



**SAMA RESOURCES INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

**AS OF APRIL 29, 2022**

**TSX-V: SME**

**INDEX**

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# **SAMA RESOURCES INC.**

Management's discussion and analysis for the year ended December 31, 2021.

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

This management's discussion and analysis of financial position and results of operations ("MD&A") is prepared as of April 29, 2022 and complements the audited consolidated financial statements of Sama Resources Inc. (the "Company"), for the year ended December 31, 2021 which are compared to the year ended December 31, 2020.

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

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 29, 2022. These documents and more information about the Company are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **FORWARD LOOKING STATEMENTS**

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

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

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## COMPANY OVERVIEW

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

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

## HIGHLIGHTS

- On June 15, 2021, the Company announced that it has launched the Lac Brulé Ni-Cu and the Lac Brennan projects by acquiring 355 exploration claims in the Nivernais and Esgriseilles Townships and 16 claims in the Dauphine Township, all in the Province of Québec following the discovery at surface of a mineralized gossan at the 100% owned new project called Lac Brulé Nickel - Copper. The gossan is exposed at surface over a strike length of 115 m and is part of a larger meta-gabbro/ultramafic unit that can be traced over more than 430 m of strike and 200 m of width. In addition, the Company completed a total of 609 km-lines of a mixed drone's magnetic and radiometric surveys at the Lac Brulé project in August 2021.
- In August 2021, the Company completed 10 boreholes with 2 additional boreholes ongoing for a total of 5,148 m. Six holes were drilled for 1,381 m at Samapleu and one is ongoing, three holes were completed at Yepleu for 1,507 m with one ongoing and one hole was drilled at Grata.
- On September 9, 2021, the Company announced that Ivanhoe Electric Inc. ("IVNE") reached the first threshold of the earn-in and joint venture agreement by investing a total of \$15,523,195 which entitles IVNE to acquire a 30% interest in SNC. In addition, IVNE has elected to proceed with Phase 2 aiming at acquiring 60% of SNC in consideration of an additional \$10M.
- On November 2, 2021, the Company announced the completion of a 609 km-lines unmanned aerial vehicle ("UAV") magnetic and radiometric survey and the launch of a 1,444 km-lines high-resolution magnetic and radiometric survey at the Lac Brulé project.
- On December 10, 2021, the Company completed a 1,494 km-line HELTEM2 survey at the Lac Brulé property in Quebec, Canada.
- On January 25, 2022, the Company announced drilling results at the newly discovered Grata zone in Ivory Coast, West Africa. Hole GR-04 intersected 141m of continuous mineralization including near surface intervals of 6.40 m and 6.60 m grading 1.05% Ni -1.28% Cu & 0.48 gpt Pd and 0.73% Ni - 0.38% Cu & 0.30 gpt Pd respectively.
- On March 15, 2022, the Company announced drilling results from our 2021-22 drilling campaign at the newly discovered Grata prospect. Assay results for hole GR-06 include 14.10m at 0.86% Ni, 1.49% Cu and 1.38 gpt Pd within a larger interval of 128m at 0.30% Ni, 0.35% Cu & 0.47 gpt Pd.
- On March 22, 2022, the Company announced interpretation for the HELITEM<sup>2</sup> electromagnetic and magnetic helicopter geophysical survey the SRQ's Lac Brulé Ni-Cu-PGM property.

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## OVERALL PERFORMANCE

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

In April 2021, the Company launched a reinterpretation of the 2013 small grid Heli-HTEM which returned new anomalous areas in the vicinity of the Samapleu Main and Extensions 1 sectors as well as a couple of other areas including in Grata property (PR604). In September 2021, the Company announced the discovery of a new mineralized sector located 5 km East of Samapleu deposit with hole GR-03 returning a sequence of 310 m of pyroxenite and gabbro part of the Yacouba mafic-ultramafic complex with a combined 147 m of sulphide mineralisation including a combined 56m grading 0.39%Ni, 0.45% Cu and 0.33 g/t Pd. T. In January 2022, the Company announced results for GR-04 which returned 141m of continuous mineralization including near surface intervals of 6.40 m and 6.60 m grading 1.05% Ni - 1.28% Cu & 0.48 gpt Pd and 0.73% Ni - 0.38% Cu & 0.30 gpt Pd respectively. On March 15, 2022, Sama announced results for holes GR-05, GR-06 and GR-07. Hole GR-06 returned 14.10m at 0.86% Ni, 1.49% Cu and 1.38 gpt of Pd within a larger interval of 128m at 0.30% Ni, 0.35% Cu & 0.47 gpt Pd.

Following-up on this new discovery is ongoing and will continue in Q1 and Q2 of 2022.

Owning drilling equipment's allow for a greater flexibility to test various and remote targets quickly and cheaply.

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

The 2021-22 sequence of holes at Yepleu is aiming at testing downhole EM targets (DHTEM) along a mineralised trend and horizon striking more than 4,500 m (**Figures 4 & 5**). The mineralised horizon starts near surface and reach a depth of more than 850 m toward the south-southwest. The horizon appears to be open at depth. The very strong conductive target at 850 m from surface defined by the Typhoon remains to be drilled as hole YE2020-03 intercepted the edge of the system. The mineralisation encountered in YE2020-03 has yet explained by itself the high conductivity target (20,000 conductivity thickness ("CT")) defined by the DHTEM.

Dr David Evens, an imminent specialist of nickel-copper magmatic deposits visited the project in Côte d'Ivoire from October 17 to 26 2020 and will be back to site on April 2022. Dr Evens was mandated by IVNE and Sama for a thorough review of the geology associated with Sama's Ni-Cu discoveries and to comments on possible indicators that can be used in our exploration strategy at finding larges accumulations of high-grade Ni-Cu-PGE materials.

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

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

The Company has completed more than 65,000 m of drilling since 2010 until November 2021 and delivered a positive Preliminary Economic Assessment for the Samapleu deposits in May 2020. The 2022 exploration program as defined by the joint IVNE-Sama technical committee will continue drilling throughout the year, performing DHTEM on every hole drilled.

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## Samapleu technical Study

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

## MINERAL PROPERTY PORTFOLIO

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

## IVORY COAST NICKEL PROJECTS

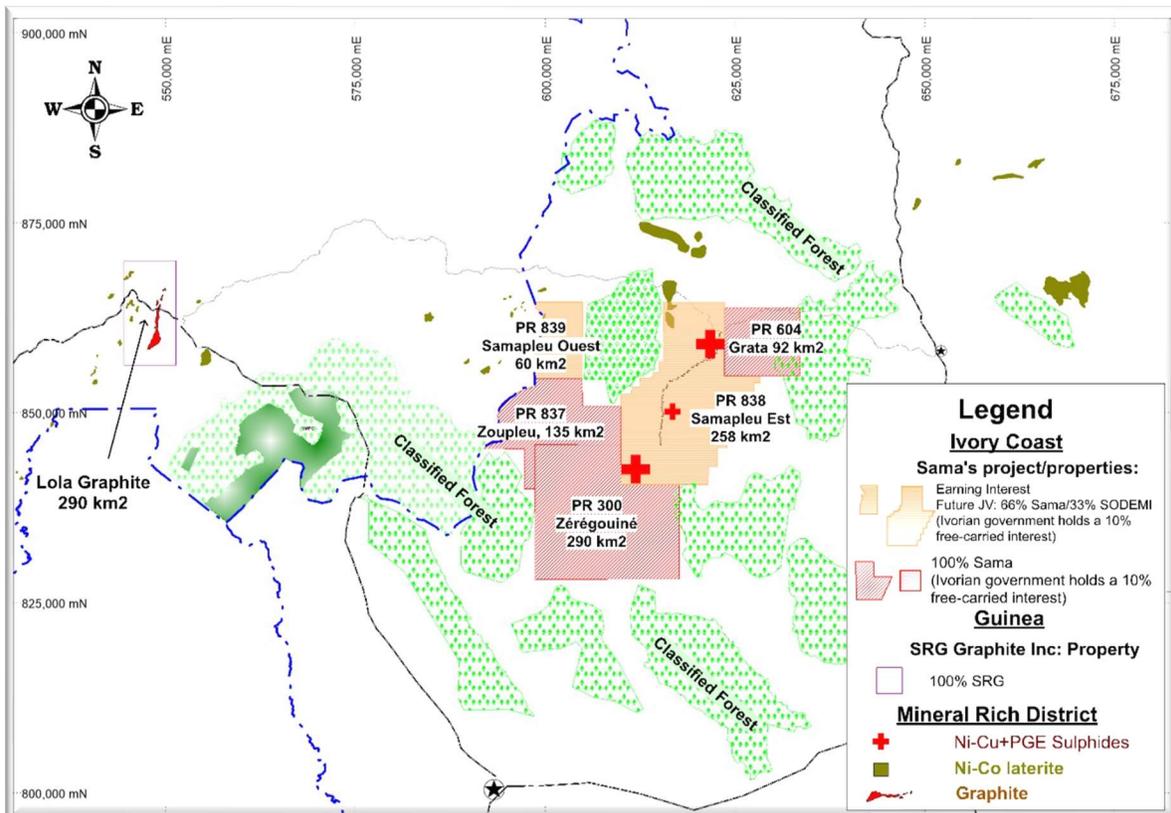


Figure 1: Sama Resources exploration permits in Ivory Coast.

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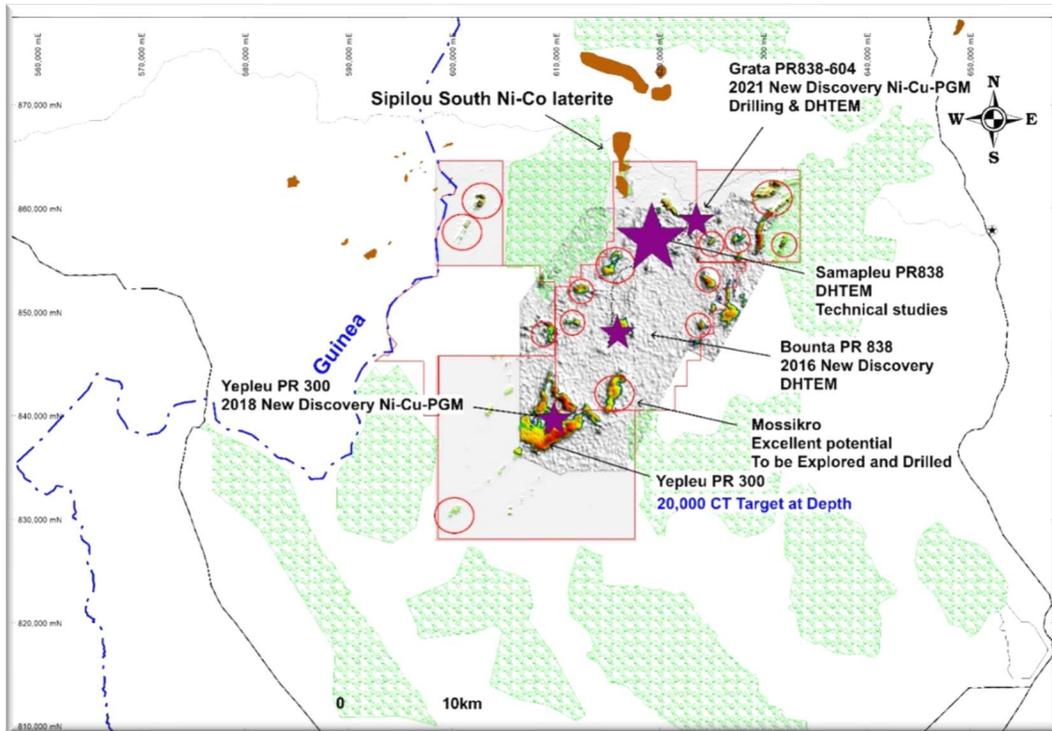


Figure 2: Samapleu, Zéréguiné, Zoupleu and Grata Exploration Permits showing 2013-18 Airborne EM targets remaining to be explored.

