

Sama Resources Inc.

Interim Condensed Consolidated Financial Statements
For the three-month periods ended March 31, 2022 and 2021
(Expressed in Canadian dollars)

Sama Resources Inc.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTICE TO READER	3
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated statements of financial position	4
Consolidated statements of income (loss) of comprehensive income (loss)	5
Consolidated statements of changes in shareholder's equity	6
Consolidated statements of cash flows	7
Notes to consolidated financial statements	8 – 21

Notice to Reader

The accompanying unaudited interim condensed consolidated financial statements of Sama Resources Inc. (the "Company") for the three-month periods ended on March 31, 2022 and 2021 have been prepared by the management and are its responsibility. These unaudited interim condensed consolidated financial statements, together with the accompanying notes, have been reviewed and approved by the members of the Company's Board of Directors. These unaudited interim condensed consolidated financial statements have not been reviewed by the Company's auditors.

Sama Resources Inc.

Interim Condensed Consolidated Statements of Financial Position

As at March 31, 2022 and December 31, 2021

(Unaudited - in Canadian dollars)

	Notes	March 31, 2022 \$	December 31, 2021 \$
Assets			
Current assets			
Cash and cash equivalents		1,760,712	2,152,698
Trade and other amounts receivable		54,780	56,040
Sales taxes receivable		44,226	50,181
Tax credits receivable		126,329	126,329
Prepaid expenses and deposits		182,298	87,338
Bridge loan		728,958	711,698
		<u>2,897,303</u>	<u>3,184,284</u>
Non-current assets			
Property, plant and equipment	6	868,597	862,670
Warrants		60,621	46,320
Investment in associate	8	9,720,702	8,804,704
Exploration and evaluation assets	7	36,422,572	35,205,460
		<u>47,072,492</u>	<u>44,919,154</u>
		<u>49,969,795</u>	<u>48,103,438</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		429,995	253,500
Non-current liabilities			
Loan payable		54,626	52,796
Due to Ivanhoe Electric Inc. as part of the earn-in and joint venture agreement	5	4,273,142	3,273,142
Deferred tax liability		2,847,976	2,847,976
		<u>7,175,744</u>	<u>6,427,414</u>
Shareholders' equity			
Share capital	9	49,672,237	49,672,237
Contributed surplus	10	6,230,024	6,077,949
Deficit		(15,274,920)	(15,739,740)
Equity attributable to the parent company		<u>40,627,341</u>	<u>40,010,446</u>
Non-controlling interest		1,736,715	1,665,578
Total equity		<u>42,364,056</u>	<u>41,676,024</u>
Total liabilities and equity		<u>49,969,795</u>	<u>48,103,438</u>
Nature of operations and going concern	1		

On behalf of the Board of Directors,

Signed: "Benoit La Salle" Director

Signed: "Marc-Antoine Audet" Director

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

Sama Resources Inc.

Interim Condensed Consolidated Statements of Loss and Comprehensive Loss

For the three-month periods ended on March 31, 2022 and 2021

(Unaudited - in Canadian dollars)

	Notes	March 31, 2022 \$	March 31, 2021 \$
Operating expenses			
Consulting fees		64,323	39,400
Professional fees		92,673	69,109
General and other expenses		58,530	46,750
Salaries and benefits		33,859	26,010
Travel and representation		14,583	14,176
Transfer agent and filing fees		7,059	7,132
Depreciation	6	3,371	6,373
Stock-based compensation	10	127,772	47,882
Operating loss		(402,170)	(256,832)
Other income (expenses)			
Share of loss of associate	8	(135,611)	(166,558)
Gain (loss) on dilution of associate	8	1,051,609	(14,109)
Gain on fair value of warrants		14,301	14,929
Interest income		18,113	18,089
Accretion of interest on loan payable		(1,830)	(1,580)
Government grant		-	7,417
Foreign exchange gain (loss)		(13,055)	5,596
		<u>938,127</u>	<u>(136,216)</u>
Net income (loss) and comprehensive income (loss)		<u>535,957</u>	<u>(393,048)</u>
Net income (loss) attributable to:			
Sama Resources Inc.		464,820	(393,048)
Non-controlling interest		71,137	-
		<u>535,957</u>	<u>(393,048)</u>
Net income (loss) per common share			
	13		
Basic earnings (loss) per common share		0.002	(0.002)
Diluted earnings (loss) per common share		0.002	(0.002)

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

Sama Resources Inc.

