



**SAMA RESOURCES INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2023**

**AS OF NOVEMBER 24, 2023**

**TSX-V: SME**

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# **SAMA RESOURCES INC.**

Management's discussion and analysis for the third quarter ended September 30, 2023

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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 November 24, 2023 and complements the unaudited interim condensed consolidated financial statements of Sama Resources Inc. (the "Company"), for the third quarter ended September 30, 2023 which are compared to the third quarter ended September 30, 2022.

The unaudited interim condensed consolidated financial statements include the parent company Sama Resources Inc. ("Sama") and its wholly owned subsidiaries 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") each owned at 70% following the acquisition of a 30% interest by IVNE Ivory Coast Inc ("IVNE") and SRQ Resources Quebec Inc, (previously Sama Resources Quebec Inc. ("SRQ")) until the spinout transaction on August 10, 2023, all referred as the Company.

The interim condensed consolidated financial statements and related notes have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board. They do not contain all the information required to be disclosed in annual financial statements. Certain information and notes usually provided in the annual financial statements have been omitted or condensed when not deemed essential to the understanding of the interim financial information of the Company. Therefore, this MD&A should be read in conjunction with the information contained in the annual audited consolidated financial statements of the Company and the notes thereto for the year ended December 31, 2022. All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all amounts are in Canadian dollars unless otherwise indicated.

Management of the Company is responsible for the preparation and presentation of the unaudited interim condensed 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 unaudited interim condensed consolidated financial statements and the MD&A have been approved by the audit committee on November 24, 2023 as delegated by the Board of directors. 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.

# SAMA RESOURCES INC.

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## COMPANY OVERVIEW

Sama is a Canadian-based mineral exploration and development business with activities in West Africa. Sama was incorporated on July 11, 2006, under the *Business Corporations Act* (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".

## HIGHLIGHTS

- On August 10, 2023, the Company announced the completion of the Plan of Arrangement announced on May 25, 2023 and issued 21,976,841 SRQ shares to Sama's shareholders.
- On August 14, 2023, the Company announced the filing of NI 43-101 Technical Report on Samapleu project.
- On October 12, 2023, the Company announced the commencement of an updated preliminary economic assessment prepared by BBA International Inc which will examine the potential for developing a mine at the Samapleu and Grata deposits for producing a nickel concentrate and a copper concentrate.
- On October 17, 2023, the Company announced a 3,800 m drilling program at the Yepleu prospect near surface mineralized zone.

## OVERALL PERFORMANCE

The Company's main exploration and evaluation projects, PR 838 (Samapleu-Est), PR 839 (Samapleu-Ouest), PR 300 (Zérégouiné), PR 604 (Grata) are located in Ivory Coast, West Africa and covers a total area of 839 km<sup>2</sup>.

In March 2021, the Company signed an earn-in and joint venture agreement with IVNE Ivory Coast Inc. or "IVNE" (previously HPX Ivory Coast Holdings Inc. or "HPX") 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, IVNE can earn, through SNC, up to a 60% interest in the Ivory Coast projects, before March 4, 2024 as follows:

- Phase 1: investing \$15,000,000 for an interest of 30%;
- Phase 2: investing \$10,000,000, including amongst others, the financing of a bankable feasibility study on part of the Ivory Coast projects for an additional interest of 30%.

In August 2021, IVNE completed phase 1 of the earn-in and joint venture agreement and therefore owns a 30% interest in SNC. As of the date of this MD&A, IVNE needs to contribute a further total amount of \$1,046,858 to earn an additional 30% interest.

The Company discovered the Yacouba UM-M Complex in 2010. Within the Yacouba Complex, the new magmatic Ni-Cu-PGE sulfide deposits (*Samapleu-Yepleu-Grata and Bounta deposits*) are interpreted to occur as sulfides concentration within a differentiated, ultramafic and mafic feeder dykes system. These rare intrusion types are host to the largest Ni-Cu deposits in the world, such as Jinchuan, Kalatongke (China), Voisey's Bay or Eagles Nest (Canada), Kabanga (Tanzania), Eagle (USA) and N'komati (South Africa).

The Yacouba Complex intruded the older gneissic assemblage of the West African Craton and can be traced discontinuously over 60 km along a NE-SW corridor.

The Company 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 recently 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, the Company is searching for the same types of accumulations as at Samapleu but within a more dynamic magmatic system. Yepleu is considered to be the center of the intrusive feeder system with evidence of multiple magma injections generating a large volume of host rock assimilation.

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The intrusive successions are the host of Ni-Cu sulfides (mainly pyrrhotite-pentlandite and chalcopyrite), disseminated Pt and Pd minerals and massive chromite layers. The mineralization is preferably hosted in pyroxenite, although local zones rich in sulfides were identified within the gabbro and peridotite units. Mineralogical analysis showed that Ni & Cu are present predominantly as pentlandite and chalcopyrite and there are up to 11 specific palladium-tellurite species carrying PGM. The mineralization did not suffered metamorphism or any subsequent hydration.

Current metallurgical studies showed that the Company can achieve separate Cu and Ni concentrates grading 26% Cu and 13% Ni with recoveries at 86% and 70%, respectively. These will be further examined in the forthcoming updated preliminary economic assessment.

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 the Grata property (PR604). In September 2021, the Company announced the discovery of a new mineralized sector located 5 km east of the Samapleu and Grata deposits.

Since 2010, the Company completed more than 83,240 m of drilling out of which 65 holes for 16,286 m were drilled in 2022 and 28 holes for 2,075 m out of a 3,800 m program are completed from the currently drilling program at the Yepleu property. The Company delivered a positive Preliminary Economic Assessment (PEA) for the Samapleu deposits in May 2020 and a revised mineral resource for the Samapleu and Grata deposits in June 2023.

### **Samapleu-Grata 2023 technical studies**

On June 27, 2023, the Company announced that it has increased indicated and inferred mineral resources at its Samapleu and Grata nickel, copper, cobalt and PGE projects. Using a Net Smelter Return (NSR) cut-off-value of USD\$16.34/ton, the inferred and indicated mineral resource estimates stand at 102 million tons and 15 million tons grading 0.25% nickel. Mineralized material is amenable to produce a 26% copper concentrate at up to 88% copper recovery and a 13% nickel concentrate at up to 72% nickel recovery. Up to 60% of the palladium is recovered to the copper and nickel concentrates. The palladium grades are expected to yield attractive payment terms from smelters.

A NI 43-101 compliant Technical Report have been filed on SEDAR on August 14, 2023. The updated preliminary economic assessment for a potential open-pit production scenario at the Samapleu and Grata deposits will be produced by year-end aimed at producing nickel and copper separate concentrates.

