

Sama Resources Inc.

Interim Condensed Consolidated Financial Statements
**For the three-month and nine-month periods ended September 30, 2022
and 2021**
(in Canadian dollars)

Sama Resources Inc.

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, 2022 and 2021 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, 2022 and December 31, 2021

(Unaudited - in Canadian dollars)

	Notes	September 30, 2022 \$	December 31, 2021 \$
Assets			
Current assets			
Cash and cash equivalents		8,762,060	2,152,698
Trade and other amounts receivable		32,818	56,040
Sales taxes receivable		92,360	50,181
Tax credits receivable		-	126,329
Prepaid expenses and deposits		116,822	87,338
Bridge loan		-	711,698
		<u>9,004,060</u>	<u>3,184,284</u>
Non-current assets			
Deposit on exploration and evaluation assets		42,022	-
Property, plant and equipment	6	952,783	862,670
Investment in associate	7	-	8,804,704
Investments in SRG Mining Inc. ("SRG")	8	11,392,835	46,320
Exploration and evaluation assets	9	39,872,454	35,205,460
		<u>52,260,094</u>	<u>44,919,154</u>
Total assets		<u>61,264,154</u>	<u>48,103,438</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		<u>643,373</u>	<u>253,500</u>
Non-current liabilities			
Loan payable		58,614	52,796
Due to Ivanhoe Electric Inc. as part of the earn-in and joint venture agreement	5	7,893,142	3,273,142
Deferred tax liability		<u>2,847,976</u>	<u>2,847,976</u>
		<u>11,443,105</u>	<u>6,427,414</u>
Shareholders' equity			
Share capital	10	49,672,237	49,672,237
Contributed surplus	11	6,463,333	6,077,949
Deficit		<u>(7,938,853)</u>	<u>(15,739,740)</u>
Equity attributable to the parent company		<u>48,196,717</u>	<u>40,010,446</u>
Non-controlling interest		1,624,332	1,665,578
Total equity		<u>49,821,049</u>	<u>41,676,024</u>
Total liabilities and equity		<u>61,264,154</u>	<u>48,103,438</u>

Nature of operations and going concern

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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 Income (Loss) and Comprehensive Income (Loss) For the three-month and nine-month periods ended September 30, 2022 and 2021

(Unaudited - in Canadian dollars)

	Notes	Three-month periods ended		Nine-month periods ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
		\$	\$	\$	\$
Operating expenses					
Consulting fees		60,440	43,699	186,714	139,424
Professional fees		251,188	41,940	390,840	198,140
General and other expenses		52,865	48,689	230,473	123,158
Salaries and benefits		29,434	24,375	87,573	92,164
Travel and representation		41,086	14,516	122,946	34,378
Transfer agent and filing fees		7,946	7,547	19,344	18,901
Marketing fees		30,000	-	50,000	-
Depreciation	6	8,830	5,111	18,640	17,182
Stock-based compensation	11	68,552	24,665	331,118	125,738
Operating loss		(550,341)	(210,542)	(1,437,648)	(749,085)
Other income (expenses)					
Gain on disposal of an investment in associate	7	-	-	2,972,473	-
Gain on loss of significant influence	7	-	-	5,902,561	-
Share of loss of associate	7	-	(127,653)	(297,332)	(377,870)
Gain (loss) on dilution of associate	7	-	-	1,195,788	(19,245)
Change in fair value of investments in SRG	8	(787,474)	10,500	(494,179)	(1,752)
Interest income		30,695	18,943	62,710	55,121
Accretion of interest on loan payable		(2,029)	(1,764)	(5,818)	(5,047)
Government grant		-	-	-	7,417
Foreign exchange gain (loss)		(141,376)	14,168	(187,714)	(501)
Management fees		39,600	-	48,800	155,564
		(860,584)	(85,806)	9,197,289	(186,313)
Net income (loss) and comprehensive income (loss)		(1,410,925)	(296,348)	7,759,641	(935,398)
Net income (loss) attributable to:					
Sama Resources Inc.		(1,339,914)	(287,376)	7,800,887	(926,426)
Non-controlling interest		(71,011)	(8,972)	(41,246)	(8,972)
		(1,410,925)	(296,348)	7,759,641	(935,398)
Net income (loss) per common share					
Basic earnings (loss) per common share	14	(0.006)	(0.001)	0.036	(0.004)
Diluted earnings (loss) per common share		(0.006)	(0.001)	0.036	(0.004)

