

# **Sama Resources Inc.**

Interim Condensed Consolidated Financial Statements  
**For the three-month and nine-month periods ended September 30, 2021  
and 2020**  
(in Canadian dollars)

# Sama Resources Inc.

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## INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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## **Notice to Reader**

The accompanying unaudited interim condensed consolidated financial statements of Sama Resources Inc. (the "Company") for the three-month and nine-month periods ended on September 30, 2021 and 2020 have been prepared by the management and are its responsibility. These unaudited interim condensed consolidated financial statements, together with the accompanying notes, have been reviewed and approved by the members of the Company's Board of Directors. These unaudited interim condensed consolidated financial statements have not been reviewed by the Company's auditors.

# Sama Resources Inc.

## Interim Condensed Consolidated Statements of Financial Position

As at September 30, 2021 and December 31, 2020

(Unaudited - in Canadian dollars)

	Notes	September 30, 2021 \$	December 31, 2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		2,897,732	2,117,842
Trade and other amounts receivable		44,748	5,209
Sales taxes receivable		52,004	14,492
Due from related companies		-	4,055
Prepaid expenses and deposits		85,872	74,444
Bridge loan		811,040	758,685
		<u>3,891,396</u>	<u>2,974,727</u>
<b>Non-current assets</b>			
Deposit on exploration and evaluation assets		162,653	75,202
Property, plant and equipment	5	949,402	1,206,526
Warrants		45,526	47,278
Investment in associate	6	8,192,353	8,589,468
Exploration and evaluation assets	7	34,480,651	32,516,537
		<u>43,830,585</u>	<u>42,435,011</u>
Total assets		<u>47,721,981</u>	<u>45,409,738</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		<u>382,041</u>	<u>860,561</u>
<b>Non-current liabilities</b>			
Loan payable		50,969	33,339
Deferred contribution received as part of the earn-in and joint venture agreement	4	523,195	-
Deferred tax liability		3,163,652	3,163,652
		<u>4,119,857</u>	<u>4,057,552</u>
<b>Shareholders' equity</b>			
Share capital	8	49,501,659	49,179,596
Contributed surplus	9	6,057,273	5,944,000
Deficit		(11,766,990)	(13,771,410)
<b>Equity attributable to Sama Resources Inc. shareholders</b>		<u>43,791,942</u>	<u>41,352,186</u>
Non-controlling interest		(189,818)	-
<b>Total equity</b>		<u>43,602,124</u>	<u>41,352,186</u>
<b>Total liabilities and equity</b>		<u>47,721,981</u>	<u>45,409,738</u>
Nature of operations and going concern	1		

On behalf of the Board of Directors,

Signed: "Benoit La Salle" Director

Signed: "Marc-Antoine Audet" Director

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

# Sama Resources Inc.

## Interim Condensed Consolidated Statements of Loss and Comprehensive Loss For the three-month and nine-month periods ended September 30, 2021 and 2020

(Unaudited - in Canadian dollars)