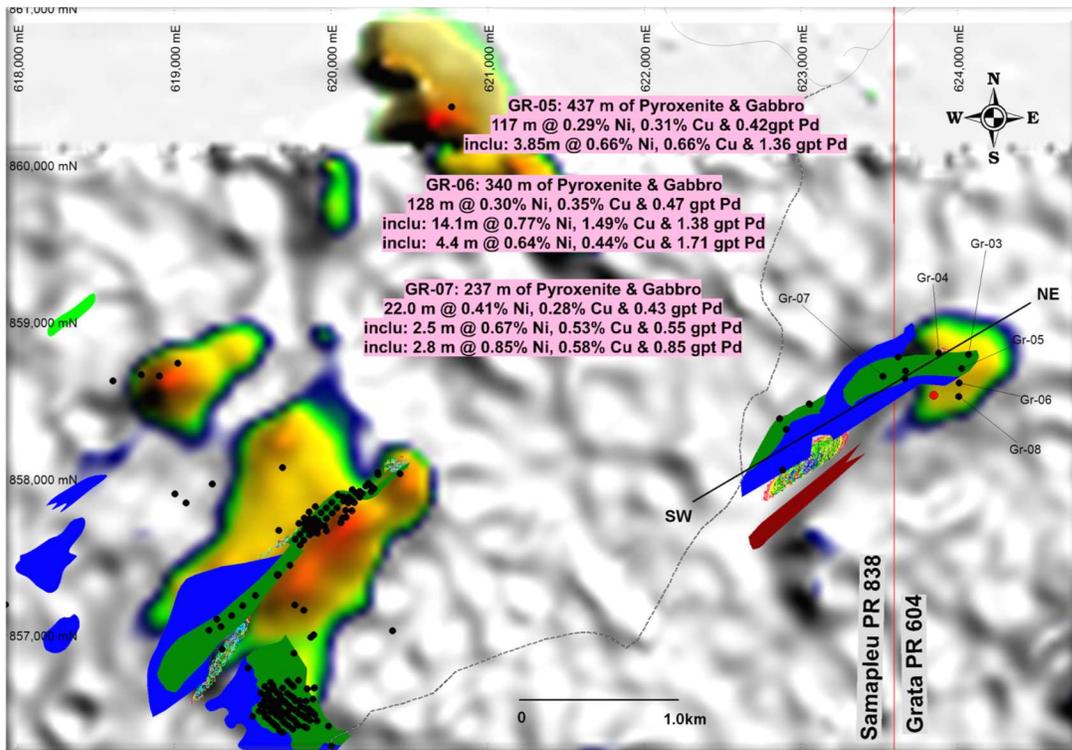


Figure 3: Newly discovered sector at Grata property located 5 km East of Samapleu showing results for GR-05, GR-06 and GR-07.

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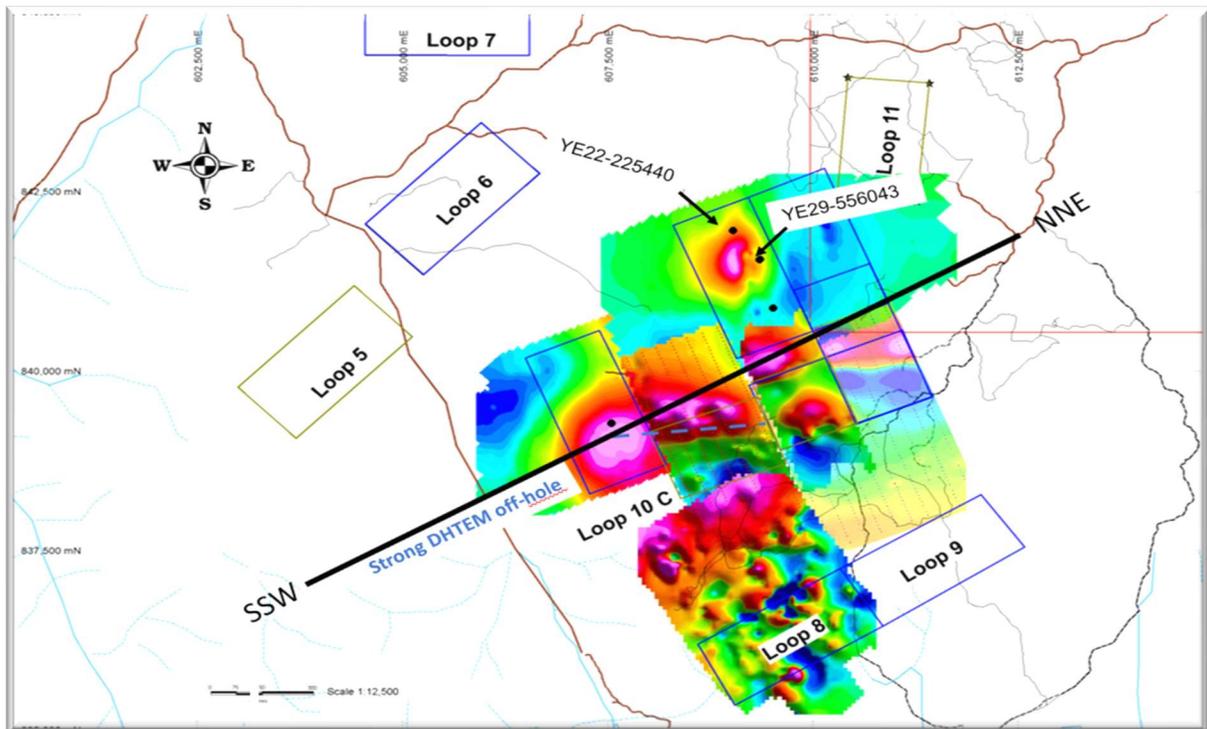


Figure 4: Surface map at the Yepleu prospect showing Typhoon EM results for the area surrounding the loops 10 series. The cross-section SSW-NNE is shown on figure 5 below.

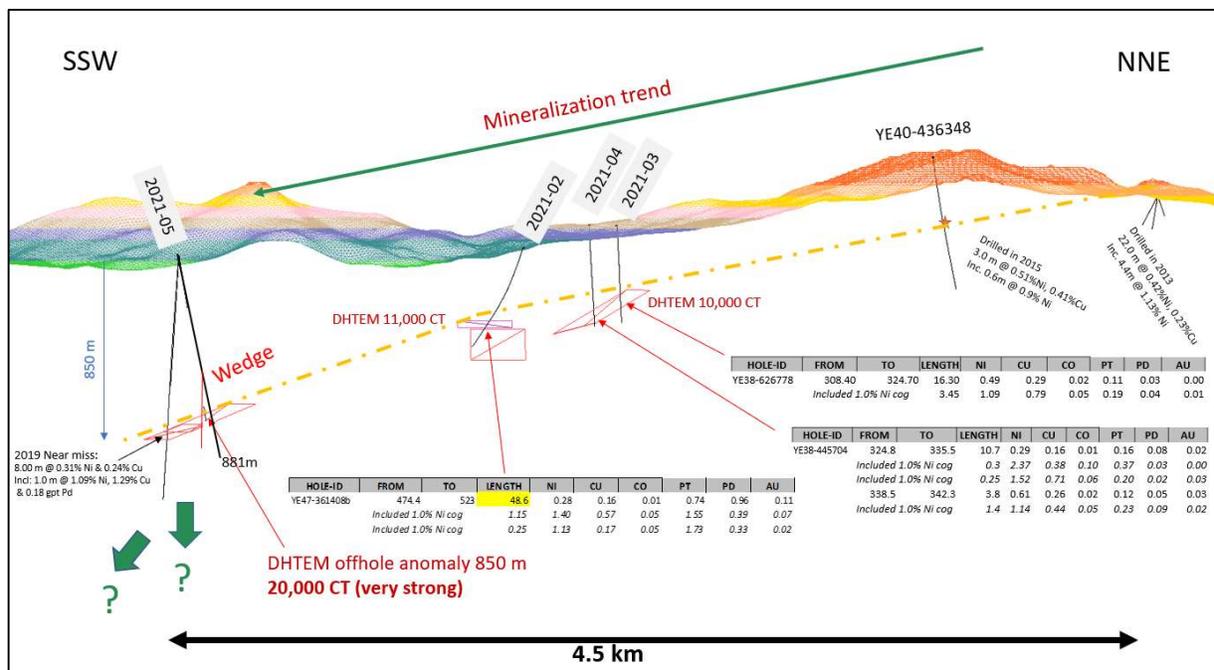


Figure 5: Targets at the Yepleu sector showing the mineralized trend and results from the three first boreholes drilled at Yepleu in 2021. Hole 2021-05 is still ongoing

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### Samapleu Property (PR 838 & 839)

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

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

On June 18, 2019, the two (2) new exploration permits, Samapleu East (PR838) and Samapleu West (PR839), replacing the former PR 123 (**Figure 1**), were granted to SODEMI. Both PRs covers 318 square kilometers, expire on June 17, 2023, and can be renewed for periods totaling up to 12 years. In accordance with both PRs, SNC agreed to complete an exploration program evaluated at F CFA 2,315,000,000 for PR838 (approximately \$5,084,671 as of December 31, 2021) and F CFA 760,000,000 for PR 839 (approximately \$1,669,266 as at December 31, 2021) before the term of the exploration permits.

Upon completion of the BFS, the Advisory Committee ("AC"), which consists of two SNC representatives and two SODEMI representatives, will conclude on the feasibility of the project. If the AC decides to proceed with the project, an Exploitation Entity ("EE") will be established whereby future funding will be split between SNC and SODEMI at 66.7% and 33.3%, respectively. The EE will reimburse SODEMI for all costs associated with previous exploration work conducted until January 15, 2009, up to a maximum of F CFA 834,999,457 (approximately \$1,833,995 as at December 31, 2021) and will reimburse SNC for costs associated with exploration work conducted between the Effective Date and the approval of the BFS subject to the approval of the AC which represents a total amount of \$24,169,849 as at December 31, 2021

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

The ownership of the EE shall be allocated as follows:

