-450250b		33.5	92.9	59.4	0.89	0.86	0.81	June 20, 2011
	including	85.25	91.9	6.65	3.8	2.92	3.09	
SM44-492354		10	61	51	0.72	0.61	0.45	January 10, 2011
	including	36	46	10	1.76	1.3	1	
	including	24	29	5	1.32	1.18	0.75	
SM44-450250		13.5	102.8	89.3	0.66	0.64	0.58	May 31, 2010
	including	86.6	101.6	17	1.99	1.96	1.49	
SM25-112519		22	144	122	0.44	0.32	0.94	
	including	84.9	95.9	11	1.89	0.78	2.84	
SM24-661614		67.3	244	176.7	0.26	0.2	0.49	June 26, 2010
	including	162	170.6	8.6	1.02	0.95	1.51	



Figure 6: Hole SM44-428267 intersected 54 m of mineralized pyroxenite, grading 0.96% nickel, 0.76% copper and 0.74 gpt palladium, including a combined 8.0 m of massive sulphide grading 4.08% nickel, 2.43% copper & 2.92 gpt palladium at the Samapleu Main deposit.

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*Figure 7: High grade Ni-Cu massive sulfide mineralization (SM44-454265) showing sharp contacts with the mineralized pyroxenite host.*

### Samapleu Nickel-Copper Type Mineralization

Since 2009, the Company's regional exploration work highlights the prospective potential of the entire Sama's prospective areas. In addition to the Samapleu Main deposit and the nickel-cobalt rich laterite Sipilou South deposit, there were several mineralized sectors that have been identified within the PR 838 (formerly old PR123) area, including the Company's discovered Samapleu Extension 1 deposit, the Yorodougou and Bounta occurrences, as well as numerous massive chromite showings, all part of the newly discovered Yacouba Layered Complex.

The Samapleu deposits mineralization and geological characteristics are typical of a layered Pipe like intrusion or conduit-hosted nickel deposits. These rare types of intrusions host the world's largest nickel-copper deposits such as: Jinchuan (515 million tons ("Mt") at 1.06% nickel), Voisey Bay (137Mt at 1.68% nickel), Kabanga (52Mt at 2.65% nickel), Eagle (4.5Mt at 3.33% nickel), Eagle Nest (20Mt at 1.68% nickel), Kalatongke (24Mt at 0.68% nickel), and N'komati (2.8Mt at 2.08% nickel).

The Yacouba's mafic and ultramafic hosts were intruded within the older gneissic assemblage of the West Africa's craton. It is interesting to note that the age (2.1Ga) of the Yacouba Layered Complex is almost the same as that of the large and mineral rich South-African Bushveld complex (host of the Ivanhoe's large Flatreef palladium-Nickel deposit and numerous other chromite+ Platinoid Group Elements deposits as well as the nearby N'Komati nickel-copper-palladium deposit).

Samapleu deposits are typical magmatic Nickel-Copper- Platinum group elements ("PGE") deposits with common metallurgical characteristics. Nickel and copper mineralization (pentlandite, chalcopyrite, combined with pyrrhotite, rarely pyrite) correspond to sulphide disseminations ranging from trace to 40% and semi-massive to massive (40% to 100% sulphides - **Figures 6 & 7**) sulphide rich lenses commonly spatially associated with a strong brecciated texture in mostly pyroxenites.

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The semi-massive and massive sulfide veins display a number of characteristics suggesting that they are part of a larger mineralizing system:

1. Extreme variations in nickel/copper ratio indicative of fractionation of sulfides.
2. Association with varied textured and brecciated facies.
3. Presence of an unusual texture called loop texture. Large pyrrhotite crystals (5 centimeters in diameter) are rimmed by smaller chalcopyrite and pentlandite that define a loop that encloses the pyrrhotite. These textures are seen at Norilsk and Voiseys Bay nickel-copper-PGE deposits.
4. Abundant sulfide inclusions (globules) within pyroxene crystals indicating that sulfur (S) saturation took place before pyroxene crystallization (at depth).

It is to be noted that the mineralization is open at depth at the Samapleu deposits and remains mostly untested below 200 m from the surface. The mineralization is also open along strike at the Samapleu Extension 1 as per recent drilling outlined. The Company's regional compilation and exploration work highlights the highly prospective potential of the whole area surrounding these known intersections, including the Yepleu discovery located 18 kilometers SW in the PR 300 (**Figure 1**) and numerous prospective targets/zones with Sama's property package.

In the past years, the Company completed a 13,500 line-kilometer airborne magnetometer and radiometric survey over the Samapleu Property in 2012; a 3,900 line-kilometer of airborne helicopter time domain electromagnetic and magnetic survey ("HTEM") in 2013; a 60 line-kilometer of InfiniTEM ground geophysical survey over Samapleu Main and Extension 1 deposits and the Yepleu Complex in 2013 and an additional 2,889 line-kilometer of airborne helicopter time domain electromagnetic and magnetic survey ("HTEM") in 2018. More than 30 priority targets representing a potential for additional nickel-copper-platinum group elements mineralization have been outlined. Strong conductors were identified at the Samapleu Main and Samapleu Extension 1 deposits as well as along a corridor of more than 40 km oriented north-east (**Figure 2**).

In 2013, the Company purchased its first Cortech track mounted CSD1300G wire line drill rig. A second drill rig was purchased in 2014 and was sold in 2016. A secondhand Boart Longyear DB525 drill rig was purchased in 2019 replacement of the drill rig sold in 2016. A new drilling rig (Cortech 3000) has been recently purchased and arrived on site in February 2020. This new rig is able to reach depth in excess of 1,500 m. **Table 2** summarizes drilling programs since July 2010.

**Table 2:** Drilling programs from July 2010 to November 2021.

Area	Drilling Contractor		Sama Drilling		Total length (m)
	Borehole	(m)	Borehole	(m)	
Main Deposit	89	12,322	19	6,249	18,571
Samapleu Extension 1	59	9,096	35	7,692	16,788
Yepleu	6	4,993	32	9,557	14,550
Bounta			2	933	933
Sipilou Sud Laterite	80	2,688	55	1,818	4,506
Grata			3	1,439	1,439
Regional	22	3,116	1	642	3,758
<b>Total 2010-2021</b>	<b>256</b>	<b>32,215</b>	<b>147</b>	<b>28,330</b>	<b>60,545</b>

Near surface exploration at the Samapleu Project (< 150 m deep) returned centrally located massive sulphide vein stock works encased in a thick halo of disseminated sulphide. Tenors of up to 4-5% Ni and 6-8% Cu, respectively, were obtained in massive sulphide material.

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Hole SM44-693140 intercepted a continuous mineralized zone of 149 m grading 0.30% nickel 0.29% copper, 0.04% cobalt, 0.42 grams per ton ("gpt") palladium. The interval started 347 m from surface and included several semi-massive high grade sulphide lenses, including a 30m combined interval grading 0.50% nickel, 0.89% copper and 0.83 gpt palladium within intercepts of up to 2.06% nickel and 1.54% nickel.

Hole SM44-683140B intercepted a total of 91m of mineralized pyroxenite with several semi-massive to massive sulphide stringers and lenses before being terminated within the mineralization due to maximum depth capability of our drill rig. Tenors of up to 6.55% copper and an interval of 3.4 m grading 1.12% nickel, 0.50% copper and 1.61 gpt palladium were intercepted at the bottom of the hole which suggests that the mineralization continues at depth.

Hole SM44-428267 intersected 54 m of mineralized pyroxenite, grading 0.96% nickel, 0.76% copper and 0.74 gpt palladium, including a combined 8.0 m of massive sulphide grading 4.08% nickel, 2.43% copper & 2.92 gpt palladium at the Samapleu Main deposit (**Figure 6**).

Hole SM44-454265 intersected a near-surface high grade mineralized zone at Samapleu Main of 9.70 m grading 2.59% nickel and 1.44% copper within a larger 81.35 m mineralized intersect grading 0.50% Ni and 0.39% Cu. Assays for platinum, palladium and gold are pending (**Figure 7**)

At Samapleu, the Company is searching for massive sulphide veins and lenses that could have accumulated in traps and embayment's at depth along the feeder system of the large Yacouba intrusive complex.

### Samapleu Extension 1 Deposit

The Samapleu Extension 1 deposit was discovered by Sama Group in June 2010 and is located 1.3 km north of the Samapleu Main deposit. The surface expression of the ultramafic-mafic geological host of the Samapleu Extension 1. Samapleu Extension 1 is approximately 2,000 m long by 50 m to 200 m wide and is still open in both directions. The ultramafic-mafic host is oriented northeast-southwest.

Seventy-eight boreholes totaling 11,557 m were drilled since 2010 at the Samapleu Extension 1 deposit. Borehole SM24-112519 returned 122.0 m grading 0.44% nickel and 0.32% copper and 0.94 gpt of palladium, including 11.0 m @ 1.88% nickel, 0.78% copper and 2.84 gpt palladium; borehole SM25-080542 returned 38.5 m at 0.46% nickel and 0.50% copper and 0.85 gpt palladium and 0.12 gpt platinum; and borehole SM25-039587 returned 129.2 m at 0.26% nickel and 0.17% copper, including 0.41 gpt palladium and 0.06 gpt platinum.

In January and February 2018, Geotech Ltd., completed a 2,889 line-kilometer HTEM survey over the Samapleu and Yepieu areas (PR 300). The HTEM Survey was flown over the area at 200-meter line spacing, using their Versatile Time-Domain Electromagnetic geophysical system. The survey was completed in February 2018.

In early 2021, the Company drilled two holes at both end of the Samapleu Extension 1 known deposit (**Figure 3**). Holes SM25-440370 and SM34-105691 extended mineralisation at both end of the Samapleu Extension 1 deposit.

### **Mineral Resource update May 27, 2020**

On December 22, 2015, the Company filed a revised NI43-101 compliant mineral resource estimate on the Samapleu Property. The revised mineral resource estimate includes an indicated mineral resource of 14.1 Mt grading 0.24% nickel and 0.20% copper and containing 74.5 Mlb of nickel and 61.2 Mlb of copper, together with an inferred mineral resource of 26.5 Mt grading 0.24% nickel and 0.18% copper and containing 134 Mlb of nickel and 107.2 Mlb of copper (**Table 3**).

The engineering group DRA/Met-Chem is working on a technical study for a possible open pit operation at Samapleu. The processing treatment will include concentration via flotation process with further processing to nickel and iron powders using CVMR's processing technology. On May 27, 2020, the Company announced the positive preliminary economic assessment for the development of the Samapleu nickel-copper surface mineralization. The study includes a revised mineral resource using all boreholes drilled to date at the Samapleu deposit.

