



## **Sama Resources Inc.**

Interim Condensed Consolidated Financial Statements

**For the three-month and six-month periods ended  
June 30, 2023 and 2022**

(in Canadian dollars)

TSX-V: SME

# Sama Resources Inc.

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## INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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## **Notice to Reader**

The accompanying unaudited interim condensed consolidated financial statements of Sama Resources Inc. (the "Company") for the three-month and six-month periods ended on June 30, 2023 and 2022 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.

## Consolidated Statements of Financial Position

As at June 30, 2023 and December 31, 2022

(Unaudited - in Canadian dollars)

	Notes	June 30, 2023 \$	December 31, 2022 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		4,417,418	7,397,902
Trade and other amounts receivable		102,664	51,643
Sales taxes receivable		318,541	336,850
Tax credits receivable		-	211,902
Prepaid expenses and deposits		251,927	256,722
Assets held for distribution	4	2,072,337	-
		7,162,887	8,255,019
<b>Non-current assets</b>			
Property, plant and equipment	6	858,852	982,028
Investments in shares	7	13,510,537	10,322,657
		14,369,389	11,304,685
<b>TOTAL ASSETS</b>		<b>21,532,276</b>	<b>19,559,704</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		911,712	707,883
Loan payable		40,000	40,000
Liabilities held for distribution	4	165,181	-
<b>TOTAL LIABILITIES</b>		<b>1,116,893</b>	<b>747,883</b>
<b>EQUITY</b>			
Share capital	8	49,777,864	49,777,864
Contributed surplus	9	6,700,769	6,463,594
Deficit		(31,151,766)	(32,566,515)
<b>Equity attributable to the parent company</b>		<b>25,326,867</b>	<b>23,674,943</b>
Non-controlling interest	5	(4,911,484)	(4,863,122)
<b>TOTAL EQUITY</b>		<b>20,415,383</b>	<b>18,811,821</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>21,532,276</b>	<b>19,559,704</b>

Nature of operations and going concern

1

Subsequent event

15

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.

## Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

### For the three-month and six-month periods ended on June 30, 2023 and 2022

(Unaudited - in Canadian dollars)

	Notes	Three-month periods ended		Six-month periods ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
		\$	\$	\$	\$
<b>Operating expenses</b>					
Exploration and evaluation expenses	10	1,066,362	1,444,753	1,961,628	2,626,714
General and administrative expenses	11	632,962	471,557	1,159,664	866,063
<b>Operating loss</b>		<b>(1,699,324)</b>	<b>(1,916,310)</b>	<b>(3,121,292)</b>	<b>(3,492,777)</b>
<b>Other income (expenses)</b>					
Gain on disposal of an investment in associate		-	2,972,473	-	2,972,473
Gain on loss of significant influence		-	5,902,561	-	5,902,561
Share of loss of associate		-	(161,721)	-	(297,332)
Gain on dilution of associate		-	144,179	-	1,195,788
Change in fair value of investments in shares	7	4,098,702	278,994	3,187,880	293,295
Interest income		43,278	13,902	96,557	32,015
Accretion of interest on loan payable		-	(1,959)	-	(3,789)
Foreign exchange loss		(42,030)	(33,217)	(58,709)	(46,272)
		4,099,950	9,115,212	3,225,728	10,048,739
<b>Net income and comprehensive income from continuing operations</b>		<b>2,400,626</b>	<b>7,198,902</b>	<b>104,436</b>	<b>6,555,962</b>
Net loss and comprehensive loss from discontinued operations	4	(230,516)	(206,801)	(298,049)	(245,016)
<b>Net income (loss) and comprehensive income (loss) for the period</b>		<b>2,170,110</b>	<b>6,992,101</b>	<b>(193,613)</b>	<b>6,310,946</b>
<b>Net income (loss) attributable to:</b>					
Sama Resources Inc. – continuing operations		2,665,364	7,663,800	620,798	7,398,497
Sama Resources Inc. – discontinued operations		(230,516)	(206,801)	(298,049)	(245,016)
		2,434,848	7,456,999	322,749	7,153,481
Non-controlling interest		(264,738)	(464,898)	(516,362)	(842,535)
		2,170,110	6,992,101	(193,613)	6,310,946
<b>Net income per common share from continuing operations</b>					
	14				
Basic earnings per common share		0.012	0.035	0.003	0.033
Diluted earnings per common share		0.012	0.035	0.003	0.033
<b>Net loss per common share from discontinued operations</b>					
	14				
Basic and diluted loss per common share		(0.001)	(0.001)	(0.001)	(0.001)
<b>Net income per common share total</b>					
	14				
Basic earnings per common share		0.011	0.034	0.001	0.032
Diluted earnings per common share		0.011	0.034	0.001	0.032