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity

For the three-month periods ended March 31, 2022 and 2021

(Unaudited - in Canadian dollars)

	Notes	Share capital numbers	Share capital \$	Contributed surplus \$	Deficit \$	Total attributable to the parent company \$	Non- controlling interest \$	Total \$
Balance – January 1st, 2021		216,466,410	49,179,596	5,944,000	(13,771,410)	41,352,186	-	41,352,186
Exercise of warrants	9	50,000	7,750	(250)	-	7,500	-	7,500
Stock-based compensation	10	-	-	58,677	-	58,677	-	58,677
Net loss and comprehensive loss		-	-	-	(393,048)	(393,048)	-	(393,048)
Balance – March 31, 2021		216,516,410	49,187,346	6,002,427	(14,164,458)	41,025,315	-	41,025,315
Balance – January 1st, 2022		219,468,440	49,672,237	6,077,949	(15,739,740)	40,010,446	1,665,578	41,676,024
Stock-based compensation	10	-	-	152,075	-	152,075	-	152,075
Net income and comprehensive income		-	-	-	464,820	464,820	71,137	535,957
Balance – March 31, 2022		219,468,440	49,672,237	6,230,024	(15,274,920)	40,627,341	1,736,715	42,364,056

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

Sama Resources Inc.

Interim Condensed Consolidated Statements of Cash Flows

For the three-month periods ended on March 31, 2022 and 2021

(Unaudited - in Canadian dollars)

	Notes	March 31, 2022 \$	March 31, 2021 \$
Cash flows provided by (used in)			
Operating activities			
Net income (loss) for the period		535,957	(393,048)
Items not affecting cash			
Depreciation	6	3,371	6,373
Stock-based compensation	10	127,772	47,882
Accretion of interest on loan payable		1,830	1,580
Government grant		-	(7,417)
Interest revenue on bridge loan		(17,260)	(17,259)
Gain on fair value of warrants		(14,301)	(14,929)
Share of loss of associate	8	135,611	166,558
Loss (gain) on dilution of associate	8	(1,051,609)	14,109
		<u>(278,629)</u>	<u>(196,151)</u>
Change in non-cash working capital items			
Trade and other amounts receivable		1,260	(5,515)
Sales taxes receivable		5,955	(6,530)
Due from related companies		-	224
Prepaid expenses and deposits		(94,960)	(17,910)
Accounts payables and accrued liabilities		<u>(47,655)</u>	<u>92,051</u>
		<u>(135,400)</u>	<u>62,320</u>
		<u>(414,029)</u>	<u>(133,831)</u>
Investing activities			
Acquisition of property, plant and equipment	6	(88,996)	-
Exploration and evaluation expenditures	7	<u>(888,961)</u>	<u>(347,955)</u>
		<u>(977,957)</u>	<u>(347,955)</u>
Financing activities			
Exercise of warrants	9	-	7,500
Loan payable		-	20,000
Payments received as part of the earn-in and joint venture agreement		<u>1,000,000</u>	<u>595,759</u>
		<u>1,000,000</u>	<u>623,259</u>
Net change in cash and cash equivalents		(391,986)	141,473
Cash and cash equivalents – Beginning of period		<u>2,152,698</u>	<u>2,117,842</u>
Cash and cash equivalents – End of period		<u>1,760,712</u>	<u>2,259,315</u>
<i>Supplemental cash flow information</i>	11		

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

Sama Resources Inc.

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021 and December 31, 2021

(Unaudited - in Canadian dollars)

1 Nature of operations and going concern

Sama Resources Inc. (“Sama” or the “Company”) is a Canadian-based mineral exploration and development business with activities in West Africa and Canada. The Company was incorporated on July 11, 2006 under the Business Corporations Act of British Columbia. On May 13, 2013, the Company continued its jurisdiction of incorporation from British Columbia into the federal jurisdiction of Canada under the Canada Business Corporations Act. The Company’s head office is located at #132 – 1320 Graham Blvd., Mont-Royal, Quebec, Canada, H3P 3C8. The Company’s common shares are listed on the TSX Venture Exchange (the “TSX-V”) under the trading symbol “SME.V”. Based on the information available to date, the Company has not yet determined whether its mineral properties contain economically recoverable reserves. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete exploration and development programs and, ultimately, upon future profitable production.