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**Table 3:** Samapleu Project Mineral Resources Summary (Cut-Off Grade of 0.1% NiEq), May 2020.

Category	Resources (Mt)	NiEq (%)	Ni (%)
Measured <sup>1,2,3</sup>	-	-	-
Indicated <sup>1,2,3</sup>	33.18	0.269	0.238
<b>Meas. + Ind.</b>	<b>33.18</b>	<b>0.269</b>	<b>0.238</b>
Inferred <sup>1,2,3,4</sup>	17.78	0.248	0.224

1. Mineral Resources are exclusive of Mineral Reserves
2. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues
3. The CIM definitions were followed for the classification of Indicated and Inferred Mineral Resources.
4. The quantity and grade of reported Inferred Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource. It is reasonably expected that a portion of Inferred Mineral Resources could be upgraded with continued exploration.

## Samapleu Preliminary Economic assessment: Highlights

- Average annual production of 3,900 tons ("t") of carbonyl nickel powder, 8,400 t of carbonyl iron powder and 14,100 t of copper concentrate over a 20-year mine life
- Capital costs of \$282 million ("M") including contingency of \$37 M
- Operational costs of \$ 2,062/t products and @22.51/t milled
- Pre-tax Net Present Value ("NPV") at 8% discount rate of \$615M and internal rate of return ("IRR") of 32.5%
- After-tax NPV at 8% discount rate of \$391M and after-tax IRR of 27.2%

During the nine-month period ended September 30, 2021, an amount of \$762,706 was capitalized on the Samapleu Property, resulting in a total capitalized exploration and evaluation expenditures of \$23,974,682 so far.

## Estimated expenditures:

The Company's minimum estimated expenditures for 2022 is \$1,050,000 which will consist mainly in drilling and additional technical studies.

## Zérégouiné Property (PR 300)

Sama CI owns the exploration permit No. 300 ("PR300") which covers 290 square kilometers of property in Ivory Coast and expires on December 18, 2021. In accordance with PR300, Sama CI agreed to complete an exploration program evaluated at F CFA 2,293,000,000 (\$5,150,263 as at September 30, 2021) before the term of the exploration permit. The Zérégouiné Property is 100% owned by Sama CI and is adjacent to the Samapleu Property.

## Yepleu Occurrence

On June 6, 2013, the Company announced the discovery of mineralized surface outcrops grading up to 1.39% nickel and 2.26% copper (tested using a hand-held Niton XRF analyzer) located 18 km southwest of the Samapleu nickel-copper deposit.

The occurrence, named Yepleu, covers an area of 24 km<sup>2</sup> in the NE corner of the Zérégouiné Exploration Permit. Outcrops with up to 25% disseminated sulphide mineralization in mafic and ultramafic rocks and strong mineralization are seen at surface along a NW-SE strike length of 1.7 km, with some of them showing continuous mineralized horizon of up to 25 m in strike length.

The sector shows a strong HTEM conductivity covering an area of 6 km by 4 km with extension to the SW over more than 17 km (**Figure 2**).

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The disseminated mineralization is typically characterised by fine isolated grains to large granular aggregates of nickel, copper and iron sulphides. Sulphide phases observed so far include pyrrhotite, chalcopyrite, pentlandite and minor pyrite. Pentlandite occurs as inclusions in pyrrhotite. Disseminated sulphide occurs as fine grains of 0.5 to 1 millimetre in diameter, showing a high ratio of pyrrhotite versus chalcopyrite. Sulphide veinlets and fine filaments are also present. Composite grains of sulphide material are dominant, forming sulphide masses of odd shapes ranging from a few millimetres up to several centimetres in any one dimension. The semi-massive mineralization lenses show between 30% to 70% sulphide minerals.

Both HTEM surveys (2013 and 2018) have covered 100% of the property surface area and have identified that the geological host of the newly discovered Yepleu nickel-copper-palladium mineralization extends to the entire length along an axe-oriented NE-SW for more than 17 km long. Numerous surface gossans and mineralized grab samples including the 8.4%Cu (Niton XRF analyzer) are present at surface. The 2018 HTEM survey outlined several new prospective sectors parallel to those already known (**Figure 2**).

The Company performed a first phase of Typhoon survey in August 2018 and began the phase 2 Typhoon survey on April 1, 2019. Five holes for 4,191 m were drilled by Capital Drilling in the first half of 2019 and have intersected new mineralization at the Yepleu Sector 1.

The hole YE29-556043 returned results with a combined 5.2 m of semi-massive sulfides grading 1.16% nickel, 0.62% copper, 0.24 gpt palladium and 0.21 gpt platinum (using a cut-off-grade of 0.8% nickel) within a larger interval of 37 m of disseminated sulphide mineralization grading 0.41% nickel, 0.31% copper, 0.23 gpt palladium and 0.17 gpt platinum. A second hole drilled at the Yepleu Sector 1 as follow-up on the mineralized zone intersected on the first deep hole (YE29-556043) returned a mineralized zone of 54 m of disseminated to semi-massive and massive sulfide material from 585 m to 639 m from the surface. Assays results are pending.

Two additional holes were drilled subsequently as follow-up on the mineralized zone intersected on the first deep hole. Hole YE29-553044 returned a mineralized zone of 54 meters of disseminated to semi-massive and massive sulfide material from 585 m to 639 m from the surface. The second hole, YE22-225440 intersected 30 meters of disseminated to semi-massive and massive sulphide, including 1.7 m of massive sulphide (> 70% sulphide).

The Company's discovered mineralization at 600 m at depth at the Sector 1 within the Yepleu license and within the newly discovered Yacouba Intrusive Complex (dated as the same age as the Bushveld Complex in RSA (2.1 Ga) which host the large nickel-palladium Platreef deposit) is another evidence that the Yacouba intrusion system has the potential to host a significant amount of high-grade nickel-copper-cobalt and palladium in reservoirs and pods that are yet to be discovered. Sama's have outlined a strike length for the Yacouba Intrusive Complex of more than 66 km. The Yepleu area appears to be the center of the intrusion from where it seems to have "radiated" in all directions. This observation suggests that the Yepleu area is as proximal as we can get to the hot spot (**Figure 8**).

From March to August 2021, the Company drilled three holes at the Yepleu prospect testing electromagnetic targets defined using DHTM. A fourth hole is ongoing aiming at the strong 20,000CT target (**Figure 5**).

The 2021's sequence of holes at Yepleu aimed at testing three DHTM targets along a mineralised trend and horizon striking more than 4,500 m. The mineralised horizon starts near surface and reach a depth of more than 850 m toward the south-southwest. The horizon appears to be open at depth. The very strong conductive target at 850 m from surface defined by the DHTM is currently being drilled with hole 2021-05 as well with a wedged hole starting at 600m down the 2021-05.

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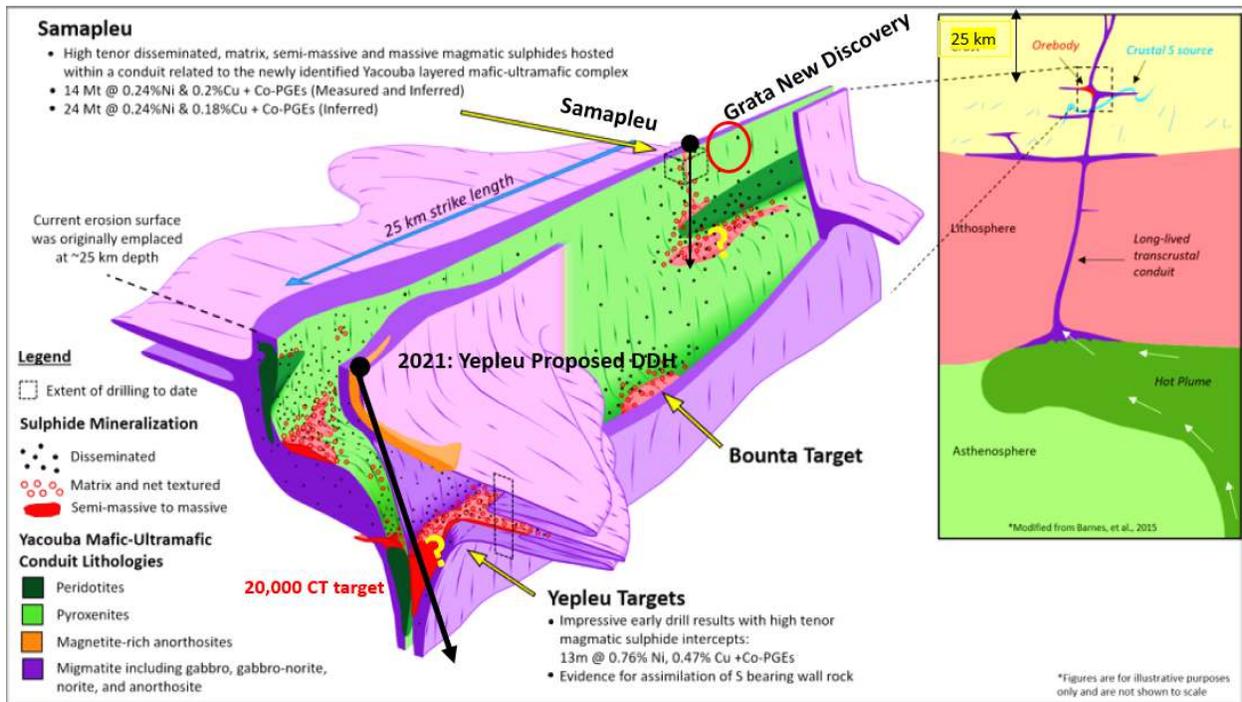


Figure 8: Schematic visualization of the Yacouba intrusive complex showing proposed targets at Samapleu, Grata and Yepleu.

During the nine-month period ended September 30, 2021, an amount of \$887,192 was capitalized at the Zéréguiné Property, resulting in total capitalized exploration and evaluation expenditures of \$9,198,455 so far.

## Estimated expenditures:

The Company's estimated expenditures for 2022 is \$885,000 which will consist mainly in drilling.

## Grata property (PR 604)

Sama CI owns the exploration permit No. 604 ("PR604") which covers 80 square kilometers of property in Ivory Coast and expires on December 8, 2022. In accordance with PR604, Sama CI agreed to complete an exploration program evaluated at F CFA 1,018,000,000 (\$2,286,510 as at September 30, 2021) before the term of the exploration permit. The Grata Property is 100% owned by Sama CI and is located adjacent to the north-eastern boundary of the Samapleu Property.

The property is located adjacent to the north-eastern boundary of the former Samapleu exploration permit. Sama believes that ultramafic sequences of the recently outlined large Yacouba Layered Complex which hosts the Samapleu Nickel-Copper-Palladium deposits, are extending within the Grata Permit and as such represent a prime target for nickel-copper-palladium mineralization.