	Notes	Three-month periods ended		Nine-month periods ended	
		September 30, 2021 \$	September 30, 2020 \$	September 30, 2021 \$	September 30, 2020 \$
<b>Operating expenses</b>					
Consulting fees		43,699	96,801	139,424	288,305
Professional fees		41,940	28,719	198,140	191,414
Travel and representation		14,516	34,646	34,378	83,580
General and other expenses		48,255	51,031	119,688	161,139
Salaries and benefits		24,375	27,122	92,164	106,713
Transfer agent and filing fees		7,547	5,399	18,901	19,733
Shareholder's information fees		434	5,212	3,470	15,818
Project evaluation costs		-	15,027	-	15,027
Depreciation	5	5,111	6,064	17,182	16,168
Stock-based compensation	9	24,665	44,104	125,738	246,111
<b>Operating loss</b>		<b>(210,542)</b>	<b>(314,125)</b>	<b>(749,085)</b>	<b>(1,146,008)</b>
<b>Other income (expenses)</b>					
Impairment		-	-	-	(9,115,865)
Share of loss of associate	6	(127,653)	(50,449)	(377,870)	(327,537)
Loss on dilution of associate	6	-	(259,558)	(19,245)	(916,332)
Loss on derivative financial instrument		-	-	-	(160,000)
Gain on fair value of a convertible debenture		-	-	-	254,992
Gain (loss) on fair value of warrants		10,500	(43,795)	(1,752)	37,273
Interest income		18,943	22,706	55,121	106,776
Accretion of interest on loan payable		(1,764)	-	(5,047)	-
Government grant		-	-	7,417	-
Foreign exchange gain (loss)		14,168	59,205	(501)	52,767
Management fees		-	-	155,564	-
		<b>(85,806)</b>	<b>(271,891)</b>	<b>(186,313)</b>	<b>(10,067,923)</b>
<b>Net loss and comprehensive loss</b>		<b>(296,348)</b>	<b>(586,016)</b>	<b>(935,398)</b>	<b>(11,213,934)</b>
<b>Net loss attributable to:</b>					
Sama Resources Inc. shareholders		(287,376)	(586,016)	(926,426)	(11,213,934)
Non-controlling interests		(8,972)	-	(8,972)	-
		<b>(296,348)</b>	<b>(586,016)</b>	<b>(935,398)</b>	<b>(11,213,934)</b>
<b>Basic and diluted net loss per common share</b>					
		<b>(0.001)</b>	<b>(0.003)</b>	<b>(0.004)</b>	<b>(0.052)</b>
<b>Weighted average number of common shares outstanding</b>					
		<b>218,325,549</b>	<b>216,466,410</b>	<b>217,340,091</b>	<b>216,466,410</b>

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

## Sama Resources Inc.

### Interim Condensed Consolidated Statements of Changes in Shareholders' Equity

For the nine-month periods ended September 30, 2021 and 2020

(Unaudited - in Canadian dollars)

	Notes	Share capital numbers	Share capital \$	Contributed surplus \$	Deficit \$	Total attributable to the owners of the parent company \$	Non-controlling interests \$	Total \$
<b>Balance – January 1st, 2020</b>		216,341,410	49,159,413	5,553,417	(2,285,933)	52,426,897	-	52,426,897
Exercise of stock options	8, 9	125,000	20,183	(9,558)	-	10,625	-	10,625
Stock-based compensation	9	-	-	309,018	-	309,018	-	309,018
Net loss and comprehensive loss		-	-	-	(11,213,934)	(11,213,934)	-	(11,213,934)
<b>Balance – September 30, 2020</b>		216,466,410	49,179,596	5,852,877	(13,499,867)	41,532,606	-	41,532,606
<b>Balance – January 1st, 2021</b>		216,466,410	49,179,596	5,944,000	(13,771,410)	41,352,186	-	41,352,186
Exercise of stock options	8, 9	450,000	98,962	(33,212)	-	65,750	-	65,750
Exercise of warrants	8	1,451,530	223,101	(5,371)	-	217,730	-	217,730
Stock-based compensation	9	-	-	151,856	-	151,856	-	151,856
Issuance of common shares by a subsidiary	4	-	-	-	2,930,846	2,930,846	(180,846)	2,750,000
Net loss and comprehensive loss		-	-	-	(926,426)	(926,426)	(8,972)	(935,398)
<b>Balance – September 30, 2021</b>		218,367,940	49,501,659	6,057,273	(11,766,990)	43,791,942	(189,818)	43,602,124

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

# Sama Resources Inc.

## Interim Condensed Consolidated Statements of Cash Flows

### For the three-month and nine-month periods ended September 30, 2021 and 2020

(Unaudited - in Canadian dollars)