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

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

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

| Hole-ID                  | From<br>m     | To<br>m       | Interval<br>m | Ni<br>%     | Cu<br>%     | Pd<br>gr/t  | Date of News Release |
|--------------------------|---------------|---------------|---------------|-------------|-------------|-------------|----------------------|
| <b>Samapleu Deposits</b> |               |               |               |             |             |             |                      |
| SM44-454256              | 16.05         | 97.40         | 81.35         | 0.50        | 0.39        | Pending     | May 12, 2021         |
|                          | 107.50        | 111.70        | 4.20          | 0.65        | 0.62        | Pending     |                      |
| <b>including</b>         | <b>83.80</b>  | <b>93.50</b>  | <b>9.70</b>   | <b>2.59</b> | <b>1.44</b> | Pending     |                      |
| SM34-459218              | 64.10         | 117.05        | 52.95         | 0.43        | 0.30        | 0.52        | Jan 27, 2020         |
| <b>including</b>         | <b>108.00</b> | <b>112.60</b> | <b>4.60</b>   | <b>2.01</b> | <b>0.94</b> | <b>2.57</b> |                      |
| SM44-565203              | 70.50         | 104.90        | 34.40         | 0.39        | 0.33        | 0.77        | June 27, 2018        |
| <b>including</b>         | <b>70.50</b>  | <b>78.50</b>  | <b>8.00</b>   | <b>0.77</b> | <b>0.86</b> | <b>1.67</b> |                      |
| SM44-454255              | 12.30         | 103.55        | 91.25         | 0.66        | 0.65        | 0.77        | June 27, 2018        |
| <b>including</b>         | <b>87.50</b>  | <b>99.35</b>  | <b>11.85</b>  | <b>2.72</b> | <b>2.36</b> | <b>2.91</b> |                      |
| SM25-159493              | 25.50         | 157.40        | 131.90        | 0.26        | 0.15        | 0.61        | Dec 17, 2017         |
| <b>including</b>         | <b>87.00</b>  | <b>93.35</b>  | <b>6.35</b>   | <b>0.92</b> | <b>0.61</b> | <b>1.69</b> |                      |
| SM25-073652              | 58.50         | 128.50        | 70.00         | 0.32        | 0.26        | 0.52        | Dec 17, 2017         |
| <b>including</b>         | <b>73.20</b>  | <b>81.40</b>  | <b>8.20</b>   | <b>0.73</b> | <b>0.90</b> | <b>1.27</b> |                      |
| SM44-428267              | 15            | 68.9          | 53.9          | 0.96        | 0.76        | 0.74        | April 20, 2015       |
| <b>including</b>         | <b>57.65</b>  | <b>60.55</b>  | <b>2.9</b>    | <b>4.45</b> | <b>2.2</b>  | <b>3.08</b> |                      |
| <b>including</b>         | <b>62.9</b>   | <b>68</b>     | <b>5.1</b>    | <b>3.87</b> | <b>2.56</b> | <b>2.83</b> |                      |
| SM25-133537              | 30            | 63            | 33            | 0.38        | 0.31        | 0.63        | April 20, 2015       |
| <b>including</b>         | <b>32.45</b>  | <b>36.65</b>  | <b>4.2</b>    | <b>1.13</b> | <b>1.03</b> | <b>1.75</b> |                      |
| SM44-683140              | 347           | 495.85        | 149           | 0.3         | 0.29        | 0.42        | August 12, 2014      |
| <b>including</b>         | <b>347</b>    | <b>356.2</b>  | <b>9.2</b>    | <b>0.46</b> | <b>1.12</b> | <b>1.11</b> |                      |
| SM44-693140b             | 513.2         | 604.4         | 91.2          | 0.25        | 0.17        | 0.24        | August 12, 2014      |
| <b>including</b>         | <b>513.95</b> | <b>514.25</b> | <b>0.3</b>    | <b>0.19</b> | <b>6.55</b> | <b>1.99</b> |                      |
| <b>including</b>         | <b>594.15</b> | <b>597.55</b> | <b>3.4</b>    | <b>1.12</b> | <b>0.5</b>  | <b>1.61</b> |                      |
| SM44-494350b             | 11            | 64            | 53            | 0.52        | 0.5         | 0.31        | February 16, 2012    |
| <b>including</b>         | <b>29.2</b>   | <b>34.8</b>   | <b>5.6</b>    | <b>1.91</b> | <b>1.71</b> | <b>0.94</b> |                      |
| SM44-450250b             | 33.5          | 92.9          | 59.4          | 0.89        | 0.86        | 0.81        | June 20, 2011        |
| <b>including</b>         | <b>85.25</b>  | <b>91.9</b>   | <b>6.65</b>   | <b>3.8</b>  | <b>2.92</b> | <b>3.09</b> |                      |
| SM44-492354              | 10            | 61            | 51            | 0.72        | 0.61        | 0.45        | January 10, 2011     |
| <b>including</b>         | <b>36</b>     | <b>46</b>     | <b>10</b>     | <b>1.76</b> | <b>1.3</b>  | <b>1</b>    |                      |
| <b>including</b>         | <b>24</b>     | <b>29</b>     | <b>5</b>      | <b>1.32</b> | <b>1.18</b> | <b>0.75</b> |                      |
| SM44-450250              | 13.5          | 102.8         | 89.3          | 0.66        | 0.64        | 0.58        | May 31, 2010         |
| <b>including</b>         | <b>86.6</b>   | <b>101.6</b>  | <b>17</b>     | <b>1.99</b> | <b>1.96</b> | <b>1.49</b> |                      |
| SM25-112519              | 22            | 144           | 122           | 0.44        | 0.32        | 0.94        |                      |
| <b>including</b>         | <b>84.9</b>   | <b>95.9</b>   | <b>11</b>     | <b>1.89</b> | <b>0.78</b> | <b>2.84</b> |                      |
| SM24-661614              | 67.3          | 244           | 176.7         | 0.26        | 0.2         | 0.49        | June 26, 2010        |
| <b>including</b>         | <b>162</b>    | <b>170.6</b>  | <b>8.6</b>    | <b>1.02</b> | <b>0.95</b> | <b>1.51</b> |                      |

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



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

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## Samapleu Nickel-Copper Type Mineralization

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

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

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

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

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

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

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

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

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Management's discussion and analysis for the year ended December 31, 2021.

**Table 2:** Drilling programs from July 2010 to February 2022.

| Area                   | Drilling Contractor |               | Sama Drilling |               | Total length<br>(m) |
|------------------------|---------------------|---------------|---------------|---------------|---------------------|
|                        | Borehole            | (m)           | Borehole      | (m)           |                     |
| Main Deposit           | 89                  | 12,322        | 19            | 6,249         | 18,571              |
| Samapleu Extension 1   | 59                  | 9,096         | 35            | 7,692         | 16,788              |
| Yepleu                 | 6                   | 4,993         | 32            | 9,557         | 14,550              |
| Bounta                 |                     |               | 2             | 933           | 933                 |
| Sipilou Sud Laterite   | 80                  | 2,688         | 55            | 1,818         | 4,506               |
| Grata                  |                     |               | 18            | 6,150         | 6,150               |
| Regional               | 22                  | 3,116         | 1             | 642           | 3,758               |
| <b>Total 2010-2021</b> | <b>256</b>          | <b>32,215</b> | <b>162</b>    | <b>33,041</b> | <b>65,256</b>       |

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

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

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

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

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

At Samapleu, the Company is searching for massive sulphide veins and lenses that could have accumulated in traps and embayments 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.

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

## Mineral Resource update May 27, 2020

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

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

The Company is currently investigating the possibility to fast tracking detailed technical studies for a possible open pit type of exploitation.

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

| Category   | Resources (Mt) | NiEq (%)     | Ni (%)       |
|--|----------------|--------------|--------------|
| Measured <sup>1,2,3</sup>  | -              | -            | -            |
| Indicated <sup>1,2,3</sup>   | 33.18          | 0.269        | 0.238        |
| <b>Meas. + Ind.</b>  | <b>33.18</b>   | <b>0.269</b> | <b>0.238</b> |
| Inferred <sup>1,2,3,4</sup>  | 17.78          | 0.248        | 0.224        |
| <ol style="list-style-type: none"> <li>1. Mineral Resources are exclusive of Mineral Reserves</li> <li>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</li> <li>3. The CIM definitions were followed for the classification of Indicated and Inferred Mineral Resources.</li> <li>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.</li> </ol> |                |              |              |

## Samapleu Preliminary Economic assessment: Highlights

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

During the year-ended December 31, 2021, an amount of \$957,873 was capitalized on the Samapleu Property, resulting in a total capitalized exploration and evaluation expenditures of \$24,169,849 so far.

## Estimated expenditures:

The Company's estimated expenditures for 2022 is \$2,400,000.

# SAMA RESOURCES INC.

Management's discussion and analysis for the year ended December 31, 2021.

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## Zérégouiné Property (PR 300)

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 evaluated at F CFA 2,293,000,000 (\$5,036,350 as at December 31, 2021) 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.

### Yepleu Occurrence

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

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

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

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

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

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

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

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

The Company's discovered mineralization at 600 m at depth at the Sector 1 within the Yepleu license and within the newly discovered Yacouba Intrusive Complex (dated as the same age as the Bushveld Complex in RSA (2.1 Ga) which host the large nickel-palladium Platreef deposit) is another evidence that the Yacouba intrusion system has the potential to host a significant amount of high-grade nickel-copper-cobalt and palladium in reservoirs and pods that are yet to be discovered. Sama's have outlined a strike length for the Yacouba Intrusive Complex of more than 66 km. The Yepleu

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area appears to be the center of the intrusion from where it seems to have “radiated” in all directions. This observation suggests that the Yepleu area is as proximal as we can get to the hot spot (**Figure 8**).

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

At the Yepleu mineralized zone, hole YE-19 returned 45m of disseminated and semi-massive sulphide mineralization including 1.15m @ 1.40% Ni. Hole YE-20 drilled 600 m to the north-northeast returned 16m @ 0.49%Ni including 4.25 m @ 1.01% Ni.

Following the completion of hole YE-23 in mid-2021, which aimed at testing the strong electromagnetic conductor target with a 20,000 CT, the Company decided to perform a wedge from the YE-23 hole. The wedged hole is aiming at the centre of the 20,000 CT target. However, due to delays in obtaining equipment, heavy rains during the last four months of 2021 and dealy cause by Covid-19, the start of the wedging operation is now planned for the end of March 2022.

Yepleu is the centre of the intrusive feeder system with evidence of multiple magma injections generating a large volume of host rock assimilation.

At Yepleu and Grata, all newly intersected mineralization is characterized by aggregates of the nickel, copper and iron sulphides – pentlandite, chalcopyrite and pyrrhotite, respectively. Pentlandite occurs together with pyrrhotite, while the chalcopyrite is either mixed with the pentlandite and pyrrhotite or occurs as millimetric to centimetric sulphide veins/accumulations. The textures of the sulphide mineralization vary from disseminated to semi-massive and massive.