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, 2022 and 2021

(Unaudited - in Canadian dollars)

	Notes	Share capital numbers	Share capital \$	Contributed surplus \$	Deficit \$	Total attributable to the parent company \$	Non-controlling interest \$	Total \$
Balance – January 1st, 2021		216,466,410	49,179,596	5,944,000	(13,771,410)	41,352,186	-	41,352,186
Exercise of stock options	10, 11	450,000	98,962	(33,212)	-	65,750	-	65,750
Exercise of warrants	10	1,451,530	223,101	(5,371)	-	217,730	-	217,730
Stock-based compensation	11	-	-	151,856	-	151,856	-	151,856
Issuance of common shares by a subsidiary		-	-	-	2,930,846	2,930,846	(180,846)	2,750,000
Net loss and comprehensive loss		-	-	-	(926,426)	(926,426)	(8,972)	(935,398)
Balance – September 30, 2021		218,367,940	49,501,659	6,057,273	(11,766,990)	43,791,942	(189,818)	43,602,124
Balance – January 1st, 2022		219,468,440	49,672,237	6,077,949	(15,739,740)	40,010,446	1,665,578	41,676,024
Stock-based compensation	11	-	-	385,384	-	385,384	-	385,384
Net income (loss) and comprehensive income (loss)		-	-	-	7,800,887	7,800,887	(41,246)	7,759,641
Balance – September 30, 2022		219,468,440	49,672,237	6,463,333	(7,938,853)	48,196,717	1,624,332	49,821,049

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, 2022 and 2021

(Unaudited - in Canadian dollars)

	Notes	Three-month periods ended		Nine-month periods ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
		\$	\$	\$	\$
Cash flows provided by (used for)					
Operating activities					
Net income (loss) for the period		(1,348,925)	(296,348)	7,759,641	(935,398)
Items not affecting cash					
Depreciation	6	8,830	5,111	18,640	17,182
Stock-based compensation	11	68,552	24,665	331,118	125,738
Accretion of interest on loan payable		2,029	1,764	5,818	5,047
Government grant		-	-	-	(7,417)
Interest revenue on bridge loan		-	(17,644)	(22,823)	(52,355)
Share of loss of associate	7	-	127,653	297,332	377,870
Loss (gain) on dilution of associate	7	-	-	(1,195,788)	19,245
Gain on disposal of an investment in associate	7	-	-	(2,972,473)	-
Gain on loss of significant influence	7	-	-	(5,902,561)	-
Change in fair value of investments of SRG	8	787,474	(10,500)	494,179	1,752
		(482,040)	(165,299)	(1,186,917)	(448,336)
Change in non-cash working capital items					
Trade and other amounts receivable		(8,435)	(30,329)	57,743	(39,539)
Sales taxes receivable		(732)	(17,649)	(42,179)	(37,512)
Tax credits receivable		126,329	-	126,329	-
Due from a related company		-	-	-	4,055
Prepaid expenses and deposits		59,734	3,347	(29,484)	(11,428)
Accounts payable and accrued liabilities		164,263	174,161	230,783	27,678
		341,159	129,530	343,192	(56,746)
		(140,881)	(35,769)	(843,725)	(505,082)
Investing activities					
Acquisition of property, plant and equipment	6	(143,469)	-	(346,561)	(6,301)
Repayment of bridge loan		-	-	700,000	-
Disposal of investments	7	-	-	6,737,500	-
Exploration and evaluation expenditures	9	(1,897,262)	(1,411,722)	(4,257,852)	(2,285,402)
		(2,040,731)	(1,411,722)	2,833,087	(2,291,703)
Financing activities					
Exercise of warrants	10	-	15,000	-	217,730
Exercise of stock options	10, 11	-	5,750	-	65,750
Loan payable		-	-	-	20,000
Payments received from IVNE as part of the earn-in and joint venture agreement		2,120,000	1,100,000	4,620,000	3,273,195
		2,120,000	1,120,750	4,620,000	3,576,675
Net change in cash and cash equivalents		(61,612)	(326,741)	6,609,362	779,890
Cash and cash equivalents – Beginning of period		8,823,672	3,224,473	2,152,698	2,117,842
Cash and cash equivalents – End of period		8,762,060	2,897,732	8,762,060	2,897,732