In May 2021, the Company decided to drill one hole at the Grata property in following up on the revised 2013's HTEM data. Hole SM20-070410 returned a combined 147 m of sulphide mineralisation including a combined 56m grading 0.39%Ni, 0.45% Cu and 0.33 g/t Pd. This is a new discovery for the Company. Following-up on this new discovery is ongoing.

## Estimated expenditures:

The Company's estimated expenditures for 2022 is \$660,000 which will consist mainly in drilling.

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## Zoupleu (PR 837)

SMT owns the exploration permit No. 837 ("PR837") which covers 135 square kilometers of property in Ivory Coast and expires on June 18, 2023. In accordance with PR837, SMT agreed to complete an exploration program evaluated at F CFA 1,120,000,000 (\$2,515,610 as at September 30, 2021) before the term of the exploration permit.

The Zoupleu Property is 100% owned by SMT and is located adjacent to the western edges of both Samapleu East and West properties (**Figure 1**). Although, the area needs to be flown with a Helicopter Electromagnetic survey there are indications of good EM targets located in the south-east corner of the property (**Figure 2**).

During the nine-month period ended September 30, 2021, an amount of \$913 was capitalized at the Zoupleu Property, resulting in total capitalized exploration and evaluation expenditures of \$2,754 so far.

### Estimated expenditures:

There is no expenditure planned on the Zoupleu property for now.

## LIBERIA GOLD PROJECTS

In January 2021, SRL was granted with three exploration permits for gold in Liberia (**Figures 9 & 10**).

The **Zwedru South** property (MEL9001921), which covers 129.65 km<sup>2</sup>, is located 40 km south of the town of Zwedru and close to the road linking Zwedru to Greenville. Significant alluvial and saprolite artisanal gold mining activity were identified in the surroundings.

The **St-John River Gold** property (MEL9001821), which covers 174.50 km<sup>2</sup>, is located 90 km NE of Buchanan and close to the railway linking Buchanan and Mont-Nimba. Significant alluvial and saprolite artisanal gold mining activity were identified in the surroundings.

The **Nuon** property (MEL9001721), which covers 273.59 km<sup>2</sup>, is 260 km east of Monrovia and 20 km from Zwedru town and next to the border with the Côte d'Ivoire. Significant alluvial and saprolite artisanal gold mining activity identified at the Barteh Jam, Nico, Middle East and Mambo mining camps. Barteh Jam and Mambo camps respectively being two of the largest in Liberia. The area was poorly worked previously but still confirming numerous gold areas north of the proposed area. The amphibolite schists are hosting several nickel and copper occurrences/indices as defined by the USGS. Historical drilling results reported in the area are as follow (**Figure 11**):

### *Historical drilling results reported in the area:*

- 2.6m @ 5.43g/t Au, incl. 1.1m @ 11.2g/t Au;
- 4.0m @ 12.7g/t Au, incl. 1.0m @ 49.0g/t Au;
- 3.0m @ 4.51g/t Au, incl. 1.4m @ 7.42g/t Au;
- 1.0m @ 19.9g/t Au;
- 3.0m @ 11.7g/t Au;
- 3.0m @ 4.9g/t Au;
- 16.0m @ 1.16g/t Au, incl. 1.0m @ 5.62g/t Au;
- 3.0m @ 2.69g/t Au;
- 4.0m @ 2.64g/t Au;
- 1.0m @ 8.80g/t Au.

Liberia is underlain by the West African Craton, which has remained stable since about 1.7 Ga. The craton consists of two major basement domains.

- Reguibat Shield (in the north and around Mauritania)
- Man Shield (3.0–2.5 Ga) which underlies most of Liberia, and much of Sierra Leone, eastern Guinea and the western edge of Côte d'Ivoire.

The two shields are separated by the Taodeni basin of Proterozoic to Palaeozoic age, while the Man Shield lies to the west of the Proterozoic Birimian Belts.

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Gold in Liberia is concentrated in both; the Archean craton and the Birimian greenstone belts. Trends & Structures cross-cutting into Ivory Coast. More than 600 Gold occurrences outlined by USGS in the 80's (**Figure 10**).



Figure 9: SRL's three exploration permits.

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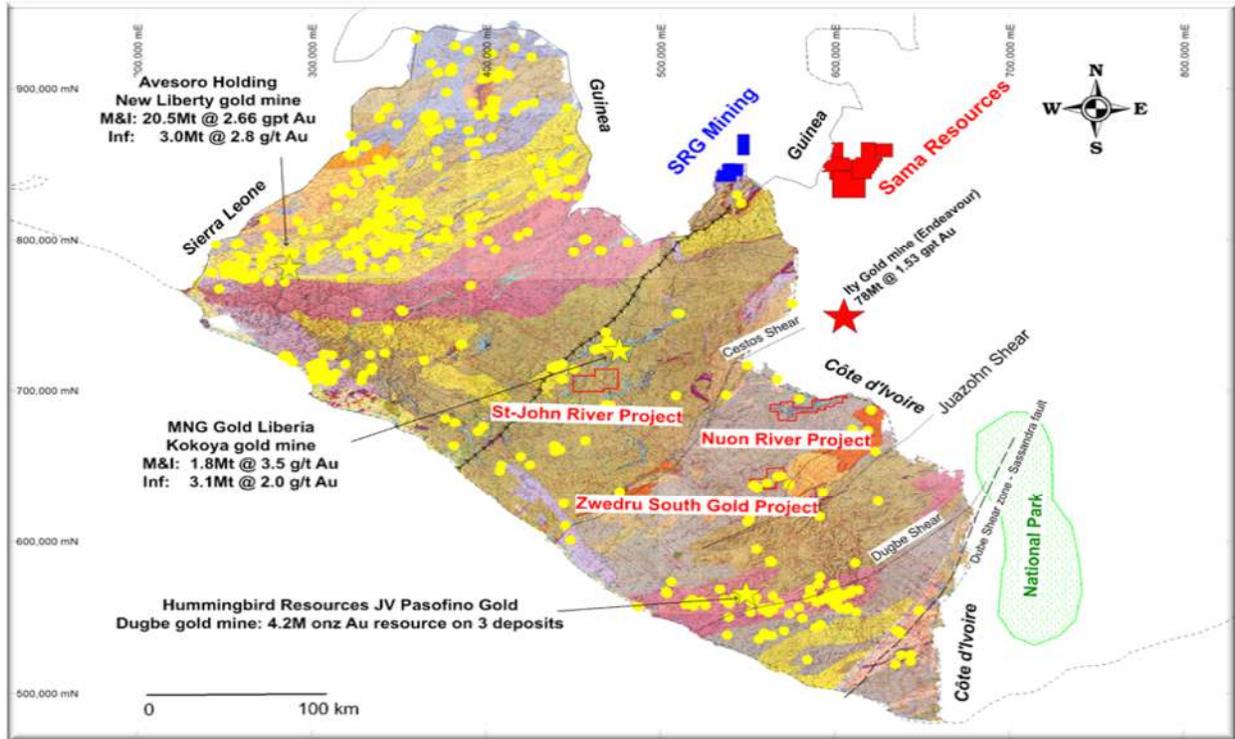


Figure 10: SRL's three exploration permits together with the +600 gold occurrences and nickel showings in Liberia.

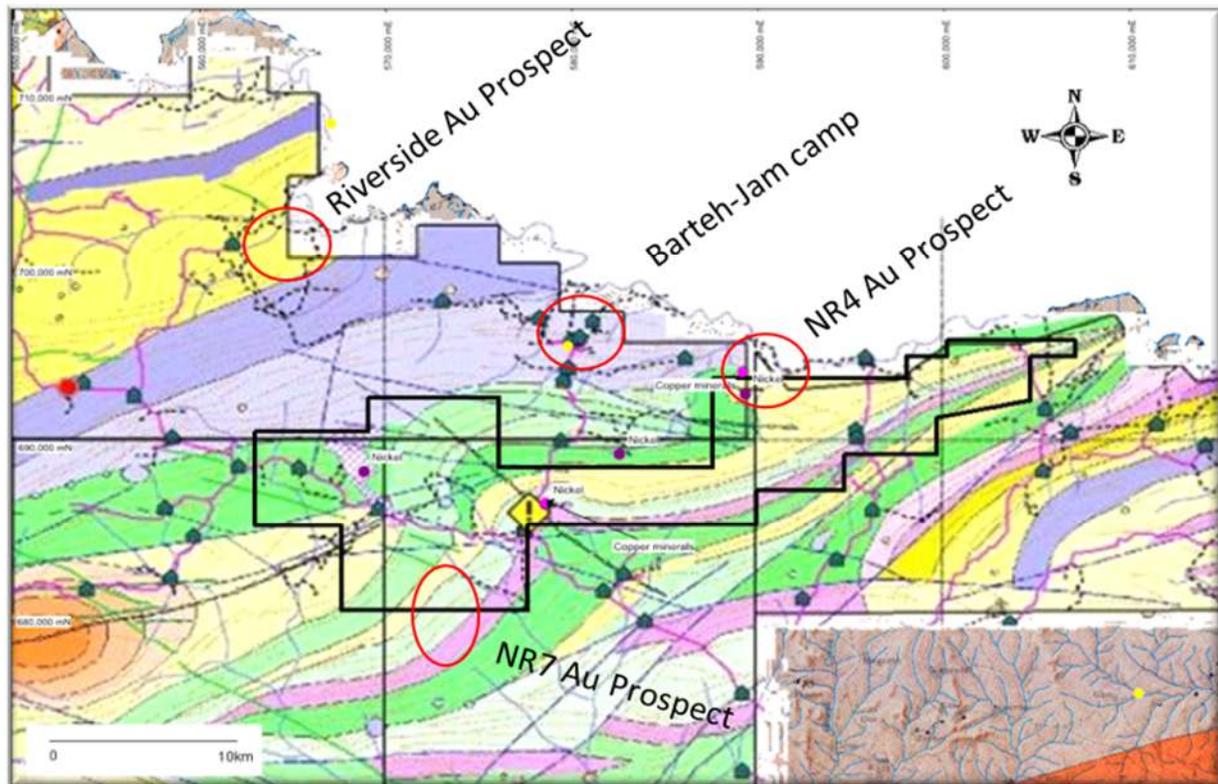


Figure 11: Nuon exploration permit showing previous exploration works and potential areas.