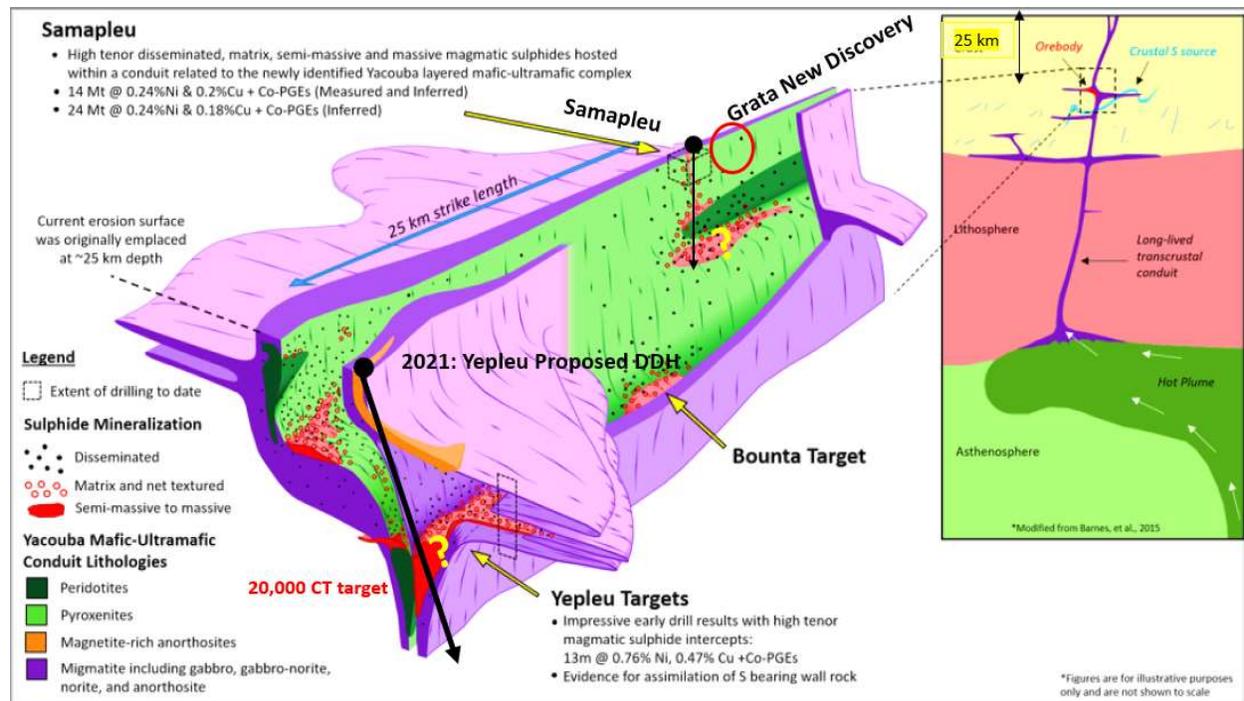


Figure 8: Schematic visualization of the Yacouba intrusive complex showing proposed targets at Samapleu, Grata and Yepleu.

During the year ended December 31, 2021, an amount of \$884,016 was capitalized at the Zéréguiné Property, resulting in total capitalized exploration and evaluation expenditures of \$9,195,279 so far.

## Estimated expenditures:

The Company's estimated expenditures for 2022 is \$500,000.

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### Grata property (PR 604)

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 (\$2,235,938 as at December 31, 2021) before the term of the exploration permit. The Grata Property is 100% owned by Sama CI and is located adjacent to the north-eastern boundary of the Samapleu Property.

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

In September 2021, Sama announced the Grata discovery located 5 km east of the Samapleu deposit.

The discovery hole, GR-03, drilled in June 2021, returned a 310 m sequence of pyroxenite and gabbro containing a 147 m interval of disseminated sulfides and several intersections of semi-massive sulphide mineralization. The second hole GR-04 confirmed the width of the mineralized zone, with a 141 m mineralized intersection including 6.40 m and 6.60 m intervals grading 1.05% Ni, 1.28% Cu & 0.48 gpt Pd and 0.73% Ni, 0.38% Cu & 0.30 gpt Pd respectively.

Hole GR-05 returned 117m @ 0.29% Ni, 0.31% Cu & 0.42 gpt Pd. Hole GR-06 includes 14.10m at 0.86% Ni, 1.49% Cu and 1.38 gpt Pb within a larger interval of 128m at 0.30% Ni, 0.35% Cu & 0.47 gpt Pd. Hole GR-07 returned 22m at 0.41% Ni, 0.28% Cu and 0.43 gpt Pd. All measurements are core length.

The mineralization at Grata is similar in composition to the Samapleu deposit but shows a larger proportion of chalcopyrite and therefore a higher copper to nickel ratio.

The Company is looking at increasing mineral resources at Samapleu and Grata for a future surface mining operation as well as searching for massive sulphide veins and lenses that could have accumulated at depth in traps and embayments along the feeder system of the Yacouba Intrusive Complex

During the year ended December 31, 2021, an amount of \$435,457 was capitalized at the Grata Property, resulting in total capitalized exploration and evaluation expenditures of \$1,426,914 so far.

#### Estimated expenditures:

The Company's estimated expenditures for 2022 is \$1,000,000.

### 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 17, 2023. In accordance with PR837, SMT agreed to complete an exploration program evaluated at F CFA 1,120,000,000 (\$2,459,971 as at December 31, 2021) before the term of the exploration permit.

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

During the year ended December 31, 2021, an amount of \$913 was capitalized at the Zoupleu Property, resulting in total capitalized exploration and evaluation expenditures of \$2,754 so far.

#### Estimated expenditures:

The Company's estimated expenditures for 2022 is \$100,000.

## SAMA RESOURCES INC.

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### LIBERIA GOLD PROJECTS

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

The **Zwedru South** property (MEL9001921), which covers 312.85 km<sup>2</sup> and expires on January 9, 2024, is located 40 km south of the town of Zwedru and close to the road linking Zwedru to Greenville. Significant alluvial and saprolite artisanal gold mining activity were identified in the surroundings.

The **St-John River Gold** property (MEL9001821), which covers 174.51 km<sup>2</sup> and expires on January 9, 2024, is located 90 km NE of Buchanan and close to the railway linking Buchanan and Mont-Nimba. Significant alluvial and saprolite artisanal gold mining activity were identified in the surroundings.

The **Nuon** property (MEL9001721), which covers 259.13 km<sup>2</sup> and expires on January 10, 2024, is 260 km east of Monrovia and 20 km from Zwedru town and next to the border with the Côte d'Ivoire. Significant alluvial and saprolite artisanal gold mining activity identified at the Barteh Jam, Nico, Middle East and Mambo mining camps. Barteh Jam and Mambo camps respectively being two of the largest in Liberia. The area was poorly worked previously but still confirming numerous gold areas north of the proposed area. The amphibolite schists are hosting several nickel and copper occurrences/indices as defined by the USGS. Historical drilling results reported in the area are as follow (**Figure 11**):

*Historical drilling results reported in the area:*

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

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

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

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

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

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Figure 9: SRL's three exploration permits.

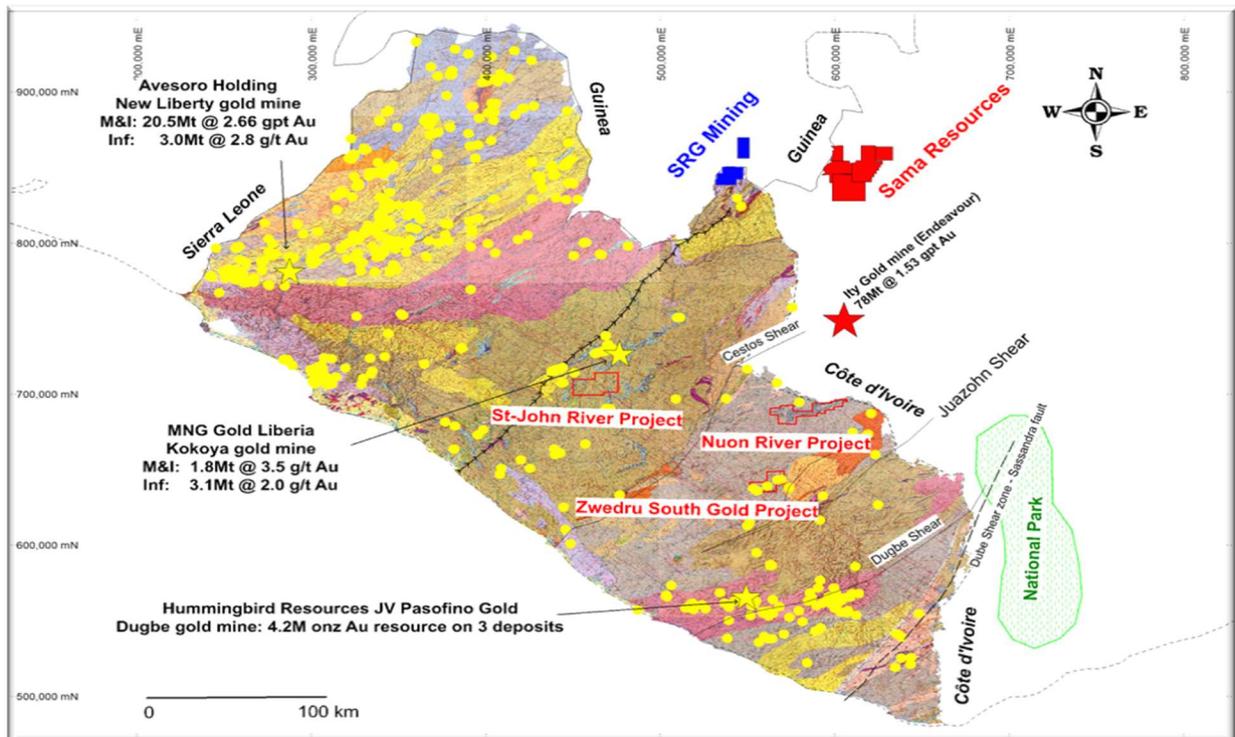


Figure 10: SRL's three exploration permits together with the +600 gold occurrences and nickel showings in Liberia.

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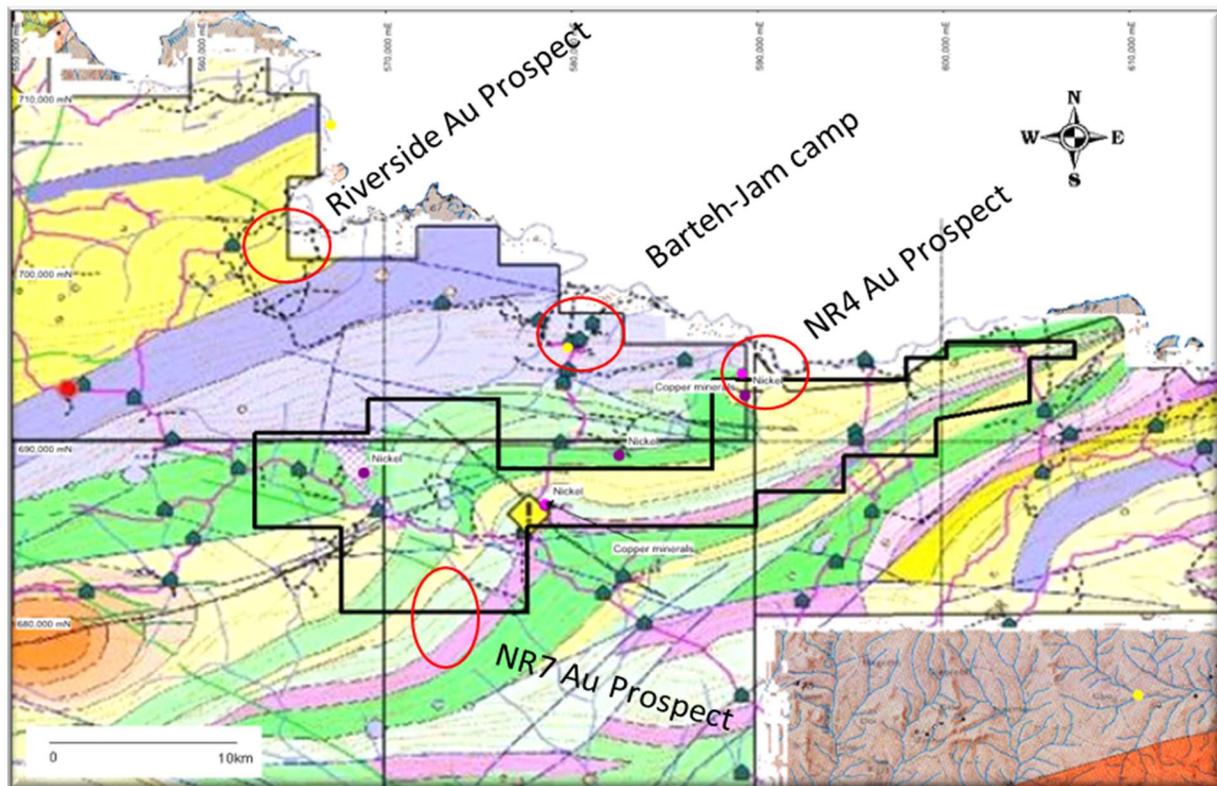


Figure 11: Nuon exploration permit showing previous exploration works and potential areas.