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, 2022 and 2021 and December 31, 2021

(Unaudited - in Canadian dollars)

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 16, 2022.

The Company’s main exploration and evaluation assets are located in the Republic of Ivory Coast (“Ivory Coast”) 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, 2022, the Company has an accumulated deficit \$7,938,853 (December 31, 2021 – \$15,739,740) and a working capital of \$8,360,687 (December 31, 2021 – \$2,930,784), including cash and cash equivalents of \$8,762,060 (December 31, 2021 – \$2,152,698). 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, 2023. Although the Company currently has an earn-in agreement to fund the Ivory Coast projects (note 5), considering 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

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(Unaudited - in Canadian dollars)

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.

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 Change in accounting policies

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 criteria 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. The adoption of IAS 1 had no impact on the interim condensed consolidated financial statements.

Amendments to IAS 16 – Property, plant and equipment

The IASB has made amendments to IAS 16 Property, plant and equipment. 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 adoption of IAS 16 had no impact on the interim condensed consolidated financial statements.

3 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, 2021. 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, 2021 which have been prepared according to IFRS as issued by the IASB.

Sama Resources Inc.

Notes to Interim Condensed Consolidated Financial Statements

September 30, 2022 and 2021 and December 31, 2021

(Unaudited - in Canadian dollars)

Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis using the accrual basis of accounting except for cash flow information.

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:

		September 30, 2022	September 30, 2021
	Jurisdiction of incorporation	% of ownership	% of ownership
Sama Nickel Corporation ("SNC") ^(a)	Canada	70%	100%
Sama Nickel Côte d'Ivoire SARL ("Sama CI") ^(a)	Ivory Coast	70%	100%
Société Minière du Tonkpi SARL ("SMT") ^(a)	Ivory Coast	70%	100%
Sama Resources Quebec Inc. ("SRQ")	Canada	100%	100%
Sama Resources Development Inc. ("SRDI")	Caymans Island	100%	100%
Sama Resources Liberia Inc. ("SRL")	Liberia	100%	100%

(a) See Note 5

Investment in associate

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor a joint venture.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Significant influence is presumed to exist when the Company holds between 20% and 50% of the voting power of another entity but can also arise where the Company holds less than 20% if it has the power to be actively involved and influential in policy decision affecting the entity.

An investment in associate is accounted for using the equity method. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Company's share of net assets of the associate, less any impairment losses. Losses in an associate in excess of the Company's interest in that associate are recognized only to the extent that the Company has incurred a legal or constructive obligation to make payments on behalf of the associate. Unrealized profits or

Sama Resources Inc.

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(Unaudited - in Canadian dollars)

losses on transactions between the Company and an associate are eliminated to the extent of the Company's interest therein. Decreases in ownership arising from transactions occurring within the associate are accounted for as deemed disposals with ensuing dilution gains or losses recognized in the Statement of Loss and Comprehensive Loss.