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On April 30, 2021, the Company signed an agreement with Seahawk Gold Corp. (CSE: SHV | OTCQX: SEHKF) ("Seahawk") for the acquisition of the Zwedru South project, St-John River gold project and Nuon project. The acquisition will be made through the purchase of Sama Resources Development Corp. (SRDI), a subsidiary of Sama, which holds 100 % of the issued and outstanding securities of Sama Resources Liberia Inc. (SRL). SRL holds all rights, title and interest in the Liberian projects. In consideration for the purchase of Sama Resources Development Corp, Seahawk will issue 8.5 million of its common shares to Sama which will result in Sama holding 20.8% of Seahawk's outstanding shares following the issuance.

The transaction is subject to various closing conditions, including the satisfactory completion of due diligence by Seahawk, and all applicable shareholder, regulatory and stock exchange approvals for the Transaction having been received by the relevant parties. Seahawk and Sama intend to discuss the potential provision of exploration and other services by Sama to Seahawk in respect of the Projects following closing, which if agreed to will be the subject of separate agreements between Seahawk and Sama.

During the nine-month period ended September 30, 2021, an amount of \$88,958 was capitalized on the three exploration permits, resulting in a total capitalized exploration and evaluation expenditures of \$88,958 so far.

### Estimated expenditures:

There is no expenditure planned on the three exploration permits for now.

## *PROVINCE OF QUEBEC, CANADA PROJECT*

### **LAC BRULÉ NI-CU PROJECT**

The Company, through his full owned subsidiary Sama Resources Québec Inc (SRQ) launched the Lac Brulé Ni-Cu and the Lac Brennan projects by acquiring 355 exploration claims in the Nivernais and Esgriseilles Townships and 16 claims in the Dauphine Township, all in the Province of Québec, surrounding the 19 claims owned by Dr. Audet (May 2020).

Dr. Audet (Ph.D. Geology) became aware of the potential of the entire area following a compilation for base metal performed in late 80's while working for Falconbridge. On the eastern edge of the large deformation pattern outlined by the regional magnetism (**Figure 12**) site the small Renzy Ni-Cu mine. The Renzy Ni-Cu mine operated from 1969 to 1972 selling Ni & Cu concentrate to Falconbridge in Sudbury, Ontario.

As a part of the ongoing exploration program, SRQ commissioned Helios UAV to complete a high-resolution magnetic and radiometric survey over the eastern part of the Lac Brulé property. The UAV survey took place from July 14 through August 3, 2021 and included the acquisition of 609 line-km of magnetic data and of 335 line-km of radiometric data. Interpretation was performed by M. Joel Simard, P. Geol./Geoph based in St-Donat, Quebec province, Canada.

No historical prospecting or ground exploration had been reported from the Lac Brulé area prior to SRQ. However, Government regional magnetic and gravity maps covering the area, as part of coverage of the entire Quebec province, as well as data from stream and lake sediment sampling programs covering the entire province, are available on the SIGEOM website (**Figure 12**).

The past-producing Renzi nickel-copper mine is the closest mining activity with historical information available. The Renzi mine is located 48 km east-southeast of the Lac Brulé property. The Company is targeting possible accumulations of Ni and Cu mineralization at Lac Brulé that could be of similar nature to that at the Renzi mine and at other well-known Ni-Cu deposits in Québec and Labrador.

The UAV magnetic survey covered the east-central part of the Lac Brulé property with north-south oriented lines at 100 m spacing (see **Figure 14**) for a total of 609-line km. The aim was to use the survey to assist with structural and geological mapping, and in particular to delineate the mafic/ultramafic units that host mineralization at the gossan.

The survey maps show a high density of strong magnetic anomalies that are interpreted as the signature of mafic and ultramafic formations. The gossan zone is situated in the vicinity of these anomalies, emphasizing the favorable environment for base metals mineralization.

The discovery zone, where the gossans have been identified, is situated in the vicinity of strong magnetic anomalies in the south-central part of the block that was flown (**Figures 14 & 15**). This gossan zone lies along a localized northwest

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to north-northwest trending discontinuity (fault) where the magnetic units appear locally demagnetized. Demagnetization is potentially indicative of alteration caused by the upwelling of hydrothermal fluids along the fault. This structural control may emphasize other favorable locations to search for precious and base metals mineralization (**Figure 16**).

The delineation of linear discontinuities over the survey area was achieved by using a program from the Centre for Exploration Targeting (CET), a joint initiative between Curtin University and the University of Western Australia (**Figure 17**). The CET method enhances discontinuities within aeromagnetic datasets that usually correspond with, and can reveal, lithological boundaries, faults, and dykes/intrusions critical to understanding the geology of an area.

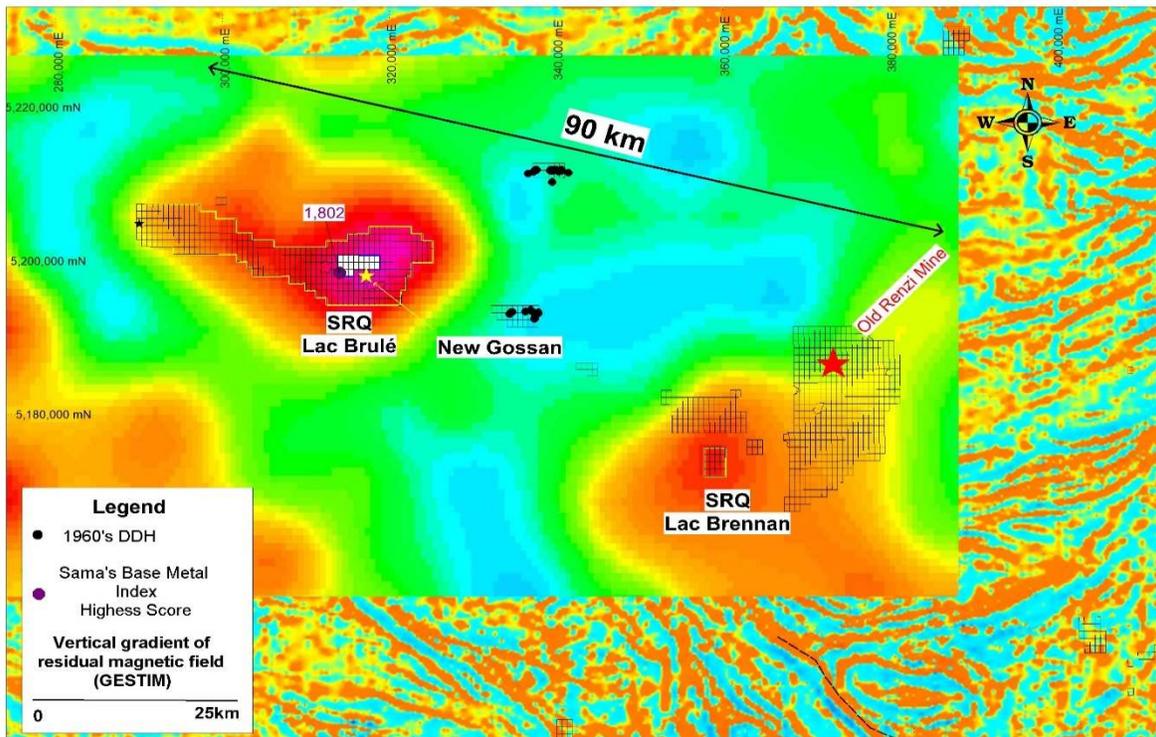


Figure 12: Lac Brulé Ni-Cu project. Exploration claims forming 1 large block and a smaller block of 16 claims called Lac Brennan south-west of the old Renzy Mine. The vertical gradient of gravity anomaly and the first derivative of the gradient magnetometer is shown in background.

**Table 3** is showing the assay results for nine samples collected at the gossan at surface in May 2021. Sulfur (S) is showing that the gossan is derived from a sulfide body, Cu is up to 0.15% even after leaching and Sc ranging between 1.25 oz/t to 1.49 oz/t is highly significant, indicating a sulfide body derived from a meta-ultramafic protore. Percentages and oz/t were calculated from ppm divided by 10,000 for % and 32 for oz/t.

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**Table 3:** Assay results for nine samples collected at the gossan at surface in May and July 2021.

Sample	Type	Easting	Northing	Ni	Cu	Cu	Fe	Mg	S	Sc	Sc	Au
NAD 83 Zone 18				ppm	ppm	%	%	%	%	ppm	Oz/t	ppb
<b>May 2021 grab sample</b>												
40351	Gossan	316493	5196848	314	751	0.08	8.93	10.4	1.21	46	1.48	8
40352	Gossan	316493	5196848	328	788	0.08	8.81	9.93	1.13	45.4	1.46	11
40353	Gossan	316493	5196848	190	640	0.06	8.43	10.3	0.83	45.9	1.48	9
40354	Gossan	316493	5196848	356	617	0.06	8.06	10.3	0.78	43.2	1.39	7
40355	Gossan	316530	5196869	111	338	0.03	8.85	9.95	0.18	47.7	1.53	6
40356	Gossan	316495	5196914	591	685	0.07	10.1	10.2	2.32	42.9	1.38	5
40357	Gossan	316495	5196914	529	1430	0.14	9.32	10.1	2.5	40	1.29	24
40358	Gossan	316493	5196848	276	743	0.07	9.3	10	1.52	40.2	1.29	9
40359	Gossan	316493	5196848	455	782	0.08	9.56	9.84	1.85	42.8	1.38	7
<b>July 2021 channel sampling</b>												
40360	Gossan	316446	5196916	626	890	0.09	10.00	10.60	1.29	49.30	1.59	4
40361	Gossan	316449	5196904	654	822	0.08	10.30	10.50	1.43	50.80	1.64	4
40362	Gossan	316451	5196908	660	853	0.09	9.64	10.10	1.29	49.00	1.58	6
40363	Gossan	316450	5196909	553	851	0.09	9.64	10.20	1.09	47.20	1.52	5
40364	Gossan	316446	5196912	653	827	0.08	10.20	10.00	1.41	49.00	1.58	2
40365	Gossan	316450	5196910	733	810	0.08	10.40	9.74	1.25	49.50	1.60	6
40366	Gossan	316449	5196913	719	886	0.09	9.25	10.50	1.37	49.30	1.59	3
40367	Gossan	316454	5196224	191	683	0.07	10.20	10.20	0.93	49.00	1.58	5
40368	Gossan	316476	5196905	311	1,060	0.11	10.40	10.40	1.80	50.20	1.62	16
40369	Gossan	316486	5196910	407	1,030	0.10	11.00	10.60	2.25	49.80	1.61	5
40370	Gossan	316494	5196912	187	539	0.05	10.70	10.40	0.89	49.50	1.60	4
40371	Gossan	316501	5196906	441	1,110	0.11	11.70	10.10	1.40	45.00	1.45	6
40372	Gossan	316473	5196901	830	923	0.09	10.00	10.70	1.95	47.40	1.53	5
40373	Gossan	316437	5196913	319	753	0.08	9.87	10.30	1.28	48.80	1.57	2
40374	Gossan	316723	5196582	464	690	0.07	11.50	10.90	1.83	41.50	1.34	3