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

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

During the year ended December 31, 2021, an amount of \$111,102 was capitalized on the three exploration permits, resulting in a total capitalized exploration and evaluation expenditures of \$111,102 so far.

#### Estimated expenditures:

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

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## PROVINCE OF QUEBEC, CANADA PROJECT

### LAC BRULÉ NI-CU PROJECT

The Company, through his full owned subsidiary Sama Resources Québec Inc (SRQ) launched the Lac Brulé Ni-Cu and the Lac Brennan projects by acquiring 401 exploration claims in the Nivernais and Esgriseilles Townships and 42 claims in the Dauphine Township (project Lac Brennan) all in the Province of Québec. The 401 claims at the Lac Brulé project surround the initial 19 claims owned by Dr. Audet (May 2020).

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

As a part of the ongoing exploration program, SRQ commissioned Helios UAV to complete a high-resolution magnetic and radiometric survey over the eastern part of the Lac Brulé property. The UAV survey took place from July 14 through August 3, 2021 and included the acquisition of 609 line-km of magnetic data and of 335 line-km of radiometric data.

SRQ also commissioned Xcalibur Multiphysics (MPH) Canada Inc. for a HELITEM<sup>2</sup> electromagnetic survey supplemented by a high-sensitivity cesium magnetometer. One block of claims (390 claims) was flown between December 5 and December 14, 2021. The survey coverage consisted of 1,374 km of traverse lines flown with a spacing of 200 and 100 metres ("m") and 119 km of tie lines with a 2000 m spacing.

On March 16, 2022, the Company announced the completion and interpretation of a the Xcalibur's HELITEM<sup>2</sup> electromagnetic and magnetic helicopter geophysical survey of 1,494 line-km (**Figure 19**).

Detailed Interpretation and targets modeling will be performed by M. Joel Simard, P. Geol./Geoph based in St-Donat, Quebec province, Canada.

No historical prospecting or ground exploration had been reported from the Lac Brulé area prior to SRQ. However, Government regional magnetic and gravity maps covering the area, as part of coverage of the entire Quebec province, as well as data from stream and lake sediment sampling programs covering the entire province, are available on the SIGEOM website. In 2021, Fiordland Resource completed a VTEM survey at their Lac Renzi property with good correlation with the mine site while identifying good EM responses in a so-called Renzi Shear zone. The Company finalised an HELITEM survey in December 2021 at our Lac Brulé project returning several highly prospective sectors (**Figure 12**).

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

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

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

The discovery zone, where the gossans have been identified, is situated in the vicinity of strong magnetic anomalies in the south-central part of the block that was flown (**Figure 14 & 15**). This gossan zone lies along a localized northwest to north-northwest trending discontinuity (fault) where the magnetic units appear locally demagnetized. Demagnetization is potentially indicative of alteration caused by the upwelling of hydrothermal fluids along the fault. This structural control may emphasize other favorable locations to search for precious and base metals mineralization.

## SAMA RESOURCES INC.

Management's discussion and analysis for the year ended December 31, 2021.

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The delineation of linear discontinuities over the survey area was achieved by using a program from the Centre for Exploration Targeting (CET), a joint initiative between Curtin University and the University of Western Australia (**Figure 16**). The CET method enhances discontinuities within aeromagnetic datasets that usually correspond with, and can reveal, lithological boundaries, faults, and dykes/intrusions critical to understanding the geology of an area.

### December 2021, geophysical HELITEM<sup>2</sup> electromagnetic survey

As a follow-up on the new gossan discovered in May 2021, SRQ commissioned Xcalibur Multiphysics (MPH) Canada Inc. for a HELITEM<sup>2</sup> electromagnetic survey supplemented by a high-sensitivity cesium magnetometer. One block of claims (390 claims) was flown between December 5 and December 14, 2021. The survey coverage consisted of 1,374 km of traverse lines flown with a spacing of 200 and 100 m and 119 km of tie lines with a 2000 m spacing.

Figure 17 shows Xcalibur's final compilation outlining several high conductivity-thickness-product ("**CTP**") areas grading 5 to 6 on the Conductivity Grade scale (**Table 4**). Highest Conductivity Grade and CTP, outlined by the late off-time channel/gates, are located next to the discovered gossan.

The HELITEM<sup>2</sup> system is composed of a 40 m cable to which is attached the transmitter loop. The receiver platform and the receiver coil are located at the centre of the 35 m diameter transmitter loop approximately 0.1 m above the centre of the transmitter plane. The real time navigation GPS antenna is on the tail boom of the helicopter. The barometric altimeter, radar altimeter, laser altimeter, video camera and data recorder are all installed in the helicopter. GPS antennae are attached to the transmitter loop to give positional information and transmitter orientation.

The survey used a 7.5 Hertz ("**Hz**") one half cycle of the HELITEM<sup>2</sup> system is made up of a square pulse (on-time) of approximately thirty-four milliseconds in duration followed by approximately thirty-four milliseconds of off-time before the pulse is repeated with the opposite polarity. After acquisition the measured data are windowed into twenty-five ranges called "gates". Gate widths increase as time after turn-off increases because as the energy from the transmitter decays a wider sample must be taken to get a valid average. The position of the first off-time gate is selected after examining several flights of data and is as close to the transmitter turn off as possible. The power of the pulse causes eddy currents in the system after the turn off and the first off-time gate cannot start until these have died away. The earliest data has had less time to penetrate the subsurface and so contains information from the near surface. Detailed technical information on the survey is available on Sama's website.

Xcalibur MPH selected EM anomalies automatically using proprietary software from both X and Z components using the fourth off-time gate and a threshold of 100 nT/s. These automatically generated anomalies were then examined in profile form for each line against the X & Z EM responses, decay information, magnetic responses, altimeter readings and flight path videos removing those not considered valid and adding additional anomalies missed by the threshold. For each anomaly the conductor type was interpreted and assigned to each anomaly. After reviewing all anomalies, the following parameters were associated with each anomaly using the data for the fourth off-time gate and where applicable: conductivity-thickness-product (CTP) (**Table 4**), amplitude of EM response, last off-time channel with an anomalous response, time constant, apparent depth and dip.

Highest Conductivity Grade and CTP are located next to the discovered gossan.

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Management's discussion and analysis for the year ended December 31, 2021.

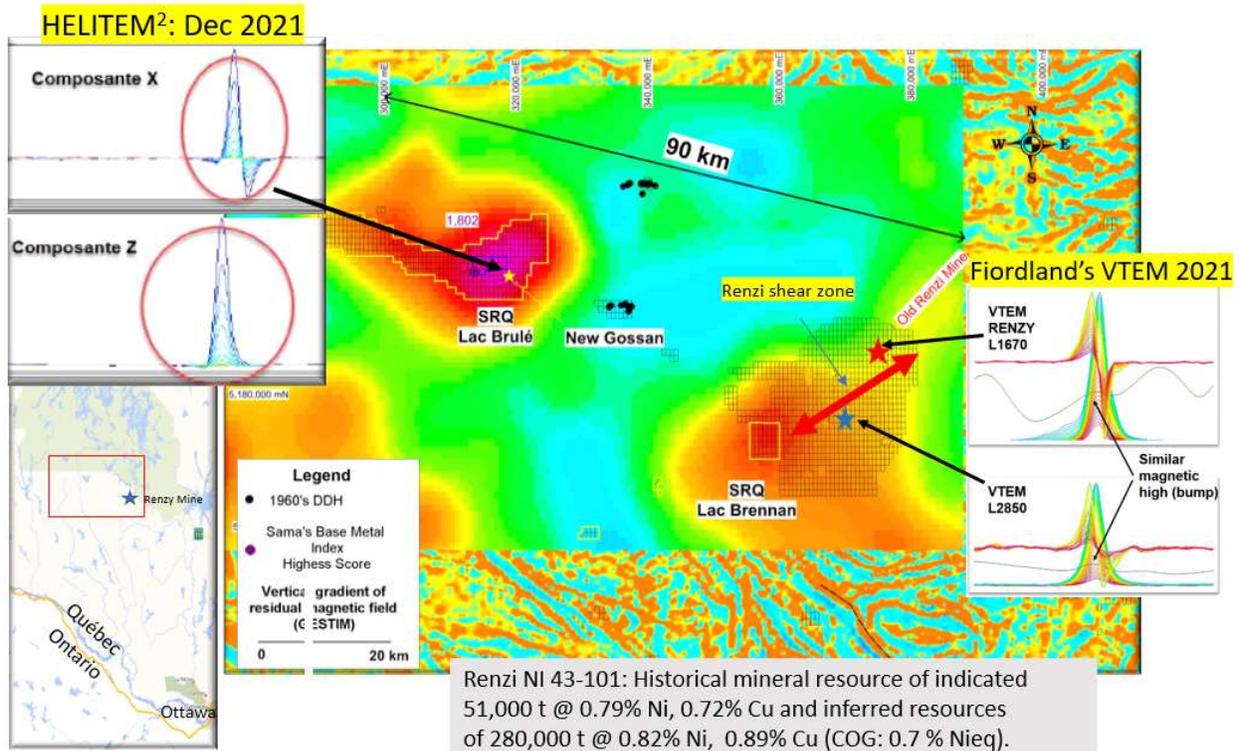


Figure 12: Lac Brulé Ni-Cu project. Exploration claims forming 1 large block and a smaller block of 16 claims called Lac Brennan south-west of the old Renzy Mine. The vertical gradient of gravity anomaly and the first derivative of the gradient magnetometer is shown in background.



Figure 13: Dr Audet at the discovered surface gossan at the Lac Brulé project.

# SAMA RESOURCES INC.

Management's discussion and analysis for the year ended December 31, 2021.