At the end of each reporting period, management considers whether there is any evidence of impairment in associates. When there is evidence that an investment in an associate is impaired, the carrying amount of such investment is compared to its recoverable amount. If the recoverable amount of an investment in associate is less than its carrying amount, the carrying amount is reduced to its recoverable amount and an impairment loss, being the excess of carrying amount over the recoverable amount, is recognized in the period of impairment. When an impairment loss reverses in a subsequent period, the carrying amount of the investment in associate is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. A reversal of an impairment loss is recognized in the statement of loss and comprehensive loss in the period the reversal occurs.

Non-controlling interests

Non-controlling interests ("NCI") represent equity interests owned by outside parties. NCI may be 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.

4 Future accounting policies

Accounting standards and interpretation issued but not yet adopted

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.

Sama Resources Inc.

Notes to Interim Condensed Consolidated Financial Statements

September 30, 2022 and 2021 and December 31, 2021

(Unaudited - in Canadian dollars)

5 Non-controlling interests

On March 19, 2021, the Company signed an earn-in and joint venture agreement with Ivanhoe Electric Inc. or (“IVNE”) in order to develop its nickel-copper and cobalt project in Ivory Coast, West Africa.

As part of the agreement, 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 by financing exploration and evaluation expenses and completing a feasibility study through total investments of \$25,000,000. The strategic investment of \$12,250,000 done by IVNE in the Company is considered to be part of this total investment of \$25,000,000.

Highlights of the agreement include the following:

- IVNE has 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 has 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 is to earn into the Ivory Coast projects through SNC as the joint venture vehicle;
- Pursuant to the terms of the earn-in and joint venture agreement, IVNE can earn a 30% interest in the Ivory Coast projects by incurring expenditures of \$15,000,000. By incurring additional expenditures of \$10,000,000 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 projects, IVNE will be entitled to earn an additional interest in the Ivory Coast projects, such that its aggregate interest therein shall be 60%;

On August 27, 2021, IVNE cumulative investments reached \$15,523,195, including the strategic investment of \$12,250,000. Therefore, IVNE was entitled to earn a 30% interest in SNC. SNC issued 53 common shares to IVNE at a nominal value of \$1 per common share for a total consideration of \$53. The remaining investment of \$3,273,142 was accounted for as a due to IVNE in the consolidated statement of financial position which will be repayable once the Ivory Coast projects will be in production along with advances historically made by the Company to SNC. As at September 30, 2022, the due to IVNE amounts to \$7,893,142.

The Company assessed its investment in SNC and judged that it still has control over SNC as defined by IFRS 10 *Consolidated Financial Statements*. 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 assets attributable to SNC's non-controlling interest over the contribution made by IVNE of \$1,718,710 at the time of the transaction has been charged to the deficit attributable to Sama shareholders.

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Notes to Interim Condensed Consolidated Financial Statements

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(Unaudited - in Canadian dollars)

6 Property, plant and equipment

	Exploration equipment \$	Buildings and lease improvements \$	Other equipment \$	Total \$
Cost				
Balance – January 1st, 2021	2,302,033	127,426	98,242	2,527,701
Acquisitions	-	-	6,301	6,301
Disposals	-	-	(1,999)	(1,999)
Balance – December 31, 2021	2,302,033	127,426	102,544	2,532,003
Acquisitions	76,622	132,361	137,578	346,561
Disposals	-	-	(809)	(809)
Balance – September 30, 2022	2,378,655	259,787	239,313	2,877,755
Accumulated amortization				
Balance – January 1st, 2021	1,178,440	68,163	74,572	1,321,175
Depreciation	312,139	17,077	20,941	350,157
Disposals	-	-	(1,999)	(1,999)
Balance – December 31, 2021	1,490,579	85,240	93,514	1,669,333
Depreciation	228,219	15,022	13,207	256,448
Disposals	-	-	(809)	(809)
Balance – September 30, 2022	1,718,798	100,262	105,912	1,924,972
Carrying amount				
Balance – December 31, 2021	811,454	42,186	9,030	862,670
Balance – September 30, 2022	659,857	159,525	133,401	952,783

During the nine-month period ended September 30, 2022, a depreciation expense of \$18,640 (December 31, 2021 – \$21,167) was recorded in the interim condensed consolidated statement of loss and comprehensive loss and \$237,808 (December 31, 2021 – \$328,990) was recorded under exploration and evaluation (“E&E”) assets.