	Notes	Three-month periods ended		Nine-month periods ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
		\$	\$	\$	\$
<b>Cash flows from (used for)</b>					
<b>Operating activities</b>					
Net loss for the period		(296,348)	(586,016)	(935,398)	(11,213,934)
Items not affecting cash					
Depreciation	5	5,111	6,064	17,182	18,168
Stock-based compensation	9	24,665	44,104	125,738	246,111
Accretion of interest on loan payable		1,764	-	5,047	-
Government grant		-	-	(7,417)	-
Interest revenue on bridge loan and convertible debenture		(17,644)	(54,059)	(52,355)	(88,824)
Loss on derivative financial instrument		-	-	-	160,000
Gain on fair value of a convertible debenture		-	-	-	(254,992)
Gain (loss) on fair value of warrants		(10,500)	43,795	1,752	(37,273)
Share of loss of associate	6	127,653	50,449	377,870	327,537
Loss on dilution of associate	6	-	259,558	19,245	916,332
Impairment		-	-	-	9,115,865
		(165,299)	(236,105)	(448,336)	(811,010)
Change in non-cash working capital items					
Trade and other amounts receivable		(30,329)	34,424	(39,539)	129,330
Sales taxes receivable		(17,649)	22,644	(37,512)	54,010
Due from a related company		-	-	4,055	4,605
Prepaid expenses and deposits		3,347	37,671	(11,428)	41,049
Accounts payable and accrued liabilities		174,161	(32,240)	27,678	(144,375)
		129,530	62,499	(56,746)	84,619
		(35,769)	(173,606)	(505,082)	(726,391)
<b>Investing activities</b>					
Acquisition of property, plant and equipment	5	-	-	(6,301)	(50,042)
Investment in associate	6	-	-	-	(125,000)
Exploration and evaluation expenditures	7	(1,411,722)	(276,043)	(2,285,402)	(1,820,055)
		(1,411,722)	(276,043)	(2,291,703)	(1,995,097)
<b>Financing activities</b>					
Exercise of warrants	8	15,000	-	217,730	-
Exercise of stock options	8, 9	5,750	-	65,750	10,625
Loan payable		-	40,000	20,000	40,000
Payments received as part of the earn-in and joint venture agreement	4	1,100,000	-	3,273,195	-
		1,120,750	40,000	3,576,675	50,625
<b>Increase (decrease) in cash during the period</b>		(326,741)	(409,649)	779,890	(2,670,863)
<b>Cash and cash equivalents – Beginning of period</b>		3,224,473	2,942,714	2,117,842	5,203,928
<b>Cash and cash equivalents – End of period</b>		2,897,732	2,533,065	2,897,732	2,533,065

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

# Sama Resources Inc.

## Notes to Interim Condensed Consolidated Financial Statements

September 30, 2021 and 2020 and December 31, 2020

(Unaudited - in Canadian dollars)

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### 1 Nature of operations and going concern

Sama Resources Inc. (“Sama” or the “Company”) is a Canadian-based mineral exploration and development business with activities in West Africa. The Company 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 Venture Exchange (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.

These interim condensed consolidated financial statements were authorized for publication by the Board of Directors on November 29, 2021.

The Company’s main exploration and evaluation assets are located in the Republic of Ivory Coast (“Ivory Coast”) in West Africa, and hence are subject to the risks normally associated with foreign investment including unanticipated changes in taxes and royalties, renegotiation of contracts, foreign currency fluctuations and political uncertainties.

#### ***Going concern uncertainty***

These interim condensed consolidated financial statements have been prepared on a going concern basis, which presumes the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business for the foreseeable future. The use of these principles may not be appropriate. The Company is in its early stages, and as is common with similar companies, it raises financing for its exploration and evaluation activities. As at September 30, 2021, the Company has an accumulated deficit \$ 11,766,990 (December 31, 2020 – \$13,771,410) and a working capital of \$3,509,355 (December 31, 2020 – \$2,114,166), including cash and cash equivalents of \$2,897,732 (December 31, 2020 – \$2,117,842). To date, the Company has financed its cash requirements primarily by issuing common shares or units. The Company’s ability to continue as a going concern is subject to its ability to raise additional financing or reduce its expenditure levels. The Company’s discretionary activities do have some scope for flexibility in terms of the amount and timing of expenditures, and to a certain extent, expenditures may be adjusted accordingly.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. Management has assessed its liquidity needs and estimates that these funds will not be sufficient to meet the Company’s obligations, budgeted expenditures and commitments through September 30, 2022. Based on the extent of the Company’s current stage and anticipated plan, the Company will need to raise additional financing within the next 9-12 month, and those facts cast significant doubt on the Company’s ability to continue as a going concern. While Management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future, that such sources of funding will be available to the Company or that they will be available on terms acceptable to the Company.

# Sama Resources Inc.

## Notes to Interim Condensed Consolidated Financial Statements

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(Unaudited - in Canadian dollars)

If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these consolidated financial statements.