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Figure 13: Dr Audet at the discovered surface gossan

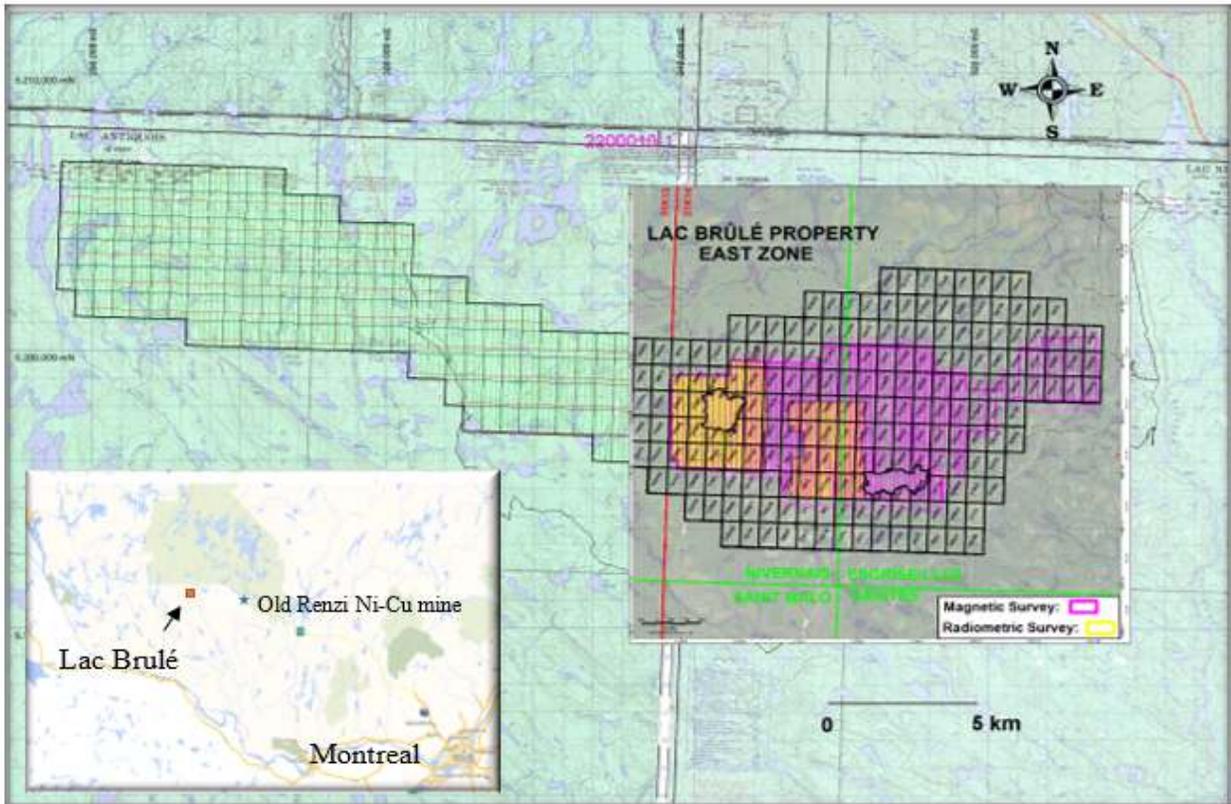


Figure 14: Map of MAG survey completed by Helios UAV.

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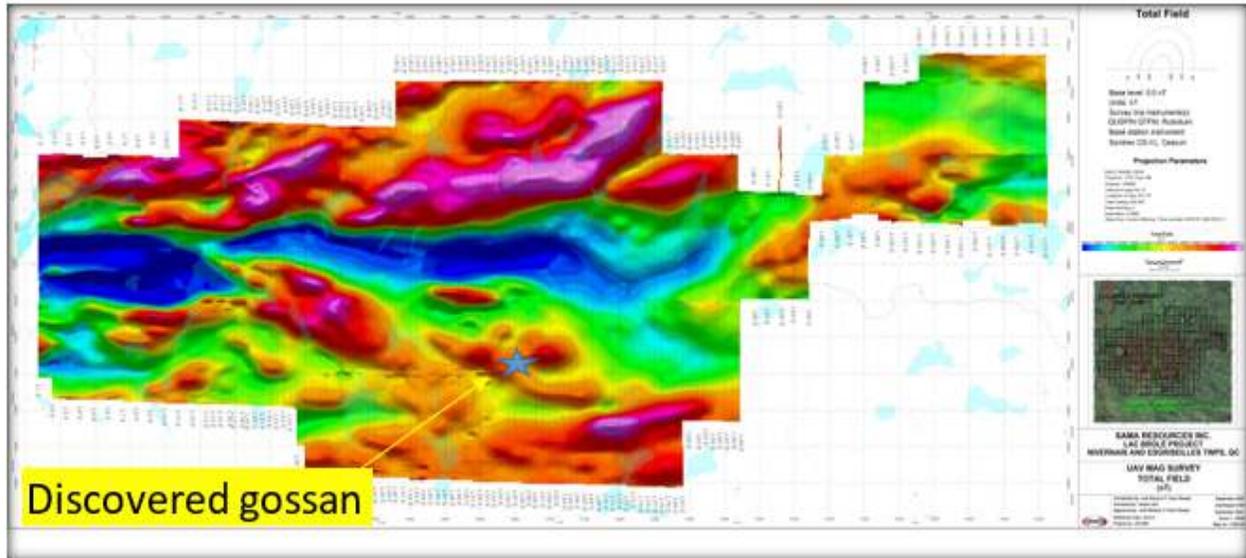


Figure 15: Total Magnetic Field for the UAV MAG survey.

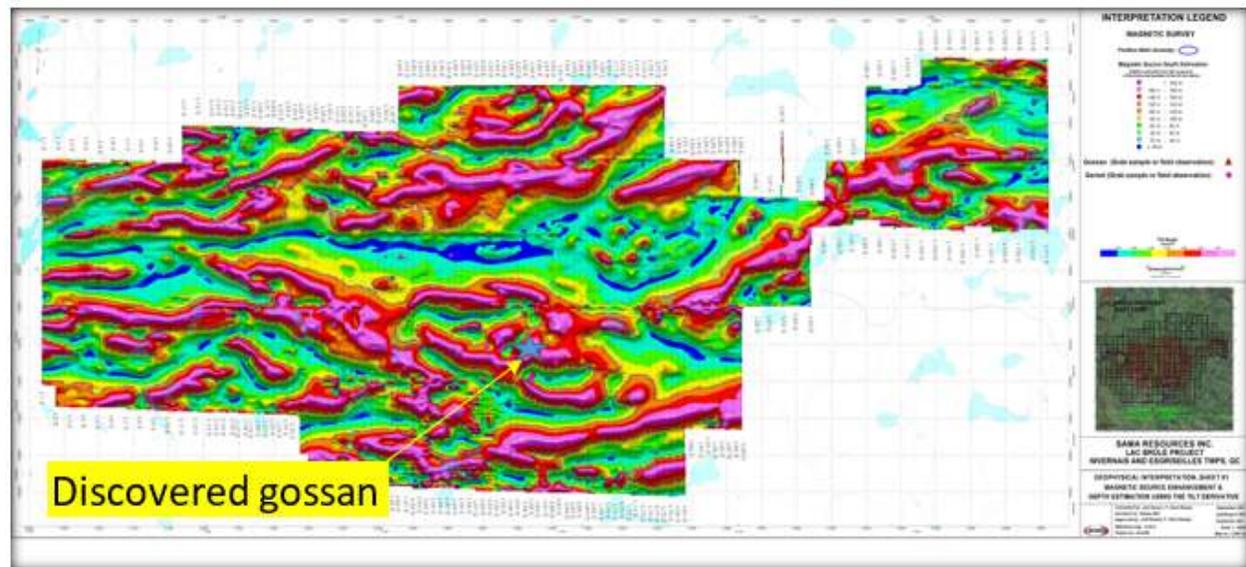


Figure 16: Using the tilt derivative filter, the positive magnetic anomalies were delineated regardless of their relative amplitude. In the survey area, the calculated depths range from sub-outcropping to slightly more than 1500 m, with a mean value of 60 m.

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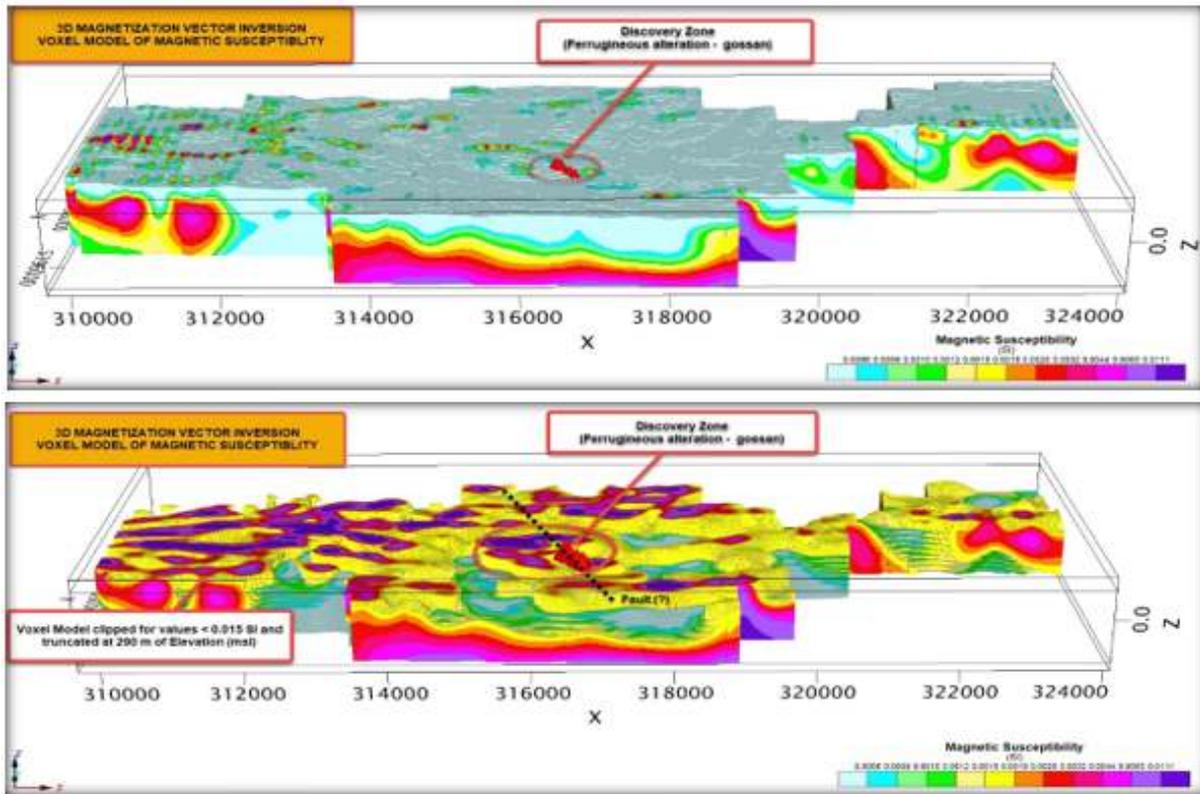


Figure 17: The main magnetic anomalies are linked to relatively broad bands of rocks that are 50 m wide and can reach up to 300 m in apparent thickness (top). The gossan zone is observed on a localized low magnetic feature which seems to coincide with the trace of a northwest to north-northwest striking fault causing local demagnetization of the host mafic and ultramafic units (bottom).

