SAMA RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2020

AS OF APRIL 26, 2021

TSX-V: SME

INDEX

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 April 26, 2021 and complements the audited consolidated financial statements of Sama Resources Inc. (the "Company"), for the year ended December 31, 2020 which are compared to the year ended December 31, 2019.

The consolidated financial statements include the parent company Sama Resources Inc. ("Sama") and its wholly owned subsidiaries Sama Nickel Corporation ("Sama Nickel"), Sama Nickel Côte d'Ivoire SARL ("Sama CI"), Société Minière du Tonkpi SARL ("SMT"), Sama Resources Liberia Inc. ("SRL") and Sama Resources Development Inc. ("SRDI") referred as the Company.

These audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars. The Company has prepared this MD&A following the requirements of National Instrument 51-102, Continuous Disclosure Obligations.

Management of the Company is responsible for the preparation and presentation of the annual 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 consolidated financial statements and the MD&A have been reviewed by the audit committee and approved by the Company's Board of Directors on April 26, 2021. These documents and more information about the Company are available on SEDAR at 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.

COMPANY OVERVIEW

Sama is a Canadian-based mineral exploration and development business with activities in West Africa. Sama was incorporated on July 11, 2006 under the *Business Corporations Act* of 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 January 29, 2020, the Company announced that its first drill hole of the 2020 campaign, aiming at a shallow target defined from HPX TechCo Inc.'s proprietary Typhoon electromagnetic geophysical survey performed at the Samapleu deposit, has returned 53 metres grading 0.43 per cent nickel, 0.30 per cent copper and 0.52 gram per tonne (g/t) palladium, including 4.6 m grading 1.98 per cent Ni, 0.92 per cent Cu and 2.54 g/t Pd.

- On March 18, 2020, the Company announced that it had enhanced exploration activities at its Nickel, Copper, Palladium projects with using his three drilling rigs at three specific sites simultaneously over a strike length of 25 kilometers; Samapleu, Bounta and Yepleu.

- On March 31, 2020, the Company terminated the share purchase agreement for the sale of the remining 6,640,000 common shares of SRG Mining Inc. ("SRG") given the inability of the third party to fulfill the initial conditions of the agreement.

- On April 2, 2020, the Company converted its convertible debenture of US$1,000,000 ($1,416,970) at a conversion price of $0.91 per common share in exchange for 1,557,110 common shares of SRG. The Company holds a total of 24,805,377 common shares in SRG representing an interest of 31.90%.

- On May 27, 2020, the Company announced the positive preliminary economic assessment for the development of the Samapleu nickel-copper surface mineralization.

- On June 2, 2020, the Company has filed an independent technical report prepared in accordance with National Instrument 43-101 supporting the results of a preliminary economic assessment (PEA) for the development of its Samapleu nickel-copper project located in Ivory Coast, West Africa.

- On August 13, 2020, the Company announced results from boreholes drilled during the first half of 2020 targeting highly conductive zones defined using HPX TechCo Inc's proprietary Typhoon™ electromagnetic geophysical technology.

- On September 24, 2020, the Company announced that geophysical activities have resumed, with downhole electromagnetic surveys ("DHTEM") planned in four deep drill holes at the Yepleu target zone and in one deep drill hole at the Bounta target zone. These four holes were drilled in the early months of 2020, with both zones part of the large Yacouba Ultramafic-Mafic intrusive complex discovered by Sama in 2010.

- On December 16, 2020, the Company announced that downhole electromagnetic ("EM") surveys ("DHTEM") have been completed in a deep drill hole at the Yepleu target zone and in a deep drill hole at the Bounta target zone. The Company has identified the highest conductivity target recorded to date (20,000 Conductivity Thickness "**CT**") and it will be the number one priority in early 2021 for confirmation drilling.

- On March 24, 2021, the Company announced that it has commenced a 5,000-metre 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 HPX Ivory Coast Holdings Inc. first announced on October 23, 2017.

- On April 12, 2021, the Company announced that it has mobilized two core rigs to the Samapleu and Yepleu prospects as part of its work program for Q1 and Q2 of 2021. The Company confirms excellent results using HPX TechCo Inc's proprietary Typhoon™ system at Samapleu and Yepleu from down-hole electromagnetic surveys (DHTEM) completed in November 2020.

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.

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 borehores 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.

Borehole SM2020-01 (Refer: Press Release January 30, 2020) returned 53 m grading 0.43% Ni, 0.30% Cu and 0.52 gpt Pd, including 4.6 m grading 1.98% Ni and 0.92% Cu and 2.54 gpt Pd (**Figures 3 & 9**). The hole was drilled 200 m southwest of the current mineral resources, hence extending the mineralized trend at the Samapleu surface deposit. Borehole SM2020-02, drilled down to 688 m from surface returned 166 m of disseminated mineralisation with stringers of semi-massive sulphides (**Figure 3**).

At Bounta, a new discovery located midway between Samapleu and Yepleu, borehole BN2020-01 returned disseminated and a stringer of semi-massive to massive sulphide grading 1.23% Ni and 1.14% Cu at a depth of 533 m from surface. The mineralisation encountered in BN2020-01 couldn't explain the high conductivity target (11,000 CT) defined by Typhoon survey (**Figure 7**).

Back in 2018, the Company and HPX 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 sequence of holes at Yepleu aimed at testing three Typhoon targets along a mineralised trend and horizon striking more than 4,500 m (**Figures 5 &6**). The mineralised horizon starts near surface and reach a death 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 (15,000 conductivity thickness ("**CT**")) defined by the surface Typhoon.

The Company resumed field activities in October and November 2020 with downhole electromagnetic surveys ("DHTEM") at the project's sites. The Company confirms excellent results using HPX proprietary Typhoon™ system for DHTEM surveys completed in November 2020. These targets are the basis for the 2021 H1 drilling program (**Figures 4, 5 & 6**).

Dr David Evens, an imminent specialist of nickel-copper magmatic deposits visited the project in Côte d'Ivoire from October 17 to 26. Dr Evens was mandated by HPX-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 HPX Ivory Coast Holdings Inc. ("HPX") first announced on October 23, 2017. Under the Agreement, HPX may acquire a total of up to a 60% interest in Sama's interest in the Côte d'Ivoire project portfolio, including the Samapleu, Bounta and Yepleu projects, by funding exploration expenses through total investments of up to $30,000,000. As of today, HPX has invested $12,250,000 in equity in Sama Resources inc. and $595,759 in cash for a total investment of $12,845,759. The remaining balance of $17,154,241 is to be funded on a cash call basis at the discretion of HPX.

At the beginning of April 2021, the Company launched a 5,000m drilling program to the Samapleu and Yepleu prospects as part of its work program for Q1 and Q2 of 2021. The Company confirms excellent results using HPX TechCo Inc's ("**HPX**") proprietary Typhoon™ system at Samapleu and Yepleu from DHTEM) completed in November 2020.

Sama gained a greater understanding of the entire Yacouba magmatic system through additional academic research performed in the last six months. 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. 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 54,000m of drilling since 2010 until April 2021 and delivered a positive Preliminary Economic Assessment for the Samapleu deposits in May 2020.

Figures 5 to 7 are showing geophysical results from the latest Typhoon surveys at the Yepleu area.

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").