These interim condensed consolidated financial statements were authorized for publication by the Board of Directors on May 27, 2022.

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

Going concern uncertainty

These interim condensed consolidated financial statements have been prepared on a going concern basis, which presumes the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business for the foreseeable future. The use of these principles may not be appropriate. The Company is in its early stages, and as is common with similar companies, it raises financing for its exploration and evaluation activities. As at March 31, 2022, the Company has an accumulated deficit \$15,274,920 (December 31, 2021 – \$15,739,740) and a working capital of \$2,467,308 (December 31, 2021 – \$2,930,784), including cash and cash equivalents of \$1,760,712 (December 31, 2021 – \$2,152,698). To date, the Company has financed its cash requirements primarily by issuing common shares or units. The Company’s ability to continue as a going concern is subject to its ability to raise additional financing or reduce its expenditure levels. The Company’s discretionary activities do have some scope for flexibility in terms of the amount and timing of expenditures, and to a certain extent, expenditures may be adjusted accordingly.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. Management has assessed its liquidity needs and estimates that these funds will not be sufficient to meet the Company’s obligations, budgeted expenditures and commitments through March 31, 2023. Although the Company currently has an earn-in agreement to fund the Ivory Coast projects (note 5), considering the extent of the Company’s current stage and anticipated plan, the Company will need to raise additional financing within the next 9-12 month, and those facts cast significant doubt on the Company’s ability to continue as a going concern. While Management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future, that such sources of funding will be available to the Company or that they will be available on terms acceptable to the Company.

Sama Resources Inc.

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021 and December 31, 2021

(Unaudited - in Canadian dollars)

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

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

2 Change in accounting policies

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

In January 2020, the IASB amended IAS 1, Presentation of Financial Statements, to clarify the criteria for classifying a liability as non-current relating to the right to defer settlement of the liability for at least twelve months after the reporting period. The adoption of IAS 1 had no impact on the interim condensed consolidated financial statements.

Amendments to IAS 16 – Property, plant and equipment

The IASB has made amendments to IAS 16 Property, plant and equipment. Proceeds from selling items before the related item of Property, plant and equipment is available for use should be recognized in profit or loss, together with the costs of producing those items. The Company will therefore need to distinguish between the costs associated with producing and selling items before the item of Property, plant and equipment (pre-production revenue) is available for use and the costs associated with making the item of Property, plant and equipment available for its intended use. For the sale of items that are not part of a company's ordinary activities, the amendments will require the Company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of loss and comprehensive loss. The adoption of IAS 16 had no impact on the interim condensed consolidated financial statements.

3 Basis of presentation and significant accounting policies

Basis of presentation

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

The accounting policies followed in these interim condensed consolidated financial statements are consistent with those applied in the Company's annual consolidated financial statements for the year ended December 31, 2020. These interim condensed consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2021 which have been prepared according to IFRS as issued by the IASB.

Sama Resources Inc.

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021 and December 31, 2021

(Unaudited - in Canadian dollars)

Basis of measurement

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

Basis of consolidation

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

The Company's subsidiaries are as follows:

		March 31, 2022	March 31, 2021
	Jurisdiction of incorporation	% of ownership	% of ownership
Sama Nickel Corporation ("SNC") ^(a)	Canada	70%	100%
Sama Nickel Côte d'Ivoire SARL ("Sama CI") ^(a)	Ivory Coast	70%	100%
Société Minière du Tonkpi SARL ("SMT") ^(a)	Ivory Coast	70%	100%
Sama Resources Quebec Inc. ("SRQ") ^(b)	Canada	100%	-%
Sama Resources Development Inc. ("SRDI")	Caymans Island	100%	100%
Sama Resources Liberia Inc. ("SRL")	Liberia	100%	100%

(a) See Note 5

(b) Incorporated on June 2, 2021

Investment in associate

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

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

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

Sama Resources Inc.

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021 and December 31, 2021

(Unaudited - in Canadian dollars)

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

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

Non-controlling interests

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

4 Future accounting policies

Accounting standards and interpretation issued but not yet adopted

Amendments to IAS 12 – Income Taxes

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

Sama Resources Inc.

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021 and December 31, 2021

(Unaudited - in Canadian dollars)

5 Non-controlling interests

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

As part of the agreement, IVNE has the ability to earn, through a joint venture with the Company, up to a 60% interest in the Company's Ivory Coast projects by financing exploration and evaluation expenses and completing a feasibility study through total investments of \$25,000,000. The strategic investment of \$12,250,000 done by IVNE in the Company is considered to be part of this total investment of \$25,000,000.