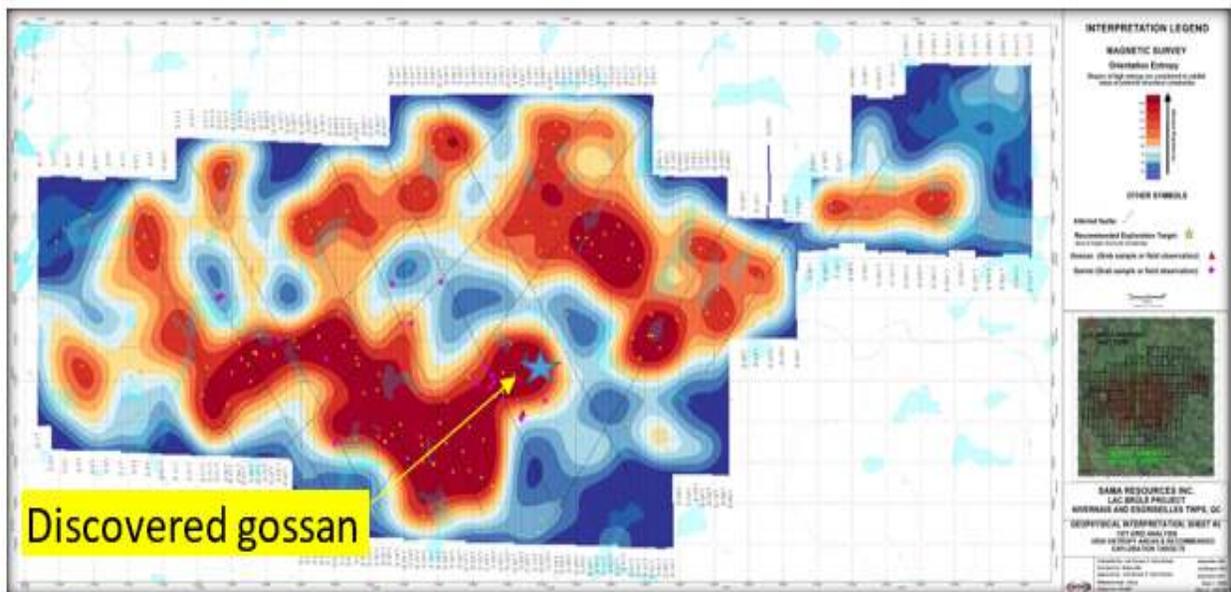


Figure 18: CET: Grid Analysis, High Entropy Areas and Recommended Exploration Target areas.

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During the nine-month period ended September 30, 2021, an amount of \$165,709 was capitalized resulting in a total capitalized exploration and evaluation expenditures of \$165,709 so far.

### Estimated expenditures:

Exploration works includes an Helitem (Helicopter Electromagnetic) survey with Xcalibur MPH (Canada) Ltd planned for December 2021 and geological mapping-sampling and possibly drilling in 2022,

## NICKEL MARKETS ANALYSIS

**Figure 15** shows that the nickel inventory declined from 200,000t to 140,000t in about 6 months. Nickel price increased steadily over the same period to almost 9.00\$/lb.

As predicted, the nickel demand recovered through 2021. Analysts at Wood McKenzie, leading nickel market analysts, forecasted that annual average deficit of 60 kt through to 2027 will return stock days of consumption to less than 100 days for the first time since 2006 and bring nickel prices closer to US\$25,000/t by 2025 and US\$28,000/t by 2027.

The stainless-steel industry is the biggest user of primary nickel and scrap nickel followed by alloys, special steel, plating, batteries and foundries. In 2017, the stainless-steel industry accounted for approximately 75% of all primary nickel usage and also consumed nearly 900,000 tons of scrap nickel. The battery industry accounted for 3.7% with the remainder used by the other above-mentioned industries (ref: World Nickel Factbook 2018). Prior to the COVID pandemic, China is the largest market for nickel (sources: Australian Department of Industry, Innovation and Science). It accounted for 65% of the world nickel consumption. The stainless-steel production in China was 25 million tons in 2016. Japan was the second largest market for stainless steel production accounting for 3.3 million tons in 2016.

### **Increasing Demand from Burgeoning Battery Industry**

The emerging battery market for renewable energy is a new market for nickel. Effectively, nickel is a vital component of the key next generation batteries including nickel-manganese-cobalt (NMC) batteries used in electronic vehicles and nickel-cobalt-aluminum (NCA) batteries, which are being adopted in electronic vehicles and grid storage. The willingness to migrate from fossil energy to electric energy is an irreversible trend. The new market trend for batteries for automobiles, trucks, trains and ships, not to mention for residential and industrial energy storages, is underway and is going to increase exponentially in the next few years. The nickel market will benefit greatly since the main components of any given batteries are graphite and nickel.

Nickel is used as the cathode material for lithium-ion batteries and used in increasingly large quantities. Industry major Vale predicts nickel demand in the electronic vehicle will increase between 350,000-to-500,000t by 2025.

There is a consensus between analysts that by the end of the 2020's era, nearly 70% of new cars will have some form of electrification. Analysts at Roskill predict that primary nickel demand in the battery sector is forecasted to rise by more than 20% per year between 2017 and 2027, to over 500 kilotons per year.

The current battery technology used in most electric vehicles is lithium-ion batteries. The main component of these batteries is nickel well over the other raw materials needed like cobalt, manganese, lithium and graphite. The amount of nickel used in batteries is likely to increase even more in the search to increase the energy density of the batteries and to reduce the need of the expensive cobalt. This could also have a direct impact on the global need for nickel over the next decades.

Out of all metals used by battery suppliers, nickel is the most worrying when it come to supply.

Meeting EV demand requires the Cu, Ni, Co and Lithium to grow significantly in size over the next decade. Effectively and according to CITI Research, EV demand growth should expand the size of the entire lithium market by 300%, the cobalt by 100%, nickel by 30% and copper by 10%. Nickel demand in Li-ion batteries is forecasted to grow to 465kt by 2025 compared to 100kt today.

According to Coherent Market Insights, North America is expected to be the largest market in terms of revenue share in years to come. This is attributed to growing usage of nickel powder in alloys, and stainless steel in the U.S. and Canada. According to the USGS, approximately 45% of the nickel consumed was utilized in alloy steel and stainless-steel production in the U.S. and produced 1.64 million tons of stainless steel (nickel bearing) in 2014.

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## COPPER MARKETS ANALYSIS

Figure 16 is showing that copper stocks is continuing declining for the last 4 months to just above the 100,000t inventory mimicking similar behavior in previous years. Will the decline continue in 2022? Looking at the combined increase in Cu price of the last 24 months coupled to the sharp decrease observed of the last 4 months, one can speculate that the inventory could further decline in 2022. Such a sharp decline in copper stocks will have a significant impact on the global copper market.



Figure 15: Nickel and Copper values from November 2016 to November 2021.

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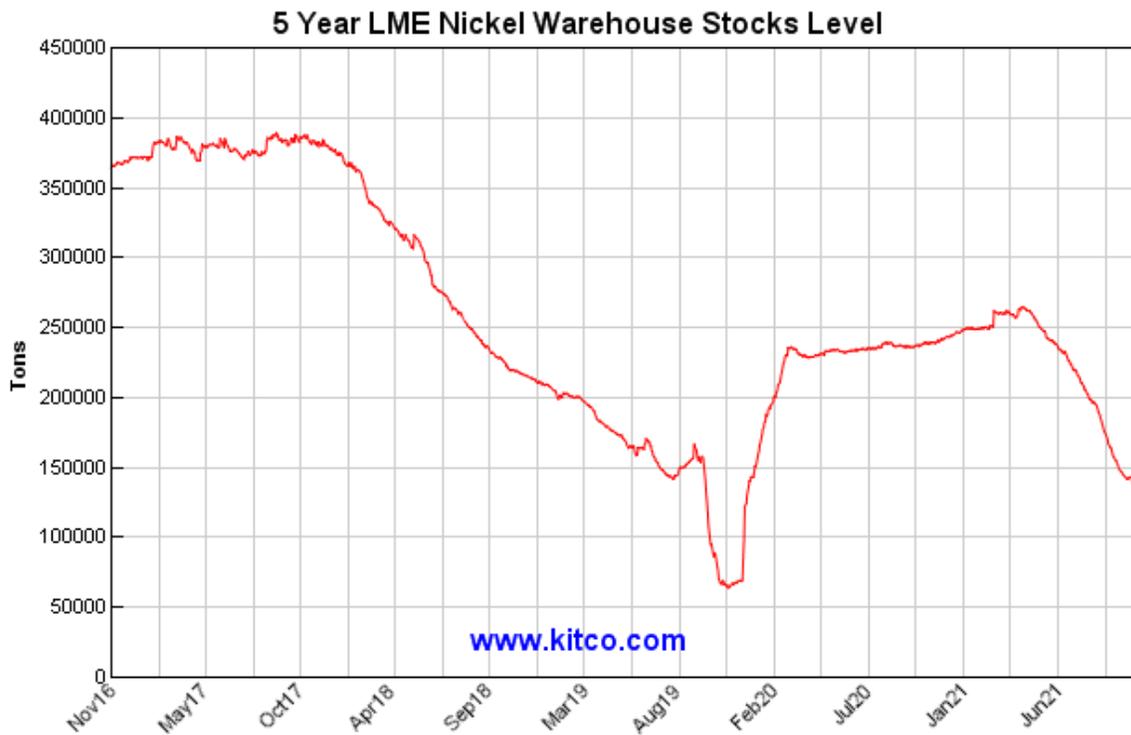


Figure 16: Inventories in Nickel and Copper at the London Stock Exchange (LME) since November 2016.