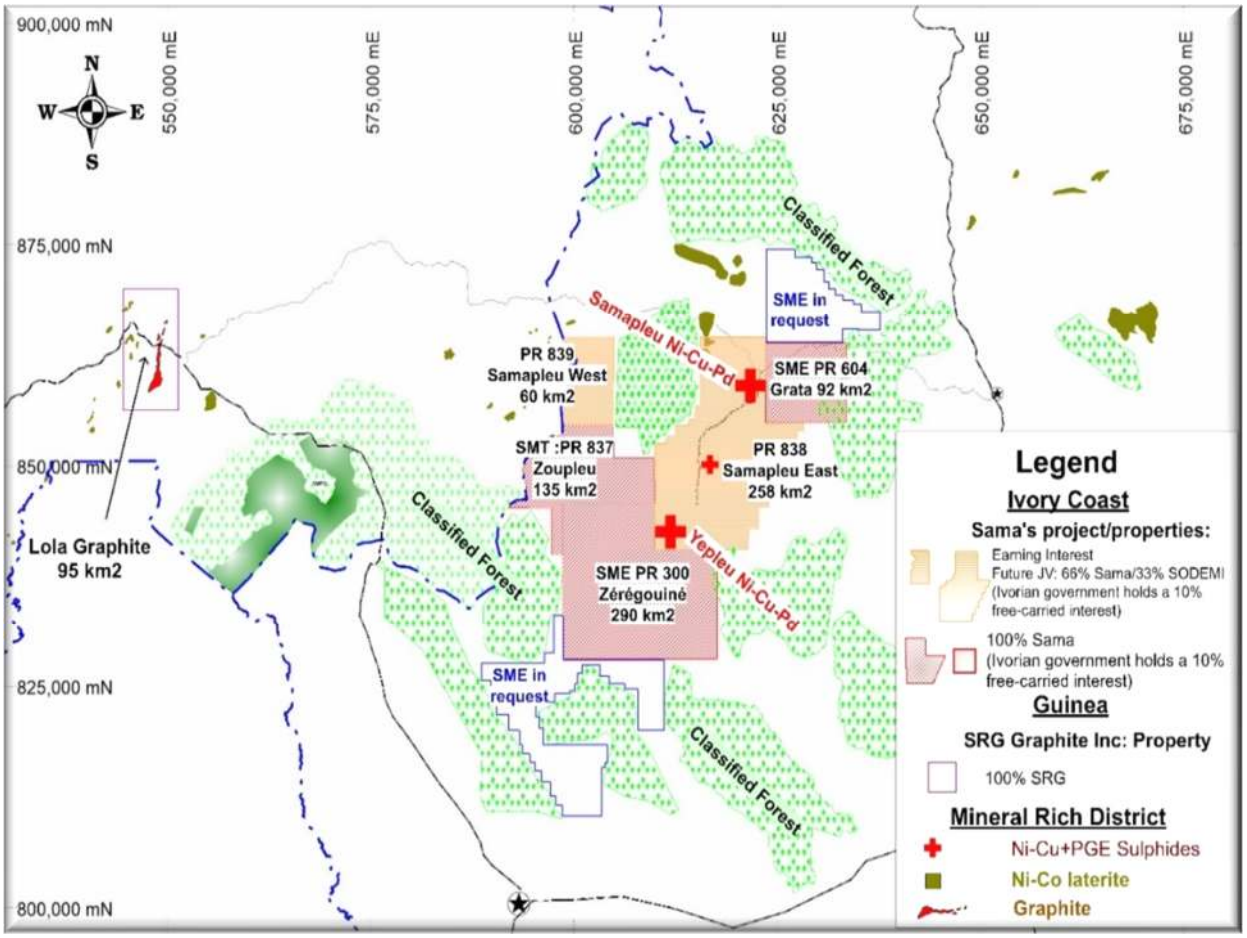

Figure 1: Exploration permits in Ivory Coast and Guinea. SODEMI applied on March 7, 2018, on behalf of the JV signed with Sama Nickel, for two new exploration permits (Permis de Recherche: PR) for a combined 318 km^2 in replacement of the former Samapleu PR 123. Both new Samapleu East and West Exploration Permits have been granted on June 19, 2019. The Zoupleu exploration permit was also granted on June 19, 2019 to SMT.

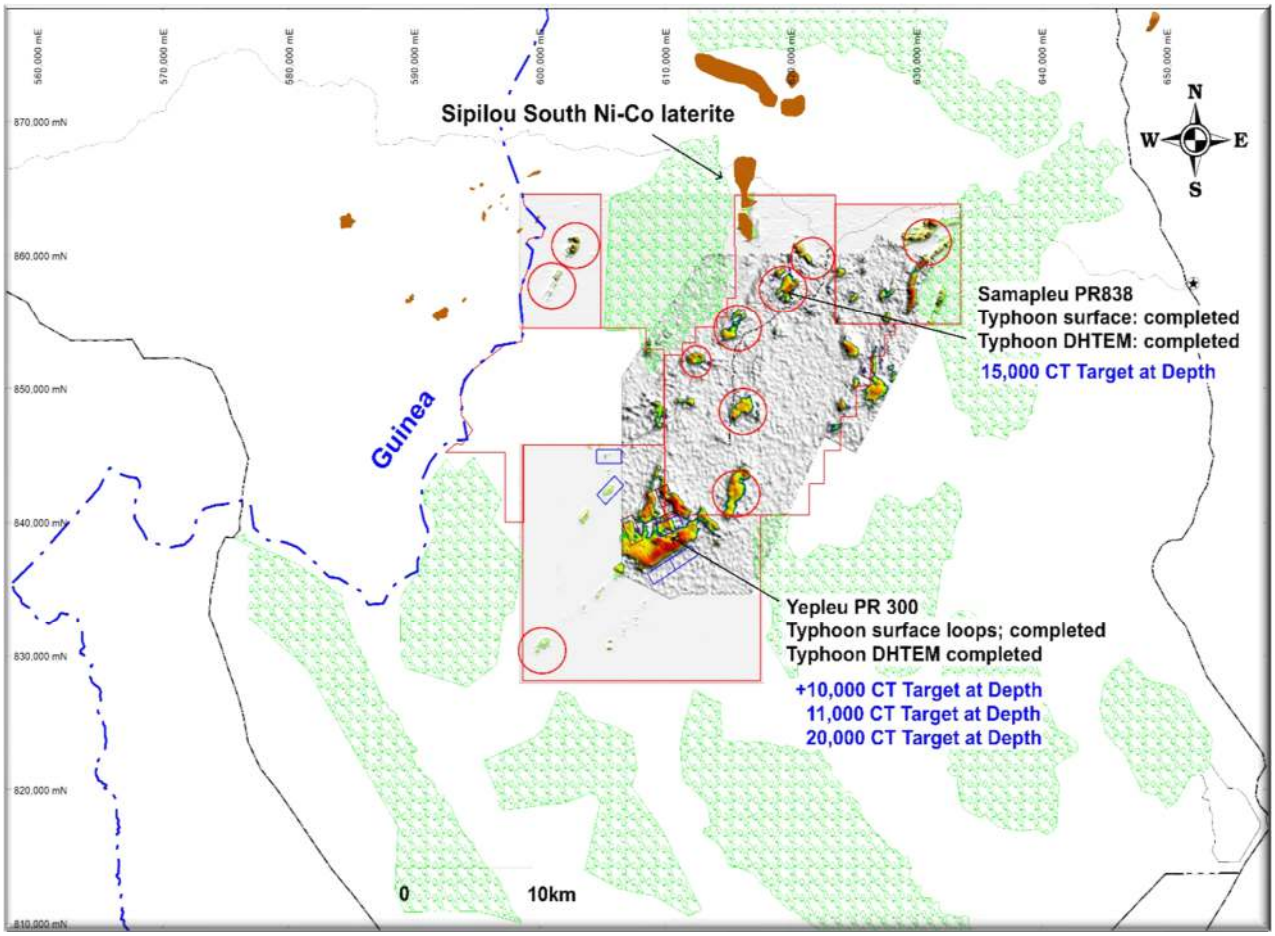

Figure 2: Samapleu, Zérégouiné, Zoupleu and Grata Exploration Permits showing targets for the upcoming 5,500m drilling program for H1 2021.

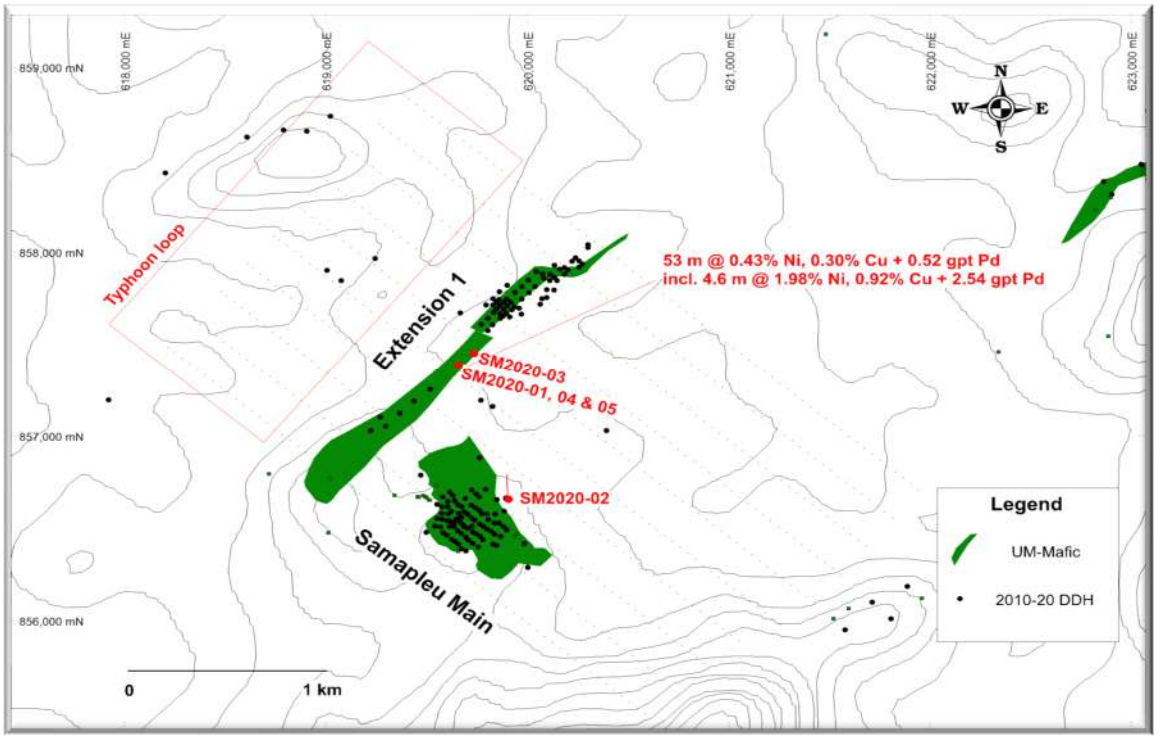

Figure 3: Samapleu project, surface geology together with drilling completed in 2020.