Highlights of the agreement include the following:

- IVNE has a pre-emptive/anti-dilution right to maintain its ownership percentage in the Company in future equity financings as long as the holdings of common shares of the Company by IVNE and its affiliates remains above 10%;
- IVNE has the right, but not the obligation, to nominate and have appointed: (i) two directors to the board of the Company as long as its shareholding in the Company remains above 10%; and (ii) four directors if its shareholding is greater than 50%;
- IVNE is to earn into the Ivory Coast projects through SNC as the joint venture vehicle;
- Pursuant to the terms of the earn-in and joint venture agreement, IVNE can earn a 30% interest in the Ivory Coast projects by incurring expenditures of \$15,000,000. By incurring additional expenditures of \$10,000,000 over a maximum of 6 years, including the financing of a bankable feasibility study and the acquisition of an exploitation permit on part of the Ivory Coast projects, IVNE will be entitled to earn an additional interest in the Ivory Coast projects, such that its aggregate interest therein shall be 60%;

On August 27, 2021, IVNE cumulative investments reached \$15,523,195, including the strategic investment of \$12,250,000. Therefore, IVNE was entitled to earn a 30% interest in SNC. SNC issued 53 common shares to IVNE at a nominal value of \$1 per common share for a total consideration of \$53. The remaining investment of \$3,273,142 was accounted for as a due to IVNE in the consolidated statement of financial position which will be repayable once the Ivory Coast projects will be in production along with advances historically made by the Company to SNC. As at March 31, 2022, the due to IVNE is \$4,273,142.

The Company assessed its investment in SNC and judged that it still has control over SNC as defined by IFRS 10 *Consolidated Financial Statements*. Therefore, the Company continues to consolidate the financial results of SNC in its consolidated financial statements. The transaction is accounted as a capital transaction and as such the excess of the net assets attributable to SNC's non-controlling interest over the contribution made by IVNE of \$1,718,710 at the time of the transaction has been charged to the deficit attributable to Sama shareholders.

Sama Resources Inc.

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021 and December 31, 2021

(Unaudited - in Canadian dollars)

6 Property, plant and equipment

	Exploration equipment \$	Buildings and lease improvements \$	Other equipment \$	Total \$
Cost				
Balance – January 1st, 2021	2,302,033	127,426	98,242	2,527,701
Acquisitions	-	-	6,301	6,301
Disposals	-	-	(1,999)	(1,999)
Balance – December 31, 2021	2,302,033	127,426	102,544	2,532,003
Acquisitions	86,060	-	2,936	88,996
Balance – March 31, 2022	2,388,093	127,426	105,480	2,620,999
Accumulated amortization				
Balance – January 1st, 2021	1,178,440	68,163	74,572	1,321,175
Depreciation	312,139	17,077	20,941	350,157
Disposals	-	-	(1,999)	(1,999)
Balance – December 31, 2021	1,490,579	85,240	93,514	1,669,333
Depreciation	77,272	4,211	1,586	83,069
Balance – March 31, 2022	1,567,851	89,451	95,100	1,752,402
Carrying amount				
Balance – December 31, 2021	811,454	42,186	9,030	862,670
Balance – March 31, 2022	820,242	37,975	10,380	868,597

During the three-month period ended March 31, 2022, a depreciation expense of \$3,371 (December 31, 2021 – \$21,167) was recorded in the interim condensed consolidated statement of loss and comprehensive loss and \$79,698 (December 31, 2021 – \$328,990) was recorded under exploration and evaluation (“E&E”) assets.

7 Investment in associate

The Company has an investment in SRG Mining Inc. (“SRG”) giving it significant influence. At December 31, 2021, the Company owned a total of 24,805,377 common shares in SRG representing an ownership of 27.61%.

During the three-month period ended March 31, 2022, SRG issued a total of 22,942,941 common shares for total proceeds of \$12,838,047. Following that transaction, the Company's ownership in SRG went from 27.61% to 21.99%. Therefore, the Company recorded a gain on dilution of \$1,062,286 on the deemed disposal of a portion of its ownership interest, in the interim condensed consolidated statement of income (loss) and comprehensive income (loss).

Sama Resources Inc.