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### SELECTED FINANCIAL INFORMATION

#### Non-controlling interest

On March 19, 2021, the Company signed an earn-in and joint venture agreement, previously announced on October 23, 2017, with Ivanhoe Electric Inc. or "IVNE" (previously HPX Ivory Coast Holdings Inc. or "HPX") in order to develop its nickel-copper and cobalt project in Ivory Coast, West Africa.

As part of the agreement, IVNE made a strategic investment representing an interest in the Company of 11.45% for a total amount of \$12,250,000 through the acquisition of 25,000,000 units at a price of \$0.21 per unit for \$5,250,000 and by the exercise of 25,000,000 warrants at a price of \$0.28 per common share for \$7,000,000. In addition, IVNE has the ability to earn, through a joint venture with the Company, up to a 60% interest in the Company's Ivory Coast projects, including the Samapleu project, by financing exploration and evaluation expenses and completing a feasibility study through total investments of \$30,000,000. The strategic investment of \$12,250,000 is considered to be part of this total investment of \$30,000,000.

Highlights of the agreement include the following:

- IVNE will have a pre-emptive/anti-dilution right to maintain its ownership percentage in the Company in future equity financings as long as the holdings of common shares of the Company by IVNE and its affiliates remains above 10%;
- IVNE will have the right, but not the obligation, to nominate and have appointed: (i) two directors to the board of the Company as long as its shareholding in the Company remains above 10%; and (ii) four directors if its shareholding is greater than 50%;
- IVNE would earn into the Ivory Coast project through SNC as the joint venture vehicle;
- Pursuant to the terms of the earn-in and joint venture agreement, IVNE shall have the ability to earn a 30% interest in the Ivory Coast project by incurring expenditures of \$15,000,000. By incurring additional expenditures of \$15,000,000 (or, as may be the case, \$10,000,000 in certain circumstances discussed as follows) over a maximum of 6 years, including the financing of a bankable feasibility study and the acquisition of an exploitation permit on part of the Ivory Coast project, IVNE will be entitled to earn an additional interest in the Ivory Coast project, such that its aggregate interest therein shall be 60%;
- If certain conditions related to the SODEMI/SNC joint venture are not met by August 1, 2021 (the earn-in adjustment date), then IVNE shall have a period of one month after the earn-in adjustment date to notify the Company in writing as to whether or not it wishes to proceed with the 60% earn-in on the totality of the Ivory Coast project for:
  - i. A reduced additional expenditure of \$10,000,000 (instead of \$15,000,000) in order to earn its additional 30% interest in all of the Ivory Coast project;
  - ii. Or an additional expenditure of \$5,000,000 (instead of \$10,000,000) in order to earn its additional 30% interest in the Ivory Coast project excluding the Samapleu project after the Company has transferred the Samapleu project from SNC to the Company or an affiliate.

On August 1, 2021, the conditions related to the SODEMI/SNC joint venture were not reached. IVNE has elected to proceed with the 60% earn-in on the totality of the Ivory Coast project. Therefore, additional expenditures of \$10,000,000 will be required to earn its addition 30% interest.

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On August 27, 2021, IVNE was entitled to earn a 30% interest in SNC as its cumulative investments reached \$15,523,195 as follows:

	\$
Private placement	5,250,000
Exercise of warrants	7,000,000
Payment received as part of the earn-in and joint venture agreement	<u>3,273,195</u>
Total investments	15,523,195
Strategic investments in Sama	(12,250,000)
Cash injection in SNC	<u>(2,750,000)</u>
Earn-in interest of 30% in SNC	<u>(15,000,000)</u>
Deferred contribution as part of the earn-in and joint venture agreement	<u>523,195</u>

The payments received as part of the earn-in and joint venture agreement are recorded as deferred contribution in anticipation of IVNE reaching the \$10,000,000 cumulative threshold which would lead to an additional 30% and the formation of a joint venture for the Ivory Coast Project.

The Company assessed its investment in SNC and judged that they still have control over SNC as defined by IFRS 10. Therefore, the Company continues to consolidate the financial results of SNC in its consolidated financial statements. The transaction is accounted as a capital transaction and as such the excess of the net liabilities contributed to the consolidation of the Company over the net liabilities attributable to SNC's non-controlling interest of \$180,846 has been credited to the deficit attributable to Sama shareholders.

Summarized financial information of SNC, before intragroup eliminations, is set out below:

	September 30, 2021 \$
Current assets	1,637,039
Non-current assets	<u>28,267,608</u>
<b>Total assets</b>	<u>29,904,647</u>
Current liabilities	343,818
Non-current liabilities	<u>30,198,330</u>
<b>Total liabilities</b>	<u>30,542,148</u>
<b>NCI</b>	<u>(189,818)</u>

(1) Non-current liabilities include a due to Sama of \$29,675,135

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SNC's net loss from August 27, 2021 to September 30, 2021 is as follows:

	\$
Revenue	-
Net loss and comprehensive loss attributable to Sama	(21,161)
Net loss and comprehensive loss attributable to NCI	(8,972)
<b>Net loss and comprehensive loss</b>	<b>(30,133)</b>

### Financial Position Analysis

	September 30, 2021	December 31, 2020	December 31, 2019
	\$	\$	\$
Total assets	47,721,981	45,409,738	56,416,123
Total liabilities	4,119,857	4,057,552	3,989,226
Total equity	43,602,124	41,352,186	52,426,897
Working capital*	3,509,355	2,114,166	11,811,843

\*Working capital is a measure of current assets less current liabilities.

### Assets

Total assets at September 30, 2021 were \$47,721,981 compared to \$45,409,738 at December 31, 2020, an increase of \$2,312,243 mainly due to an increase in exploration and evaluation assets of \$1,964,114, in cash of \$779,890, in deposit on exploration and evaluation assets of \$87,451, in bridge loan of \$52,355, in trade and other amounts receivable of \$39,539, in sales taxes receivable of \$37,512 and in prepaid expenses and deposits of \$11,428. These increases were offset by a decrease in property, plant and equipment of \$257,124 and in investment in associate of \$397,115.

The increase in exploration and evaluation assets is related to the work performed on the following properties:

	\$
<b>Ivory Coast projects</b>	
Samapleu	762,706
Zérégouiné	887,192
Grata	57,596
Zoupleu	913
<b>Liberia projects</b>	
Nuon	30,575
St-John River Gold	32,515
Zwedru South	25,868
<b>Quebec projects</b>	
Lac Brulé	169,709
Lac Brennan	1,040
	<u>1,964,114</u>

The decrease in property, plant and equipment is related to the depreciation of \$263,425 which was offset by acquisition totaling of \$6,301.

The decrease in investment in associate is due to the recognition of a loss on dilution of \$19,245 and a share of loss of \$377,870.

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## Liabilities

Total liabilities at September 30, 2021 were \$4,119,857 compared to \$4,057,552 at December 31, 2020, an increase of \$62,305 mainly due to the deferred contribution received by IVNE as part of the earn-in and joint venture agreement of \$523,195 which were offset by a decrease in accounts payable and accrued liabilities of \$478,520.

## Equity

At September 30, 2021, the Company had an equity of \$43,602,124 compared to \$41,352,186 at December 31, 2020, an increase of \$2,249,938 mainly due to the issuance of common shares by a subsidiary for proceed of \$2,750,000, to the exercise of warrants and stock options for total proceeds of \$262,730 and by the recognition of a stock-based compensation of \$151,856 which was offset by the period net loss of \$935,398.

## **Operating Results analysis**

	Three-month period ended September 30, 2021	Three-month period ended September 30, 2020	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
	\$	\$	\$	\$
Revenue	-	-	-	-
Operating expenses	(210,542)	(314,125)	(749,085)	(1,146,008)
Other expenses	(85,806)	(271,891)	(58,660)	(10,067,926)
Net loss	(296,348)	(586,016)	(935,398)	(11,213,934)
Net loss per common share				
Basic	(0.001)	(0.003)	(0.004)	(0.052)
Diluted	(0.001)	(0.003)	(0.004)	(0.052)

## THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2021 COMPARED TO THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

For the three-month period ended September 30, 2021, the Company recorded a net loss of \$296,348 or (\$0.001) per share compared to \$586,016 or (\$0.003) per share for the same period in 2020, a decrease of \$289,668 due to the following important variations:

### Operating expenses

Operating expenses went from \$314,125 in 2020 to \$210,542 in 2021, a decrease of \$103,583 mainly due to a decrease in consulting fees of \$53,102, in travel and representation fees of \$20,130, in project evaluation costs of \$15,027 and in the stock-based compensation of \$19,439 which were offset by an increase in professional fees of \$13,221.

### Other expenses

Other expenses totaled \$86,806 in 2021 compared to \$271,891 in 2020, a decrease of \$186,085 mainly due to a decrease in the gain on fair value of warrants of \$54,295 and in the loss on dilution of an associate of \$259,558 which were offset by a decrease in the foreign exchange income of \$45,037 and an increase in the share of loss and comprehensive loss of associate of \$77,204.

## NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021 COMPARED TO THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

For the nine-month period ended September 30, 2021, the Company recorded a net loss of \$935,398 or (\$0.004) per share compared to \$11,213,934 or (\$0.052) per share for the same period in 2020, a decrease of \$10,278,536 due to the following important variations:

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## Operating expenses

Operating expenses went from \$1,146,008 in 2020 to \$749,085 in 2021, a decrease of \$396,923 mainly due to a decrease in consulting fees of \$148,881, in the stock-based compensation of \$120,373, in travel and representation fees of \$49,202, in general and other expenses of \$40,451, in project evaluation costs of \$15,027, in salaries and benefits of \$14,549, and in shareholder's information fees of \$12,348. These decreases were offset by an increase in professional fees of \$6,726.

## Other expenses

Other expenses totaled \$186,313 in 2021 compared to \$10,067,926 in 2020, a decrease of \$9,881,613 mainly due to a decrease in impairment of \$9,115,865, in the loss on dilution of associate of \$897,087, in the loss on derivative financial instrument of \$160,000 and by an increase in management fees of \$155,564. These decreases were offset by a decrease in the gain on fair value of a convertible debenture and warrants of \$254,992 and \$39,025 respectively, in interest income of \$51,655, by an increase in foreign exchange loss of \$53,268 and the share of loss and comprehensive loss of associate of \$50,333.