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

## Sama Resources Inc.

### Consolidated Statements of Changes in Shareholders' Equity

For the six-month periods ended June 30, 2023 and 2022

(Unaudited - in Canadian dollars)

	Notes	Share capital numbers	Share capital \$	Contributed surplus \$	Deficit \$	Total attributable to the parent company \$	Non- controlling interest \$	Total \$
<b>Balance – January 1st, 2022</b>		219,468,440	49,672,237	6,077,949	(40,690,280)	15,059,906	(5,741,366)	9,318,540
Stock-based compensation	9	-	-	305,288	-	305,288	-	305,288
Net income (loss) and comprehensive income (loss)		-	-	-	7,153,481	7,153,481	(842,535)	6,310,946
<b>Balance – June 30, 2022</b>		219,468,440	49,672,237	6,383,237	(33,536,799)	22,518,675	(6,583,901)	15,934,774
<b>Balance – January 1st, 2023</b>		219,768,440	49,777,864	6,463,594	(32,566,515)	23,674,943	(4,863,122)	18,811,821
Contributions received from IE	5	-	-	-	1,092,000	1,092,000	468,000	1,560,000
Stock-based compensation	9	-	-	237,175	-	237,175	-	237,175
Net income (loss) and comprehensive income (loss)		-	-	-	322,749	322,749	(516,362)	(193,613)
<b>Balance – June 30, 2023</b>		219,768,440	49,777,864	6,700,769	(31,151,766)	25,326,867	(4,911,484)	20,415,383

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

# Sama Resources Inc.

## Consolidated Statements of Cash Flows

For the three-month and six-month periods ended on June 30, 2023 and 2022

(Unaudited - in Canadian dollars)

Cash flows from (used for)	Notes	Three-month periods ended		Six-month periods ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
		\$	\$	\$	\$
<b>Operating activities</b>		2,170,110	6,992,101	(193,613)	6,310,946
Net income (loss) for the period					
Items not affecting cash					
Depreciation	6	94,330	87,686	190,011	170,755
Stock-based compensation	9	74,968	153,213	237,175	305,288
Accretion of interest on loan payable		-	1,959	-	3,789
Interest revenue on bridge loan		-	(5,563)	-	(22,823)
Change in fair value of investments in shares	7	(4,098,702)	(278,994)	(3,187,880)	(293,295)
Share of loss of associate		-	161,721	-	297,332
Gain on dilution of associate		-	(144,179)	-	(1,195,788)
Gain on disposal of an investment in associate		-	(2,972,473)	-	(2,972,473)
Gain on loss of significant influence		-	(5,902,561)	-	(5,902,561)
		(1,759,294)	(1,907,090)	(2,954,307)	(3,298,830)
Change in non-cash working capital items					
Trade and other amounts receivable		(35,709)	64,918	(51,021)	66,178
Sales taxes receivable		(49,326)	(47,402)	(10,535)	(41,447)
Tax credits receivable		175,748	-	175,748	-
Prepaid expenses and deposits		(39,531)	(148,662)	(20,954)	(243,622)
Accounts payables and accrued liabilities		605,509	277,791	369,010	454,286
		656,691	146,645	462,248	235,395
		(1,102,603)	(1,760,445)	(2,492,059)	(3,063,435)
<b>Investing activities</b>					
Acquisition of property, plant and equipment	6	(20,375)	(114,095)	(97,371)	(203,091)
Repayment of the bridge loan		-	700,000	-	700,000
Disposal of investments in associate		-	6,737,500	-	6,737,500
		(20,375)	7,323,405	(97,371)	7,234,409
<b>Financing activities</b>					
Contributions received from IE		810,000	1,500,000	1,560,000	2,500,000
		810,000	1,500,000	1,560,000	2,500,000
<b>Net change in cash and cash equivalents</b>		(312,978)	7,062,960	(1,029,430)	6,670,974
<b>Cash and cash equivalents – Beginning of period</b>		6,681,450	1,760,712	7,397,902	2,152,698
<b>Cash held for distribution</b>	4	(1,951,054)	-	(1,951,054)	-
<b>Cash and cash equivalents – End of period</b>		4,417,418	8,823,672	4,417,418	8,823,672