7 Investment in associate

At December 31, 2021, the Company owned a total of 24,805,377 common shares in SRG representing an ownership of 27.61% and giving the Company significant influence.

From January 1st to May 31, 2022, SRG issued a total of 23,824,491 common shares for total proceeds of \$13,440,863. The Company's ownership in SRG went from 27.61% to 21.82%. A gain on dilution of \$1,195,788 on the deemed disposal of a portion of its ownership interest was recorded in the interim condensed consolidated statement of income (loss) and comprehensive income (loss).

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(Unaudited - in Canadian dollars)

In May 2022, the Company entered into share purchase agreements with various purchasers to sell 9,625,000 common shares of SRG for an aggregate purchase price of \$6,737,500. A gain on disposal of an investment in associate of \$2,972,473 was recorded in the interim condensed consolidated statement of income (loss) and comprehensive income (loss). Following that transaction, the Company's ownership in SRG went from 21.82% to 13.36%. The Company discontinued the use of the equity method as its remaining interest ceased to be an investment in associate. The retained interest was measured at fair value and reclassified as an investment in the interim condensed consolidated statement of financial position.

The fair value of the retained investment of \$11,840,694 was determined using SRG's share price of \$0.78 at May 31, 2022. A gain on loss of significant influence of \$5,902,561, representing the difference between the carrying value and the fair value, was recorded in the interim condensed consolidated statement of income (loss) and comprehensive income (loss).

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

	September 30, 2022 \$	December 31, 2021 \$
Balance – beginning of period	8,804,704	8,589,468
Share of loss and comprehensive loss	(297,332)	(550,495)
Gain on dilution	1,195,788	765,731
Disposal of common shares	(3,765,027)	-
Gain on loss of significant influence	5,902,561	-
Reclassification from associate to investments (Note 8)	(11,840,694)	-
Balance – end of period	<u>-</u>	<u>8,804,704</u>

The fair value of the investment in associate as at December 31, 2021 was \$17,859,871.

8 Investments in SRG

Warrants

The Company owns 250,000 warrants in SRG which can be exercised at a price of \$1.00 per share until March 4, 2023.

The fair value of the warrants of \$7,552 (December 31, 2021 – \$46,320) was determined using the Black & Scholes valuation model based on the following assumptions:

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	September 30, 2022 \$	December 31, 2021 \$
Share price	\$0.75	\$0.72
Exercise price	\$1.00	\$1.00
Dividend	-	-
Volatility	49.20%	85.10%
Risk-free interest rate	3.76%	0.91%
Expected life	0.42 year	1.17 years

A loss in fair value of \$38,768 was recorded under change in fair value of investments in the interim condensed consolidated statement of income (loss) and comprehensive income (loss).

Common shares

The Company owns 15,180,377 common shares in SRG representing an interest of 13.34%.

As at September 30, 2022, the fair value of the common shares of \$11,385,283 was determined using SRG's share price of \$0.75. A loss in fair value of \$455,411 was recorded under change in fair value of investments in the interim condensed consolidated statement of income (loss) and comprehensive income (loss).

The continuity of the Company's investments in SRG is as follows:

	September 30, 2022 \$	December 31, 2021 \$
Balance – beginning of period	46,320	47,278
Reclassification from investment in associate (Note 7)	11,840,694	-
Change in fair value of investments in SRG	(494,179)	(958)
Balance – end of period	11,392,835	46,320

9 Exploration and evaluation assets

Samapleu property

SNC entered into a Syndicate Agreement (“SA”) with SODEMI, a parastatal organization, under which SNC is responsible to finance, on behalf of the SA, exploration work programs during the exploration phase through completion of a Bankable Feasibility Study (“BFS”) on the exploration permits Samapleu East (PR838) and Samapleu West (PR839) held by SODEMI. SODEMI will not contribute to work conducted under the SA.