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## MINERAL PROPERTY PORTFOLIO

The exploration programs and technical disclosure for the Company are designed by IVNE-Sama Technical Committee and then reviewed and approved 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 CURRENTLY UNDER AN EARN-IN AND JOINT VENTURE AGREEMENT WITH IVNE

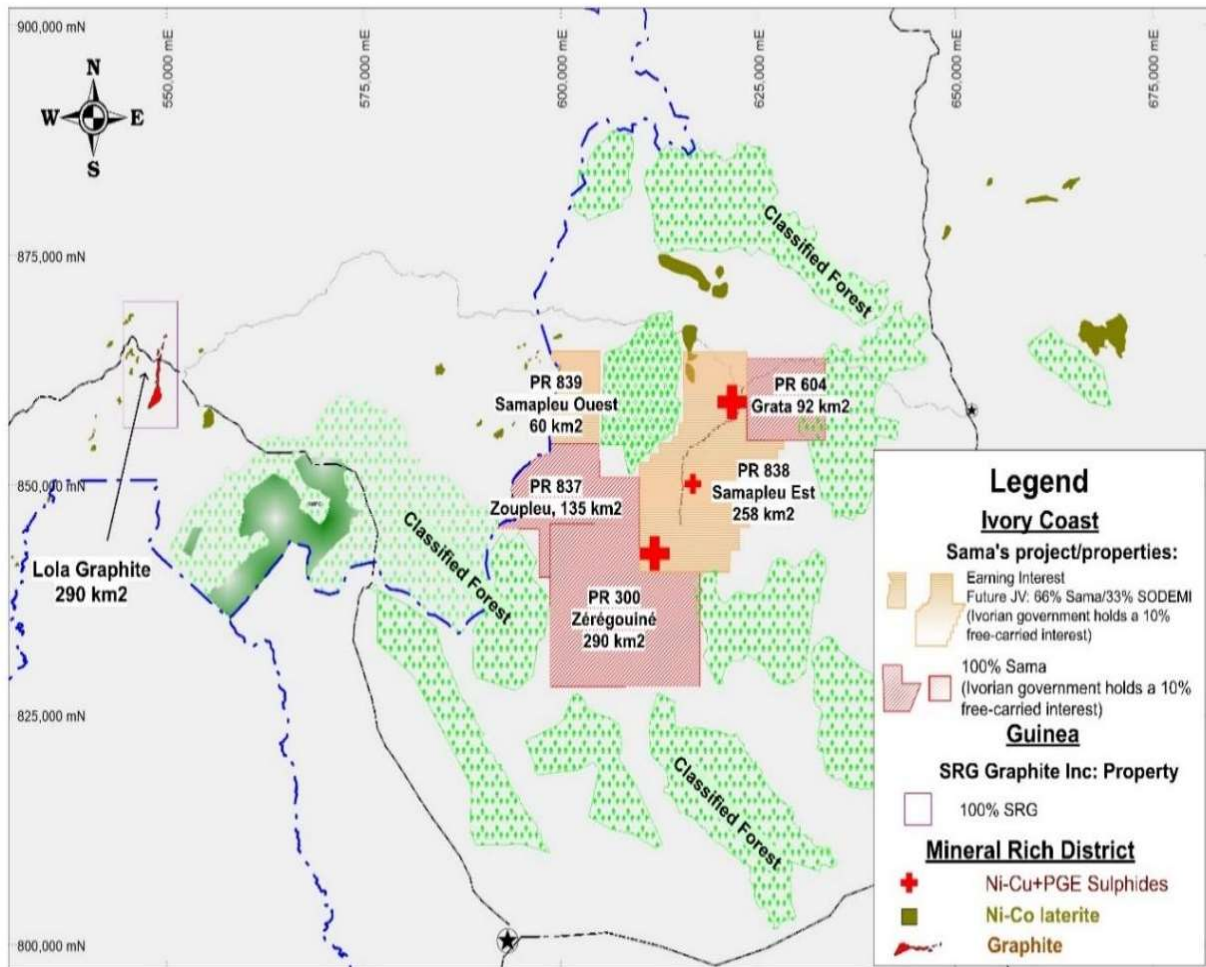


Figure 1: Exploration permits in Ivory Coast, West Africa.

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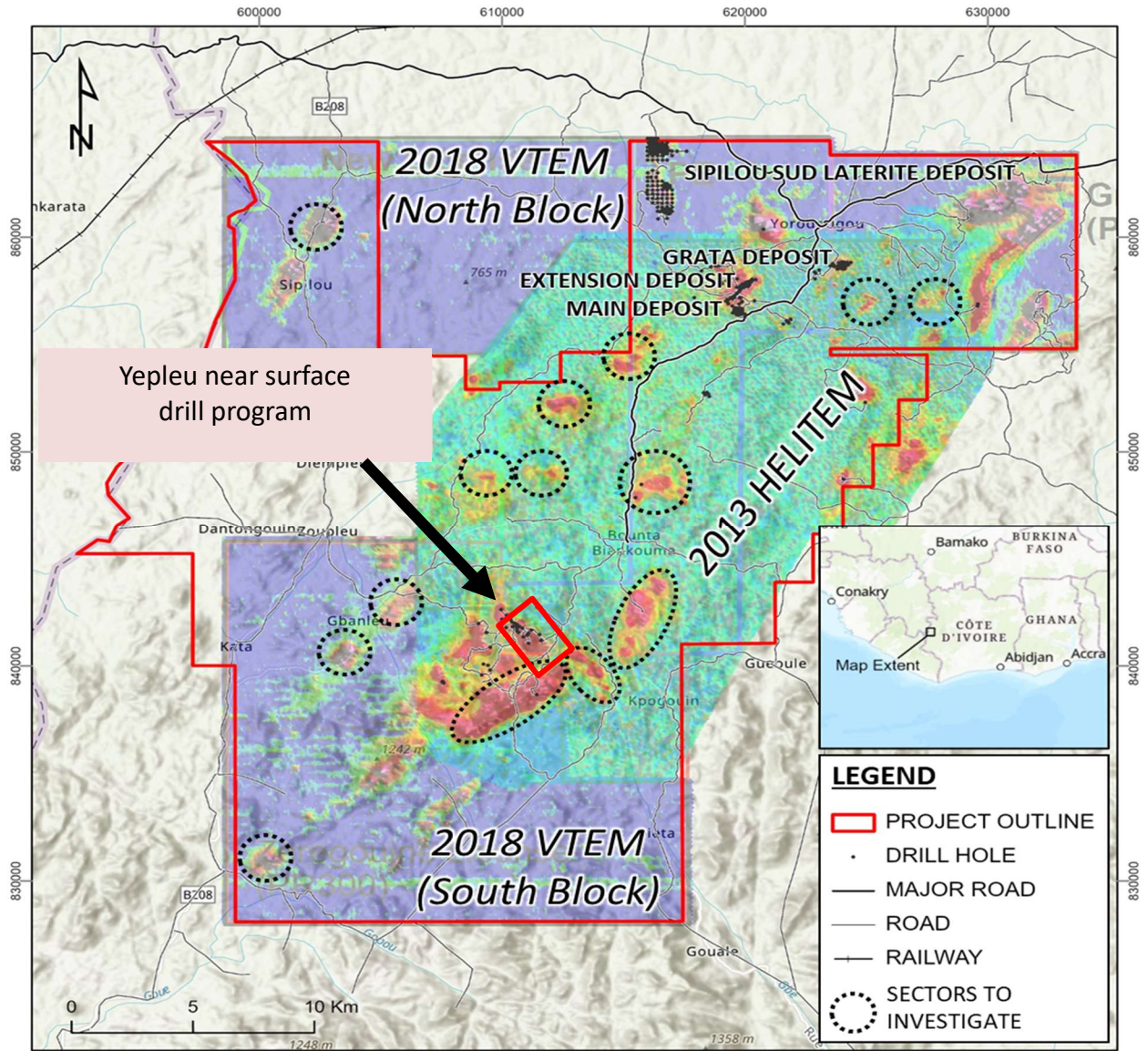


Figure 2: Exploration Permits showing 2013-18 Airborne EM targets remaining to be explored (shown by dotted circles) together with the current drilling at the Yepleu near surface mineralization.