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

# **Sama Resources Inc.**

## Notes to the Interim Condensed Consolidated Financial Statements

**June 30, 2023**

(Unaudited - in Canadian dollars)

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### **1 Nature of operations and going concern**

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

These interim condensed consolidated financial statements were authorized for publication by the Board of Directors on August 17, 2023.

The Company’s main exploration and evaluation projects 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 June 30, 2023, the Company has accumulated deficit of \$31,151,766 (December 31, 2022 – \$32,566,515) and a working capital of \$6,045,994 (December 31, 2022 – \$7,507,136), including cash and cash equivalents of \$4,417,418 (December 31, 2022 – \$7,397,902). To date, the Company has financed its cash requirements primarily by issuing common shares or units. The Company’s ability to continue future operations and fund its operations is dependent on management’s ability to secure additional financing in the future, which may be completed in a number of ways including, but not limited to, the issuance of equity instruments, expenditure reductions, or a combination of strategic partnerships, joint venture arrangements, royalty financing and other capital market alternatives. 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.



# **Sama Resources Inc.**

## Notes to the Interim Condensed Consolidated Financial Statements

**June 30, 2023**

(Unaudited - in Canadian dollars)

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### **2 New accounting standards**

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

For the purposes of non-current classification, the amendments removed the requirement for a right to defer settlement or roll over of a liability for at least twelve months to be unconditional. Instead, such a right must exist at the end of the reporting period and have substance. The amendments reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which a company must comply after the reporting date do not affect a liability's classification at that date. The amendments also clarify how a company classifies a liability that includes a counterparty conversion option. The amendments state that: settlement of a liability includes transferring a company's own equity instruments to the counterparty; and when classifying liabilities as current or non-current a company can ignore only those conversion options that are recognized as equity. The adoption of these amendments to IAS 1 had no impact on the interim condensed consolidated financial statements.

#### *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 adoption of these amendments to IAS 12 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, 2022. 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, 2022 which have been prepared according to IFRS as issued by the IASB.

#### **Basis of measurement**

These interim condensed consolidated financial statements have been prepared on a historical cost basis with fair value being used for investments in shares, using the accrual basis of accounting except for cash flow information.

# Sama Resources Inc.

## Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2023

(Unaudited - in Canadian dollars)

### 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:

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

(a) On May 11, 2023, Sama Resources Quebec Inc. changed its name to SRQ Resources Inc.

### 4 Spinout of SRQ Resources Inc.

On May 17, 2023, the Company entered into an arrangement agreement with its subsidiary SRQ Resources Inc pursuant to which the parties intend to complete a spinout transaction of the SRQ common shares. The spinout will be completed by way of a court-approved plan of arrangement ("PoA") under the Canada Business Corporations Act. Upon completion of the PoA, holders of common shares of Sama are to receive:

- One new share in the reorganized capital of Sama for every one Sama share held at the effective time of the PoA; and
- One SRQ share for every 10 Sama shares held at the effective time.

In light of the impending spinout, which is expected to occur in August 2023, the assets and liabilities of SRQ have been classified as held for distribution as at June 30, 2023 and its results operations were classified as discontinued operations.

## Sama Resources Inc.

### Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2023

(Unaudited - in Canadian dollars)

As at June 30, 2023, the financial position of SRQ is as follows:

	June 30, 2023
	\$
<b>Assets</b>	
Current assets	
Cash and cash equivalents	1,951,054
Sales taxes receivable	28,844
Tax credits receivable	36,154
Prepays expenses and deposits	25,749
	2,041,801
Non-Current assets	
Equipment	30,536
<b>Total assets</b>	<b>2,072,337</b>
<b>Liabilities</b>	
Current liabilities	
Accounts payable and accrued liabilities	165,181
Advances from Sama Resources Inc. (a)	3,075,174
	3,240,355
<b>Total liabilities</b>	<b>3,240,355</b>

(a) These advances, which are eliminated through consolidation, are to be contributed to the equity of SRQ prior to the completion of the PoA.