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Both PRs expire on June 17, 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 \$4,752,227 as at September 30, 2022) and F CFA 760,000,000 for PR839 (approximately \$1,560,126 as at September 30, 2022) 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 \$1,714,085 as at September 30, 2022) 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 \$25,017,968 as at September 30, 2022.

The ownership of the EE shall be allocated as follows:

Sama Nickel	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 expired on December 17, 2021. In accordance with PR300, Sama CI was required to complete an exploration program before the term of the exploration permit. This exploration program was completed on time and on September 20, 2021, Sama CI filed the required documentation with the Department of Mines in Côte d’Ivoire, for the exceptional renewal of PR300 which should expire on December 18, 2023. As of today, there is no indication that the exploration permit will not be granted. However, a whole or partial impairment of the value of the PR300 will be required should Sama CI fail to obtain 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 92 square kilometers of property in Ivory Coast and expires on December 7, 2022. In accordance with PR604, Sama CI agreed to complete an exploration program evaluated at F CFA 1,018,000,000 (\$2,089,748 as at September 30, 2022) 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.

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Zoupleu property

SMT owns the exploration permit No. 837 (“PR837”) which covers 135 square kilometers of property in Ivory Coast and expires on June 17, 2023. In accordance with PR837, SMT agreed to complete an exploration program evaluated at F CFA 1,120,000,000 (approximately \$2,299,134 as at September 30, 2022) 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 259.13 square kilometers of property in the county of Grand Gedeh, Liberia and expires on January 10, 2024. The Nuon River Property is 100% owned by SRL.

St-John River gold property

SRL owns the exploration license MEL9001821 which covers 174.51 square kilometers of property in the county of Grand Gedeh, Liberia and expires on January 9, 2024. The St-John River gold Property is 100% owned by SRL.

Zwedru South property

SRL owns the exploration license MEL9001921 which covers 312.85 square kilometers of property in the county of Bong, Liberia and expires on January 9, 2024. The Zwedru South Property is 100% owned by SRL.

Lac Brulé property

SRQ owns 401 exploration claims in the Nivernais and Esgriseilles Townships in the province of Quebec, Canada. The Lac Brulé Property is 100% owned by SRQ.

Lac Brennan property

SRQ owns 42 exploration claims in the Dauphine Township in the province of Quebec, Canada. The Lac Brennan Property is 100% owned by SRQ.

Lac Montmord property

SRQ owns 19 exploration claims in the Dauphine Township in the province of Quebec, Canada. The Lac Montmord Property is 100% owned by SRQ.