These interim condensed consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

## 2 Basis of presentation and significant accounting policies

### Basis of presentation

The Company's interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim statements, including IAS 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB").

The accounting policies followed in these interim condensed consolidated financial statements are consistent with those applied in the Company's annual consolidated financial statements for the year ended December 31, 2020. These interim condensed consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2020 which have been prepared according to IFRS as issued by the IASB.

### Basis of consolidation

In addition to the Company, the interim condensed consolidated financial statements include all subsidiaries. Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are deconsolidated from the date that control by the Company ceases. Any retained interest is measured to its fair value with the change in carrying amount recognized in income or loss. The fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or joint venture.

The Company's subsidiaries are as follows:

		2021	2020
	Jurisdiction of incorporation	% of ownership	% of ownership
Sama Nickel Corporation ("SNC") <sup>(a)</sup>	Canada	70%	100%
Sama Nickel Côte d'Ivoire SARL ("Sama CI") <sup>(a)</sup>	Ivory Coast	70%	100%
Société Minière du Tonkpi SARL ("SMT") <sup>(a)</sup>	Ivory Coast	70%	100%
Sama Resources Quebec Inc. ("SRQ") <sup>(b)</sup>	Canada	100%	-%
Sama Resources Development Inc. ("SRDI")	Caymans Island	100%	100%
Sama Resources Liberia Inc. ("SRL")	Liberia	100%	100%

(a) See Note 4

(b) Incorporated on June 2, 2021

# Sama Resources Inc.

## Notes to Interim Condensed Consolidated Financial Statements

September 30, 2021 and 2020 and December 31, 2020

(Unaudited - in Canadian dollars)

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### Non-controlling interests

Non-controlling interests ("NCI") represent equity interests owned by outside parties. NCI maybe initially measured either at fair value or at the NCI's proportionate share of the recognized amounts of the acquirees identifiable net assets. The choice of measurement is made on a transaction-by-transaction basis. The share of net assets attributable to non-controlling interests is presented as a component of equity. Their share of net loss and comprehensive loss is recognized directly in equity. Total Comprehensive loss of subsidiaries is attributed to the shareholders of the Company and to the NCI even if this results in the NCI having a deficit balance. Changes in the parent company's ownership interest that do not result in a loss of control are accounted for as equity transactions.

### 3 Future accounting policies

#### Accounting standards and interpretation issued but not yet adopted

##### *Amendment to IAS 1 – Classification of Liabilities as Current or Non-current*

In January 2020, the IASB amended IAS 1, *Presentation of Financial Statements*, to clarify the criterion for classifying a liability as non-current relating to the right to defer settlement of the liability for at least twelve months after the reporting period. Taking into account a deferral issued by the IASB, the amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted. The Company does not expect any impact in its consolidated financial statements upon adoption of this amendment.

##### *Amendments to IAS 16 – Property, plant and equipment*

The IASB has made amendments to IAS 16 *Property, plant and equipment*, which will be effective for financial years beginning on or after January 1, 2022. Proceeds from selling items before the related item of Property, plant and equipment is available for use should be recognized in profit or loss, together with the costs of producing those items. The Company will therefore need to distinguish between the costs associated with producing and selling items before the item of Property, plant and equipment (pre-production revenue) is available for use and the costs associated with making the item of Property, plant and equipment available for its intended use. For the sale of items that are not part of a company's ordinary activities, the amendments will require the Company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of loss and comprehensive loss. The Company does not expect any impact in its consolidated financial statements upon adoption of this amendment.

# Sama Resources Inc.

## Notes to Interim Condensed Consolidated Financial Statements

September 30, 2021 and 2020 and December 31, 2020

(Unaudited - in Canadian dollars)

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### *Amendments to IAS 12 – Income Taxes*

The IASB amended IAS 12, *Income Taxes* to specify how a company accounts for income tax, including deferred tax, which represents tax payable or recoverable in the future. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations—transactions for which companies recognise both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations. The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted. The Company does not expect any impact in its consolidated financial statements upon adoption of this amendment.

## 4 Non-controlling interests

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%;

# Sama Resources Inc.

## Notes to Interim Condensed Consolidated Financial Statements

September 30, 2021 and 2020 and December 31, 2020

(Unaudited - in Canadian dollars)

- 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 additional 30% interest.

