Sama Resources Inc.

Annual Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(in Canadian dollars)

TSX-V: SME

Sama Resources Inc.

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

Independent auditor’s report

To the Shareholders of Sama Resources Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Sama Resources Inc. and its subsidiaries (together, the Company) as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Company’s consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of income (loss) and comprehensive income (loss) for the years then ended;
- the consolidated statements of changes in shareholders’ equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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“PwC” refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Material uncertainty related to going concern

We draw attention to note 1 to the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment upon deconsolidation *Refer to note 3 – Basis of presentation and material accounting policies and note 6 – Non-controlling interest and deconsolidation of a subsidiary to the consolidated financial statements.* The consolidated financial statements include the accounts and operations of the Company and all of its 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 deconsolidated from the date that control by the Company ceases. Any retained interest is initially 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. On March 12, 2024, management determined that it lost control over Sama Nickel Corporation (SNC) and now accounts for its retained investment in SNC as an associate using the equity method. The Company recognized its retained investment at fair value as of the date of loss of control, which was	Our approach to addressing the matter included the following procedures, among others: • Tested the way in which management has estimated the fair value of the retained investment in SNC as of the date of loss of control by, among other things: – Professionals with specialized skill and knowledge evaluated the appropriateness of the fair value valuation techniques considered by management and their external experts to determine the fair value of the retained investment in SNC as of the date of loss of control. – Evaluated the reasonableness of the fair value of the Company's net assets other than the retained investment in SNC as of the date of loss of control. – Determined the fair value of the retained investment in SNC by recalculating the Company's market capitalization and subtracting the fair value of the Company's net assets other than the retained investment in SNC as of the date of loss of control.

Key audit matter	How our audit addressed the key audit matter
evaluated at $16,000,000. A gain resulting from loss of control of a subsidiary of $15,713,956 and an investment in associate of $16,000,000 were recognized. As SNC is a privately held entity still in the exploration and evaluation stage, significant judgment was involved in the determination of the most appropriate fair value valuation technique to use in estimating the fair value as of the date of loss of control. Management used external experts in order to assist in this determination. To estimate this fair value, the valuation technique retained by management is to the effect of subtracting the fair value of the Company's net assets other than the retained investment in SNC, namely the fair value of investments in shares, cash and cash equivalents and the other assets, from the market capitalization of the Company as at the date of loss of control. In addition to the retained valuation technique, two other valuation techniques were considered and not retained. We considered this a key audit matter due to (i) the significance of the gain resulting from loss of control and deconsolidation of a subsidiary; (ii) the judgments by management in their determination of the most appropriate fair value valuation technique to use in estimating the fair value as of loss of control; (iii) the degree of subjectivity in performing the procedures related to the judgments applied by management; and (iv) the fact that we were assisted by professionals with specialized skill and knowledge in the field of valuation.	

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sébastien Bellemare.

/s/PricewaterhouseCoopers LLP[1]

Montréal, Quebec
April 25, 2025

[1] CPA auditor, public accountancy permit No. A116819

Sama Resources Inc.

Consolidated Statements of Financial Position

As at December 31, 2024 and December 31, 2023

(in Canadian dollars)

	Notes	December 31, 2024 $	December 31, 2023 $
ASSETS			
Current assets			
Cash and cash equivalents	8	1,658,359	2,956,298
Trade and other amounts receivable		76,870	35,506
Sales taxes receivable		21,676	-
Finance lease	10	28,638	45,874
Prepaid expenses and deposits		15,718	68,717
Assets of subsidiary subject to impending loss of control	6	-	1,556,601
		1,801,261	4,662,996
Non-current assets			
Property, plant and equipment	9	25,204	59,981
Finance lease	10	-	28,638
Investments in shares	11	9,108,226	10,322,657
Investment in associate	12	16,085,004	-
		25,218,434	10,411,276
TOTAL ASSETS		27,019,695	15,074,272
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		17,684	28,619
Liabilities of subsidiary subject to impending loss of control	6	-	697,982
TOTAL LIABILITIES		17,684	726,601
EQUITY			
Share capital	13	49,855,959	49,855,959
Contributed surplus	14	6,828,417	6,751,891
Deficit		(29,682,365)	(42,519,070)
Equity attributable to the shareholders		27,002,011	14,088,780
Non-controlling interest	6	-	258,891
TOTAL EQUITY		27,002,011	14,347,671
TOTAL LIABILITIES AND EQUITY		27,019,695	15,074,272
Nature of operations and going concern	1		