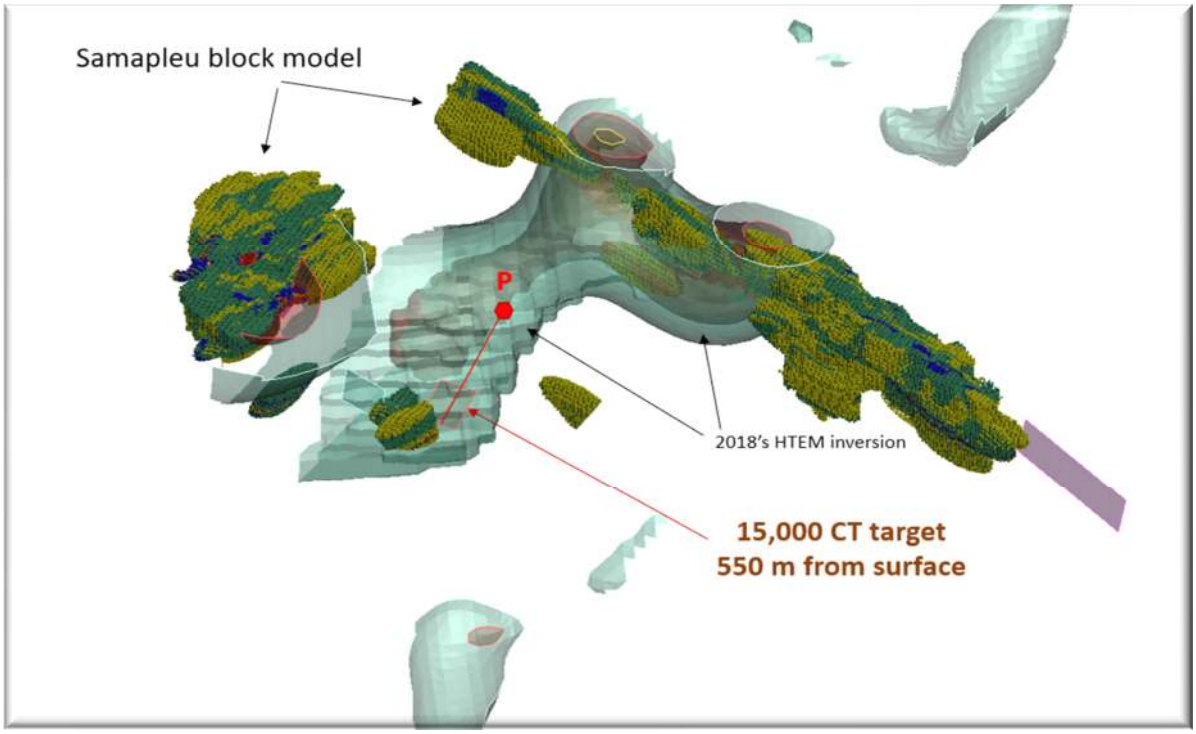

Figure 4: Samapleu project, 3D model showing geophysical targets generated from Typhoon surveys. There is a very strong target at 550 m from surface returning a Conductivity-Thickness (CT) of 15,000.

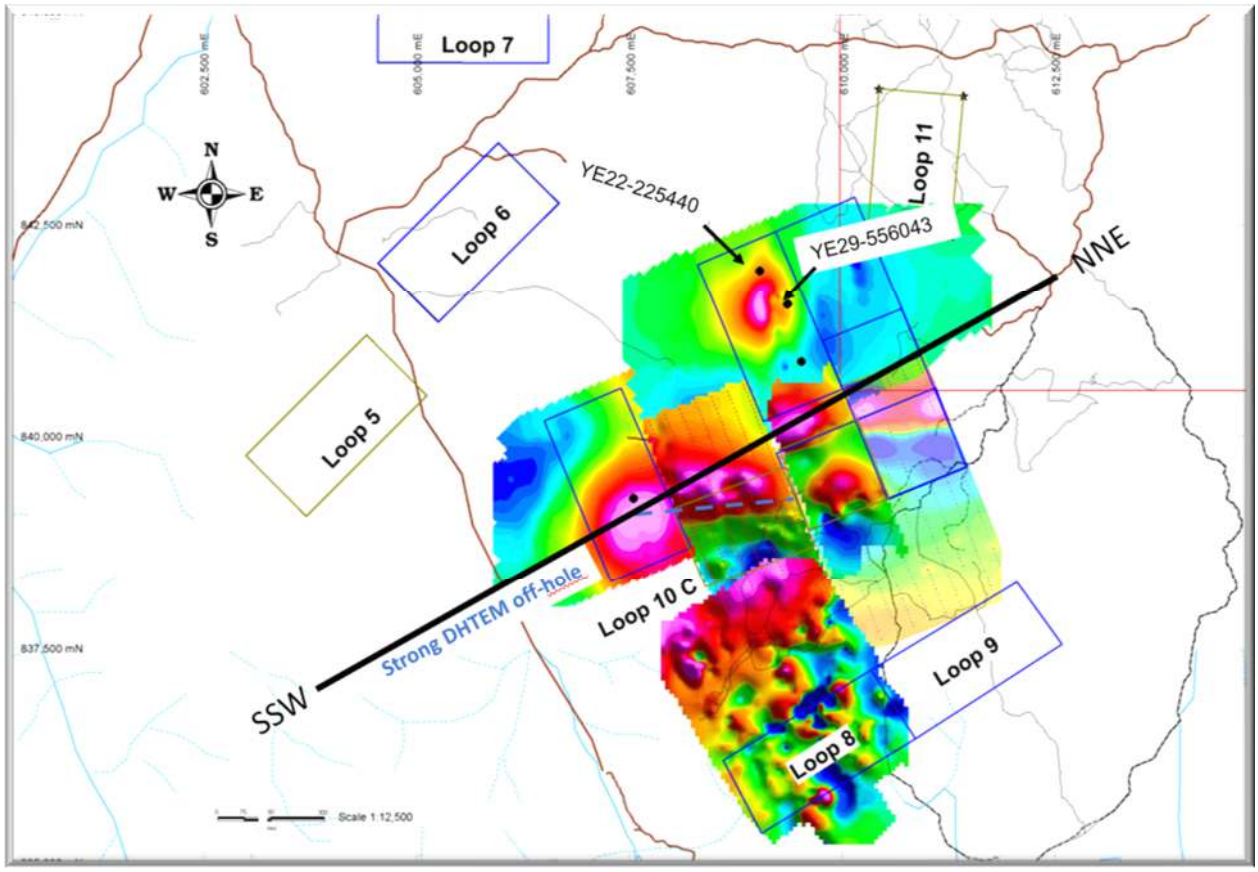

Figure 5: Surface map at the Yepleu prospect showing Typhoon EM results for the area surrounding the loops 10 series. The cross-section SSW-NNE is shown on figure 6 below.

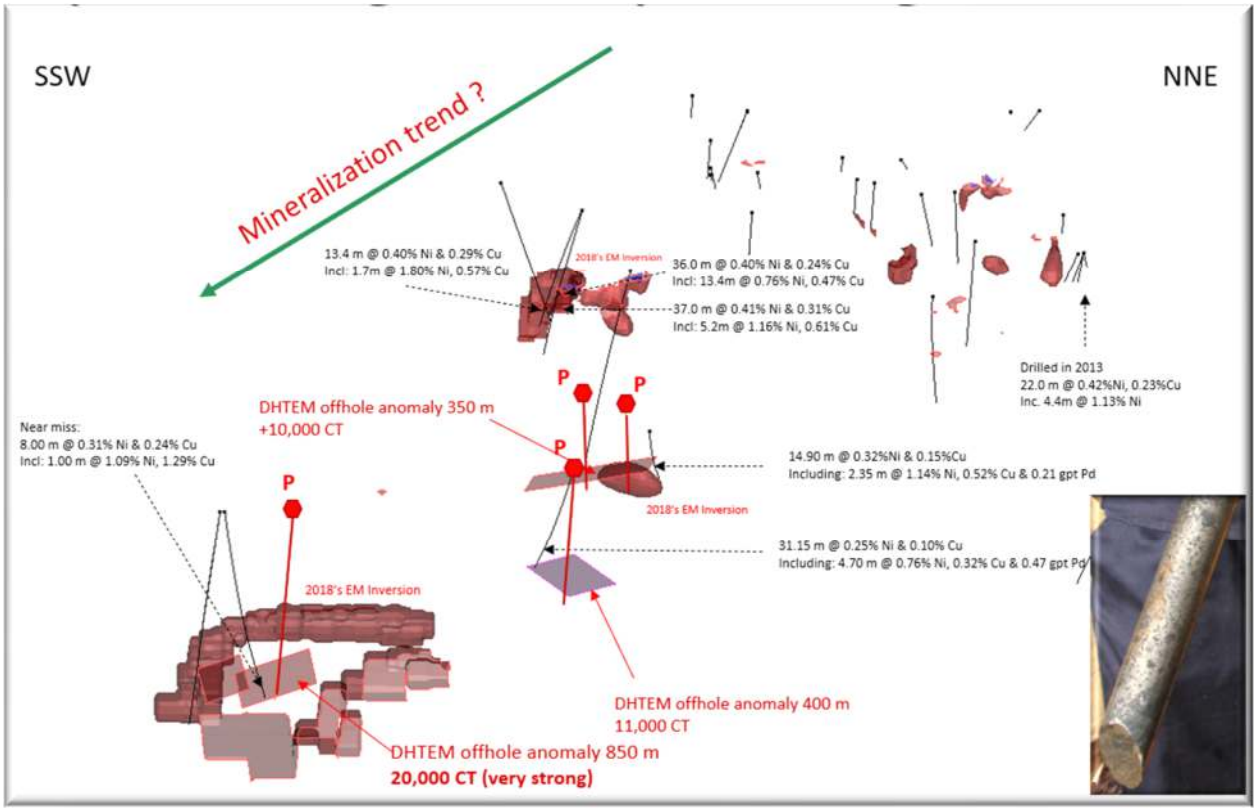

Figure 6: Targets at the Yepleu sector showing the mineralized trend and results from the three boreholes drilled in 2020.