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
Payments received as part of the earn-in and joint venture agreement	3,273,195
Total investments	<u>15,523,195</u>
Strategic investments in Sama	(12,250,000)
Cash injection in SNC	(2,750,000)
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% interest 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.

# Sama Resources Inc.

## Notes to Interim Condensed Consolidated Financial Statements

September 30, 2021 and 2020 and December 31, 2020

(Unaudited - in Canadian dollars)

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

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

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

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

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

# Sama Resources Inc.

## Notes to Interim Condensed Consolidated Financial Statements

September 30, 2021 and 2020 and December 31, 2020

(Unaudited - in Canadian dollars)

### 5 Property, plant and equipment

	Exploration equipment \$	Buildings and lease improvements \$	Other equipment \$	Total \$
<b>Cost</b>				
<b>Balance – January 1st, 2020</b>	1,804,577	127,426	98,242	2,030,245
Acquisitions	497,456	-	-	497,456
<b>Balance – December 31, 2020</b>	2,302,033	127,426	98,242	2,527,701
Acquisitions	-	-	6,301	6,301
<b>Balance – September 30, 2021</b>	2,302,033	127,426	104,543	2,534,002
<b>Accumulated amortization</b>				
<b>Balance – January 1st, 2020</b>	877,231	51,038	52,043	980,312
Depreciation	301,209	17,125	22,529	340,863
<b>Balance – December 31, 2020</b>	1,178,440	68,163	74,572	1,321,175
Depreciation	233,692	12,773	16,960	263,425
<b>Balance – September 30, 2021</b>	1,412,132	80,936	91,532	1,584,600
<b>Carrying amount</b>				
<b>Balance – December 31, 2020</b>	1,123,593	59,263	23,670	1,206,526
<b>Balance – September 30, 2021</b>	889,901	46,490	13,011	949,402

During the nine-month period ended September 30, 2021, a depreciation expense of \$17,182 (December 31, 2020 – \$24,231) was recorded in the interim condensed consolidated statement of loss and comprehensive loss and \$246,243 (December 31, 2020 – \$316,632) was recorded under exploration and evaluation (“E&E”) assets.

# Sama Resources Inc.

## Notes to Interim Condensed Consolidated Financial Statements

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(Unaudited - in Canadian dollars)

### 6 Investment in associate

The Company has an investment in associate giving it significant influence over SRG. At December 31, 2020, the Company owned a total of 24,805,377 common shares in SRG representing an ownership of 31.07%.

During the nine-month period ended September 30, 2021, SRG issued a total of 409,900 common shares for total proceeds of \$186,742. The Company's ownership in SRG went from 31.07% to 30.92%. Therefore, the Company recorded a loss on dilution of \$19,245 on the deemed disposal of a portion of its ownership interest, in the interim condensed consolidated statement of loss and comprehensive loss.

The continuity of the Company's investment in associate is as follows:

	September 30, 2021 \$	December 31, 2020 \$
<b>Balance – beginning of period</b>	8,589,468	12,434,095
Purchase of units	-	125,000
Reclassification from asset held for sale	-	2,191,200
Convertible debenture conversion	-	1,416,970
Share of loss and comprehensive loss	(377,870)	(400,800)
Loss on dilution	(19,245)	(916,332)
Impairment	-	(6,260,665)
<b>Balance – end of period</b>	<b>8,192,353</b>	<b>8,589,468</b>

The fair value of the investment in associate as at September 30, 2021 was \$14,883,226 (December 31, 2020 – \$14,387,119).

### 7 Exploration and evaluation assets

#### Samapleu property

On January 15, 2009 (“Effective Date”), SNC entered into a Syndicate Agreement (“SA”) with La Société pour le Développement Minier de la Côte d’Ivoire (“SODEMI”), a parastatal organization, whereby SNC has indicated a particular interest in the exploration of an area covered by Permit No. 123 (“PR123”), held by SODEMI, located in Ivory Coast. PR123 encompasses approximately 446 square kilometres.

Upon execution of the SA, SNC became responsible to finance exploration work programs on behalf of the SA 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.