## **Cash Flows analysis**

	Three-month period ended September 30, 2021	Three-month period ended September 30 2020	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
	\$	\$	\$	\$
Cash required by operating activities	(35,769)	(173,606)	(505,082)	(726,391)
Cash required by investing activities	(1,411,722)	(276,043)	(2,291,703)	(1,955,097)
Cash generated by financing activities	(326,741)	40,000	3,576,675	50,625

THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2021 COMPARED TO THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

## Operating Activities

For the three-month period ended September 30, 2021, operating activities required cash flows of \$35,769 compared to \$173,606 for the same period in 2020, a decrease of \$137,837 in the use of cash flows due to the change in non-cash working capital items which generated cash flows of \$129,530 in 2021 compared to \$62,499 for the same period in 2020 as well as a decrease in the net loss after adjustment for items not affecting cash which went from \$236,105 in 2020 to \$165,299 in 2021.

## Investing Activities

For the three-month period ended September 30, 2021, investing activities required cash flows of \$1,411,722 compared to \$276,043 for the same period in 2020, an increase of \$1,135,679 due to an increase in exploration and evaluation expenditures.

## Financing Activities

For the three-month period ended September 30, 2021, financing activities generated cash flows of \$1,120,750 compared to \$40,000 for the same period in 2020. The inflows of 2021 are related to the issuance of common shares by a subsidiary of \$2,750,000, which were funded by deferred contributions previously received from IVNE as part of the earn-in and joint venture agreement totaling \$1,650,000 and by the exercise of warrants and stock options for total proceeds of \$20,750.

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## NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2021 COMPARED TO THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

For the nine-month period ended September 30, 2021, operating activities required cash flows of \$505,082 compared to \$726,391 for the same period in 2020, a decrease of \$221,309 in the use of cash flows due to the net loss after adjustment for items not affecting cash which went from \$811,010 in 2020 to \$448,336 in 2021. However, this decrease in the use of cash flows was offset by the change in non-cash working capital items which required cash flows of \$56,746 in 2021 compared to generated cash flows of \$84,619 for the same period in 2020.

### Investing Activities

For the nine-month period ended September 30, 2021, investing activities required cash flows of \$2,291,703 compared to \$1,995,097 for the same period in 2020, an increase of \$296,606 due to an increase in exploration and evaluation expenditures of \$465,347 which were offset by a decrease in investment in associate of \$125,000 and in property, plant and equipment acquisition of \$43,741.

### Financing Activities

For the nine-month period ended September 30, 2021, financing activities generated cash flows of \$3,576,675 compared to \$50,625 for the same period in 2020. The inflows of 2021 are related to the issuance of common shares by a subsidiary of \$2,750,000, to a deferred contribution received from IVNE as part of the earn-in and joint venture agreement totaling \$523,195, to the exercise of warrants and stock options for total proceeds of \$283,480 and to an additional loan of \$20,000 received as part of the Canada Emergency Business Account ("CEBA"). The inflows of 2020 were related to the exercise of stock options for total proceeds of \$50,625.

### **Quarterly Results Trends (in thousands)**

The operating results for each of the last eight quarters are presented in the following table.

	Sept 30, 2021	June 30, 2021	March 31, 2021	Dec 31, 2020	Sept 30, 2020	June 30, 2020	March 31, 2020 <sup>(2)</sup>	Dec 31, 2019 <sup>(1)</sup>
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	-	-	-	-	-	-	-	-
Net loss	(296)	(246)	(393)	(272)	(586)	(288)	(10,340)	(5,888)
Net loss per share	(0.001)	(0.001)	(0.002)	(0.001)	(0.003)	(0.001)	(0.048)	(0.029)

<sup>(1)</sup> An impairment of \$6,550,000 was recognized on the remaining portion of the investment in associate during the fourth quarter ended December 31, 2019.

<sup>(2)</sup> A total impairment of \$9,115,865 was recognized on asset held for sale as well as on the investment in associate during the first quarter ended March 31, 2020.

## **OUTSTANDING SHARE DATA**

	Number of Shares Outstanding (Diluted)
<b>Sama outstanding shares as of November 29, 2021</b>	218,367,940
Shares reserved for issuance pursuant to stock options outstanding	19,495,000
Shares reserved for issuance pursuant to warrants outstanding	3,825,000
<b>Sama outstanding shares - fully diluted</b>	<b>241,687,940</b>

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As at the date of this MD&A, the Company had outstanding stock options enabling holders to acquire common shares as follows:

Number Outstanding	Exercise Price	Expiry Date
1,400,000	0.32	June 6, 2022
200,000	0.155	June 21, 2022
1,000,000	0.33	October 14, 2022
2,150,000	0.19	April 21, 2025
200,000	0.18	May 27, 2025
1,775,000	0.085	January 17, 2027
500,000	0.15	March 31, 2027
100,000	0.195	April 27, 2027
660,000	0.29	November 28, 2027
3,655,000	0.33	June 12, 2028
340,000	0.30	July 29, 2028
60,000	0.30	October 31, 2028
3,225,000	0.27	February 19, 2029
2,080,000	0.19	December 18, 2029
1,885,000	0.115	December 14, 2030
265,000	0.16	June 17, 2031
<hr/> 19,495,000		

As at the date of this MD&A, the Company had outstanding warrants enabling holders to acquire common shares as follows:

Number Outstanding	Exercise Price	Expiry Date
<hr/> 3,825,000	0.15	December 9, 2021

### OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

### CONFLICTS OF INTEREST

The Company's directors and officers may serve as directors and/or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the Canada Business Corporations Act dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the federal laws of Canada, the directors and officers of the Company are required to act honestly, in good faith, and in the best interests of the Company.

### CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with IFRS requires management to apply accounting policies and make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. There is full disclosure of the Company's critical accounting policies and accounting estimates in Note 3 of the audited consolidated financial statements for the year ended December 31, 2020.

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## **ESTIMATES, JUDGMENTS AND ASSUMPTIONS**

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Significant changes in the underlying assumptions could result in significant changes to these estimates. Consequently, management reviews these estimates on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about these significant judgments, assumptions and estimates that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are disclosed in Note 5 of the audited consolidated financial statements for the year ended December 31, 2020.

## **RISKS RELATED TO FINANCIAL INSTRUMENTS**

Readers are invited to refer to Note 20 of the audited consolidated financial statements for the year ended December 31, 2020, for a full description of these risks.

## **RISKS AND UNCERTAINTIES**

The Company is in the business of acquiring and exploring mineral properties. It is exposed to a number of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates for currency, inflation and other risks. The Company will rely mainly on equity financing to fund exploration activities on its mineral properties.

The risks and uncertainties described in this section are not inclusive of all the risks and uncertainties to which the Company may be subject.

### **Early Stage – Need for Additional Funds**

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to other companies in the same business, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

### **Exploration and Evaluation**

Mineral exploration and evaluation is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, though present, are of insufficient size and/or grade to return a profit from production.

All of the mineral claims to which the Company has a right to acquire an interest are in the exploration stages only and are without a known body of commercial ore. Upon discovery of a mineralized occurrence, several stages of exploration and assessment are required before its economic viability can be determined. Development of the subject mineral properties would follow only if favorable results are determined at each stage of assessment. Few precious and base metal deposits are ultimately developed into producing mines.

### **Supplies, Health and Infrastructure**

The Company's property interests are often located in remote, undeveloped areas and the availability of infrastructures such as surfaces access, skilled labour, healthy labour, fuel and power at an economic cost cannot be assured. These are integral requirements for exploration, production and development facilities on mineral properties. In Ivory Coast, power may need to be generated onsite.

### **Impact of COVID-19**

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. During this period of uncertainty, the Company priority is to safeguard the health and safety of personnel and host communities, support

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and enforce government actions to slow the spread of COVID-19, and to continually assess and mitigate the risks to the business operations.

The Company has implemented a COVID-19 response plan that includes a number of measures to safeguard against the spread of the virus at its offices and sites. In addition, the Company has limited its operations in Côte d'Ivoire to preserve cash. The Company cannot provide assurance that there will not be disruptions to its operations in the future. If the Company's operations are impacted or expected to be impacted, the Company will seek additional measures to preserve cash, including suspension of discretionary spending and other legal means to reduce and minimize contractual spending.

## **Title Risks**

Although the Company has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interest may be subject to prior unregistered agreements, transfers, or native claims, and title may be affected by undetected defects.

## **Environmental Regulations, Permits and Licenses**

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health, waste disposal, safety and other matters. Environmental legislation in most countries provides restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact statements. Environmental legislation is evolving in a direction of stricter standards and enforcement, and higher fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

The Company believes that it is in compliance with all material laws and regulations which currently apply to its activities. However, there can be no assurance that all permits which the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

## **Climate Change**

The Company has properties in various regions and jurisdictions where environmental laws are evolving and are not consistent. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impact of climate change, such as regulation relating to emission levels. If the current regulatory trend continues, this may result in increased costs directly or indirectly affecting the Company. In addition, the physical effect of climate change, such as extreme weather conditions, natural disasters, resource shortages, changing sea levels and changing temperatures, could have an adverse financial impact on operations located in the regions where these conditions occur, directly or indirectly impacting the business of the Company.

## **Competition and Agreements with Other Parties**

The mining industry is intensely competitive in all its phases and the Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

The Company may, in the future, be unable to meet its share of costs incurred under such agreements to which it is a party and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

# **SAMA RESOURCES INC.**

Management's discussion and analysis for the third quarter ending September 30, 2021

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## **Political and Economic Risks of Doing Business in foreign countries**

All of the Company's mineral properties are currently located in Ivory Coast and Liberia which is a politically stable country. The fiscal laws and practices are well established and generally consistent with rules and regulations. However, there is no assurance that future political and economic conditions in this country will not result in its government adopting different policies respecting foreign development and ownership of mineral properties. Any changes in laws, regulations or shifts in political attitudes regarding investment in the foreign countries mining industry are beyond its control and may adversely affect its business. The Company's exploration and evaluation activities may be affected in varying degrees by a variety of economic and political risks, including cancellation or renegotiation of contracts, changes in foreign countries domestic laws or regulations, changes in tax laws, royalty and tax increases, restrictions on production, price controls, expropriation of property, fluctuations in foreign currency, restrictions on the ability to repatriate earnings and pay dividends offshore, restrictions on the ability to hold foreign currencies in offshore bank accounts, environmental legislation, employment practices and mine safety. In the event of a dispute regarding any of these matters, the Company may be subject to the jurisdiction of courts outside of Canada which could have adverse implications on the outcome.

## **Dependence on Management**

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

## **Information Systems Security Threats**

Although the Company has not experienced any material losses to date relating to cyber attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

## **Operating Hazards and Risks**

Mining operations involve many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular unexpected or unusual geological operating conditions, including rock bursts, cave-ins, fires, flooding and earthquakes, may occur. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral deposits, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Although the Company maintains liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial conditions.