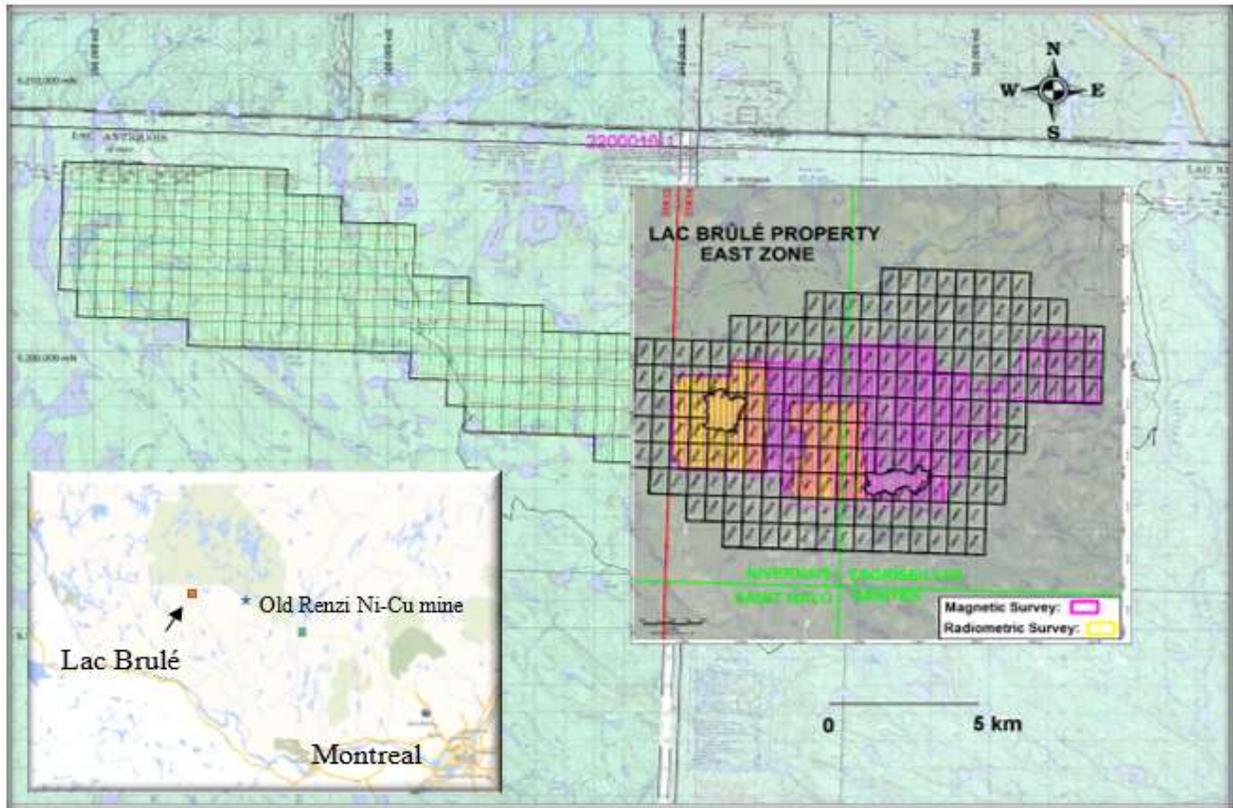


Figure 14: Map of MAG survey completed by Helios UAV in July 2021 in relation to the global Lac Brulé property.

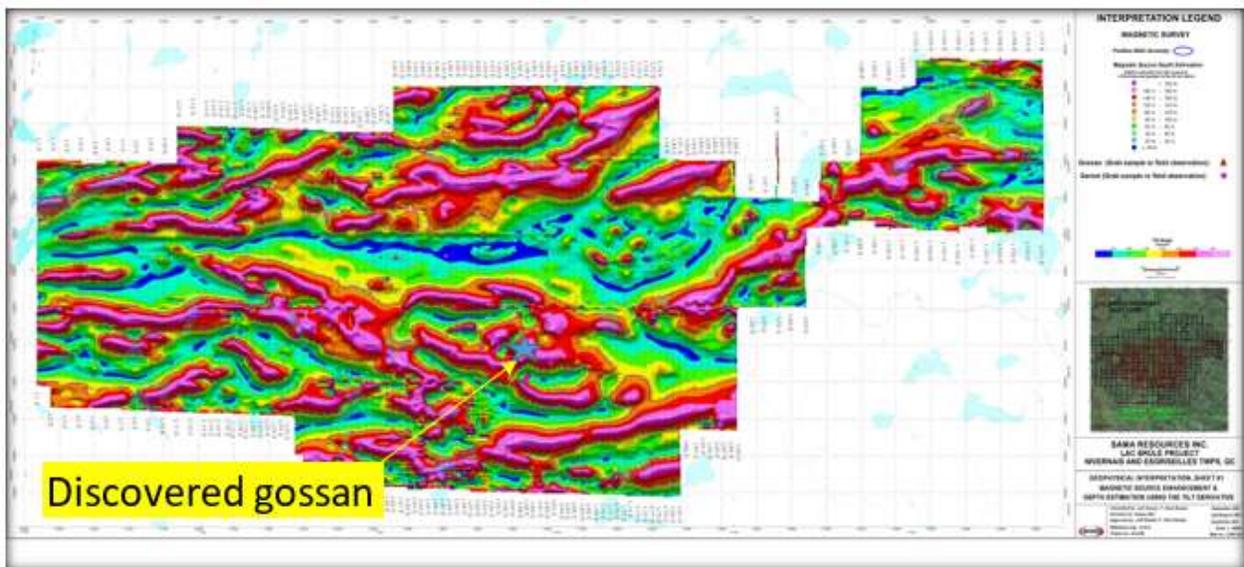


Figure 15: Using the tilt derivative filter, the positive magnetic anomalies were delineated regardless of their relative amplitude. In the survey area, the calculated depths range from sub-outcropping to slightly more than 1500 m, with a mean value of 60 m.

**SAMA RESOURCES INC.**

Management's discussion and analysis for the year ended December 31, 2021.

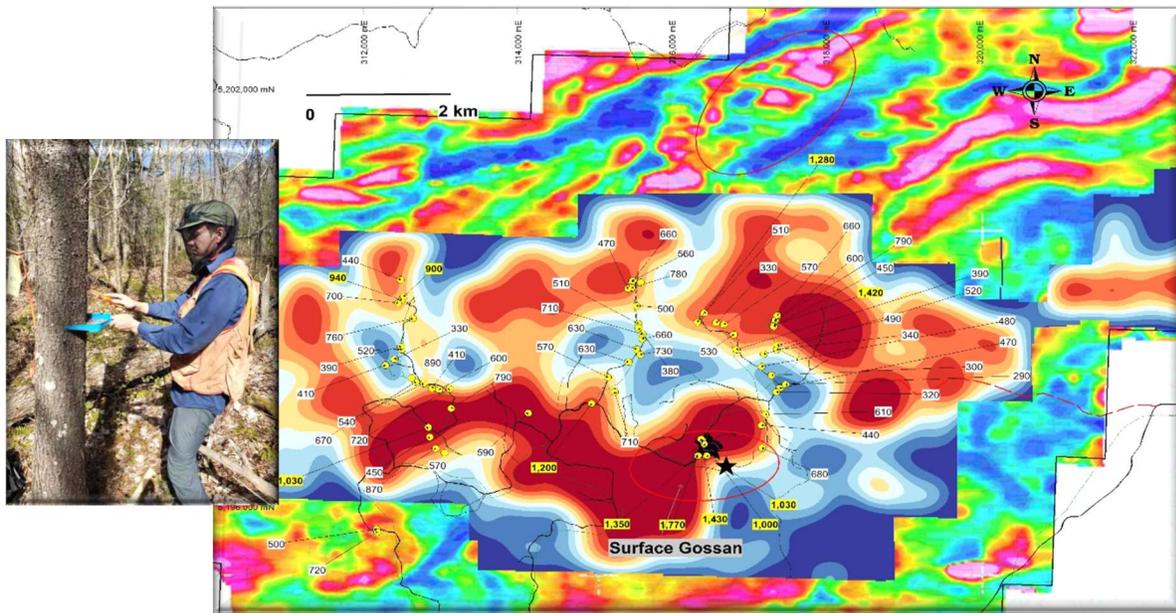


Figure 16: CET: Grid Analysis, High Entropy Areas and Recommended Exploration Target areas together with black spruce bark test sampling program (May & July 119 samples), three main N-S oriented trends: Very good responses with Ni results (ppb) up to 2 to 3 times the background.

In December 2021, the Company completed a 1,494 line-km Helitem2 survey over the entire Lac Brulé property (Figure 17). Field exploration will resume in May 2022.

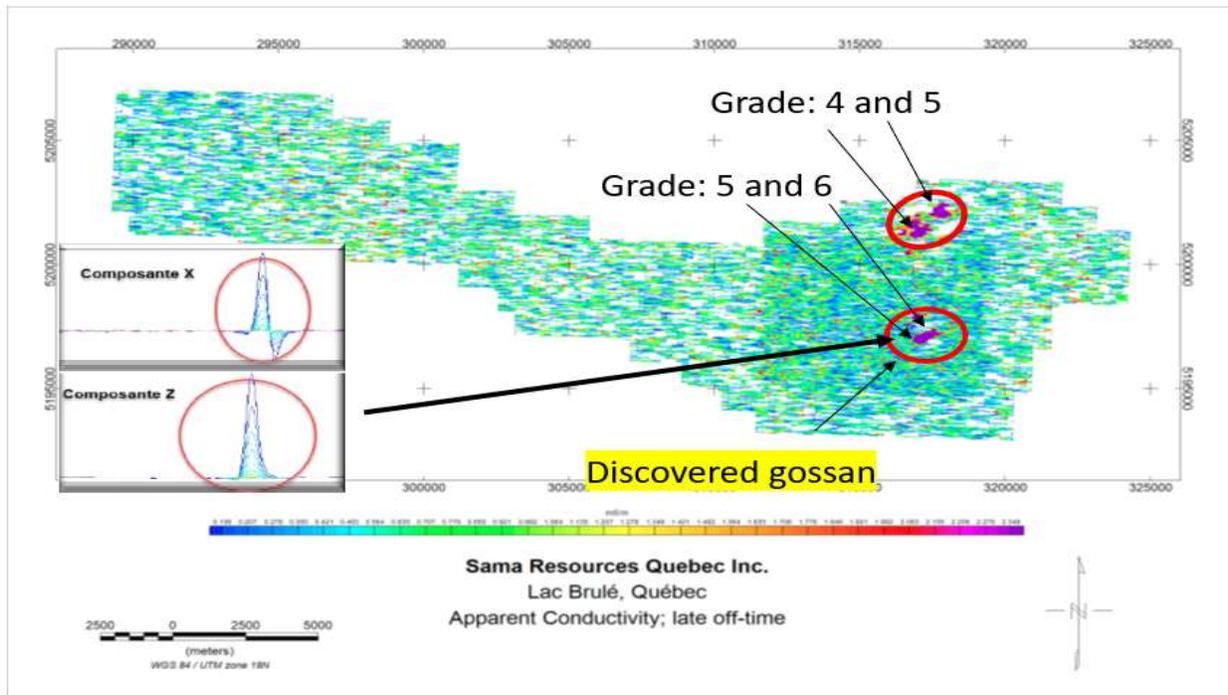


Figure 17: Apparent Conductivity: late off-time channel/gates showing several distinct high conductivity (CTP) areas. Also shown, the EM components X and Z responses of the strong conductor (Conductor Grade: 5 and 6, see Table 1)

## SAMA RESOURCES INC.

Management's discussion and analysis for the year ended December 31, 2021.

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Table 4: EM Anomaly characterisation (Conductor Grade and CTP)

| Conductor Grade | Conductor Range CTP(S) |
|-----------------|------------------------|
| 6               | 50 -100                |
| 5               | 20 - 50                |
| 4               | 10 -20                 |
| 3               | 5 -10                  |
| 2               | 1 - 5                  |
| 1               | 0 - 1                  |
| *               | < 1                    |

During the year ended December 31, 2021, an amount of \$296,567 was capitalized resulting in a total capitalized exploration and evaluation expenditures of \$296,567 so far.

### Estimated expenditures:

The Company's estimated expenditures for 2022 is \$2,000,000.

## NICKEL MARKETS ANALYSIS

**Figure 18** shows that the nickel inventory declined from 260,000t in March 2021 to less than 70,000t in less than a year. Nickel price reached US\$ 50.00/lb in March 08, 2022 but following a trade halt, he is now trading between \$15/lb to \$17/lb.

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

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

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

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

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

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

## SAMA RESOURCES INC.

Management's discussion and analysis for the year ended December 31, 2021.