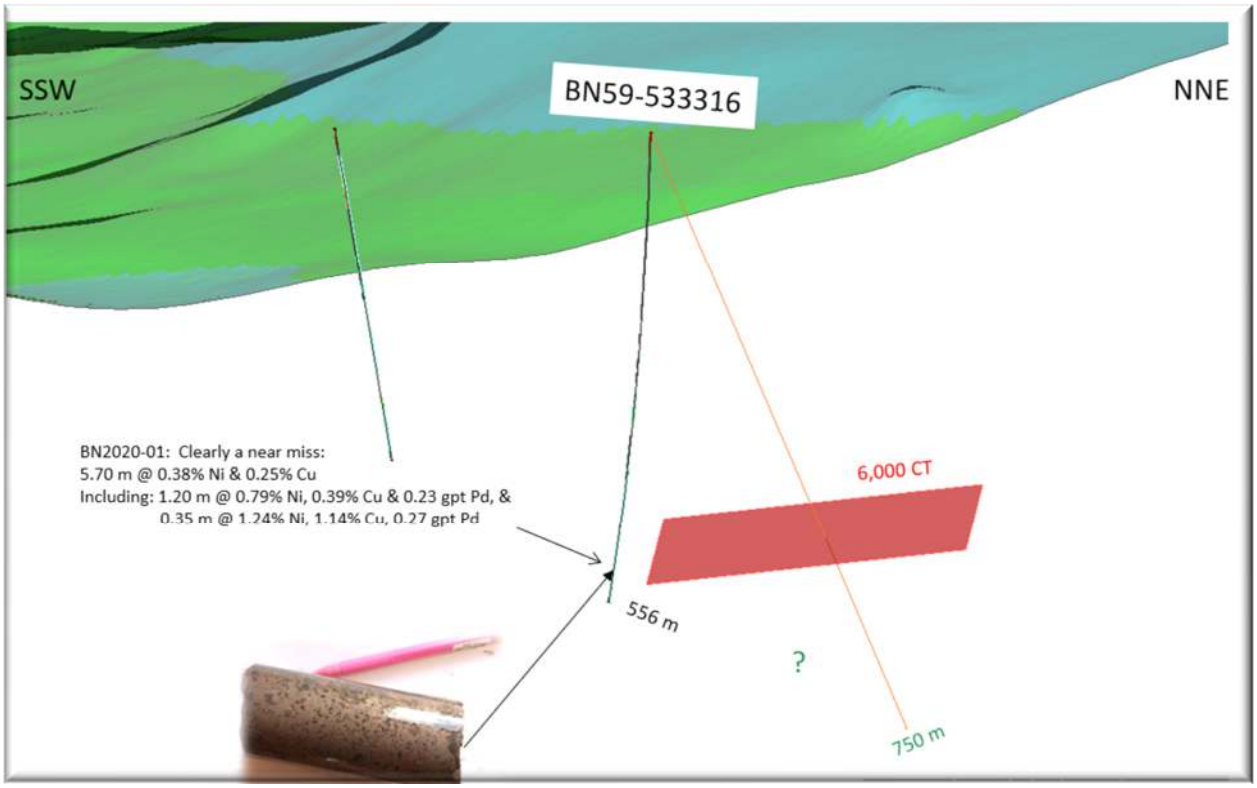

Figure 7: The Typhoon target at the Bounta sector together with boreholes BN2020-01. The mineralization intercepted in BN2020-01 couldn't explain the high conductivity target (11,000 CT) defined by the surface Typhoon. The following-up field program will include DHTEM in BN2020-01 for a more precise location of the highly conductive target defined by the Typhoon.

Samapleu Property (PR 838 & 839)

On January 15, 2009 ("Effective Date"), Sama Nickel entered into a Syndicate Agreement ("SA") with SODEMI, a parastatal organization, whereby Sama Nickel 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, Sama Nickel 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.

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 former PR 123 (**Figure 1**). According to a new regulation in Ivory Coast, classified forests must be removed from any new application. Therefore, the total surface area covered by the two (2) new exploration permits is smaller than the initial area covered by the former PR 123.

On June 19, 2019, the two (2) new exploration permits, Samapleu East (PR838) and Samapleu West (PR839) which cover 318 square kilometers, 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, Sama Nickel agreed to complete an exploration program evaluated at F CFA 2,315,000,000 for PR838 (approximately $5,516,108 as at December 31, 2020) and F CFA 760,000,000 for PR 839 (approximately $1,810,904 as at December 31, 2020) before the term of the exploration permits.

Upon completion of the BFS, the Advisory Committee ("AC"), which consists of two Sama Nickel 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 Sama Nickel 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 $1,989,610 as at December 31, 2020) and will reimburse Sama Nickel 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 $23,211,976 as at December 31, 2020.

On September 20, 2019, Sama Nickel and SODEMI signed an amendment to the SA under which the parties confirm the immediate and direct interest of Sama Nickel 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.

Sama Nickel	60%
SODEMI	30%
Ivory Coast Government	10%
	100%

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

In 2016, CVMR was retained to perform a detailed technical study to confirm the commercial viability of producing nickel and iron powders from nickel-iron concentrate obtained from the flotation of the mineralized material of the Samapleu deposits.

In June 2018, DRA Met-Chem an engineering group based in Montreal was retained to continue the technical study on Samapleu deposits. 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.

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

Hole-ID		From	To	Interval	Ni	Cu	Pd	Date of News Release
		m	m	m	%	%	gr/t	
Samapleu Deposits								
SM34-459218		64.10	117.05	52.95	0.43	0.30	0.52	Jan 27, 2020
	including	**108.00**	**112.60**	**4.60**	**2.01**	**0.94**	**2.57**	
SM44-565203		70.50	104.90	34.40	0.39	0.33	0.77	June 27, 2018
	including	**70.50**	**78.50**	**8.00**	**0.77**	**0.86**	**1.67**	
SM44-454255		12.30	103.55	91.25	0.66	0.65	0.77	June 27, 2018
	including	**87.50**	**99.35**	**11.85**	**2.72**	**2.36**	**2.91**	
SM25-159493		25.50	157.40	131.90	0.26	0.15	0.61	Dec 17, 2017
	including	**87.00**	**93.35**	**6.35**	**0.92**	**0.61**	**1.69**	
SM25-073652		58.50	128.50	70.00	0.32	0.26	0.52	Dec 17, 2017
	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 8: 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 9: Mineralization on hole SM34-452218 massive sulfides showing chalcopyrite, pentlandite and pyrrhotite and returned 53 m grading 0.43% Ni, 0.30% Cu and 0.52 gpt Pd, including 4.6 m grading 1.98% Ni and 0.92% Cu and 2.54 gpt Pd.

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- Plantinum 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 - **Figure 8**) sulphide rich lenses commonly spatially associated with a strong brecciated texture in mostly pyroxenites.

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 second hand 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 the drilling programs.

Table 2: Drilling programs from July 2010 to June 15, 2020

Area	Drilling Contractor		Sama Drilling		Total length
	Borehole	(m)	Borehole	(m)	(m)
Main Deposit	89	12,322	14	4,375	16,697
Samapleu Extension 1	59	9,096	24	5,687	14,783
Yepleu	6	4,993	27	6,678	11,671
Bounta			2	933	933
Sipilou Sud Laterite	80	2,688	55	1,818	4,506
Grata			2	771	771
Regional	22	3,116	8	1,516	4,632
Total 2010-2020	**256**	**32,215**	**132**	**21,779**	**53,994**

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.

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 8**).

Drilling results confirm the 1.6 km long pipe-like intrusion linking the Samapleu Main and the Extension 1 deposits and solidifies the geological model at depth. Borehole SM34-459218 (January 2020, PR January 20, 2020) was drilled 200 m southwest of the current mineral resources at the Extension 1, hence extending the mineralized trend at the deposit by 200 m to the SW.

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 Yepleu 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 January 2020, the hole SM34-459218 intercepted 53 m grading 0.43% nickel, 0.30% copper and 0.52 gpt palladium, including 4.6 m grading 1.98% nickel and 0.92% copper and 2.54 gpt palladium (Figure 9). The hole was drilled 200 m southwest of the current mineral resources, hence extending the mineralized trend at the deposit.

Mineral Resource update May 27, 2020

On December 22, 2015, the Company filed a revised 43-101 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.