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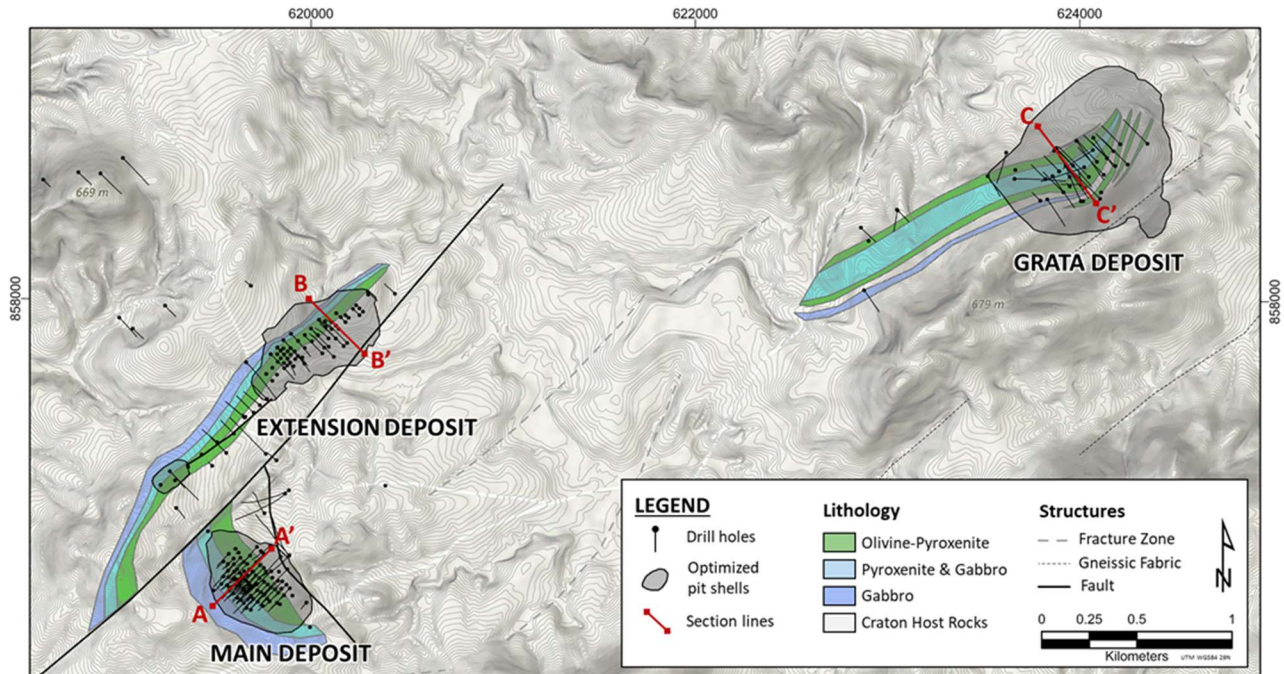


Figure 3: Newly discovered sector at Grata property located 5 km East of Samapleu. A total of 45 holes for 14,995m were drilled at Grata since the discovery in June 2021.

## Samapleu Property (PR 838 & 839)

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 (PR 838) and Samapleu West (PR 839) 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. SNC 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. The permits remain valid and as of today, there is no indication that the exploration permits will not be granted.

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 \$1,828,533 as at September 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 \$26,794,785 as at September 30, 2023.

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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Figure 4: 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.

## Samapleu Nickel-Copper Type Mineralization

Since 2009, the Company's regional exploration work highlights the prospective potential of the entirety of 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 Mine's large Platereef 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 ("Ni"), Copper ("Cu") and 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 – **Figure 4**) sulphide rich lenses commonly spatially associated with a strong brecciated texture in mostly pyroxenites.

In July and August 2022, the Company drilled 600 m at Samapleu Main to collect fresh mineralized material for additional metallurgical testing materials.



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## Samapleu Extension 1 Deposit

The Samapleu Extension 1 deposit was discovered by Sama 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.

In addition to various drilling campaigns performed since 2010, the 2022 drilling program included 13 holes for 2,679 m at Samapleu Extension 1 for infill resource drilling and to collect fresh mineralized material for additional metallurgical testing materials (**Figure 3**).

### Mineral resource update June 2023

On June 27, 2023, the Company published an updated Mineral Resource Estimate incorporating all drilling carried out at the Samapleu and Grata deposits from 2010 until mid-2022 and on August 14, 2023, filed a NI 43-101 Technical Report.

For the Samapleu-Grata deposits combined:

- Inferred Resources total 101.9 Mt averaging 0.25% Ni for 558.6 million pounds of Ni metal, 0.23% Cu for 526.8 Mlbs of Cu metal, 0.01% Co for 33.4 Mlbs of Co metal, 0.29 g/t Pd for 939,400 ounces of Pd and 0.1 g/t Pt for 311,400 ounces of Pt.
- The combined Indicated Resources total 14.99 Mt averaging 0.25% Ni for 81.6 Mlbs of Ni metal, 0.22% Cu for 72.9 Mlbs of Cu metal, 0.02% Co for 5.5 Mlbs of Co metal, 0.31 g/t Pd for 149,400 ounces of Pd and 0.1 g/t Pt for 49,500 ounces of Pt.

A summary of the 2023 revised Mineral Resources is provided in **Table 1 & 2**. The addition of the Grata mineralization increased significantly the global mineral resources of the project compared with the 2020 PEA. **Table 2** provides a sensitivity analysis of mineral resources using various NSR cut-off values.

**Table 1:** 2023 revised Mineral Resource within Pit Shells at Samapleu and Grata Deposits.

Classification	NSR Cut-off	Deposit	Tonnes	Ni (%)	Cu (%)	Pt (g/t)	Pd (g/t)	Au (g/t)	Co (%)
Indicated	\$ 16.34	Main	13,425,000	0.24	0.22	0.10	0.31	0.04	0.02
		Extension	201,000	0.28	0.18	0.10	0.55	0.02	0.02
		Grata	1,363,000	0.29	0.27	0.11	0.29	0.04	0.02
		<b>Total</b>	<b>14,989,000</b>	<b>0.25</b>	<b>0.22</b>	<b>0.10</b>	<b>0.31</b>	<b>0.04</b>	<b>0.02</b>
Inferred		Main	22,343,000	0.25	0.20	0.08	0.28	0.04	0.02
		Extension	11,119,000	0.28	0.22	0.10	0.47	0.02	0.02
		Grata	68,424,000	0.24	0.25	0.10	0.26	0.04	0.01
		<b>Total</b>	<b>101,886,000</b>	<b>0.25</b>	<b>0.23</b>	<b>0.10</b>	<b>0.29</b>	<b>0.04</b>	<b>0.01</b>