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

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

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

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

Last January, Reuter reported that the market has seen a high surge in demand over the last year from both the stainless steel and battery sectors. This has generated "the most significant degree of tightening surprise in balance across the base metals in 2021", according to Goldman Sachs. ("Metals Watch: Aligned for the next leg higher," Jan. 11, 2022). Goldman Sachs has originally forecasted that the global nickel market will register a supply surplus of 49,000 tonnes in 2021 but now estimates a deficit of 159,000 tonnes. According to analysts, we should expect another smaller deficit between 40,000 to 30,000 tonnes this year.

This deficit is fuelled by the increasing demand from the fast-growing battery sector as the electric vehicle revolution picks up speed. J.P.Morgan analysts project nickel usage in batteries to grow by 50% year-on-year in 2022, equivalent to an extra 127,000 tonnes, taking over from stainless as the biggest driver of demand growth.

According to Reuter, a massive build-out of nickel production capacity in Indonesia should help rebalance the market but this will take time and comes with plenty of caveats given many operators are going down innovative technical processing routes to convert low-grade nickel into battery-grade metal.

The assumptions on nickel market as described above were meets and exceed following the Russia-Ukraine conflict and mounting sanctions against Moscow. Russia account for around 7% of global production of nickel consequently nickel price reaches an all-time record of 50\$/lb on March 8, 2022, forcing regulator to impose a freeze on nickel and copper at 17.32\$/lb and 4.59\$/lb for nickel and copper respectively.

LME inventories for both commodities are at their all time low.

## COPPER MARKETS ANALYSIS

**Figure 19** is showing that copper stocks is continuing declining for the last 7 months to less than 70,000t inventory mimicking similar behavior in previous years. Will the decline continue in 2022? Looking at the combined increase in Cu price of the last 24 months coupled to the sharp decrease observed of the last 7 months, one can speculate that the inventory could further decline in 2022. Such a sharp decline in copper stocks will have a significant impact on the global copper market.

# SAMA RESOURCES INC.

Management's discussion and analysis for the year ended December 31, 2021.

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Figure 18: Nickel and Copper values from March 2017 to April 2022.

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Management's discussion and analysis for the year ended December 31, 2021.

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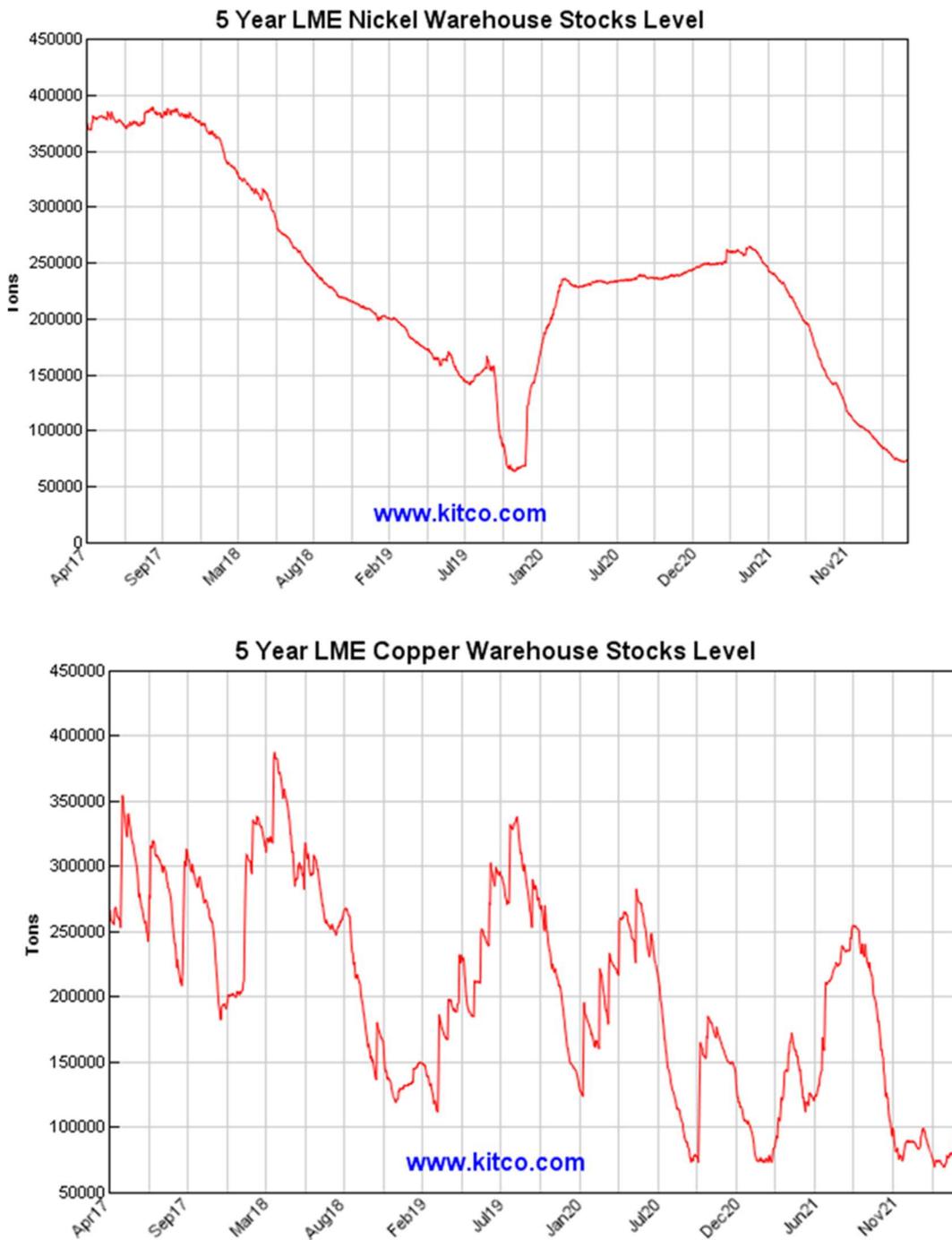


Figure 19: Inventories in Nickel and Copper at the London Stock Exchange (LME) since April 2017.

# SAMA RESOURCES INC.

Management's discussion and analysis for the year ended December 31, 2021.

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## SELECTED FINANCIAL INFORMATION

### Non-controlling interest

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

As part of the agreement, IVNE made a strategic investment for a total amount of \$12,250,000 through the acquisition of 25,000,000 units at a price of \$0.21 per unit for \$5,250,000 and by the exercise of 25,000,000 warrants at a price of \$0.28 per common share for \$7,000,000, representing an interest in the Company of 22.78% as at December 31, 2021. In addition, IVNE has the ability to earn, through a joint venture with the Company, up to a 60% interest in the Company's Ivory Coast projects, including the Samapleu project, by financing exploration and evaluation expenses and completing a feasibility study through total investments of \$30,000,000. The strategic investment of \$12,250,000 is considered to be part of this total investment of \$30,000,000.

Highlights of the agreement include the following:

- IVNE 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 had 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 projects, IVNE will be entitled to earn an additional interest in the Ivory Coast project, such that its aggregate interest therein shall be 60%;
- If certain conditions related to the La Société pour le Développement Minier de la Côte d'Ivoire ("SODEMI")/SNC joint venture were not to be met by August 1, 2021 (the earn-in adjustment date), then IVNE had a period of one month after the earn-in adjustment date to notify the Company in writing as to whether or not it wished to proceed with the 60% earn-in on the totality of the Ivory Coast projects 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 projects;
  - 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 projects excluding the Samapleu project after the Company would have transferred the Samapleu project from SNC to the Company or an affiliate.

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

On August 27, 2021, IVNE was entitled to earn a 30% interest in SNC as its cumulative investments reached \$15,523,195, including the strategic investments of \$12,250,000. Therefore, 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 is 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.

## SAMA RESOURCES INC.

Management's discussion and analysis for the year ended December 31, 2021.

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.

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

|  | <b>2021</b>              |
|--|--------------------------|
|  | <b>\$</b>                |
| Current assets                         | 1,791,011                |
| Non-current assets                     | <u>28,112,057</u>        |
| <b>Total assets</b>                    | <b><u>29,903,068</u></b> |
| Current liabilities                    | 312,106                  |
| Non-current liabilities <sup>(1)</sup> | <u>23,861,982</u>        |
| <b>Total liabilities</b>               | <b><u>24,174,088</u></b> |
| <b>NCI</b>                             | <b><u>1,718,710</u></b>  |

(1) Non-current liabilities include a due to Sama of \$17,425,135 and a due to IVNE of \$3,273,142.

### Financial Position Analysis

|                   | December 31,<br>2021 | December 31,<br>2020 | December 31,<br>2019 |
|-------------------|----------------------|----------------------|----------------------|
|                   | \$                   | \$                   | \$                   |
| Total assets      | 48,103,438           | 45,409,738           | 56,416,123           |
| Total liabilities | 6,427,414            | 4,057,552            | 3,989,226            |
| Total equity      | 41,676,024           | 41,352,186           | 52,426,897           |
| Working capital*  | <u>2,930,784</u>     | <u>2,114,166</u>     | <u>11,811,843</u>    |

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

#### Assets

Total assets at December 31, 2021 were \$48,103,438 compared to \$45,409,738 at December 31, 2020, an increase of \$2,693,700 mainly due to an increase in exploration and evaluation assets of \$2,688,923, in investment in associate of \$215,236, in trade and other amounts receivable of \$50,831 and in tax credits receivable of \$126,329 which were offset by a decrease in property, plant and equipment of \$343,856 and deposit on exploration and evaluation assets of \$75,202.

The decrease in property, plant and equipment is related to the depreciation of \$350,157 which was offset by acquisition totaling of \$6,301.

The increase in investment in associate is due to the recognition of a gain on dilution of \$765,731 which was offset by a share of loss of \$550,495.

## SAMA RESOURCES INC.

Management's discussion and analysis for the year ended December 31, 2021.

Exploration and evaluation assets increase of \$2,688,923 is due to work performed on the following mining properties:

|                             | \$               |
|-----------------------------|------------------|
| <b>Ivory Coast projects</b> |                  |
| Samapleu                    | 957,873          |
| Zérégouiné                  | 884,016          |
| Grata                       | 435,457          |
| Zoupleu                     | 913              |
| <b>Liberia projects</b>     |                  |
| Nuon                        | 37,945           |
| St-John River Gold          | 39,870           |
| Zwedru South                | 33,287           |
| <b>Quebec projects</b>      |                  |
| Lac Brulé                   | 296,567          |
| Lac Brennan                 | 2,995            |
|                             | <u>2,688,923</u> |

### Liabilities

Total liabilities at December 31, 2021 were \$6,427,414 compared to \$4,057,552 at December 31, 2020, an increase of \$2,369,862 due to an increase in loan payable of \$19,457 in connection with the Canada Emergency Business Account ("CEBA") program and to the due to IVNE of \$3,273,142 as part of the earn-in and joint venture agreement which was offset by a decrease in accounts payable and accrued liabilities of \$607,061 and in deferred tax liability of \$315,676.

### Equity

At December 31, 2021, the Company had an equity of \$41,676,024 compared to \$41,352,186 at December 31, 2020, an increase of \$323,838 mainly due to the exercise of warrants and stock options for total proceeds of \$448,555 and by the recognition of a stock-based compensation of \$178,035 which were offset by the period net loss of \$302,805.