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

Category	Resources (Mt)	NiEq (%)	Ni (%)
Measured [1,2,3]	-	-	-
Indicated [1,2,3]	33.18	0.269	0.238
Meas. + Ind.	**33.18**	**0.269**	**0.238**
Inferred [1,2,3,4]	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 tonnes ("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 year ended December 31, 2020, an amount of $1,562,226 was capitalized on the Samapleu Property, resulting in a total capitalized exploration and evaluation expenditures of $23,211,976 so far.

Estimated expenditures:

Giving the COVID-19 situation, the Company decided to limit its expenditures for the next six months to a drilling program that will totalize 5,000m including Samapleu and Yepleu sectors. The proposed budget for the 5,000m drilling program is estimated at $1,000,000.

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 ($5,463,687 as at December 31, 2020) 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^2 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**).

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 alone 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. Several additional sectors at Yepleu will be covered with the Typhoon in months to come.

Five holes for 4,191 m were drilled by Capital Drilling an Australian based company 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 10**).

From March to June 2020, the Company drilled three holes at the Yepleu prospect testing results from the Typhoon EM surveys (**Figure 5 & 6)**.

The 2020's sequence of holes at Yepleu aimed at testing three Typhoon targets along a mineralised trend and horizon striking more than 4,500 m. The mineralised horizon starts near surface and reach a death 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 (15,000 CT defined by the surface Typhoon.

The Company resumed field activities in October and November 2020 with DHTEM surveys in Yepleu sector with excellent results These targets are the basis for the 2021 H1 drilling program. The 2021 drilling campaign started on April 1, 2021 in Yepleu.

Sama gained a greater understanding of the entire Yacouba magmatic system through additional academic research performed in the last six months. 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. 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.

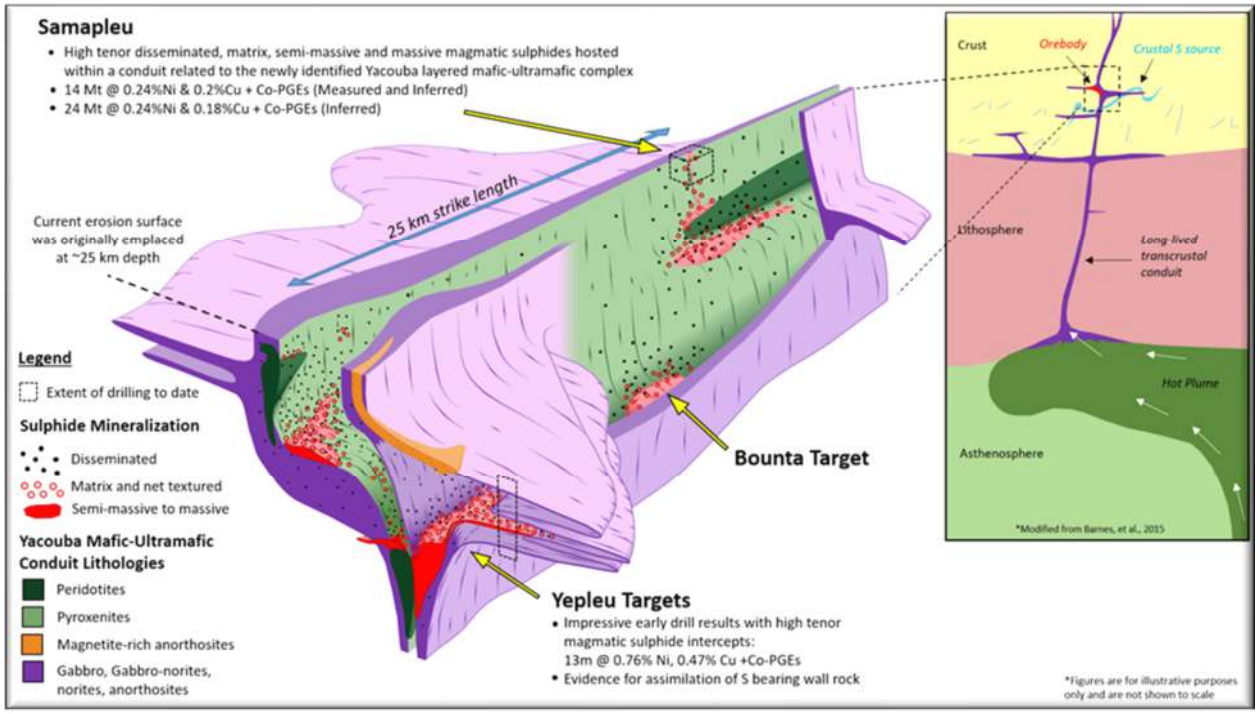

Figure 10: Schematic visualization of the Yacouba intrusive complex.

During the year ended December 31, 2020, an amount of $1,015,460 was capitalized at the Zérégouiné Property, resulting in total capitalized exploration and evaluation expenditures of $8,311,263 so far.

Estimated expenditures:

Giving the COVID-19 situation, the Company decided to limit its expenditures for the next six months to a drilling program that will totalize 5,000m including Samapleu and Yepleu sectors. The proposed budget for the 5,000m drilling program is estimated at $1,000,000.

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 ($2,425,658 as at December 31, 2020) 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. Borehole GR72-787708 has been terminated at 342m. It intersected the typical Yacouba complex sequence including fractured pyroxenite and gabbro with sulphide mineralization as fractures filling between 180 and 187m.

During the year ended December 31, 2020, no amount was capitalized at the Grata Property, resulting in total capitalized exploration and evaluation expenditures of $991,457 so far.

Estimated expenditures:

Giving the COVID-19 situation the Company decided to limit the expenditures. Therefore, no expenditure is planned on the Grata property for now.

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 ($2,668,700 as at December 31, 2020) 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 year ended December 31, 2020, an amount of $912 was capitalized at the Zoupleu Property, resulting in total capitalized exploration and evaluation expenditures of $1,841 so far.

Estimated expenditures:

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

NICKEL MARKETS ANALYSIS

According to Roskill 2021, the nickel market in 2020 was strongly impacted by the global slowdown caused by the COVID-19 pandemic. Lockdown measures were implemented across the globe to slow the spread of the virus, which resulted in a reduction of end-use demand for nickel products. Despite the impact to demand, nickel supply remained relatively unaffected and saw estimated growth of 4% in 2020. This was almost entirely the result of surging supply of refined nickel from Indonesia. As a result, the nickel market switched to surplus for the first time in four years.

Roskil 2021 continued by saying that consumption of primary nickel has risen strongly over the past decade, although demand declined year-over-year in 2020 for the first time since the global financial crisis (GFC) as a result of the COVID-19 pandemic. Stainless steel demand was initially impacted by the disruptions caused by repeated lockdowns to mitigate the spread of COVID-19, which had negative consequences on construction and the hospitality sector. Large downturns for the aviation and automotive sectors reduced nickel demand in nickel alloys and castings respectively.

The nickel price averaged US$13,771/t in 2020, which was marginally down on the average for 2019. However, this does not highlight the large price movement over the year, starting with an early slump that was followed by a strong rally over the second half of 2020, despite the market surplus. Such a detachment between market fundamentals and the price, implies other factors were responsible for driving this increase.

At the beginning of 2020, Indonesia reimposed its ban on the export of unprocessed nickel ores and concentrates to attract further investment in constructing processing capacity, after having successfully increased market share following a similar export ban in 2014. The move once again has been largely successful, with nickel pig iron (NPI) supply estimated to have soared by a staggering 67% year-over-year in 2020. As a result, however, the loss of material available for processing in China led to fears of a decline in domestic NPI production, amid a stimulated Chinese economy and healthier stainless steel demand over H2 2020.

Investor speculation interest in nickel has been fuelled by the positive outlook for nickel in batteries. Comments by Tesla CEO, Elon Musk, demanding more sustainably sourced nickel have provided additional support to the bullish narrative for nickel. Batteries will find a growing market share for nickel over the next decade, although this currently represents a small proportion of nickel consumption. Several high-pressure acid leach (HPAL) projects are being constructed in Indonesia to serve the growing demand for intermediates used in nickel sulphate production. Slowing the development of these projects has been a change in plans for their tailings disposal methods. Initially these projects had planned to utilize deep sea tailings placement, but in October 2020, under pressure from concerned stakeholders along the supply chain, they have opted against this method in favour of on-land tailings storage. With sustainability concerns ranging from the large areas of land clearance involved in nickel laterite mining to the high energy consumption involved in nickel smelting, Roskill believes that ESG will become an increasingly significant component of the nickel market over 2021 and the years to come.

Demand is expected to recover through 2021 subject to the roll out of vaccines globally and national stimulus packages taking effect. Roskill forecasts stainless steel to remain the main application for nickel over the course of the next decade driven by continued growth in demand from China. Low use of nickel in scrap by Chinese and Indonesian stainless steel mills will continue to drive consumption of nickel in primary units. However, eating into stainless steel's share of the nickel market over the next decade, will be lithium-ion batteries used in electric vehicles that will see rapid uptake over the next decade. Owing to the rising demand for nickel products suitable for processing to nickel sulphate including Class I nickel, this is likely to impact stainless steel mills as they increasingly substitute such high-purity nickel for Class II nickel and scrap.

Furthermore, 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 tonnes in 2016. Japan was the second largest market for stainless steel production accounting for 3.3 million tonnes in 2016.