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021 and December 31, 2021

(Unaudited - in Canadian dollars)

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

	March 31, 2022 \$	December 31, 2021 \$
Balance – beginning of period	8,804,704	8,589,468
Share of loss and comprehensive loss	(135,611)	(550,495)
Gain on dilution	<u>1,051,609</u>	<u>765,731</u>
Balance – end of period	<u>9,720,702</u>	<u>8,804,704</u>

The fair value of the investment in associate as at March 31, 2022 was \$22,324,839 (December 31, 2021 – \$17,859,871).

8 Exploration and evaluation assets

Samapleu property

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

Both PRs expire on June 17, 2023, with possible renewal periods totaling up to 12 years. In accordance with both PRs, SNC agreed to complete an exploration program evaluated at F CFA 2,315,000,000 for PR838 (approximately \$4,906,428 as at March 31, 2022) and F CFA 760,000,000 for PR839 (approximately \$1,610,750 as at March 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 \$1,769,704 as at March 31, 2022) and will reimburse SNC for costs associated with exploration work conducted between the Effective Date and the approval of the BFS subject to the approval of the AC which represents a total amount of \$24,271,653 as at March 31, 2022.

The ownership of the EE shall be allocated as follows:

Sama Nickel	60%
SODEMI	30%
Ivory Coast Government	<u>10%</u>
	<u>100%</u>

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

Sama Resources Inc.

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021 and December 31, 2021

(Unaudited - in Canadian dollars)

Zérégouiné property

Sama CI owns the exploration permit No. 300 (“PR300”) which covers 290 square kilometers of property in Ivory Coast and expired on December 17, 2021. In accordance with PR300, Sama CI was required to complete an exploration program before the term of the exploration permit. This exploration program was completed on time and on September 20, 2021, Sama CI filed the required documentation with the Department of Mines in Côte d’Ivoire, for the exceptional renewal of PR300 which should expire on December 18, 2023. As of today, there is no indication that the exploration permit will not be granted. However, a whole or partial impairment of the value of the PR300 will be required should Sama CI fail to obtain the exploration permit.

The Zérégouiné Property is 100% owned by Sama CI and is adjacent to the Samapleu Property.

Grata property

Sama CI owns the exploration permit No. 604 (“PR604”) which covers 92 square kilometers of property in Ivory Coast and expires on December 7, 2022. In accordance with PR604, Sama CI agreed to complete an exploration program evaluated at F CFA 1,018,000,000 (\$2,157,557 as at March 31, 2022) before the term of the exploration permit.

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

Zoupleu property

SMT owns the exploration permit No. 837 (“PR837”) which covers 135 square kilometers of property in Ivory Coast and expires on June 17, 2023. In accordance with PR837, SMT agreed to complete an exploration program evaluated at F CFA 1,120,000,000 (approximately \$2,373,736 as at March 31, 2022) before the term of the exploration permit.

The Zoupleu Property is 100% owned by SMT and is located contiguous to the Samapleu Property.

Nuon River property

SRL owns the exploration license MEL9001721 which covers 259.13 square kilometers of property in the county of Grand Gedeh, Liberia and expires on January 10, 2024. The Nuon River Property is 100% owned by SRL.

St-John River gold property

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

Zwedru South property

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

Sama Resources Inc.

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021 and December 31, 2021

(Unaudited - in Canadian dollars)