In March 2018, SODEMI applied for two (2) new exploration permits covering a total area of 318 square kilometers (Samapleu-East and Samapleu-West) to replace the PR123.

# Sama Resources Inc.

## Notes to Interim Condensed Consolidated Financial Statements

September 30, 2021 and 2020 and December 31, 2020

(Unaudited - in Canadian dollars)

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On June 19, 2019, the two (2) new exploration permits, Samapleu East (PR838) and Samapleu West (PR839) were granted to SODEMI. Both PRs expire on June 18, 2023, with possible renewal 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 at 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 66.7% and 33.3% respectively in the two (2) new exploration permits and this notwithstanding any future request for an exploitation permit. The ownership of the EE shall be allocated as follows:

The ownership of the EE shall be allocated as follows:

SNC	60%
SODEMI	30%
Ivory Coast Government	10%
	<hr/>
	100%

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

### Zérégouiné property

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.

### Grata property

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.

## **Sama Resources Inc.**

### Notes to Interim Condensed Consolidated Financial Statements

**September 30, 2021 and 2020 and December 31, 2020**

(Unaudited - in Canadian dollars)

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The Grata Property is 100% owned by Sama CI and is located adjacent to the north-eastern boundary of the Samapleu Property.

#### **Zoupleu property**

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 (approximately \$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 contiguous to the Samapleu Property.

#### **Nuon River property**

SRL owns the exploration license MEL9001721 which covers 273.59 square kilometers of property in the county of Grand Gedeh, Liberia and expires on January 19, 2024. The Nuon River Property is 100% owned by SRL.

#### **St-John River gold property**

SRL owns the exploration license MEL9001821 which covers 174.50 square kilometers of property in the county of Grand Gedeh, Liberia and expires on January 19, 2024. The St-John River gold Property is 100% owned by SRL.

#### **Zwedru South property**

SRL owns the exploration license MEL9001921 which covers 129.65 square kilometers of property in the county of Bong, Liberia and expires on January 19, 2024. The Zwedru South Property is 100% owned by SRL.

#### **Lac Brulé property**

SRQ staked 355 exploration claims in the Nivernais and Esgriseilles Townships in the province of Quebec, Canada for a total consideration of \$41,514. The Lac Brulé Property is 100% owned by SRQ.

#### **Lac Brennan property**

SRQ staked 16 exploration claims in the Dauphine Township in the province of Quebec, Canada for a total consideration of \$1,040. The Lac Brennan Property is 100% owned by SRQ.

# Sama Resources Inc.

## Notes to Interim Condensed Consolidated Financial Statements

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(Unaudited - in Canadian dollars)

The following table shows the E&E expenditures by property:

	December 31, 2019 \$	Activity \$	December 31, 2020 \$	Activity \$	September 30, 2021 \$
<b>Samapleu property</b>					
Acquisition costs and option payments	4,432,484	-	4,432,484	-	4,432,484
Drilling	5,575,355	179,147	5,754,502	246,383	6,000,885
Camp operation costs and other expenses	5,455,258	675,452	6,130,710	358,604	6,489,314
Geology and prospecting	2,639,651	114,602	2,754,253	67,966	2,822,219
Geophysics	1,608,688	275,978	1,884,666	35,150	1,919,816
Engineering study	946,018	171,431	1,117,449	7,384	1,124,833
Geochemistry	543,457	91,849	635,306	34,487	669,793
Metallurgical tests	244,589	-	244,589	-	244,589
Environmental study	129,101	5,877	134,978	-	134,978
Stock-based compensation	75,149	47,890	123,039	12,732	135,771
	21,649,750	1,562,226	23,211,976	762,706	23,974,682
<b>Zérégouiné property</b>					
Camp operation costs and other expenses	2,669,583	499,010	3,168,593	481,485	3,650,078
Drilling	2,017,200	134,285	2,151,485	290,936	2,442,421
Geology and prospecting	1,572,159	71,025	1,643,184	64,133	1,707,317
Geophysics	748,453	273,552	1,022,005	20,556	1,042,561
Geochemistry	40,556	4,910	45,466	18,120	63,586
Metallurgical tests	3,576	-	3,576	-	3,576
Environmental study	1,430	-	1,430	-	1,430
Stock-based compensation	242,846	32,678	275,524	11,962	287,486
	7,295,803	1,015,460	8,311,263	887,192	9,198,455
<b>Grata property</b>					
Camp operation costs and other expenses	483,509	(3,541)	479,968	36,825	516,793
Geology and prospecting	108,721	-	108,721	-	108,721
Geophysics	329,315	-	329,315	(4,162)	325,153
Geochemistry	2,744	-	2,744	552	3,296
Drilling	46,792	-	46,792	23,327	70,119
Environmental study	1,590	-	1,590	-	1,590
Stock-based compensation	22,327	-	22,327	1,054	23,381
	994,998	(3,541)	991,457	57,596	1,049,053
<b>Zoupleu property</b>					
Geology and prospecting	929	912	1,841	913	2,754
	929	912	1,841	913	2,754
<b>Nuon River property</b>					
Camp operation costs and other expenses	-	-	-	29,304	29,304
Geology and prospecting	-	-	-	1,271	1,271
	-	-	-	30,575	30,575
<b>St-John River gold property</b>					
Camp operation costs and other expenses	-	-	-	31,245	31,245
Geology and prospecting	-	-	-	1,270	1,270
	-	-	-	32,515	32,515