On behalf of the Board of Directors,

Signed: **"Benoit La Salle"** **Director**

Signed: **"Marc-Antoine Audet"** **Director**

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

Sama Resources Inc.

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

For the years ended on December 31, 2024 and 2023

(in Canadian dollars)

	Notes	December 31, 2024 $	December 31, 2023 $
Operating expenses			
Exploration and evaluation expenses	15	951,039	4,025,766
General and administrative expenses	16	1,298,851	2,159,458
Operating loss		(2,249,890)	(6,185,224)
Other income (expenses)			
Change in fair value of investments in shares	11	(1,214,431)	-
Gain resulting from loss of control of a subsidiary	6	15,713,956	-
Share of loss of associate	12	(394,996)	-
Loss on disposal of property, plant and equipment		(15,710)	(45,330)
Interest income		93,094	171,799
Other income		20,699	46,450
Accretion interest on a finance lease	10	2,856	1,071
Foreign exchange loss		(1,978)	(38,428)
		14,203,490	135,562
Net income (loss) and comprehensive income (loss) from continuing operations		11,953,600	(6,049,662)
Net income and comprehensive income from discontinued operations	7	-	905,646
Net income (loss) and comprehensive income (loss)		11,953,600	(5,144,016)
Net income (loss) and comprehensive income (loss) attributable to:			
Sama Resources Inc. – continuing operations		12,313,941	(4,861,134)
Sama Resources Inc. – discontinued operations		-	905,646
			(3,955,488)
Non-controlling interest	6	(360,341)	(1,188,528)
		11,953,600	(5,144,016)
Net income (loss) per common share from continuing operations	21		
Basis earnings (loss) per common share		0.056	(0.022)
Diluted earnings (loss) per common share		0.056	(0.022)
Net income per common share from discontinued operations	21		
Basis earnings per common share		-	0.004
Diluted earnings per common share		-	0.004
Net income (loss) per common share total	21		
Basis earnings (loss) per common share		0.056	(0.018)
Diluted earnings (loss) per common share		0.056	(0.018)

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

Sama Resources Inc.

Consolidated Statements of Changes in Shareholders' Equity

For the years ended December 31, 2024 and 2023

(in Canadian dollars)

	Notes	Number of issued and outstanding shares	Share capital	Contributed surplus	Deficit	Total attributable to the parent company	Non-controlling interest	Total
			$	$	$	$	$	$
Balance on January 1, 2023		219,768,440	49,777,864	6,463,594	(32,566,515)	23,674,943	(4,863,122)	18,811,821
Contributions from IVNE	6	-	-	-	2,527,000	2,527,000	1,083,000	3,610,000
Contributions from Sama Resources inc.	6	-	-	-	(5,227,541)	(5,227,541)	5,227,541	-
Distribution of SRQ Resources Inc. ("SRQ") shares to shareholders	7	-	-	-	(3,296,526)	(3,296,526)	-	(3,296,526)
Exercise of stock options	14	300,000	78,095	(18,095)	-	60,000	-	60,000
Stock-based compensation	14	-	-	306,392	-	306,392	-	306,392
Net loss and comprehensive loss		-	-	-	(3,955,488)	(3,955,488)	(1,188,528)	(5,144,016)
Balance – December 31, 2023		220,068,440	49,855,959	6,751,891	(42,519,070)	14,088,780	258,891	14,347,671
Balance on January 1, 2024		220,068,440	49,855,959	6,751,891	(42,519,070)	14,088,780	258,891	14,347,671
Contributions received from IVNE	6	-	-	-	522,764	522,764	224,041	746,805
Loss of control over a subsidiary	6	-	-	-	-		(122,591)	(122,591)
Stock-based compensation	14	-	-	76,526	-	76,526	-	76,526
Net income (loss) and comprehensive income (loss)		-	-	-	12,313,941	12,313,941	(360,341)	11,953,600
Balance – December 31, 2024		220,068,440	49,855,959	6,828,417	(29,682,365)	27,002,011	-	27,002,011