SRQ's statements of loss and comprehensive loss is as follows:

	Three-month periods ended		Six-month periods ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	\$	\$	\$	\$
<b>Operating expenses</b>				
Exploration and evaluation expenses	136,341	193,153	190,405	223,704
General and administrative expenses	103,406	13,580	116,877	21,244
<b>Operating loss</b>	<b>(239,747)</b>	<b>(206,733)</b>	<b>(307,282)</b>	<b>(244,948)</b>
<b>Other income (expenses)</b>				
Interest income	9,271	-	9,271	-
Foreign exchange loss	(40)	(68)	(38)	(68)
	9,231	(68)	9,233	(68)
<b>Net loss and comprehensive loss from discontinued operations</b>	<b>(230,516)</b>	<b>(206,801)</b>	<b>(298,049)</b>	<b>(245,016)</b>

## Sama Resources Inc.

### Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2023

(Unaudited - in Canadian dollars)

SRQ's summarized statements of cash flows is as follows:

	Three-month periods ended		Six-month periods ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
<b>Cash provided from (used for)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Operating activities	51,699	(232,989)	(13,181)	(241,862)
Investing activities	(19,194)	-	(21,724)	-
Financing activities	1,724,252	430,095	1,924,252	450,095

## 5 Non-controlling interests

The Company signed an earn-in and joint venture agreement with IVNE Ivory Coast Inc. or "IE" in order to develop its nickel-copper and cobalt projects in Ivory Coast, West Africa. Pursuant to the terms of the earn-in and joint venture agreement, IE can earn up to a 60% interest in the Ivory Coast projects by investing, before June 30, 2024, a total of \$25,000,000, including amongst others, the financing of a bankable feasibility study, as follows:

- Phase 1 : Investments \$15,000,000 for a 30% interest;
- Phase 2 : Investments of \$10,000,000 for an additional 30% interest.

IE completed phase 1 of the earn-in and joint venture agreement and therefore owns a 30% interest in SNC. 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.

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

	June 30, 2023	December 31, 2022
	\$	\$
Current assets	939,397	1,033,037
Non-current assets	672,815	828,570
<b>Total assets</b>	<b>1,612,212</b>	<b>1,861,607</b>
Current liabilities	558,689	646,879
Non-current liabilities <sup>(a)</sup>	17,425,135	17,425,135
<b>Total liabilities</b>	<b>17,983,824</b>	<b>18,072,014</b>
<b>NCI</b>	<b>(4,911,484)</b>	<b>(4,863,122)</b>

(a) Non-current liabilities include a due to Sama Resources Inc. of \$17,425,135.

## Sama Resources Inc.

### Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2023

(Unaudited - in Canadian dollars)

#### 6 Property, plant and equipment

	Exploration equipment	Buildings and lease improvements	Vehicles	Other equipment	Total
	\$	\$	\$	\$	\$
<b>Cost</b>					
<b>Balance – January 1st, 2022</b>	2,302,033	127,426	-	102,544	2,532,003
Acquisitions	172,591	132,361	158,170	7,438	470,560
Disposals	-	-	-	(809)	(809)
<b>Balance – December 31, 2022</b>	2,474,624	259,787	158,170	109,173	3,001,754
Acquisitions	37,892	-	53,460	6,019	97,371
Reclassification to assets held for distribution (note 4)	(30,301)	-	-	(2,531)	(32,832)
<b>Balance – June 30, 2023</b>	2,482,215	259,787	211,630	112,661	3,066,293
<b>Accumulated amortization</b>					
<b>Balance – January 1st, 2022</b>	1,490,579	85,240	-	93,514	1,669,333
Depreciation	303,256	25,999	15,324	6,623	351,202
Disposals	-	-	-	(809)	(809)
<b>Balance – December 31, 2022</b>	1,793,835	111,239	15,324	99,328	2,019,726
Depreciation	144,346	21,311	20,445	3,909	190,011
Reclassification to assets held for distribution (note 4)	(2,085)	-	-	(211)	(2,296)
<b>Balance – June 30, 2023</b>	1,936,096	132,550	35,769	103,026	2,207,441
<b>Carrying amount</b>					
<b>Balance – December 31, 2022</b>	680,789	148,548	142,846	9,845	982,028
<b>Balance – June 30, 2023</b>	546,119	127,237	175,861	9,635	858,852