Despite the current disruption, the predicted long-term trend for Nickel and copper should continue. It is expected that a significant growth will also come from the rising demand for nickel base metal in the battery industry for the electric vehicle market and grid storages. Currently, batteries account for about 4% of all nickel production. However, if the forecasts for EV adoption in the next 10 years prove accurate, that could spike to nearly 20% of annual production by 2029 (Roskill) and may exceed current mining rates (2.1Mt/y) by late 2030's (Swedish Research: Månbergera et al., 2019, see **figure 11**).

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.

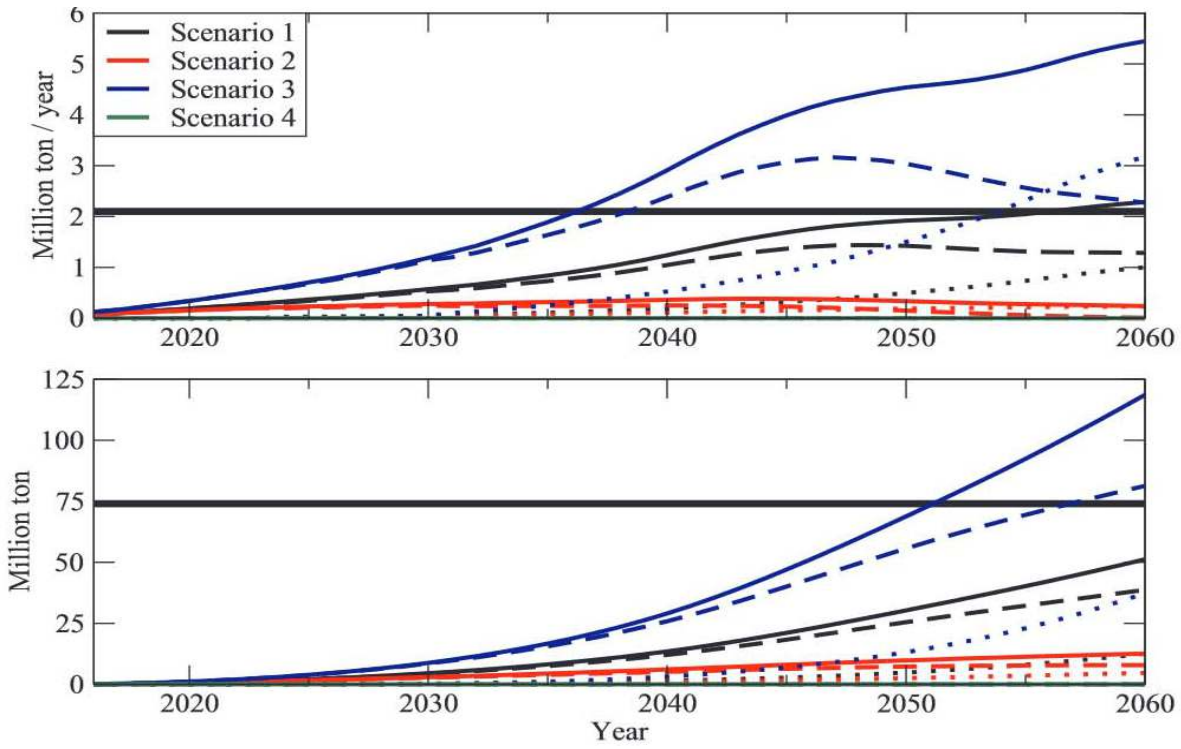

Figure 11: An interesting Swedish Research have modeled various scenarios forecasting nickel flows in Renewable Energy Transition until 2060. Nickel in new Renewable Energy Technologies (improved batteries, Solar PV, Wind Power, etc), may exceed current mining rates by late 2030's. The Ni cumulative demand may reach the same level of the currently Known Worldwide Reserves by 2050.

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.

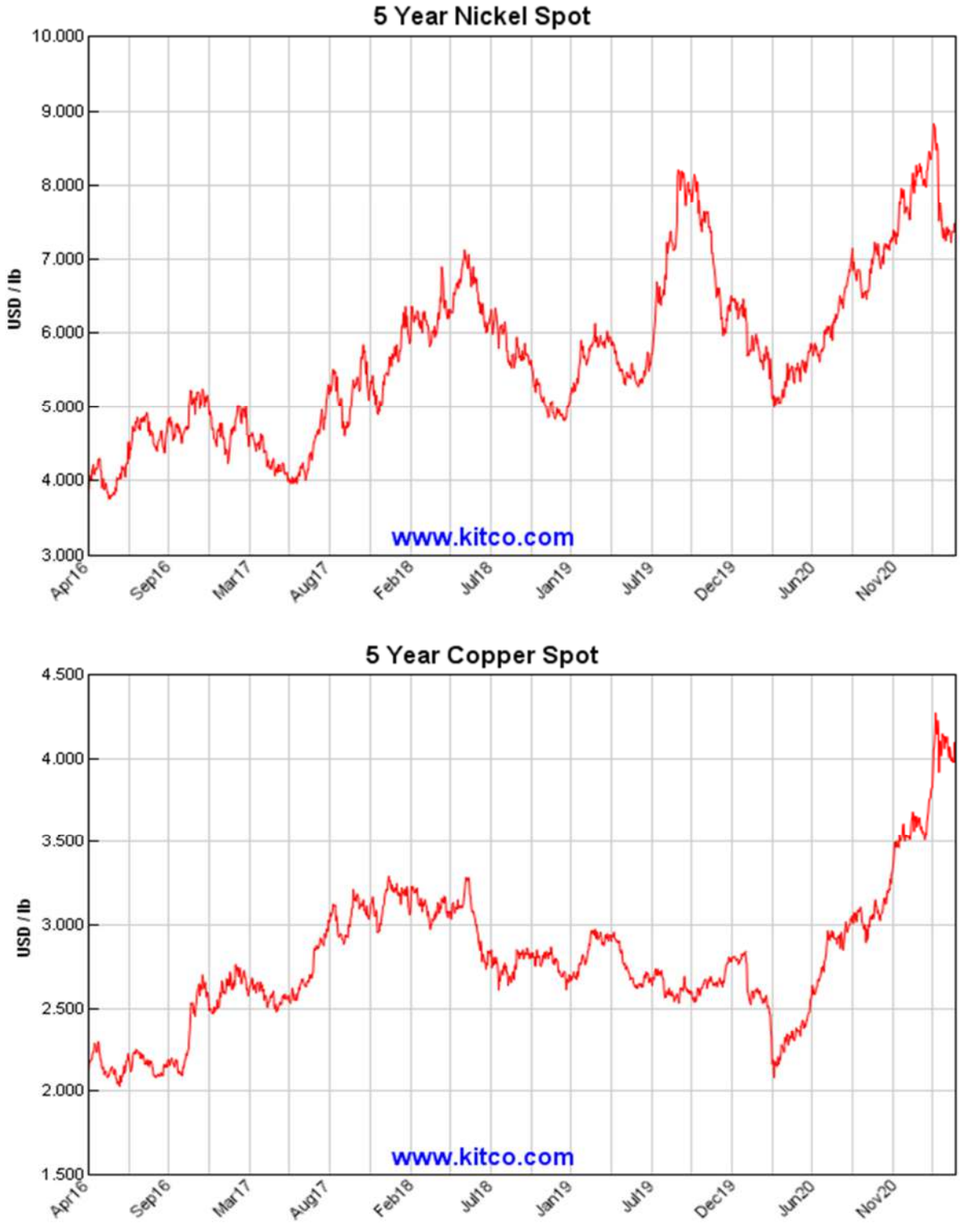

Figure 12: Nickel and Copper values from March 2016 to April 2021.