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

Sama Resources Inc.

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(in Canadian dollars)

Cash flows from (used for)	Notes	December 31, 2024 $	December 31, 2023 $
Operating activities			
Net income (loss) for the year		11,953,600	(5,144,016)
Items not affecting cash			
Depreciation	9	79,616	347,081
Stock-based compensation	14	76,526	306,392
Accretion of interest on finance lease	10	(2,856)	(1,071)
Loss on disposal of property, plant and equipment		15,710	45,330
Share of loss of associate	12	394,996	-
Change in fair value of investments in shares	11	1,214,431	-
Gain on deemed disposal of SRQ	7	-	(1,763,338)
Gain resulting from loss of control of a subsidiary	6	(15,713,956)	-
		(1,981,933)	(6,209,622)
Change in non-cash working capital items			
Trade and other amounts receivable		27,187	(73,471)
Sales taxes receivable		(10,762)	(24,714)
Tax credits receivable		-	207,802
Prepaid expenses and deposits		144,379	19,267
Accounts payable and accrued liabilities		393,393	102,140
		554,197	231,024
		(1,427,736)	(5,978,598)
Investing activities			
SRQ's cash at the time of the distribution	7	-	(1,506,445)
SNC's cash at the time of loss of control	6	(528,114)	-
Acquisition of property, plant and equipment	9	(1,985)	(249,059)
Disposal of property, plant and equipment		6,859	-
Investment in associate	12	(480,000)	-
		(1,003,240)	(1,755,504)
Financing activities			
Exercise of stock options	13, 14	-	60,000
Repayment of loan		-	(40,000)
Finance lease	10	48,730	-
Contributions received from IVNE	6	746,805	3,610,000
		795,535	3,630,000
Change in cash and cash equivalents during the year		(1,635,441)	(4,104,102)
Cash and cash equivalents – Beginning of year		3,293,800	7,397,902
Cash and cash equivalents – End of year		1,658,359	3,293,800
Presented as cash and cash equivalents on the consolidated statements of financial position		1,658,359	2,956,298
Presented as assets of subsidiary subject to impending loss of control (Note 6)		-	337,502
		1,658,359	3,293,800

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

1 Nature of operations and going concern

Sama Resources Inc. ("Sama" or the "Company") is a Canadian-based mineral exploration and development business with activities in West Africa and Canada. The Company was incorporated on July 11, 2006 under the *Business Corporations Act* of British Columbia. On May 13, 2013, the Company continued its jurisdiction of incorporation from British Columbia into the federal jurisdiction of Canada under the *Canada Business Corporations Act*. The Company's head office is located at #132 – 1320 Graham Blvd., Mont-Royal, Quebec, Canada, H3P 3C8. The Company's common shares are listed on the TSX Venture Exchange (the "TSX-V") under the trading symbol "SME.V". Based on the information available to date, the Company has not yet determined whether its mineral properties contain economically recoverable reserves.

These consolidated financial statements were authorized for publication by the Board of Directors on April 25, 2025.

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. Following the deconsolidation of SNC (Note 6), the Company retains these risks through its investment in associate.