**Table 2:** 2023's revised In-situ Metal within Pit Shells at Samapleu and Grata deposits.

Classification	NSR Cut-off	Deposit	Tonnes	Ni ('000 lbs)	Cu ('000 lbs)	Pt (ozs)	Pd (ozs)	Au (ozs)	Co ('000 lbs)
Indicated	\$ 16.34	Main	13,425,000	71,800	64,000	44,100	133,300	16,800	4,900
		Extension	201,000	1,200	800	600	3,500	100	100
		Grata	1,363,000	8,600	8,100	4,800	12,600	1,900	500
		<b>Total</b>	<b>14,989,000</b>	<b>81,600</b>	<b>72,900</b>	<b>49,500</b>	<b>149,400</b>	<b>18,800</b>	<b>5,500</b>
Inferred		Main	22,343,000	121,300	100,300	54,400	201,800	26,600	7,700
		Extension	11,119,000	68,400	53,200	34,400	168,200	8,600	4,300
		Grata	68,424,000	368,900	373,300	222,600	569,400	84,500	21,400
		<b>Total</b>	<b>101,886,000</b>	<b>558,600</b>	<b>526,800</b>	<b>311,400</b>	<b>939,400</b>	<b>119,700</b>	<b>33,400</b>

Mineral Resource Statement Notes:

1. CIM definition standards were followed for the resource estimate.
2. The 2023 resource models used ordinary kriging (OK) grade estimation within a three-dimensional block model with mineralized domains defined by wireframed solids.

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3. Mineral resources are constrained within pit shells
  - a) Open pit NSR cut-off of \$16.34/t milled is based on the cost/ton milled for incremental mining, processing, G&A and sustaining capital of a WMF.
4. The NSR used for reporting is based on the following:
  - a) Long-term metal prices of US\$8.70/lb Ni, US\$3.75/lb Cu, US\$1,140/oz Pt, US\$1,300/oz Pd, US\$1,690/oz Au, US\$25.10/lb Co.
  - b) Metallurgical recoveries are based on grade recovery curves for the various elements in a copper concentrate and nickel concentrate.
  - c) Bulk density was determined by a regression formula based on iron (Fe) for each lithology with each deposit.
  - d) Mining cost of US\$4.08/t mined includes saprolite removal, incremental mining by bench and sustaining capital.
5. Mineral Resources that are not mineral reserves do not have economic viability. Numbers may not add due to rounding.

### Zérégouiné Property (PR 300)

Sama CI owns the exploration permit No. 300 ("PR 300") 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 FCFA 2,590,000,000 (approximately \$5,671,740 as at September 30, 2023) before the term of the exploration permit. Sama CI is currently in line with the proposed exploration program and anticipates it will meet the expenditure requirements within the time limits required. The Zérégouiné Property is adjacent to the Samapleu Property.

### Yepleu Occurrence

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 current drilling program at the Yepleu property is following-up on near surface Ni-Cu-PGE mineralization previously discovered by Sama. The investigated area represents a corridor of approximately three km oriented north-west to south-east by 500 m to 700 m wide (**Figure 2**) and overlays strong conductivity from our 2013 and 2018 airborne electromagnetic surveys. The drilling program started in mid-September 2023 and is expected to last until mid-November. The objective of the current drilling program is to delineate near surface Ni-Cu-PGE mineralization that has the potential to increase the global mineral resources of the entire project area. A total of 28 holes totaling 2,075 m have been drilled to date out of the planned 3,800 m program. Drilling is being conducted using two Sama owned core drill rigs. Assays results are pending.

The disseminated mineralization is typically characterized 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 millimeter 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 millimeters up to several centimeters in any one dimension. The semi-massive mineralization lenses show between 30% to 70% sulphide minerals.

The Company performed the 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 Company's discovered mineralization at 600 m at depth at the Sector 1 within the Yepleu license and within the newly discovered Yacouba Intrusive Complex (dated as the same age as the Bushveld Complex in RSA (2.1 Ga) which host the large nickel-palladium Platreef deposit) is another evidence that the Yacouba intrusion system has the potential to host a significant amount of high-grade nickel-copper-cobalt and palladium in reservoirs and pods that are yet to be discovered. Sama's have outlined a strike length for the Yacouba Intrusive Complex of more than 66 km. The Yepleu area appears to be the center of the intrusion from where it seems to have "radiated" in all directions. This observation suggests that the Yepleu area is as proximal as we can get to the hot spot.

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

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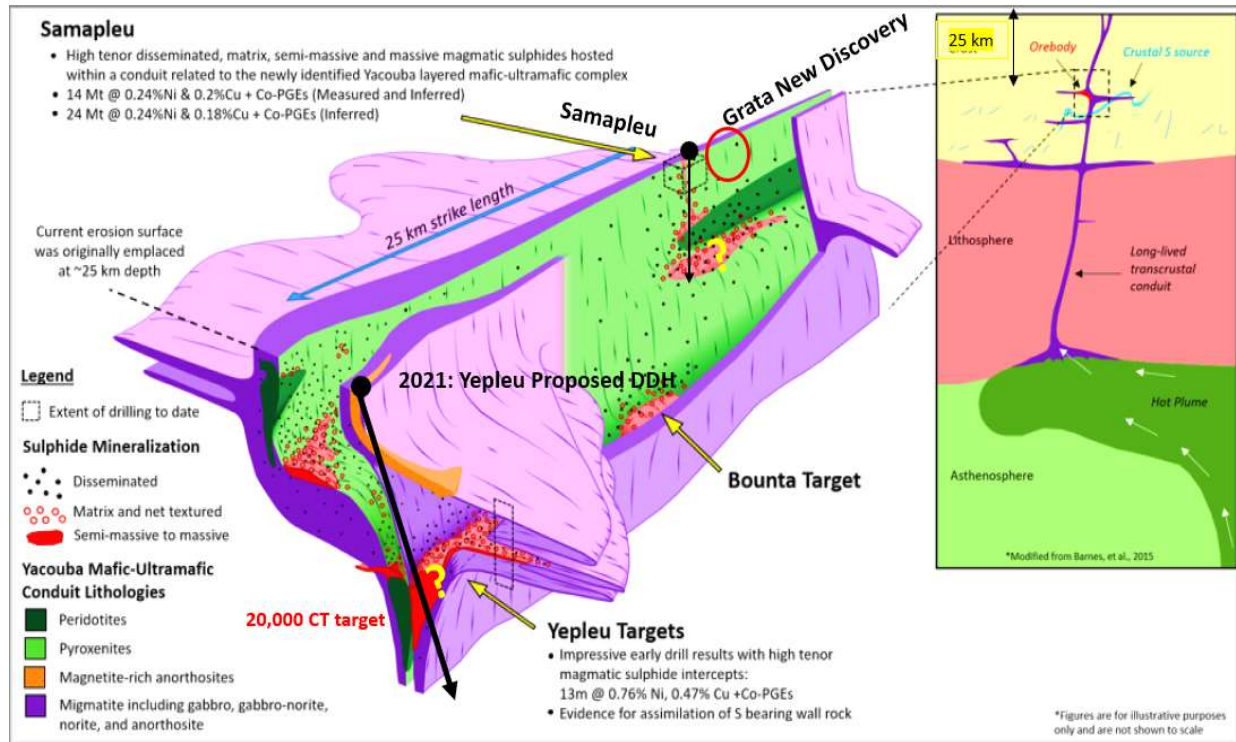


Figure 5: Schematic visualization of the Yacouba intrusive complex showing proposed targets at Samapleu, Grata and Yepleu.