During the six-month period ended June 30, 2023, a depreciation expense of \$22,826 (December 31, 2022 – \$29,217) was recorded under general and administrative expenses, \$165,384 (December 31, 2022 – \$321,985) under exploration and evaluation (“E&E”) expenses and \$1,801 under discontinued operations in the consolidated statement of income (loss) and comprehensive income (loss).

## Sama Resources Inc.

### Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2023

(Unaudited - in Canadian dollars)

#### 7 Investments in shares

The Company owns 15,180,377 common shares of SRG representing an interest of 13%. At December 31, 2022, the Company also owned 250,000 warrants which expired on March 4, 2023.

The fair value of \$13,510,537 (December 31, 2022 – \$10,322,657) was determined using SRG's share price of \$0.89 (December 31, 2022 – \$0.68). A change in fair value of investments in shares of \$3,187,880 (December 31, 2022 – \$1,564,357) was recorded in the consolidated statement of income (loss) and comprehensive income (loss).

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

	June 30, 2023	December 31, 2022
	\$	\$
<b>Balance – beginning of period</b>	10,322,657	46,320
Reclassification from investment in associate	-	11,840,694
Change in fair value of investments in shares	3,187,880	(1,564,357)
<b>Balance – end of period</b>	<b>13,510,537</b>	<b>10,322,657</b>

#### 8 Share capital

Authorized

Unlimited number of voting common shares without par value.

#### 9 Stock options

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

## Sama Resources Inc.

### Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2023

(Unaudited - in Canadian dollars)

The following table shows the changes in stock options:

	June 30, 2023		December 31, 2022	
	Number of stock options	Weighted average exercise price \$	Number of stock options	Weighted average exercise price \$
<b>Outstanding – Beginning of period</b>	19,040,000	0.22	19,495,000	0.23
Granted	2,355,000	0.14	2,445,000	0.22
Exercised	-	-	(300,000)	0.20
Expired	-	-	(2,600,000)	0.31
<b>Outstanding – End of period</b>	21,395,000	0.21	19,040,000	0.22
<b>Exercisable – End of period</b>	19,317,500	0.22	17,967,500	0.22

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:

	June 30, 2023	December 31, 2022
	\$	\$
Weighted average price at the grant date	\$0.13	\$0.22
Weighted average exercise price	\$0.14	\$0.22
Expected dividend	-	-
Expected average volatility	97.52%	98.97%
Risk-free average interest rate	2.84%	1.94%
Expected average life	9.36 years	9.39 years
Weighted fair value per share option	\$0.11	\$0.19

An expense for stock-based compensation of \$237,175 was recognized during the six-month period ended June 30, 2023 (for the six-month period ended June 30, 2022 – \$305,288). An amount of \$184,468 (for the six-month period ended June 30, 2022 – \$262,566) was recognized under general and administrative expenses, \$50,684 (for the six-month period ended June 30, 2022 – \$42,722) under E&E expenses and \$2,023 under discontinued operations in the consolidated statement of income (loss) and comprehensive income (loss).

## Sama Resources Inc.

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(Unaudited - in Canadian dollars)

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

<b>Expiry date</b>	<b>Exercise price</b>	<b>Number outstanding</b>	<b>Number exercisable</b>
	\$		
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
June 30, 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
September 12, 2028	0.33	3,655,000	3,655,000
July 29, 2028	0.30	340,000	340,000
January 4, 2028	0.20	300,000	300,000
October 31, 2028	0.30	60,000	60,000
February 20, 2029	0.27	3,225,000	3,225,000
December 19, 2029	0.19	2,080,000	2,080,000
December 14, 2030	0.115	1,885,000	1,885,000
September 17, 2031	0.16	265,000	265,000
February 28, 2032	0.22	2,145,000	1,608,750
January 17, 2033	0.135	2,055,000	513,750
		21,395,000	19,317,500

## 10 Exploration and evaluation expenses

### Samapleu property

SNC entered into a Syndicate Agreement (“SA”) with La Société pour le Développement Minier de la Côte d’Ivoire (“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 expired on June 17, 2023, with possible renewal periods totaling up to 12 years. The Company was required to complete an exploration program before the term of the exploration permit. This exploration program was completed on time and on March 1, 2023, SODEMI filed the required documentation with the Department of Mines in Côte d’Ivoire, for the renewal of PR 838 and PR 839 which should expire on June 17, 2026.