### **Operating Results analysis**

|                                    | Three-month<br>period ended<br>December 31,<br>2021 | Three-month<br>period ended<br>December 31,<br>2020 | Year<br>ended<br>December 31,<br>2021 | Year<br>ended<br>December 31,<br>2020 |
|------------------------------------|---|---|---------------------------------------|---------------------------------------|
|                                    | \$  | \$  | \$                                    | \$                                    |
| Operating expenses                 | (305,947)   | (360,431)   | (1,055,032)                           | (1,506,439)                           |
| Other income (expenses)            | 622,864   | (7,824)   | (618,481)                             | (10,075,750)                          |
| Net income (loss)                  | 632,593   | (271,543)   | (302,805)                             | (11,485,477)                          |
| Net income (loss) per common share |   |   |                                       |                                       |
| Basic                              | 0.003   | (0.001)   | (0.00)                                | (0.05)                                |
| Diluted                            | 0.003   | (0.001)   | (0.00)                                | (0.05)                                |

### THREE-MONTH PERIOD ENDED DECEMBER 31, 2021 COMPARED TO THE THREE-MONTH PERIOD ENDED DECEMBER 31, 2020

For the three-month period ended December 31, 2021, the Company recorded a net income of \$632,593 or \$0.0053 per share compared to a net loss of \$271,543 or (\$0.001) per share for the same period in 2020, an improvement of \$904,136 due to an increase in deferred tax income of \$218,964 and to the following important variations:

### Operating expenses

Operating expenses went from \$360,431 in 2020 to \$305,947 in 2021, a decrease of \$54,484 mainly due to a decrease in the stock-based compensation of \$51,178, in consulting fees of \$11,548 and in general and other expenses \$19,259. These decreases were offset by an increase in travel and representation fees of \$20,305 and in salaries and benefits of \$6,984.

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Management's discussion and analysis for the year ended December 31, 2021.

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## Other income (expenses)

Other income totaled \$622,864 in 2021 compared to other expenses of \$7,824 in 2020, an increase of \$630,688 mainly due to an increase in the gain on dilution of associate of \$784,976 which was offset by an increase in the share of loss and comprehensive loss of associate of \$107,299, in the foreign exchange loss of \$35,602, a decrease in government grant of \$8,480 as well as a decrease in the gain on fair value of warrants of \$9,211.

## YEAR ENDED DECEMBER 31, 2021 COMPARED TO THE YEAR ENDED DECEMBER 31, 2020

For the year ended December 31, 2021, the Company recorded a net loss of \$302,805 or (\$0.00) per share compared to \$11,485,477 or (\$0.05) per share for the same period in 2020, a decrease of \$11,182,672 due to an increase in deferred tax income of \$218,964 and to the following important variations:

### Operating expenses

Operating expenses went from \$1,506,439 in 2020 to \$1,055,032 in 2021, a decrease of \$451,407 mainly due to a decrease in the stock-based compensation of \$171,151, in consulting fees of \$160,429, in general and other expenses of \$60,710, in travel and representation fees of \$28,897, in project evaluation costs of \$15,027, in shareholder information of \$13,215 and in salaries and benefits of \$8,055. These decreases were offset by an increase in professional fees of \$7,565.

### Other income (expenses)

Other income totaled \$436,551 in 2021 compared to other expenses of \$10,075,750 in 2020, an improvement of \$10,512,301 mainly due to a decrease in impairment of \$9,115,865, in the loss on derivative financial instrument of \$160,000, to an increase in management fees of \$155,564 as well as to a gain on dilution of \$765,731 recognized in 2021 compared to a loss on dilution of \$916,332 in 2020. These improvements were offset by a decrease in the gain on fair value of a convertible debenture and warrants of \$254,992 and \$48,236 respectively, in interest income of \$53,280, in an increase in foreign exchange loss of \$88,870 and an increase in the share of loss and comprehensive loss of associate of \$149,695.

## **Cash Flows analysis**

|  | Three-month<br>period ended<br>December 31,<br>2021 | Three-month<br>period ended<br>December 31,<br>2020 | Year<br>ended<br>December 31,<br>2021 | Year<br>ended<br>December 31,<br>2020 |
|--|---|---|---------------------------------------|---------------------------------------|
|  | \$  | \$  | \$                                    | \$                                    |
| Cash required by operating activities  | (460,664)   | (69,082)  | (965,746)                             | (795,473)                             |
| Cash required by investing activities  | (449,445)   | (346,141)   | (2,741,148)                           | (2,341,238)                           |
| Cash generated by financing activities | 165,075   | -   | 3,741,750                             | 50,625                                |

## THREE-MONTH PERIOD ENDED DECEMBER 31, 2021 COMPARED TO THE THREE-MONTH PERIOD ENDED DECEMBER 31, 2020

### Operating Activities

For the three-month period ended December 31, 2021, operating activities required cash flows of \$460,664 compared to \$69,082 for the same period in 2020, an increase of \$391,582 in the use of cash flows due to the net loss after adjustment for items not affecting cash which went from \$250,481 in 2020 to \$285,777 in 2021 and to the change in non-cash working capital items which required cash flows of \$174,887 in 2021 compared to generated cash flows of \$181,399 for the same period in 2020.

### Investing Activities

For the three-month period ended December 31, 2021, investing activities required cash flows of \$449,445 compared to \$346,141 for the same period in 2020, a decrease of \$103,304 due to the exploration and evaluation expenditures.

# SAMA RESOURCES INC.

Management's discussion and analysis for the year ended December 31, 2021.

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## Financing Activities

For the three-month period ended December 31, 2021, financing activities generated cash flows of \$165,075 compared to no cash flows for the same period in 2020. The inflows of 2021 are related to the exercise of warrants.

## YEAR ENDED DECEMBER 31, 2021 COMPARED TO THE YEAR ENDED DECEMBER 31, 2020

### Operating Activities

For the year ended December 31, 2021, operating activities required cash flows of \$965,746 compared to \$795,473 for the same period in 2020, an increase of \$170,273 in the use of cash flows due to the change in non-cash working capital items which required cash flows of \$231,633 in 2021 compared to generated cash flows of \$266,018 for the same period in 2020. This increase in the use of cash flows was offset by the net loss after adjustment for items not affecting cash which went from \$1,061,491 in 2020 to \$734,113 in 2021.

### Investing Activities

For the year ended December 31, 2021, investing activities required cash flows of \$2,741,148 compared to \$2,341,238 for the same period in 2020, an increase of \$399,910 due to an increase in exploration and evaluation expenditures of \$568,651. This increase was offset by a decrease in property, plant and equipment acquisition of \$43,741 and to an additional investment of \$125,000 in SRG done in 2020.

### Financing Activities

For the year ended December 31, 2021, financing activities generated cash flows of \$3,741,750 compared to \$50,625 for the same period in 2020. The 2021 inflows are related to the contributions received from IVNE as part of the earn-in and joint venture agreement totaling \$3,273,195, to the exercise of warrants and stock options for total proceeds of \$448,555 and to an additional loan of \$20,000 received as part of the Canada Emergency Business Account ("CEBA").

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

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

|                             | Dec 31,<br>2021 | Sept 30,<br>2021 | June 30,<br>2021 | March 31,<br>2021 | Dec 31,<br>2020 | Sept 30,<br>2020 | June 30,<br>2020 | March 31,<br>2020 <sup>(1)</sup> |
|-----------------------------|-----------------|------------------|------------------|-------------------|-----------------|------------------|------------------|----------------------------------|
|                             | \$              | \$               | \$               | \$                | \$              | \$               | \$               | \$                               |
| Revenue                     | -               | -                | -                | -                 | -               | -                | -                | -                                |
| Net income (loss)           | 633             | (296)            | (246)            | (393)             | (272)           | (586)            | (288)            | (10,340)                         |
| Net income (loss) per share | 0.003           | (0.001)          | (0.001)          | (0.002)           | (0.001)         | (0.003)          | (0.001)          | (0.048)                          |

<sup>(1)</sup> A total impairment of \$9,115,865 was recognized on asset held for sale as well as on the investment in associate during the first quarter ended March 31, 2020.

## **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.

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The following table presents the related party transactions presented in the consolidated Statement of loss and comprehensive loss:

|   | 2021    | 2020    |
|---|---------|---------|
|   | \$      | \$      |
| Professional fees paid to key management and/or companies controlled by key management                              | 195,880 | 227,630 |
| Consultant fees paid to companies controlled by key management  | 126,435 | 179,829 |
| Consultant fees paid to a company controlled by key management and capitalized to exploration and evaluation assets | 160,598 | 160,995 |
| Exploration and evaluation expenditures recharged to a company controlled by a key management                       | 31,091  | -       |
| Directors and officers stock-based compensation   | 112,415 | 294,438 |
| Interest revenue on SRG's bridge loan and convertible debenture   | 70,000  | 107,172 |

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

|   | December 31,<br>2021 | December 31,<br>2020 |
|---|----------------------|----------------------|
|   | \$                   | \$                   |
| Professional fees owned to key management and/or companies controlled by key management | 29,880               | 25,380               |
| Consultant fees owned to companies controlled by key management                         | -                    | 59,165               |
| Exploration and evaluation expenditures owned by a company controlled by key management | 31,091               | -                    |
| Accrued interest on SRG's bridge loan and convertible debenture                         | 11,698               | 58,685               |

### Termination and Change of Control Provisions

The Company has entered into consulting agreements with key management personnel for total annual payments of \$475,000. 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, 2022, the total amounts payable to key personnel in respect of severance would amount to \$1,065,000. If a change of control would occur during the year December 31, 2022, the total amount payable in respect of severance, if elected by the officers would amount to \$1,065,000.

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

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of SRDI, Seahawk will issue 8.5 million of its common shares to Sama. The transaction is subject to various closing conditions in favour of Seahawk Gold Corp., including the satisfactory completion of due diligence by Seahawk, along with all applicable shareholder, regulatory and stock exchange approvals for the transaction having been received by the relevant parties.

### OUTSTANDING SHARE DATA

|  | Number of Shares<br>Outstanding (Diluted) |
|--|---|
| <b>Sama outstanding shares as of April 29, 2022</b>                | 219,468,440                               |
| Shares reserved for issuance pursuant to warrants outstanding      | -   |
| Shares reserved for issuance pursuant to stock options outstanding | 21,640,000                                |
| <b>Sama outstanding shares - fully diluted</b>                     | <b>241,108,440</b>                        |

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

| Number<br>Outstanding | Exercise Price | Expiry Date       |
|-----------------------|----------------|-------------------|
| 1,400,000             | 0.32           | June 6, 2022      |
| 200,000               | 0.155          | June 21, 2022     |
| 1,000,000             | 0.33           | October 14, 2022  |
| 2,150,000             | 0.19           | April 21, 2025    |
| 200,000               | 0.18           | May 27, 2025      |
| 1,775,000             | 0.085          | January 17, 2027  |
| 500,000               | 0.15           | March 31, 2027    |
| 100,000               | 0.195          | April 27, 2027    |
| 660,000               | 0.29           | November 28, 2027 |
| 3,655,000             | 0.33           | June 12, 2028     |
| 340,000               | 0.30           | July 29, 2028     |
| 60,000                | 0.30           | October 31, 2028  |
| 3,225,000             | 0.27           | February 19, 2029 |
| 2,080,000             | 0.19           | December 18, 2029 |
| 1,885,000             | 0.115          | December 14, 2030 |
| 265,000               | 0.16           | June 17, 2031     |
| 2,145,000             | 0.22           | February 28, 2032 |
| <b>21,640,000</b>     |                |                   |

### 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.

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## **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, 2021.

## **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, 2021.

## **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, 2021, 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

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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**

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. 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.

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Management's discussion and analysis for the year ended December 31, 2021.

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## **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.