Several attempts at placing wedges for the deep hole aiming at testing the 20,000 CT target failed to modify the hole trajectories. The Company has temporarily postponed the deep hole.

## Grata property (PR 604)

Sama CI owns the exploration permit No. 604 ("PR 604") 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 FCFA 2,380,500,000 (approximately \$5,212,964 as at September 30, 2023) before the term of the exploration permit. Sama CI is currently in line with the proposed exploration program and anticipates it will meet the expenditure requirements within the time limits required. The Grata Property 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 following are highlights: Hole GR-25 which intersected a combined 179.85 m of mineralization including 37.40 m at 0.24% Ni, 0.45% Cu and 0.54 gpt Pd and 116.95 m at 0.23% Ni, 0.23% Cu and 0.32 gpt Pd and hole GR-28 returning 194 m of combined mineralized zones including 97.85 m grading 0.30% Ni, 0.34% Cu and 0.24 gpt Pd. GR-11 drilled in January 2022 along the same section returned 212 m of combined mineralized zones including 8.20 m at 0.84% Ni, 1.10% Cu and 1.24 gpt Pd, with several narrow massive and semi-massive stringers scattered through the mineralized intervals. Holes GR-32 and GR-35 which intersected 138 m and 132 m of combined mineralized zones, respectively. Hole GR-35 included 12.40 m grading 0.39% Ni, 0.53% Cu and 0.44 gpt Pd and 78.50 m grading 0.27% Ni, 0.42% Cu and 0.25 gpt Pd. These two holes confirm the extension of mineralization toward the north-east.

# SAMA RESOURCES INC.

Management's discussion and analysis for the third quarter ended September 30, 2023

Figure 6 shows hole locations at the Grata occurrence.

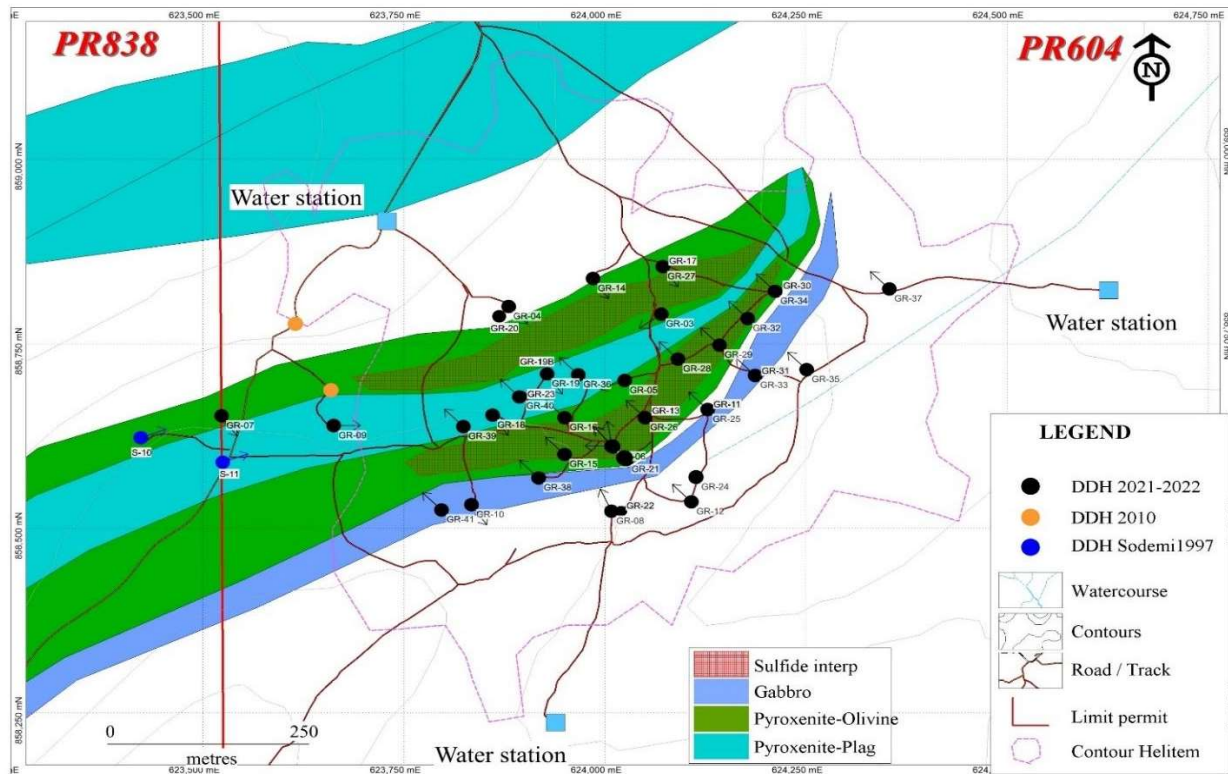


Figure 6: Grata new discovery: drill holes location and geology.

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.

## Zoupleu (PR 837)

SMT owns the exploration permit No. 837 ("PR 837") 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.

The Zoupleu Property 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).

## LIBERIAN GOLD PROJECTS

SRL is focused on the discovery and development of high-grade gold occurrences in Liberia, West-Africa.

Liberia has a long history of artisanal gold mining, but the country is largely underexplored in terms of modern mining. Liberia's geology is similar to that of other West African countries with significant gold production, such as Ghana and Mali, and it is believed to have significant potential for large-scale gold deposits.

Several international mining companies are actively exploring for gold in Liberia, and some have already made significant discoveries. For example, New Liberty Gold Mine, owned by Avesoro Jersey Limited (privately owned by Turkish based Guval group), is Liberia's first and largest commercial gold mine, with an estimated resource of over 1 million ounces of gold.

## SAMA RESOURCES INC.

Management's discussion and analysis for the third quarter ended September 30, 2023

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In January 2021, SRL was granted three exploration permits for gold in Liberia (**Figure 7**).

- 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 (**Figure 8**).
- 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 follows:

*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 7**).

# SAMA RESOURCES INC.

Management's discussion and analysis for the third quarter ended September 30, 2023