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

	December 31, 2020 \$	Activity \$	December 31, 2021 \$	Activity \$	September 30, 2022 \$
Samapleu property					
Acquisition costs and option payments	4,432,484	-	4,432,484	-	4,432,484
Drilling	5,754,502	291,104	6,045,606	185,407	6,231,013
Camp operation costs and other expenses	6,130,710	476,387	6,607,097	266,153	6,873,250
Geology and prospecting	2,754,253	88,626	2,842,879	48,714	2,891,593
Geophysics	1,884,666	36,957	1,921,623	188,334	2,109,957
Engineering study	1,117,449	7,384	1,124,833	14,250	1,139,083
Geochemistry	635,306	43,560	678,866	81,495	760,361
Metallurgical tests	244,589	-	244,589	54,336	298,925
Environmental study	134,978	-	134,978	-	134,978
Stock-based compensation	123,039	13,855	136,894	9,430	146,324
	23,211,976	957,873	24,169,849	848,119	25,017,968
Zérégouiné property					
Camp operation costs and other expenses	3,168,593	464,347	3,632,940	120,602	3,753,542
Drilling	2,151,485	298,938	2,450,423	125,860	2,576,283
Geology and prospecting	1,643,184	67,966	1,711,150	27,200	1,738,350
Geophysics	1,022,005	22,309	1,044,314	2,835	1,047,149
Geochemistry	45,466	18,432	63,898	8,910	72,808
Metallurgical tests	3,576	-	3,576	-	3,576
Environmental study	1,430	-	1,430	-	1,430
Stock-based compensation	275,524	12,024	287,548	5,697	293,245
	8,311,263	884,016	9,195,279	291,104	9,486,383
Grata property					
Camp operation costs and other expenses	479,968	246,836	726,804	629,359	1,356,163
Geology and prospecting	108,721	7,666	116,387	116,103	232,490
Geophysics	329,315	(2,409)	326,906	293,158	620,064
Geochemistry	2,744	10,708	13,452	286,383	299,835
Drilling	46,792	169,043	215,835	1,456,177	1,672,012
Environmental study	1,590	-	1,590	-	1,590
Stock-based compensation	22,327	3,613	25,940	38,967	64,907
	991,457	435,457	1,426,914	2,820,147	4,247,061
Zoupleu property					
Geology and prospecting	1,841	913	2,754	2,491	5,245
	1,841	913	2,754	2,491	5,245
Nuon River property					
Camp operation costs and other expenses	-	30,327	30,327	39,900	70,227
Environmental study	-	6,347	6,347	-	6,347
Geology and prospecting	-	1,271	1,271	1,267	2,538
	-	37,945	37,945	41,167	79,112

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	December 31, 2020 \$	Activity \$	December 31, 2021 \$	Activity \$	September 30, 2022 \$
St-John River gold property					
Camp operation costs and other expenses	-	32,253	32,253	85,209	117,462
Environmental study	-	6,347	6,347	-	6,347
Geology and prospecting	-	1,270	1,270	1,267	2,537
	-	39,870	39,870	86,476	126,346
Zwedru South property					
Camp operation costs and other expenses	-	24,070	24,070	42,736	66,806
Environmental study	-	6,347	6,347	-	6,347
Geology and prospecting	-	2,870	2,870	1,267	4,137
	-	33,287	33,287	44,003	77,290
Lac Brennan property					
Property acquisition costs	-	2,782	2,782	-	2,782
Claim maintenance	-	213	213	319	532
	-	2,995	2,995	319	3,314
Lac Brulé property					
Property acquisition costs	-	43,390	43,390	1,236	44,626
Claim maintenance	-	4,790	4,790	2,359	7,149
Geophysics	-	326,745	326,745	255,505	582,250
Geology and prospecting	-	29,801	29,801	51,563	81,364
Geochemistry	-	7,543	7,543	-	7,543
Camp operation costs and other expenses	-	10,106	10,106	220,814	230,920
Stock-based compensation	-	521	521	172	693
Tax credits	-	(126,329)	(126,329)	-	(126,329)
	-	296,567	296,567	531,649	828,216
Lac Montmord property					
Property acquisition costs	-	-	-	1,306	1,306
Claim maintenance	-	-	-	213	213
	-	-	-	1,519	1,519
Total E&E assets	32,516,537	2,688,923	35,205,460	4,666,994	39,872,454

10 Share capital

Authorized

Unlimited number of voting common shares without par value.

Transactions on share capital

2021

During the nine-month period ended September 30, 2021 a total of 1,451,530 warrants were exercised at a price of \$0.15 per share for total proceeds of \$217,730 and 450,000 stock options were exercised at a price from \$0.115 to \$0.15 per share for total proceeds of \$65,750.

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Warrants

The following table shows the changes in warrants:

	Nine-month period ended September 30, 2022		Year ended December 31, 2021	
	Number of warrants	Weighted average exercise price \$	Number of warrants	Weighted average exercise price \$
Outstanding – Beginning of period	-	-	8,150,500	0.15
Exercised	-	-	(2,552,030)	0.15
Expired	-	-	(5,598,470)	0.15
Outstanding and exercisable – End of period	-	-	-	-

11 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.