# Sama Resources Inc.

## Notes to Interim Condensed Consolidated Financial Statements

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(Unaudited - in Canadian dollars)

	December 31, 2019 \$	Activity \$	December 31, 2020 \$	Activity \$	September 30, 2021 \$
<b>Zwedru South property</b>					
Camp operation costs and other expenses	-	-	-	22,998	22,998
Geology and prospecting	-	-	-	2,870	2,870
	-	-	-	25,868	25,868
<b>Lac Brulé property</b>					
Property acquisition costs	-	-	-	41,514	41,514
Claim maintenance	-	-	-	3,785	3,785
Geophysics	-	-	-	88,410	88,410
Geology and prospecting	-	-	-	19,614	19,614
Geochemistry	-	-	-	3,493	3,493
Camp operation costs and other expenses	-	-	-	8,523	8,523
Stock-based compensation	-	-	-	370	370
	-	-	-	165,709	165,709
<b>Lac Brennan property</b>					
Property acquisition costs	-	-	-	1,040	1,040
	-	-	-	1,040	1,040
<b>Total E&amp;E assets</b>	<b>29,941,480</b>	<b>2,575,057</b>	<b>32,516,537</b>	<b>1,964,114</b>	<b>34,480,651</b>

## 8 Share capital

Authorized

Unlimited number of voting common shares without par value.

### Transactions on share capital

#### 2020

During the first quarter ended March 31, 2020, a total of 125,000 stock options were exercised at a price of \$0.085 per share for total proceeds of \$10,625.

#### 2021

During the first quarter ended March 31, 2021, a total of 50,000 warrants were exercised at a price of \$0.15 per share for total proceeds of \$7,500.

During the second quarter ended June 30, 2021, a total of 1,301,530 warrants and 400,000 stock options were exercised at a price of \$0.15 per share for total proceeds of \$255,230.

During the third quarter ended September 30, 2021, a total of 100,000 warrants and 50,000 stock options were exercised at a price of \$0.15 per share for total proceeds of \$22,500.

# Sama Resources Inc.

## Notes to Interim Condensed Consolidated Financial Statements

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(Unaudited - in Canadian dollars)

### Warrants

The following table shows the changes in warrants:

	Nine-month period ended September 30, 2021		Year ended December 31, 2020	
	Number of warrants	Weighted average exercise price \$	Number of warrants	Weighted average exercise price \$
<b>Outstanding – Beginning of period</b>	8,150,500	0.15	13,747,406	0.19
Exercised	(1,451,530)	0.15	(5,596,906)	0.25
Expired	(2,873,970)	0.15	-	-
<b>Outstanding and exercisable – End of period</b>	<b>3,825,000</b>	<b>0.15</b>	<b>8,150,500</b>	<b>0.15</b>

The number of outstanding warrants that could be exercised for an equal number of common shares is as follows:

Expiration date	Exercise price \$	Number of warrants outstanding
December 9, 2021	0.15	3,825,000

### 9 Stock options

The Company has a rolling stock option plan (the “Plan”), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The exercise price of each option (“Option”) shall not be less than the closing price of the common shares on the trading day immediately preceding the day on which the Option is granted, less any discount permitted by the TSX-V and, in any event, the exercise price per Option will not be less than \$0.05, being the minimum exercise price allowable under TSX-V policy.