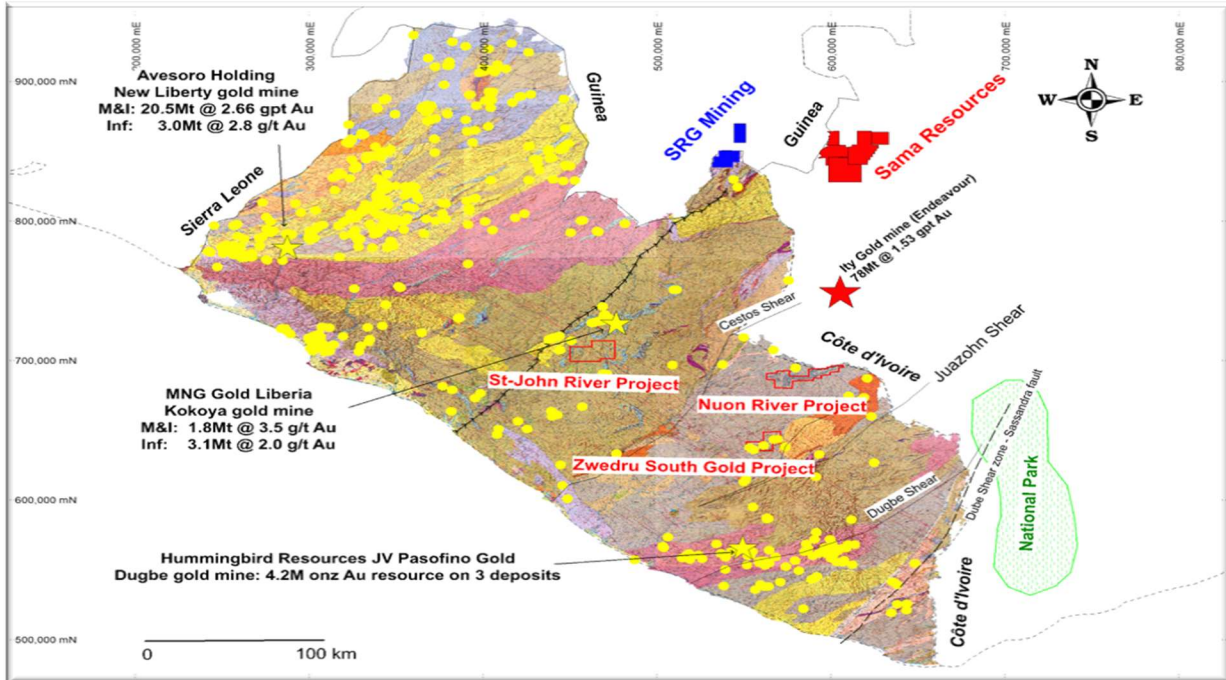


Figure 7: SRL's three exploration permits together with the +600 gold occurrences and nickel showings in Liberia.

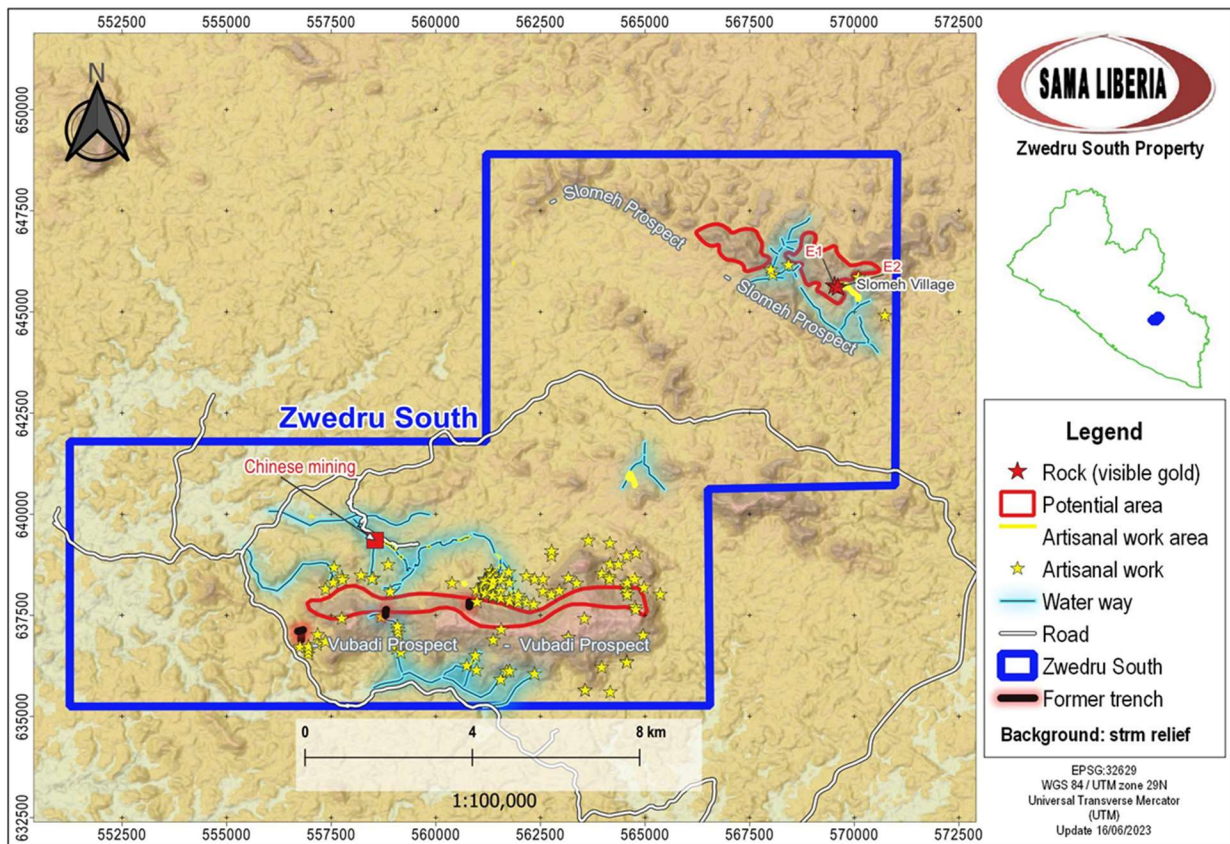


Figure 8: SRL's Zwedru South exploration permits showing location for artisanal placer gold activities.

## SAMA RESOURCES INC.

Management's discussion and analysis for the third quarter ended September 30, 2023

### SELECTED FINANCIAL INFORMATION

#### a) Spinout of SRQ Resources Inc. ("SRQ")

On May 17, 2023, the Company entered into an arrangement agreement with its subsidiary SRQ pursuant to which the parties intended to complete a spinout transaction of the SRQ common shares. The spinout was to 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 were 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.

On August 10, 2023, the spinout of SRQ was completed as planned and a total of 21,976,841 SRQ shares were distributed to the Company's shareholders at a fair value of \$0.15 per share for a total distribution of \$3,296,526. The fair value was determined using SRQ's share price.

The carrying value of SRQ's net assets distributed and the gain resulting from that distribution are as follows:

	\$
Cash and cash equivalents	1,506,445
Sales taxes receivable	75,529
Tax credits receivable	4,100
Equipment	30,536
Accounts payable and accrued liabilities	(83,422)
	1,533,188
Fair value of SRQ shares distributed	3,296,526
<b>Gain on deemed disposal of SRQ</b>	<b>1,763,338</b>

SRQ's operations until August 10, 2023 as well as comparative information have been presented as discontinued operations in the statements of income (loss) and comprehensive income (loss).

#### b) Financial Position Analysis

	September 30, 2023	December 31, 2022	December 31, 2021
	\$	\$	\$
Total assets	17,332,613	19,559,704	12,897,978
Total liabilities	1,009,748	747,883	3,579,438
Total equity	16,322,865	18,811,821	9,318,540
Working capital*	3,659,922	7,507,136	2,930,784

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

#### Assets

Total assets at September 30, 2023 were \$17.3M compared to \$19.6M at December 31, 2022, a decrease of \$2.3M mainly due to a decrease in cash and cash equivalents of \$3.4M, in tax credits receivable of \$212k and in property plant and equipment of \$160k. These decreases were offset by an increase in investments in shares of \$1.5M and in trade and other amount receivable of \$37k.