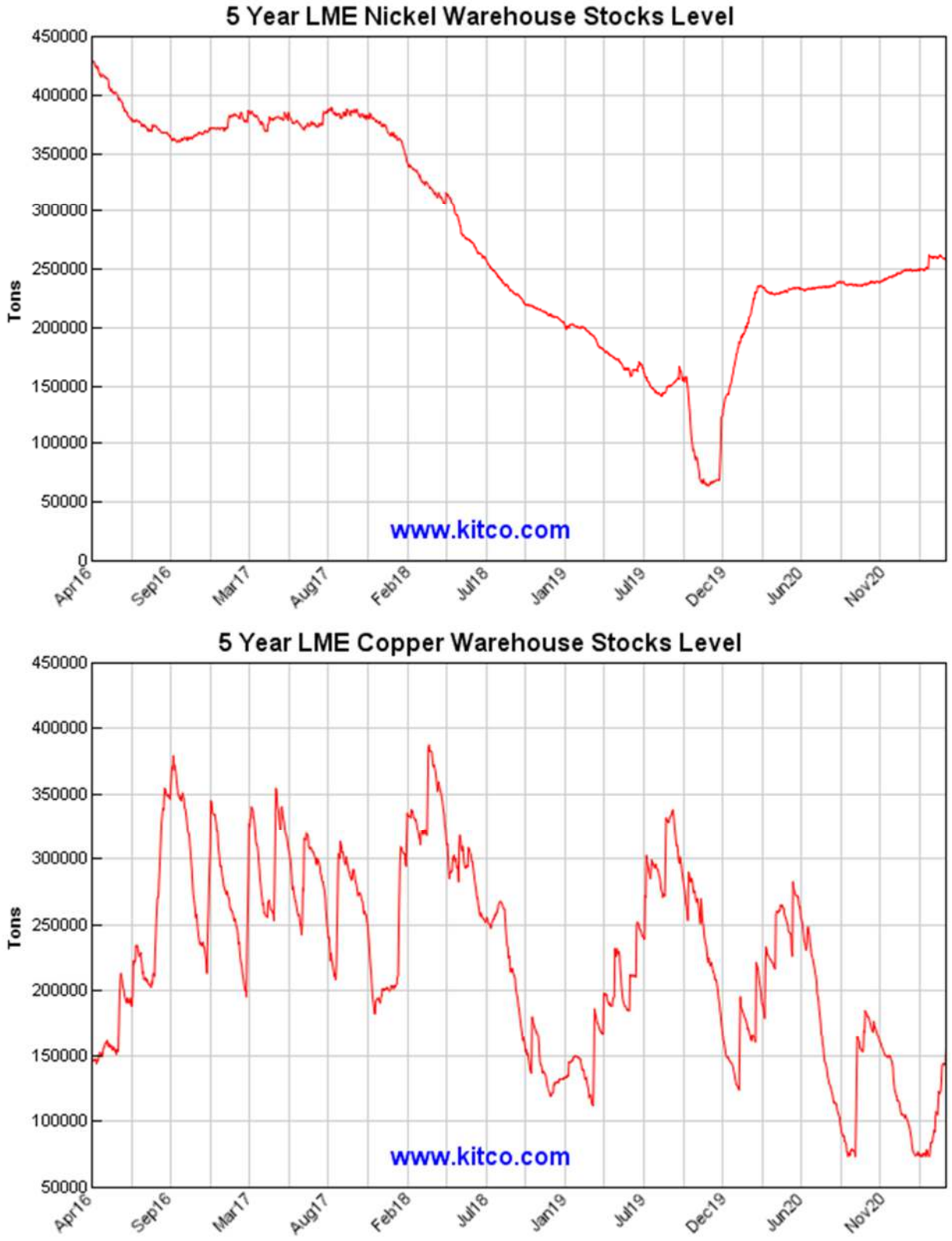

Figure 13: Inventories in Nickel and Copper at the London Stock Exchange (LME) since March 2016.

SELECTED FINANCIAL INFORMATION

Financial Position Analysis

	December 31, 2020	December 31, 2019	December 31, 2018
	$	$	$
Total assets	45,409,738	56,416,123	61,699,592
Total liabilities	4,057,552	3,989,226	5,929,249
Total equity	41,352,186	52,426,897	55,770,343
Working capital*	2,114,166	11,811,843	5,109,284

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

Assets

Total assets at December 31, 2020 were $45,409,738 compared to $56,416,123 at December 31, 2019, a decrease of $11,006,385 mainly due to a decrease in cash of $3,086,086, in asset held for sale of $5,046,400, in convertible debenture of $1,214,131, in investment in associate of $3,844,627 and in deposit on property, plant and equipment of $447,414. These decreases were offset by an increase in exploration and evaluation assets of $2,575,057.

The decrease in asset held for sale of $5,046,400 is due to the termination of the share purchase agreement for the sale of the remaining 6,640,000 common shares of SRG given the inability of the third party to fulfill the initial conditions of the agreement. The Company reclassified as an investment in associate the recoverable amount of this investment which was determined to be $2,191,200. Therefore, an impairment of $2,855,200 was recorded.

The decrease in convertible debenture is due to the conversion of the debenture in exchange of 1,557,110 common shares of SRG.

The decrease in investment in associate is due to the recognition of an impairment of $6,260,665, a loss on dilution of $916,332 and a share of loss of $400,800. These decreases were however offset by the reclassification of an amount of $2,191,200 from asset held for sale, by an additional investment of $125,000 and by the convertible debenture conversion of $1,416,970.

Exploration and evaluation assets have increased by $2,575,057 due to work performed on its mining properties, mainly on the Samapleu and Zérégouiné properties for total expenditures of $1,562,226 and $1,015,460 respectively.

Liabilities

Total liabilities at December 31, 2020 were $4,057,552 compared to $3,989,226 at December 31, 2019, an increase of $68,326 due to an increase in accounts payable and accrued liabilities of $131,699 and in loan payable of $33,339 in connection with the Canada Emergency Business Account ("CEBA") program. These increases were offset by a decrease in deferred tax liability of $96,712.

Equity

At December 31, 2020, the Company had an equity of $41,352,186 compared to $52,426,897 at December 31, 2019, a decrease of $11,074,711 mainly due to the period net loss of $11,485,477 which was offset by the recognition of a stock-based compensation of $400,141 and by the exercise of stock options for total proceeds of $10,625.

Operating Results analysis

	Three-month period ended December 31, 2020	Three-month period ended December 31, 2019	Year ended December 31, 2020	Year ended December 31, 2019
	$	$	$	$
Revenue	-	-	-	25,397
Operating expenses	(360,431)	(674,274)	(1,506,439)	(2,681,392)
Other income (expenses)	(7,824)	(6,984,123)	(10,075,750)	(11,044,225)
Net loss	(271 543)	(5,887,545)	(11,485,477)	(11,947,664)
Net loss per common share				
Basic	(0.001)	(0.029)	(0.05)	(0.06)
Diluted	(0.001)	(0.029)	(0.05)	(0.06)

THREE-MONTH PERIOD ENDED DECEMBER 31, 2020 COMPARED TO THE THREE-MONTH PERIOD ENDED DECEMBER 31, 2019

For the three-month period ended December 31, 2020, the Company recorded a net loss of $271,543 or ($0.001) per share compared to $5,887,545 or ($0.029) per share for the same period in 2019, a decrease of $5,616,002 due to the following important variations:

Operating expenses

Operating expenses went from $674,274 in 2019 to $360,431 in 2020, a decrease of $313,843 mainly due to a decrease in the stock-based compensation of $176,473, in consulting fees of $82,393, in professional fees of $53,712, in travel and representation fees of $47,313 and in salaries and benefits of $11,212. These decreases were offset by an increase in general and other expenses of $18,149 and a decrease in a gain on disposal of property, plant & equipment of $13,190 realized in 2019.

Other expenses

Other expenses totaled $7,824 in 2020 compared to $6,984,123 in 2019, a decrease of 6,976,299 mainly due to a decrease in impairment of $6,151,600, in the share of loss and comprehensive loss of associate of $139,274, in the loss on dilution of associate of $179,774, in the gain on derivative financial instrument of $488,000, in the foreign exchange loss of $61,673 as well as an increase in the gain on fair value of warrants of $10,005. This decrease in other expenses was offset by a decrease in interest revenue of $32,848 and in the gain on fair value of a convertible debenture of $27,840.

YEAR ENDED DECEMBER 31, 2020 COMPARED TO THE YEAR ENDED DECEMBER 31, 2019

For the year ended December 31, 2020, the Company recorded a net loss of $11,485,477 or ($0.05) per share compared to $11,947,664 or ($0.06) per share for the same period in 2019, a decrease of $462,187 due to the following important variations:

Operating expenses

Operating expenses went from $2,681,392 in 2019 to $1,506,439 in 2020, a decrease of $1,174,953 mainly due to a decrease in the stock-based compensation of $756,020, in travel and representation fees of $152,707, in consulting fees of $115,380, in professional fees of $65,583, in salaries and benefits of $42,980, in project evaluation costs of $31,773 and in general and other expenses of $13,591.

Other expenses

Other expenses totaled $10,075,750 in 2020 compared to $11,044,225 in 2019, a decrease of $968,475. Other expenses of 2020 are related to an impairment of $9,115,865, to a share of loss and comprehensive loss of associate of $400,800, a loss on dilution of associate of $916,332 and a loss on derivative financial instrument of $160,000 which were offset by a gain on fair value of a convertible debenture of $254,992, a gain on fair value of warrants of $47,278,

a foreign exchange gain of $81,673 and interest income of $126,643. Other expenses of 2019 are related to an impairment of $9,862,979, a loss on fair value of a convertible debenture of $168,422, a loss on disposal of an asset held for sale of $189,000, a share of loss and comprehensive loss of associate of $846,785, a loss on dilution of associate of $179,774 and a foreign exchange loss of $81,181 which were offset by a gain on derivative financial instrument of $160,000 and interest income of $123,916.

Cash Flows analysis

	Three-month period ended December 31, 2020	Three-month period ended December 31, 2019	Year ended December 31, 2020	Year ended December 31, 2019
	$	$	$	$
Cash required by operating activities	(69,082)	(597,628)	(795,473)	(1,686,813)
Cash required by investing activities	(346,141)	(1,203,602)	(2,341,238)	(6,244,957)
Cash generated by financing activities	-	5,000,000	50,625	7,356,450

THREE-MONTH PERIOD ENDED DECEMBER 31, 2020 COMPARED TO THE THREE-MONTH PERIOD ENDED DECEMBER 31, 2019

Operating Activities

For the three-month period ended December 31, 2020, operating activities required cash flows of $69,082 compared to $597,628 for the same period in 2019, a decrease of $528,546 in the use of cash flows due to the net loss after adjustment for items not affecting cash which went from $491,280 in 2019 to $250,481 in 2020 and to the change in non-cash working capital items which generated cash flows of $181,399 in 2020 compared to the use of cash flows of $106,348 for the same period in 2019.