Going concern uncertainty

These 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 through its investment in associate. As at December 31, 2024, the Company has accumulated deficit of $29,682,365 (December 31, 2023 – $42,519,070) and a working capital of $1,783,577 (December 31, 2023 – $3,936,395), including cash and cash equivalents of $1,658,359 (December 31, 2023 – $2,956,298). To date, the Company has financed its cash requirements primarily by issuing common shares or units. These circumstances indicate the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

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, partial or complete disposal of the investments in shares and/or associate 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 consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

2 New accounting standards

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

Narrow-scope amendments to IAS 1 clarify when liabilities are classified as either 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 the amendments had no impact on the consolidated financial statements.

3 Basis of presentation and material accounting policies

Basis of presentation

The Company's consolidated financial statements have been prepared in accordance with *International Financial Reporting Standards* ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB"). The Company has consistently applied the same accounting policies throughout all the periods presented in these consolidated financial statements.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of consolidation

In addition to the operations and accounts of the Company, the consolidated financial statements include the accounts and operations of 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. Subsidiaries are deconsolidated from the date that control by the Company ceases. Any retained interest is initially 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.

(in Canadian dollars)

The Company's subsidiaries are as follows:

	Jurisdiction of incorporation	% of ownership 2024	% of ownership 2023
Sama Nickel Corporation ("SNC") (a)	Canada	40%	70%
Sama Nickel Côte d'Ivoire SARL ("Sama CI") (a)	Ivory Coast	40%	70%
Société Minière du Tonkpi SARL ("SMT") (a)	Ivory Coast	40%	70%
Sama Resources Development Inc. ("SRDI")	Cayman Islands	100%	100%
Sama Resources Liberia Inc. ("SRL")	Liberia	100%	100%

(a) On March 12, 2024, control over these subsidiaries was lost and they were consequently deconsolidated as described in (Note 6).

Investment in associate

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

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

An investment in associate is accounted for using the equity method. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Company's share of net assets of the associate, less any impairment losses. Losses in an associate in excess of the Company's interest in that associate are recognized only to the extent that the Company has incurred a legal or constructive obligation to make payments on behalf of the associate. Unrealized profits or losses on transactions between the Company and an associate are eliminated to the extent of the Company's interest therein. Decreases in ownership arising from transactions occurring within the associate are accounted for as deemed disposals with ensuing dilution gains or losses recognized in the consolidated statement of income (loss) and comprehensive income (loss).

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

Non-controlling interests

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

Functional and presentation currency

The functional currency for the parent entity, and each of its subsidiaries and its associate, is the currency of the primary economic environment in which the entity operates. The parent entity has determined the functional currency of each entity is the Canadian dollar. The financial statements of each of the Company's subsidiaries and its associate are prepared in the local currency of their home jurisdictions. Consolidation of each subsidiary includes re-measurement from the local currency to the subsidiary's functional currency. A similar process is applied to the associate. The determination of the functional currency may involve certain judgments as to defining the primary economic environment, and the parent entity will reconsider the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment in which these entities operate.

The consolidated financial statements are presented in Canadian dollars.

Foreign currency transactions

Monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the financial position date, whereas non-monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the transaction date. Expenses denominated in a foreign currency are translated at the average rate in effect during the period with the exception of depreciation that is translated at the historical rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of income (loss) and comprehensive income (loss).

Exploration and evaluation ("E&E") expenses

E&E expenses, including but not limited to geological and geophysical evaluation, surveying, exploratory drilling and sampling, and evaluating the technical feasibility of extracting a mineral resource, are expensed as incurred until the property reaches the development stage.

The development stage is considered to begin once the technical feasibility and commercial viability of the extraction of minerals in an area of interest are demonstrable.

Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized according to the unit-of-production method based upon estimated proven and probable reserves.

Cash and cash equivalents

Cash is comprised of cash on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash that can be withdrawn at any time without penalty and which are subject to an insignificant risk of change in value.

Property, plant and equipment ("PP&E")

Property, plant and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of a PP&E consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the asset and restoring the site on which it is located.

PP&E are recorded at cost and depreciated as follows:

	Straight-line method
Other equipment	3 to 5 years
Building and lease improvements	5 to 7 years
Exploration equipment	5 to 8 years

PP&E are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset as well as the depreciation are recognized in the consolidated statement of income (loss) and comprehensive income (loss).