SRQ spinout contributed to the decrease in cash and cash equivalents for an amount of \$1.5M and to the decrease in tax credits receivable.

## SAMA RESOURCES INC.

Management's discussion and analysis for the third quarter ended September 30, 2023

### Liabilities

Total liabilities at September 30, 2023 were \$1M compared to \$748k at December 31, 2022, an increase of \$262k in accounts payable and accrued liabilities.

### Equity

At September 30, 2023, the Company had an equity of \$16.3M compared to \$18.8M at December 31, 2022, a decrease of \$2.5M mainly due to the distribution of SRQ's shares valued at \$3.3M and to the period net loss of \$2.1M which were offset by the contributions received by IVNE as part of the earn-in and joint venture agreement of \$2.6M, the recognition of a stock-based compensation of \$280k and the exercise of 300,000 stock options for total proceeds of \$60k.

### c) Operating Results analysis

	Three-month periods ended		Nine-month periods ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	\$	\$	\$	\$
Exploration and evaluation expenses	(978,092)	(1,492,993)	(2,939,720)	(4,119,707)
General and administrative expenses	(560,995)	(461,051)	(1,720,659)	(1,327,114)
Other income (loss)	(1,613,593)	(900,453)	1,612,135	9,148,286
<b>Net income (loss) attributable to:</b>				
Sama Resources Inc.				
Continuing operations	(2,895,793)	(2,377,191)	(2,274,995)	5,021,306
Discontinued operations	1,203,695	(363,802)	905,646	(608,818)
	(1,692,098)	(2,740,993)	(1,369,349)	4,412,488
Non-controlling interest	(256,887)	(477,306)	(773,249)	(1,319,841)
<b>Net income (loss) and comprehensive income (loss)</b>	<b>(1,948,985)</b>	<b>(3,218,299)</b>	<b>(2,142,598)</b>	<b>3,092,647</b>
Net income (loss) per common share				
Basic	(0.008)	(0.012)	(0.006)	0.020
Diluted	(0.008)	(0.012)	(0.006)	0.020

### THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2023 COMPARED TO THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

For the three-month period ended September 30, 2023, the Company recorded a net loss of \$1.9M compared to \$3.2M for the same period in 2022, a decrease of \$1.3M due the following important variations:



## SAMA RESOURCES INC.

Management's discussion and analysis for the third quarter ended September 30, 2023

Exploration and evaluation expenses went from \$1.5M in 2022 to \$978k in 2023, a decrease of \$515k as follows:

	Three-month periods ended	
	September 30, 2023	September 30, 2022
	\$	\$
Samapleu	287,391	586,003
Zérégouiné	259,608	35,267
Grata	173,350	737,466
Zoupleu	5,644	2,491
<b>Total Ivory Coast properties</b>	<b>725,993</b>	<b>1,361,227</b>
Nuon River	-	27,874
St-John River	12,965	73,183
Zwedru South	239,134	30,709
<b>Total Liberian properties</b>	<b>252,009</b>	<b>131,766</b>
<b>Total exploration and evaluation expenses</b>	<b>978,092</b>	<b>1,492,993</b>

General and administrative expenses went from \$461k in 2022 to \$561k in 2023, an increase of \$100k mainly due to an increase in professional fees of \$120k which is related to the SRQ spinout, in consulting fees of \$18k, in salaries and benefits of \$15k, in transfer agent and filing fees of \$21k and in general and other fees of \$8k. These increases were offset by a decrease in travel and representation fees of \$18k, in marketing fees of \$30k and in stock-based compensation of \$33k.

Other expenses totaled \$1.6M in 2023 compared to \$900k in 2022, an increase of \$713k mainly due to an increase in the loss in fair value of investments in shares of \$882k which was offset by an increase in other income of \$47k and a decrease in foreign exchange loss of \$121k.

### NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023 COMPARED TO THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

For the nine-month period ended September 30, 2023, the Company recorded a net loss of \$2.1M compared to a net income of \$3.1M for the same period in 2022, a decrease of \$5.2M due the following important variations:

Exploration and evaluation expenses went from \$4.1M in 2022 to \$2.9M in 2023, a decrease of \$1.2M as follows:

	Nine-month periods ended	
	September 30, 2023	September 30, 2022
	\$	\$
Samapleu	1,162,692	841,219
Zérégouiné	277,573	291,104
Grata	779,182	2,813,247
Zoupleu	27,185	2,491
<b>Total Ivory Coast properties</b>	<b>2,246,632</b>	<b>3,948,061</b>
Nuon River	-	41,167
St-John River	164,422	86,476
Zwedru South	528,666	44,003
<b>Total Liberian properties</b>	<b>693,088</b>	<b>171,646</b>
<b>Total exploration and evaluation expenses</b>	<b>2,939,720</b>	<b>4,119,707</b>

## SAMA RESOURCES INC.

### Management's discussion and analysis for the third quarter ended September 30, 2023

General and administrative expenses went from \$1.3M in 2022 to \$1.7M in 2023, an increase of \$393k mainly due to an increase in professional fees of \$495k which is related to the SRQ spinout, in salaries and benefits of \$46k, in transfer agent and filing fees of \$28k, in consulting fees of \$7k and in depreciation of \$13k. These increases were offset by a decrease in marketing fees of \$10k, in general and other expenses of \$23k, in travel and representation fees of \$51k and in stock-based compensation of \$112k.

Other income totaled \$1.6M in 2023 compared to \$9.1M in 2022, a decrease of \$7.5M mainly due to a decrease in the gain on loss of significant influence of \$5.9M, in the gain on disposal of investments in associate of \$3M and in the gain on dilution of associate of \$1.2M which were offset by an increase in the gain in fair value of investment in shares of \$2M, interest income of \$65k and other income of \$47k and a decrease in foreign exchange loss of \$108k and share of loss and comprehensive loss of associate of \$297k.

#### d) Sama's cash flows analysis

	Three-month periods ended		Nine-month periods ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Cash flows from (used for)	\$	\$	\$	\$
Operating activities	(1,935,642)	(2,038,142)	(4,427,701)	(5,101,577)
Investing activities	(1,552,243)	(143,470)	(1,649,614)	7,090,939
Financing activities	1,110,000	2,120,000	2,670,000	4,620,000

The Company anticipates it will continue to have negative cash flows from operating activities in future periods at least until commercial production is achieved.

#### THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2023 COMPARED TO THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

##### Operating Activities

For the three-month period ended September 30, 2023, operating activities required cash flows of \$1.9M compared to \$2M for the same period in 2022, a decrease of \$103k due to the change in non-cash working capital items which used cash flows of \$19k in 2023 compared to generated cash flows of \$225k for the same period in 2022. This decrease in cash flows was offset by a decrease in the net loss after adjustment for items not affecting cash which went from \$2.3M in 2022 to \$1.9M in 2023.

##### Investing Activities

For the three-month period ended September 30, 2023, investing activities required cash flows of \$1.6M compared to \$143k for the same period in 2022, an increase of \$1.4M mainly due to SRQ's cash of \$1.5M distributed in connection with the spinout which was offset by a decrease in property, plant and equipment acquisitions of \$98k.