Lac Brulé property

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

Lac Brennan property

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

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

	December 31, 2020 \$	Activity \$	December 31, 2021 \$	Activity \$	March 31, 2022 \$
Samapleu property					
Acquisition costs and option payments	4,432,484	-	4,432,484	-	4,432,484
Drilling	5,754,502	291,104	6,045,606	-	6,045,606
Camp operation costs and other expenses	6,130,710	476,387	6,607,097	3,222	6,610,319
Geology and prospecting	2,754,253	88,626	2,842,879	21,098	2,863,977
Geophysics	1,884,666	36,957	1,921,623	69,202	1,990,825
Engineering study	1,117,449	7,384	1,124,833	-	1,124,833
Geochemistry	635,306	43,560	678,866	8,282	687,148
Metallurgical tests	244,589	-	244,589	-	244,589
Environmental study	134,978	-	134,978	-	134,978
Stock-based compensation	123,039	13,855	136,894	-	136,894
	23,211,976	957,873	24,169,849	101,804	24,271,653
Zérégouiné property					
Camp operation costs and other expenses	3,168,593	464,347	3,632,940	25,742	3,658,682
Drilling	2,151,485	298,938	2,450,423	32,845	2,843,268
Geology and prospecting	1,643,184	67,966	1,711,150	4,201	1,715,351
Geophysics	1,022,005	22,309	1,044,314	15,553	1,059,867
Geochemistry	45,466	18,432	63,898	-	63,898
Metallurgical tests	3,576	-	3,576	-	3,576
Environmental study	1,430	-	1,430	-	1,430
Stock-based compensation	275,524	12,024	287,548	418	287,966
	8,311,263	884,016	9,195,279	78,759	9,274,038
Grata property					
Camp operation costs and other expenses	479,968	246,836	726,804	364,947	1,091,751
Geology and prospecting	108,721	7,666	116,387	25,863	142,250
Geophysics	329,315	(2,409)	326,906	79,052	405,958
Geochemistry	2,744	10,708	13,452	52,939	66,391
Drilling	46,792	169,043	215,835	438,754	654,589
Environmental study	1,590	-	1,590	-	1,590
Stock-based compensation	22,327	3,613	25,940	23,811	49,751
	991,457	435,457	1,426,914	985,366	2,412,280

Sama Resources Inc.

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021 and December 31, 2021

(Unaudited - in Canadian dollars)

	December 31, 2020 \$	Activity \$	December 31, 2021 \$	Activity \$	March 31, 2022 \$
Zoupleu property					
Geology and prospecting	1,841	913	2,754	-	2,754
	1,841	913	2,754	-	2,754
Nuon River property					
Camp operation costs and other expenses	-	30,327	30,327	5,611	35,938
Environmental study	-	6,347	6,347	-	6,347
Geology and prospecting	-	1,271	1,271	1,267	2,538
	-	37,945	37,945	6,878	44,823
St-John River gold property					
Camp operation costs and other expenses	-	32,253	32,253	5,610	37,863
Environmental study	-	6,347	6,347	-	6,347
Geology and prospecting	-	1,270	1,270	1,267	2,537
	-	39,870	39,870	6,877	46,747
Zwedru South property					
Camp operation costs and other expenses	-	24,070	24,070	5,610	29,680
Environmental study	-	6,347	6,347	-	6,347
Geology and prospecting	-	2,870	2,870	1,267	4,137
	-	33,287	33,287	6,877	40,164
Lac Brulé property					
Property acquisition costs	-	43,390	43,390	1,236	44,626
Claim maintenance	-	4,790	4,790	531	5,321
Geophysics	-	326,745	326,745	-	326,745
Geology and prospecting	-	29,801	29,801	-	29,801
Geochemistry	-	7,543	7,543	26,206	33,749
Camp operation costs and other expenses	-	10,106	10,106	2,249	12,355
Stock-based compensation	-	521	521	74	595
Tax credits	-	(126,329)	(126,329)	-	(126,329)
	-	296,567	296,567	30,296	326,863
Lac Brennan property					
Property acquisition costs	-	2,782	2,782	-	2,782
Claim maintenance	-	213	213	255	468
	-	2,995	2,995	255	3,250
Total E&E assets	32,516,537	2,688,923	35,205,460	1,217,112	36,422,572

9 Share capital

Authorized

Unlimited number of voting common shares without par value.

Transactions on share capital

2021

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

Sama Resources Inc.

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021 and December 31, 2021

(Unaudited - in Canadian dollars)

10 Stock options

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

The following table shows the changes in stock options:

	Three-month period ended March 31, 2022		Year ended December 31, 2021	
	Number of stock options	Weighted average exercise price \$	Number of stock options	Weighted average exercise price \$
Outstanding – Beginning of period	19,495,000	0.23	19,680,000	0.24
Granted	2,145,000	0.22	265,000	0.16
Exercised	-	-	(450,000)	0.15
Outstanding – End of period	21,640,000	0.23	19,495,000	0.23
Exercisable – End of period	19,427,500	0.24	18,891,250	0.24

The weighted average price of shares at the time of exercise was \$0.15 per share.