Leases

As a lessor, the Company classifies its lease as either operating or finance lease.

The Company assessed whether it transfers substantially all the risks and rewards of ownership. Those assets that do not transfer substantially all the risks and rewards of ownership are classified as operating leases. The Company has currently not entered into any lease that is classified as operating lease.

Rental income is accounted for on a straight-line basis over the lease term and is calculated in revenue due to its operating nature.

Impairment of non-financial assets

At each financial position reporting date, the carrying amounts of the Company's non-financial assets are assessed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statement of income (loss) and comprehensive income (loss) for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the consolidated statement of income (loss) and comprehensive income (loss).

Financial instruments

All financial instruments, including derivatives, are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is extinguished, which occurs when it is either discharged, canceled or expired.

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable and unconditional right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Financial Assets

Financial assets and financial liabilities are recognized initially at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through net income or loss ("FVTPL") or through other comprehensive loss ("FVTOCI"), which are measured initially at fair value. On initial recognition, the Company classifies its financial assets in the following measurement categories:

Amortized costs

Financial assets that are held in a business model with the objective of collecting contractual cash flows where those cash flows represent solely payments of principal and interest ("SPPI") are measured at amortized cost ("AC"). The Company’s cash and cash equivalents and trade and other amounts receivable are measured at amortized cost as they meet the required criteria. Gains and losses are recognized in the consolidated statement of income (loss) and comprehensive income (loss) when the receivables are derecognized or impaired.

Fair value

The Company’s investment in shares is measured at FVTPL.

Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Company assumes that there is no significant increase in credit risk for instruments that have a low credit risk. This methodology is applied in particular for cash and cash equivalents.

<u>Financial liabilities</u>

Financial liabilities are initially recorded at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial instruments are measured at amortized cost using the effective interest rate method. The Company’s accounts payable and accrued liabilities are measured at amortized cost.

Capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, warrants and stock options are recognized as a deduction from equity, net of any related income tax effects.

Share-based payments

The fair value, at the grant date, of equity-settled share-based awards is recognized as an expense over the period for which the benefits of employee and others providing similar services are expected to be received using the graded vesting method. The corresponding accrued entitlement is recorded in contributed surplus. The fair value of awards is calculated using the Black-Scholes valuation model which considers the following factors:

- Exercise price
- Expected volatility
- Risk-free interest rate
- Expected life of the award
- Current market price

The amount recognized as an expense is adjusted to reflect the actual number of stock options for which the related service and vesting conditions are met. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus is transferred to share capital.

Share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the non-employee provides the goods or the services.

Current and deferred income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the consolidated statement of income (loss) and comprehensive income (loss) except to the extent that it relates to items recognized directly in equity or other comprehensive loss. Current tax expense, if any, is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Segment disclosures

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

Earnings (loss) per share

Basic earnings (loss) per share ("EPS"/"LPS") is calculated by dividing the net income (loss) for the period attributable to the shareholders of Sama by the weighted average number of shares outstanding during the period.

Diluted EPS is calculated by adjusting the weighted average number of shares outstanding for dilutive potential common shares. The Company's potentially dilutive common shares are comprised of stock options and warrants. The number of common shares included is computed using the treasury stock method unless they are anti-dilutive. Under this method, the proceeds from the exercise of such instruments are assumed to be used to purchase common shares at the average market price for the period and the difference between the number of common shares issued upon exercise and the number of common shares assumed to be purchased is included in the calculation. When the Company reports a loss, the diluted net loss per voting or common share is equal to the basic net loss per voting or common share due to the anti-dilutive effect of the outstanding stock options and warrants.

4 Future accounting policies

Accounting standards and interpretation issued but not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published but are not mandatory for the current reporting period and have not been early adopted by the Company. These standards, amendments or interpretations, except noted below, are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* to improve reporting of financial performance. IFRS 18 replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1 unchanged. IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted.