Investing Activities

For the three-month period ended December 31, 2020, investing activities required cash flows of $346,141 compared to $1,203,602 for the same period in 2019, a decrease of $857,461 due to a decrease in property, plant and equipment acquisition of $324,749 and in exploration and evaluation expenditures of $545,902. These decreases in the use of cash flows were offset by the disposal of property, plant and equipment which provided proceeds of $13,190 in 2019.

YEAR ENDED DECEMBER 31, 2020 COMPARED TO THE YEAR ENDED DECEMBER 31, 2019

Operating Activities

For the year ended December 31, 2020, operating activities required cash flows of $795,473 compared to $1,686,813 for the same period in 2019, a decrease of $891,340 in the use of cash flows due to the net loss after adjustment for items not affecting cash which went from $1,639,276 in 2019 to $795,473 in 2020 and to the change in non-cash working capital items which generated cash flows of $266,018 in 2020 compared to the use of cash flows of $47,537 for the same period in 2019.

Investing Activities

For the year ended December 31, 2020, investing activities required cash flows of $2,341,238 compared to $6,244,957 for the same period in 2019, a decrease of $3,903,719 due to a decrease in property, plant and equipment acquisition of $738,506, in exploration and evaluation expenditures of $2,594,603, in convertible debenture of $1,330,400 and to a net decrease of $700,000 in the bridge loan. These decreases were offset by an additional investment of $125,000 in SRG and by the proceeds of $1,321,600 and $13,190 received following the disposal of an asset held for sale and property, plant and equipment in 2019.

Financing Activities

For the year ended December 31, 2020, financing activities generated cash flows of $50,625 compared to $7,356,450 for the same period in 2019.The inflows of 2020 are related to the exercise of stock options and to a loan of $40,000 received as part of the Canada Emergency Business Account ("CEBA") while those of 2019 are related to the exercise of warrants and stock options.

Quarterly Results Trends (in thousands)

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

	Dec 31, 2020	Sept 30, 2020	June 30, 2020	March 31, 2020 [3]	Dec 31, 2019 [2]	Sept 30, 2019 [1]	June 30, 2019	March 31, 2019
		$	$	$	$	$	$	$
Revenue	-	-	-	-	-	-	15	10
Net loss	(272)	(586)	(288)	(10,340)	(5,888)	(4,068)	(862)	(1,130)
Net loss per share	(0.001)	(0.003)	(0.001)	(0.048)	(0.029)	(0.020)	(0.004)	(0.006)

[1] An impairment of $3,711,379 was recognized on the asset held for sale during the third quarter ended September 30, 2019.
[2] 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.
[3] 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.

TRANSACTIONS WITH RELATED PARTIES

Related parties include the Company's key management personnel and related companies. Unless otherwise stated, balances are usually settled in cash.

Key management personnel are the members of the Board of Directors and the officers of the Company.

Transactions with key management personnel

During the year ended December 31, 2020, the Company incurred fees of $123,900 with the CFO (December 31, 2019 – $123,900). These fees are recorded under professional fees in the consolidated statement of loss and comprehensive loss. As at December 31, 2020, $18,900 (December 31, 2019 – $18,900) is due to the CFO. This amount is included in accounts payable and accrued liabilities.

During the year ended December 31, 2020, the Company incurred fees of $36,000 (December 31, 2019 – a salary of $39,480) with an officer. These fees are recorded under professional fees (December 31, 2019 – under salaries and benefits) in the consolidated statement of loss and comprehensive loss. As at December 31, 2020, $6,480 (December 31, 2019 – $nil) is due to that officer. This amount is included in accounts payable and accrued liabilities.

During the year ended December 31, 2020, the Company incurred fees of $201,243 (December 31, 2019 – $298,992) with a corporation controlled by a director who is also the President and Chief Executive Officer. An amount of $40,248 (December 31, 2019 – $114,998) has been recorded under consulting fees in the consolidated statement of loss and comprehensive loss and $160,995 (December 31, 2019 – $183,994) has been capitalized to the Company's exploration and evaluation assets. As at December 31, 2020, $38,332 (December 31, 2019– $69,000) is due to that corporation. This amount is included in accounts payable and accrued liabilities.

During the year ended December 31, 2020, Sama recognized a stock-based compensation of $294,438 (December 31, 2019 – $923,768) in connection with stock options granted to officers and directors. This stock-based compensation was recognized in the consolidated statement of loss and comprehensive loss.

During the year ended December 31, 2020, the Company incurred fees of $97,081 (December 31, 2019 – $139,581) with a corporation controlled by the Company's Executive Chairman. An amount of $87,500 (December 31, 2019 – $130,000) was recorded under consulting fees and $9,581 (December 31, 2019 – $9,581) under general and other expenses in the consolidated statement of loss and comprehensive loss. As at December 31, 2020, $20,833 (December 31, 2019 – $30,000) is due to that corporation. This amount is included in accounts payable and accrued liabilities.

During the year ended December 31, 2020, the Company incurred fees of $61,250 (December 31, 2019 – $109,150) with a company controlled by the Vice-president Legal and Corporate Affairs. These fees are recorded under professional fees in the consolidated statement of loss and comprehensive loss. As at December 31, 2020, no amount (December 31, 2019 – $16,650) is due to that company.

Transactions with related parties

During the year ended December 31, 2019, the Company charged an amount of $25,397 to SRG as part of drilling and services agreements. As at December 31, 2019 and 2020, no amount is due from SRG.

Termination and Change of Control Provisions

The Company has entered into consulting agreements with key management personnel for total annual payments of $465,000. The consulting agreements contain termination without cause and change of control provisions. Assuming that this agreement would be terminated without cause during the year ended December 31, 2020, the total amounts payable to key personnel in respect of severance would amount to $1,055,000. If a change of control would occur during the year December 31, 2020, the total amount payable in respect of severance, if elected by the officers would amount to $1,055,000.

COMMITMENTS

a) Sama signed a technology license agreement with CVMR Corporation (CVMR) which was amended in December 2020. Under the terms of the agreement, CVMR grants Sama use of its technology to refine the mineralized material from the Samapleu property in Ivory Coast, West Africa, to produce nickel and iron powders. If and when Sama decides to use the license technology, by entering into a Nickel Powder manufacturing plant, then within 10 days following completion of the project commissioning, Sama shall pay to CVMR an amount of $5,000,000 either in cash or, subject to approval from the TSX-V, through the issuance of an equivalent value of common shares of Sama. Share price will be based on the average closing price of those shares on the exchange for each day during the three months of trading prior to issuance. In addition, CVMR will receive a royalty equal to 15% if the gross revenue (i.e. the difference between the sale price of metal powders produced by the plants in excess of the London Metal Exchange ("LME") price of the elements contained in such powders) represents a margin in excess of 25% for the licensee. The royalty shall be 5% should the margin be only 5% and should the margin be between 5% and 25% then the royalty shall be calculated on a pro rata basis between 5% and 15%.

b) On October 23, 2017, the Company entered into a binding term sheet, amended on March 12, 2018, in view of forming a strategic partnership with HPX TechCo Inc. ("HPX"), in order to develop its nickel-copper and cobalt project in Ivory Coast, West Africa.

   As part of the term sheet, HPX would make a strategic investment of $5,250,000 by acquiring a total 25,000,000 units at a price of $0.21 per unit, with each unit consisting of one common share and one share purchase warrant. Each warrant will entitle HPX to purchase an additional common share at a price of $0.28 per common share for 24 months following the closing date. If exercised, these warrants would represent an additional investment of $7,000,000 for a total investment, by HPX, of $12,250,000. HPX would also have 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 private placement of $5,250,000 and the exercise of warrants of $7,000,000 would be considered part of this total investment of $30,000,000.

Highlights of the term sheet include the following:

- HPX 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 HPX and its affiliates remains above 10%;

- HPX 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%;

- HPX would earn into the Ivory Coast project through Sama Nickel as the joint venture vehicle;

- Pursuant to the terms of the earn-in and joint venture agreement, HPX 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, HPX 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/Sama Nickel joint venture are not met by an outside date (the earn-in adjustment date), then HPX 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 April 13, 2018, the Company issued a total of 25,000,000 units at a price of $0.21 per unit for total proceeds of $5,250,000. On June 11, 2019 and December 18, 2019, HPX exercised a total of 25,000,000 warrants at a price of $0.28 per share for total proceeds of $7,000,000.

OUTSTANDING SHARE DATA

	Number of Shares Outstanding (Diluted)
Sama outstanding shares as of April 26, 2021	216,556,660
Shares reserved for issuance pursuant to warrants outstanding	8,060,250
Shares reserved for issuance pursuant to stock options outstanding	19,680,000
Sama outstanding shares - fully diluted	244,296,910

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
2,690,750	0.15	May 19, 2021
1,444,500	0.15	July 29, 2021
3,925,000	0.15	December 9, 2021
8,060,250		

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
400,000	0.15	June 29, 2021
50,000	0.12	August 31,2021
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
19,680,000		

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.

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 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.

Political and Economic Risks of Doing Business in Ivory Coast

All of the Company's mineral properties are currently located in Ivory Coast 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 Ivory Coast 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 Ivory Coast 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.