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 \$1,836,213 as at June 30, 2023) and will reimburse SNC for costs associated with exploration work conducted between the signature of the SA and the approval of the BFS subject to the approval of the AC which represents a total amount of \$26,507,394 as at June 30, 2023.



## **Sama Resources Inc.**

### Notes to the Interim Condensed Consolidated Financial Statements

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(Unaudited - in Canadian dollars)

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The ownership of the EE shall be allocated as follows:

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

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

#### **Zérégouiné property**

Sama CI owns a 100% interest in the exploration permit No. 300 (“PR300”) which covers 290 square kilometers of property in Ivory Coast and expires on December 18, 2023. In accordance with PR300, Sama CI agreed to complete an exploration program evaluated at F CFA 2,590,000,000 (approximately \$5,695,562 as at June 30, 2023) before the term of the exploration permit. The Zérégouiné Property is adjacent to the Samapleu Property.

#### **Grata property**

Sama CI owns a 100% interest in the exploration permit No. 604 (“PR604”) which covers 92 square kilometers of property in Ivory Coast and expires on December 9, 2025. In accordance with PR604, Sama CI agreed to complete an exploration program evaluated at F CFA 2,380,500,000 (approximately \$5,234,859 as at June 30, 2023) before the term of the exploration permit. The Grata Property is located adjacent to the north-eastern boundary of the Samapleu Property.

#### **Zoupleu property**

SMT owns a 100% interest in the exploration permit No. 837 (“PR837”) which covers 135 square kilometers of property in Ivory Coast and expired on June 17, 2023. On March 19, 2023, SMT filed the required documentation with the Department of Mines in Côte d’Ivoire, for the renewal of PR837 which should expire on June 17, 2026. As of today, there is no indication that the exploration permit will not be granted.

#### **Nuon River property**

SRL owns a 100% interest in 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.

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

SRL owns a 100% interest in 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.

## **Sama Resources Inc.**

### Notes to the Interim Condensed Consolidated Financial Statements

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#### **Zwedru South property**

SRL owns a 100% interest in the exploration license MEL9001921 which covers 312.85 square kilometers of property in the county of Bong, Liberia and expires on January 9, 2024.

#### **Lac Brulé property**

SRQ owns a 100% interest in 401 exploration claims in the Nivernais and Esgriseilles Townships in the province of Quebec, Canada.

#### **Lac Brennan property**

SRQ owns a 100% interest in 42 exploration claims in the Dauphine Township in the province of Quebec, Canada.

#### **Lac Montmord property**

SRQ owns a 100% interest in 19 exploration claims in the Jamésie Region in the province of Quebec, Canada.

#### **Lac Jim property**

SRQ owns a 100% interest in 21 exploration claims in the Pontiac Region in the province of Quebec, Canada.

#### **Northfield property**

SRQ owns a 100% interest in 31 exploration claims in the La Vallée-de-la-Gatineau Region in the province of Quebec, Canada.

#### **Rivière Picanoc property**

SRQ owns a 100% interest in 11 exploration claims in the Pontiac Region in the province of Quebec, Canada.

#### **Lac Dumoine**

SRQ owns a 100% interest in 73 exploration claims in the Témiscamingue Region in the province of Quebec, Canada.