##### Financing Activities

For the three-month period ended September 30, 2023, financing activities generated cash flows of \$1.1M compared to \$2.1M for the same period in 2022, a decrease of \$1M. This decrease is mainly related to a decrease in contributions received from IVNE as part of the earn-in and joint venture agreement for \$1.1M which was offset by the exercise of stock options for total proceeds of \$60k.

#### NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023 COMPARED TO THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022

##### Operating Activities

For the nine-month period ended September 30, 2023, operating activities required cash flows of \$4.4M compared to \$5.1M for the same period in 2022, a decrease of \$674k due a decrease in the net loss after adjustment for items not affecting cash which went from \$5.6M in 2022 to \$4.9M in 2023 which was offset by the change in non-cash working capital items which generated cash flows of \$444k in 2023 compared to \$460k for the same period in 2022.

# SAMA RESOURCES INC.

Management's discussion and analysis for the third quarter ended September 30, 2023

## Investing Activities

For the nine-month period ended September 30, 2023, investing activities required cash flows of \$1.6M compared to generated cash flows of \$7.1M for the same period in 2022, a decrease of \$8.7M. The decrease is due to the repayment of a bridge loan for \$700k and to the disposal of investments in associate for gross proceeds of \$6.7M in 2022 and to SRQ's cash of \$1.5M distributed in connection with the spinout. These decreases were offset by a decrease in property, plant and equipment acquisitions of \$203k.

## Financing Activities

For the nine-month period ended September 30, 2023, financing activities generated cash flows of \$2.7M compared to \$4.6M for the same period in 2022, a decrease of \$1.9M. This decrease is mainly related to a decrease in contributions received from IVNE as part of the earn-in and joint venture agreement for \$2M which was offset by the exercise of stock options for total proceeds of \$60k.

## Quarterly Results Trends (in thousands)

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

	Sept 30, 2023	June 30, 2023	March 31, 2023	Dec 31, 2022	Sept 30, 2022	June 30, 2022	March 31, 2022	Dec 31, 2021
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	-	-	-	-	-	-	-	-
Net income (loss)	(1,949)	2,170	(2,364)	(2,484)	(3,218)	6,992	(681)	(408)
Basic earnings (loss) per share	(0.008)	0.011	(0.010)	(0.010)	(0.012)	0.034	(0.001)	(0.001)
Diluted earnings (loss) per share	(0.008)	0.011	(0.010)	(0.010)	(0.012)	0.034	(0.001)	(0.001)

## LIQUIDITY AND CAPITAL RESOURCES

The Company manages its liquidity risk by using budgets that enable it to determine the amounts required to fund its exploration and evaluation expenses. The Company also ensures that it has sufficient working capital available to meet its day-to-day commitments.

As part of the earn-in and joint venture agreement, IVNE has committed to finance the Company's Ivory Coast projects exploration program up to a total amount of \$25M. As of the date hereof, a remaining amount of \$1,046,858 is to be financed by IVNE. The Company expects to receive these contributions by the end of January 2024. At that time, IVNE will acquire a 60% interest and a joint venture company will be formed. All future funding will be done by Sama and IVNE will finance the exploration program based on their respective interests.

The Company has prepared a budget estimated at \$7.2M for the year 2024, which comprises an exploration program of \$6.5M on the Ivory Coast projects. The parties are presently in discussion on how these expenditures will be financed.

Sama's portion of the budget, including its administrative needs, would be estimated at \$2.7M. As at September 30, 2023, Sama's working capital, amounts to \$3.7M including cash and cash equivalents of \$4M. The Company also have an investment in shares in SRG Mining Inc. valued at \$11.8M. Management considers that these funds would be sufficient to cover the Company's administrative needs and budgeted expenses.

## OUTSTANDING SHARE DATA

	Number of Shares Outstanding (Diluted)
<b>Sama outstanding shares as of November 24, 2023</b>	220,068,440
Shares reserved for issuance pursuant to stock options outstanding	21,095,000
<b>Sama outstanding shares - fully diluted</b>	<b>241,163,440</b>

## SAMA RESOURCES INC.

### Management's discussion and analysis for the third quarter ended September 30, 2023

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

Number Outstanding	Exercise Price	Expiry Date
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
2,055,000	0.135	January 17, 2033
<b>21,095,000</b>		

As per the court-approved plan of arrangement in connection with SRQ's spinout, the above exercise prices will be adjusted.

## 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.

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

	Nine-month periods ended	
	September 30, 2023	September 30, 2022
	\$	\$
Professional fees paid to key management and/or companies controlled by key management	153,450	135,750
Consultant fees paid to companies controlled by key management	83,625	83,624
Consultant fees paid to a company controlled by key management recorded under E&E expenses	163,869	175,269
Directors and officers stock-based compensation	182,812	250,518

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

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

# **SAMA RESOURCES INC.**

Management's discussion and analysis for the third quarter ended September 30, 2023

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## **Termination and Change of Control Provisions**

The Company has entered into consulting agreements with key management personnel for total annual payments of \$495,000. The consulting agreements contain termination without cause and change of control provisions. Assuming that this agreement would be terminated without cause, the total amounts payable to key personnel in respect of severance would amount to \$1,085,000. If a change of control would occur, the total amount payable in respect of severance, if elected by the officers would amount to \$1,085,000.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

## **CONFLICTS OF INTEREST**

The Company's directors and officers may serve as directors and/or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the Canada Business Corporations Act dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the federal laws of Canada, the directors and officers of the Company are required to act honestly, in good faith, and in the best interests of the Company.

## **CRITICAL ACCOUNTING POLICIES**

The preparation of financial statements in conformity with IFRS requires management to apply accounting policies and make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. There is full disclosure of the Company's critical accounting policies and accounting estimates in Note 2 of the audited consolidated financial statements for the year ended December 31, 2022.

## **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 4 of the audited consolidated financial statements for the year ended December 31, 2022.

## **RISKS RELATED TO FINANCIAL INSTRUMENTS**

Readers are invited to refer to Note 18 of the audited consolidated financial statements for the year ended December 31, 2022, 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.

## **SAMA RESOURCES INC.**

Management's discussion and analysis for the third quarter ended September 30, 2023

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### **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 surface access, skilled labour, healthy labour, fuel and power at an economic cost cannot be assured. These are integral requirements for exploration, production and development facilities on mineral properties. In Ivory Coast, power may need to be generated onsite.

### **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.

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## **Climate Change**

The Company has properties in various regions and jurisdictions where environmental laws are evolving and are not consistent. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impact of climate change, such as regulation relating to emission levels. If the current regulatory trend continues, this may result in increased costs directly or indirectly affecting the Company. In addition, the physical effect of climate change, such as extreme weather conditions, natural disasters, resource shortages, changing sea levels and changing temperatures, could have an adverse financial impact on operations located in the regions where these conditions occur, directly or indirectly impacting the business of the Company.

## **Competition and Agreements with Other Parties**

The mining industry is intensely competitive in all its phases and the Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

The Company may, in the future, be unable to meet its share of costs incurred under such agreements to which it is a party and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

## **Political and Economic Risks of Doing Business in West Africa**

The main Company's mineral properties are currently located in Ivory Coast and Liberia which are politically stable countries. 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 and Liberia 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 and Liberia 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.

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### **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.