## Sama Resources Inc.

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The following table shows the changes in stock options:

	Nine-month period ended September 30, 2021		Year ended December 31, 2020	
	Number of stock options	Weighted average exercise price \$	Number of stock options	Weighted average exercise price \$
<b>Outstanding – Beginning of period</b>	19,680,000	0.23	17,920,000	0.24
Granted	265,000	0.16	1,885,000	0.115
Exercised	(450,000)	0.15	-	-
Expired	-	-	(125,000)	0.085
<b>Outstanding – End of period</b>	<b>19,495,000</b>	<b>0.23</b>	<b>19,680,000</b>	<b>0.23</b>
<b>Exercisable – End of period</b>	<b>18,353,750</b>	<b>0.24</b>	<b>17,746,250</b>	<b>0.24</b>

The fair value of stock options granted was determined using the Black & Scholes valuation model based on the following weighted average assumptions:

	Nine-month period ended September 30, 2021	Year ended December 31, 2020
Weighted average price at the grant date	\$0.16	\$0.115
Weighted average exercise price	\$0.16	\$0.115
Expected dividend	-	-
Expected average volatility	101%	102%
Risk-free average interest rate	1.39%	0.73%
Expected average life	10 years	10 years
Weighted fair value per share option	\$0.14	\$0.10

An expense for stock-based compensation of \$151,856 was recognized during the nine-month period ended September 30, 2021 (for the nine-month period ended September 30, 2020 – \$309,018). An amount of \$125,738 (for the nine-month period ended September 30, 2020 – \$246,111) was recognized in the interim consolidated statement of loss and comprehensive loss and \$26,118 (for the nine-month period ended September 30, 2020 – \$62,907) was capitalized to the exploration and evaluation assets.

# Sama Resources Inc.

## Notes to Interim Condensed Consolidated Financial Statements

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The number of outstanding stock options that could be exercised for an equal number of common shares is as follows:

Expiry date	Exercise price \$	Number outstanding	Number exercisable
June 6, 2022	0.32	1,400,000	1,400,000
June 21, 2022	0.155	200,000	200,000
October 14, 2022	0.33	1,000,000	1,000,000
April 21, 2025	0.19	2,150,000	2,150,000
May 27, 2025	0.18	200,000	200,000
January 17, 2027	0.085	1,775,000	1,775,000
March 31, 2027	0.15	500,000	500,000
April 27, 2027	0.195	100,000	100,000
November 28, 2027	0.29	660,000	660,000
June 12, 2028	0.33	3,655,000	3,655,000
July 29, 2028	0.30	340,000	340,000
October 31, 2028	0.30	60,000	60,000
February 20, 2029	0.27	3,225,000	3,225,000
December 19, 2029	0.19	2,080,000	2,080,000
December 14, 2030	0.115	1,885,000	942,500
June 17, 2031	0.16	265,000	66,250
		19,495,000	18,353,750

## 10 Additional cash flow information

The following significant non-cash transactions have been excluded from the statements of cash flows:

	Three-month periods ended		Six-month periods ended	
	September 30, 2021 \$	September 30, 2020 \$	September 30, 2021 \$	September 30, 2020 \$
Depreciation included in E&E assets	82,847	82,437	246,243	234,193
Stock-based compensation included in E&E assets	4,561	11,303	26,118	62,907
Change in E&E assets included in accounts payable and accrued liabilities	(496,773)	(33,284)	(506,198)	48,255

## 11 Commitments

On April 30, 2021, the Company signed an agreement with Seahawk Gold Corp. for the acquisition of 100% of the issued and outstanding securities of SRDI which holds 100 % of the issued and outstanding securities of Sama SRL, both subsidiaries of Sama. SRL holds all rights, title and interest in and to the Zwedru South project, St-John River gold project and Nuon project, each of which is located in Liberia, Africa. In consideration for the purchase of SRDI, Seahawk will issue 8.5 million of its common shares to Sama.