IFRS 18 introduces significant changes to the structure of a company's income statement and new principles for aggregation and disaggregation of information. The main impacts of IFRS 18 include:

- Introducing a newly defined "operating profit" subtotal and a requirement for all income and expenses to be allocated between three distinct categories based on the company's main business activities: Operating, investing and financing;
- Disclosure about management performance measures;
- Adding new principles for aggregation and disaggregation of information;
- Requiring the cash flow statement to start with operating profit; and
- Remove the accounting policy choice for presentation of dividend and interest.

The Company is currently evaluating the impact of these amendments on its consolidated financial statements.

Amendments to IFRS 7 Financial instruments: disclosures and IFRS 9 Financial instruments

The IASB published Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). The targeted amendments to IFRS 9 and IFRS 7 respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. Among other amendments, the IASB clarified the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. The amendments to IFRS 9 and IFRS 7 are effective for annual reporting beginning on or after January 1, 2026. The Company is currently evaluating the impact of these amendments on its consolidated financial statements.

5 Critical accounting estimates and judgments

Significant judgments and estimation uncertainty

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant estimates and judgments used in applying accounting policies that have most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances (Note 1).

6 Non-controlling interest and deconsolidation of a subsidiary

The Company signed an earn-in and joint venture agreement with IVNE Ivory Coast Inc. or "IVNE", in order to advance its nickel-copper and cobalt projects in Ivory Coast, West Africa. Pursuant to the terms of the earn-in and joint venture agreement, IVNE could earn up to a 60% interest in the Ivory Coast Project by investing, before March 12, 2024, a total of $25,000,000 as follows:

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

In 2021, IVNE completed phase 1 of the earn-in and joint venture agreement and therefore owned a 30% interest in SNC. At the time, the Company assessed its investment in SNC and judged that it still had control over SNC as defined by IFRS 10 *Consolidated Financial Statements*. Therefore, the Company continued to consolidate the financial results of SNC in its consolidated financial statements.

On March 12, 2024, IVNE completed phase 2 of the earn-in and joint venture agreement and therefore acquired an additional 30% interest. In light of this impending loss of control of SNC, the latter was classified as a subsidiary subject to impending loss of control as of December 31, 2023.

(in Canadian dollars)

As at December 31, 2023, the financial position of SNC was as follows:

	$
Current assets	
Cash and cash equivalents	337,502
Trade and other amounts receivable	89,608
Sales taxes receivable	286,035
Prepaid expenses and deposits	168,738
	881,883
Non-current assets	
Property, plant and equipment	674,718
Total assets	1,556,601
Current liabilities	
Accounts payable and accrued liabilities	697,982
Total liabilities	697,982

On March 12, 2024, management determined that it lost control over SNC and now accounts for its retained investment in SNC as an associate using the equity method. The Company recognized its retained investment at fair value on the date of loss of control which was evaluated at $16,000,000. A gain resulting from loss of control of a subsidiary of $15,713,956 and an equity investment in SNC of $16,000,000 were recognized.

The carrying value of SNC's net assets deconsolidated and the gain resulting from loss of control of a subsidiary as at March 12, 2024 were determined as follows:

	$
Cash and cash equivalents	528,114
Trade and other amounts receivable	21,057
Sales taxes receivable	275,121
Prepaid expenses and deposits	77,358
Property, plant and equipment	609,295
Accounts payable and accrued liabilities	(1,102,310)
	408,635
Non-controlling interest	(122,591)
Net assets deconsolidated	286,044
Fair value of the investment in SNC (Note 12)	16,000,000
Gain resulting from loss of control of a subsidiary	15,713,956

Fair value evaluation

As indicated above, the gain resulting from the loss of control over SNC and the initial carrying amount of the retained interest therein were measured based on the estimated fair value of the retained interest. As SNC is a privately held entity still in the exploration and evaluation stage, significant judgment was involved in the determination of the most appropriate fair value valuation technique to use in estimating the fair value as of the date of loss of control. In addition to the retained valuation technique described below, the two other valuation techniques that were considered and not retained are the cost approach and the market approach method using selected comparable companies. Management used external experts in order to assist in this determination.