## Sama Resources Inc.

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

	Three-month periods ended		Six-month periods ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	\$	\$	\$	\$
<b>Samapleu property</b>				
Camp operation costs and other expenses	218,396	60,503	435,569	63,725
Geology and prospecting	18,449	14,966	59,807	33,764
Geophysics	38,562	907	48,301	70,109
Drilling	23,039	63,535	41,482	63,535
Engineering study	102,192	-	132,709	-
Geochemistry	4,000	13,048	73,292	21,330
Metallurgical tests	10,473	-	46,683	-
Stock-based compensation	13,068	2,753	37,458	2,753
	428,179	155,712	875,301	255,216
<b>Zérégouiné property</b>				
Camp operation costs and other expenses	9,351	72,346	9,351	98,088
Drilling	-	79,082	-	111,927
Geology and prospecting	-	12,650	-	16,851
Geophysics	-	199	-	15,752
Geochemistry	-	8,213	8,614	8,213
Stock-based compensation	-	4,588	-	5,006
	9,351	177,078	17,965	255,837
<b>Grata property</b>				
Camp operation costs and other expenses	66,047	236,420	144,271	601,367
Geology and prospecting	18,527	37,740	61,434	61,303
Geophysics	35,564	135,874	45,303	214,926
Geochemistry	81,140	140,018	162,168	192,957
Drilling	23,787	531,652	43,439	970,406
Metallurgical tests	10,431	-	16,551	-
Engineering study	91,555	-	119,440	-
Stock-based compensation	4,357	11,011	13,226	34,822
	331,408	1,092,715	605,832	2,075,781
<b>Zoupleu property</b>				
Camp operation costs and other expenses	4,665	-	6,930	-
Geology and prospecting	14,611	-	14,611	-
	19,276	-	21,541	-
<b>Nuon River property</b>				
Camp operation costs and other expenses	-	6,415	-	12,026
Geology and prospecting	-	-	-	1,267
	-	6,415	-	13,293
<b>St-John River property</b>				
Camp operation costs and other expenses	21,611	6,416	79,213	12,026
Geology and prospecting	12,133	-	33,247	1,267
Geochemistry	28,282	-	37,691	-
Geophysics	992	-	992	-
Metallurgical tests	314	-	314	-
	63,332	6,416	151,457	13,293

# Sama Resources Inc.

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	Three-month periods ended		Six-month periods ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	\$	\$	\$	\$
<b>Zwedru South property</b>				
Camp operation costs and other expenses	100,735	6,417	153,045	12,027
Geology and prospecting	60,398	-	82,804	1,267
Geochemistry	30,347	-	30,347	-
Geophysics	23,336	-	23,336	-
	214,816	6,417	289,532	13,294
<b>Lac Brulé property (a)</b>				
Property acquisition costs and claim maintenance	135	1,233	1,453	3,000
Geophysics	-	73,248	7,500	99,454
Camp operation costs and other expenses	33,865	85,703	43,286	87,952
Geology and prospecting	36,186	32,838	50,247	32,838
First Nation consultancy	9,424	-	19,024	-
Stock-based compensation	697	67	962	141
	80,307	193,089	122,472	223,385
<b>Lac Brennan property (a)</b>				
Property acquisition costs and claim maintenance	91	64	474	319
Camp operation costs and other expenses	11,135	-	14,170	-
Geology and prospecting	10,062	-	10,062	-
Geophysics	24,550	-	24,550	-
First Nation consultancy	2,856	-	5,256	-
Stock-based compensation	-	-	1,061	-
	48,694	64	55,573	319
<b>Lac Jim property (a)</b>				
Property acquisition costs and claim maintenance	-	-	1,628	-
Camp operation costs and other expenses	195	-	195	-
	195	-	1,823	-
<b>Northfield property (a)</b>				
Property acquisition costs and claim maintenance	88	-	2,584	-
Camp operation costs and other expenses	195	-	195	-
	283	-	2,779	-
<b>Rivière Picanoc property (a)</b>				
Property acquisition costs and claim maintenance	-	-	896	-
Camp operation costs and other expenses	195	-	195	-
	195	-	1,091	-
<b>Lac Dumoine property (a)</b>				
Property acquisition costs and claim maintenance	6,667	-	6,667	-
	6,667	-	6,667	-
(a) Properties reclassified to discontinued operations (note 4)	(136,341)	(193,153)	(190,405)	(223,704)
<b>Total E&amp;E expenses</b>	<b>1,066,362</b>	<b>1,444,753</b>	<b>1,961,628</b>	<b>2,626,714</b>