The following table shows the changes in stock options:

	Nine-month period ended September 30, 2022		Year ended December 31, 2021	
	Number of stock options	Weighted average exercise price \$	Number of stock options	Weighted average exercise price \$
Outstanding – Beginning of period	19,495,000	0.23	19,680,000	0.24
Granted	2,445,000	0.22	265,000	0.16
Exercised	-	-	(450,000)	0.15
Expired	(1,600,000)	0.30	-	-
Outstanding – End of period	20,340,000	0.23	19,495,000	0.23
Exercisable – End of period	19,201,250	0.23	18,891,250	0.24

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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, 2022	Year ended December 31, 2021
Weighted average price at the grant date	\$0.22	\$0.16
Weighted average exercise price	\$0.22	\$0.16
Expected dividend	-	-
Expected average volatility	98.97%	101.09%
Risk-free average interest rate	1.94%	1.40%
Expected average life	9.39 years	10 years
Weighted fair value per share option	\$0.19	\$0.14

An expense for stock-based compensation of \$385,384 was recognized during the nine-month period ended September 30, 2022 (for the nine-month period ended September 30, 2021 – \$151,856). An amount of \$331,118 (for the nine-month period ended September 30, 2021 – \$125,738) was recognized in the interim consolidated statement of loss and comprehensive loss and \$54,266 (for the nine-month period ended September 30, 2021 – \$26,118) was capitalized to the exploration and evaluation assets.

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
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
May 1, 2027	0.20	300,000	300,000
November 28, 2027	0.29	660,000	660,000
September 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	1,885,000
September 17, 2031	0.16	265,000	198,750
February 28, 2032	0.22	2,145,000	1,072,500
		<u>20,340,000</u>	<u>18,201,250</u>

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12 Additional cash flow information

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

	Three-month periods ended		Nine-month periods ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	\$	\$	\$	\$
Depreciation included in E&E assets	76,862	81,952	237,808	163,396
Stock-based compensation included in E&E assets	11,544	10,762	54,266	21,557
Change in E&E assets included in accounts payable and accrued liabilities	(290,676)	150,432	159,090	(9,425)

13 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 officers.

The following table presents the related party transactions presented in the interim condensed consolidated statement of income (loss) and comprehensive income (loss):

	Nine-month period ended September 30, 2022	Nine-month period ended September 30, 2021
	\$	\$
Professional fees paid to key management and/or companies controlled by key management	135,750	127,000
Consultant fees paid to companies controlled by key management	83,624	94,748
Consultant fees paid to a company controlled by key management and capitalized to exploration and evaluation assets	175,269	145,662
Directors and officers stock-based compensation	250,518	98,622

The following table represents the related party transactions presented in the Statement of Financial Position as at:

	September 30, 2022	December 31, 2021
	\$	\$
Professional fees owned to key management and/or companies controlled by key management	-	29,880
Exploration and evaluation expenditures owned to a company controlled by key management	-	31,091

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14 Earnings (loss) per share

	Three-month periods ended		Nine-month periods ended	
	September 30, 2022 \$	September 30, 2021 \$	September 30, 2022 \$	September 30, 2021 \$
Numerator:				
Numerator for basic and diluted earnings per share	(1,339,914)	(287,376)	7,800,887	(926,426)
Denominator:				
Weighted average number of common shares outstanding	219,468,440	218,325,549	219,468,440	217,340,091
Effect of potential dilutive stock options	-	-	1,721,045	-
Adjusted denominator for diluted earnings (loss) per share	219,468,440	218,325,549	221,189,485	217,340,091
Basic earnings (loss) per common share	(0.006)	(0.001)	0.036	(0.004)
Diluted earnings (loss) per common share	(0.006)	(0.001)	0.036	(0.004)

For the three-month and nine-month period ended September 30, 2021 and for the three-month period ended September 30, 2022, the diluted loss per share is equal to the basic loss per share as a result of the anti-dilutive effect of the outstanding stock options.