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

	Three-month period ended March 31, 2022	Year ended December 31, 2021
Weighted average price at the grant date	\$0.22	\$0.16
Weighted average exercise price	\$0.22	\$0.16
Expected dividend	-	-
Expected average volatility	100.52%	101.09%
Risk-free average interest rate	1.83%	1.40%
Expected average life	10 years	10 years
Weighted fair value per share option	\$0.20	\$0.14

An expense for stock-based compensation of \$127,772 was recognized during the three-month period ended March 31, 2022 (for the three-month period ended March 31, 2021 – \$58,677). An amount of \$127,772 (for the three-month period ended March 31, 2021 – \$47,882) was recognized in the interim consolidated statement of

Sama Resources Inc.

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021 and December 31, 2021

(Unaudited - in Canadian dollars)

loss and comprehensive loss and \$24,303 (for the three-month period ended March 31, 2021 – \$10,795) was capitalized to the exploration and evaluation assets.

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

Expiry date	Exercise price \$	Number outstanding	Number exercisable
June 6, 2022	0.32	1,400,000	1,400,000
June 21, 2022	0.155	200,000	200,000
October 14, 2022	0.33	1,000,000	1,000,000
April 21, 2025	0.19	2,150,000	2,150,000
May 27, 2025	0.18	200,000	200,000
January 17, 2027	0.085	1,775,000	1,775,000
March 31, 2027	0.15	500,000	500,000
April 27, 2027	0.195	100,000	100,000
November 28, 2027	0.29	660,000	660,000
June 12, 2028	0.33	3,655,000	3,655,000
July 29, 2028	0.30	340,000	340,000
October 31, 2028	0.30	60,000	60,000
February 20, 2029	0.27	3,225,000	3,225,000
December 19, 2029	0.19	2,080,000	2,080,000
December 14, 2030	0.115	1,885,000	1,413,750
June 17, 2031	0.16	265,000	132,500
February 28, 2032	0.22	2,145,000	536,250
		<u>21,640,000</u>	<u>19,427,500</u>

11 Additional cash flow information

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

	Three-month period ended March 31, 2022 \$	Three-month period ended March 31, 2021 \$
Depreciation included in E&E assets	79,698	81,444
Stock-based compensation included in E&E assets	24,303	10,795
Change in E&E assets included in accounts payable and accrued liabilities	224,150	(159,857)

Sama Resources Inc.

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021 and December 31, 2021

(Unaudited - in Canadian dollars)

12 Related parties

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

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

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

	Three-month period ended March 31, 2022 \$	Three-month period ended March 31, 2021 \$
Professional fees paid to key management and/or companies controlled by key management	45,250	42,750
Consultant fees paid to companies controlled by key management	18,250	18,250
Consultant fees paid to a company controlled by key management and capitalized to exploration and evaluation assets	22,999	22,999
Directors and officers stock-based compensation	112,256	43,615
Interest revenue on SRG's bridge loan	17,260	17,259

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

	March 31, 2022 \$	December 31, 2021 \$
Professional fees owned to key management and/or companies controlled by key management	-	29,880
Exploration and evaluation expenditures owned by a company controlled by key management	-	31,091
Accrued interest on SRG's bridge loan and convertible debenture	28,958	11,698

Sama Resources Inc.

Notes to Interim Condensed Consolidated Financial Statements

March 31, 2022 and 2021 and December 31, 2021

(Unaudited - in Canadian dollars)

13 Earnings (loss) per share

	March 31, 2022 \$	March 31, 2021 \$
Numerator:		
Numerator for basic and diluted earnings per share	535,957	(393,048)
Denominator:		
Weighted average number of common shares outstanding	219,468,440	216,485,854
Effect of potential dilutive stock options	573,099	-
Adjusted denominator for diluted earnings (loss) per share	220,041,539	216,485,854
Basic earnings (loss) per common share	0.002	(0.002)
Diluted earnings (loss) per common share	0.002	(0.002)

For the three-month period ended March 31, 2021, the diluted loss per share is equal to the basic loss per share as a result of the anti-dilutive effect of the outstanding stock options.

14 Subsequent events

In April 2022, SRG repaid the bridge loan and accrued interest for a total amount of \$734,521.

On May 17, 2022, the Company entered into share purchase agreements with various purchasers to sell 5,625,000 shares of SRG for an aggregate purchase price of \$3,937,500. The transaction closed on May 17, 2022.

On May 26, 2022, the Company terminated its previously announced agreement with Seahawk Gold Corp. ("Seahawk") to complete an acquisition of the Company's subsidiary, Sama Resources Development Corp. The termination was agreed to by both Sama and Seahawk.