## Sama Resources Inc.

### Notes to the Interim Condensed Consolidated Financial Statements

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#### 11 General and administrative expenses

	Three-month periods ended		Six-month periods ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	\$	\$	\$	\$
Consulting fees	54,166	51,451	99,736	109,774
Professional fees	394,861	45,404	513,155	138,077
General and other expenses	47,282	119,011	145,943	177,499
Salaries and benefits	47,608	24,280	89,605	58,139
Travel and representation	7,767	65,839	45,901	78,800
Marketing fees	10,000	20,000	40,000	20,000
Transfer agent and filing fees	3,169	4,339	18,030	11,398
Depreciation	11,263	6,439	22,826	9,810
Stock-based compensation	56,846	134,794	184,468	262,566
	632,962	471,557	1,159,664	866,063

#### 12 Related parties

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

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

	Six-month periods ended	
	June 30, 2023	June 30, 2022
	\$	\$
Professional fees paid to key management and/or companies controlled by key management	102,300	90,500
Consultant fees paid to companies controlled by key management	55,750	55,749
Consultant fees paid to a company controlled by key management recorded under E&E expenses	109,246	109,246
Directors and officers stock-based compensation	52,420	191,050

The following table represents the related party transactions presented in the consolidated statement of financial position as at:

	June 30, 2023	December 31, 2022
	\$	\$
Professional fees owned to key management and/or companies controlled by key management	-	6,480

## Sama Resources Inc.

### Notes to the Interim Condensed Consolidated Financial Statements

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#### 13 Operating segment

The Company operates in one reportable business segment: the exploration and evaluation of mineral properties.

The Company's geographical breakdown of non-current assets is as follows:

				June 30, 2023
	Canada	Ivory Coast	Liberia	Total
	\$	\$	\$	\$
Property, plant and equipment	127,029	677,610	54,213	858,852
Investments in shares	13,510,537	-	-	13,510,537
	13,637,566	677,610	54,213	14,369,389

  

				December 31, 2022
	Canada	Ivory Coast	Liberia	Total
	\$	\$	\$	\$
Property, plant and equipment	153,458	828,570	-	982,028
Investments in shares	10,322,657	-	-	10,322,657
	10,476,115	828,570	-	11,304,685

#### 14 Earnings (loss) per share

	Three-month periods ended		Six-month periods ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	\$	\$	\$	\$
Weighted average number of common shares outstanding	219,768,440	219,468,440	219,768,440	219,468,440
Effect of potential dilutive stock options	1,473,711	1,704,811	1,203,506	1,851,532
Weighted average of diluted common shares	221,242,151	221,173,251	220,971,946	221,319,972
Net income and comprehensive income from continuing operations	2,665,364	7,663,800	620,798	7,398,497
Basic earnings per common share	0.012	0.035	0.003	0.033
Diluted earnings per common share	0.012	0.035	0.003	0.033
Net loss and comprehensive loss from discontinued operations	(230,516)	(206,801)	(298,049)	(245,016)
Basic and diluted loss per common share	(0.001)	(0.001)	(0.001)	(0.001)
Net income and comprehensive income	2,434,848	7,456,999	322,749	7,153,481
Basic earnings per common share	0.011	0.034	0.001	0.032
Diluted earnings per common share	0.011	0.034	0.001	0.032

## **Sama Resources Inc.**

### Notes to the Interim Condensed Consolidated Financial Statements

**June 30, 2023**

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#### **15 Subsequent event**

On August 10, 2023, the Company announced the closing of the spinout transaction with SRQ.

Pursuant to the terms of the plan of arrangement, each of the common shares of the Company issued and outstanding at the Effective Date and Time (the "**Company Shares**") will be exchanged for:

- 1 new common share of the Company (the "New Company Shares"); and
- 0.1 common share of SRQ ("SRQ Shares").

From August 11, 2023 to August 15, 2023, at 5:00 p.m., the Company Shares will continue trading on the TSX-V pending their exchange for New Company Shares and SRQ Shares. The Company Shares are expected to be delisted from the TSX-V on August 15, 2023 at 5:01 p.m. (Eastern time). The New Company Shares are expected to commence trading on the TSX-V at the market open on August 16, 2023.