(in Canadian dollars)

To estimate this fair value, the valuation technique retained by management is to the effect of subtracting the aggregate of the Company's net assets other than the retained investment in SNC, namely the fair value of investments in shares, cash and cash equivalents and the other assets, from the market capitalization of the Company as at the date of loss of control. Management has also concluded that this fair value estimate is a Level 2 fair value estimate under the IFRS 13 Fair Value Measurement hierarchy as the unobservable inputs used in this valuation technique do not have a significant effect on the entire measurement.

Cash flow presentation

As part of the preparation of the current year's consolidated financial statement, the Company revised the presentation of the comparative information related to the cash flows associated with the loss of control over SNC to provide greater transparency over such cash flows. The effects of the new presentation methodology are as follows:

	For the year ended December 31, 2023		
	As previously reported	**Reclassification**	**Current presentation**
	$	**$**	**$**
Operating activities			
Change in non-cash working capital items			
Trade and other amounts receivable	(6,466)	(67,005)	(73,471)
Sales taxes receivable	(4,275)	(20,439)	(24,714)
Prepaid expenses and deposits	95,472	(76,215)	19,257
Accounts payable and accrued liabilities	51,037	51,103	102,140
	135,768	(112,556)	23,212
Cash flows used for operating activities	(5,866,042)	(112,556)	(5,978,598)
Investing activities			
Acquisition of property, plant and equipment	(96,190)	(152,869)	(249,059)
Cash flows used for investing activities	(1,602,635)	(152,869)	(1,755,504)
Financing activities			
Contributions received from IVNE	-	3,610,000	3,610,000
Cash flows from financing activities	20,000	3,610,000	3,630,000
Net change in cash and cash equivalents during the year	(7,448,677)	3,344,575	(4,104,102)
Net change in cash and cash classified within subsidiary subject to impending loss of control	3,007,073	(3,007,073)	-
Cash and cash equivalents – Beginning of year	7,397,902	-	7,397,902
Cash and cash equivalents – End of year	2,956,298	337,502	3,293,800

(in Canadian dollars)

7 Spinout of SRQ Resources Inc.

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 SRQ 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
Gain on deemed disposal of SRQ	1,763,338

SRQ's statements of income and comprehensive income presented as discontinued operations is as follows:

	December 31, 2024	December 31, 2023
	$	$
Operating expenses		
Exploration and evaluation expenses	-	662,009
General and administrative expenses	-	212,746
Operating loss	-	(874,755)
Other income (expenses)		
Interest income	-	17,103
Foreign exchange loss	-	(40)
Gain on deemed disposal of SRQ	-	1,763,338
	-	1,780,401
Net income and comprehensive income from discontinued operations	-	905,646
Weighted average number of common shares outstanding	-	219,877,755
Basic and diluted income per common share from discontinued operations	-	0,004

(in Canadian dollars)

SRQ's statements of cash flows is as follows:

Cash flows from (used for)	December 31, 2024 $	December 31, 2023 $
Operating activities	-	(633,538)
Investing activities	-	(21,724)
Financing activities	-	2,100,000

8 Cash and cash equivalents

	December 31, 2024 $	December 31, 2023 $
Cash	638,359	1,435,113
Guaranteed investment certificate, maturing on June 3, 2025 (June 3, 2024), redeemable on demand	20,000	21,185
Guaranteed investment certificate, maturing on March 20, 2025 (March 20, 2024), redeemable on demand	1,000,000	1,500,000
	1,658,359	2,956,298

9 Property, plant and equipment

	Exploration equipment $	Buildings and lease improvements $	Other equipment $	Total $
Cost				
Balance – January 1st, 2023	2,632,794	259,787	109,173	3,001,754
Acquisitions	243,040	-	6,019	249,059
Disposals	(158,080)	-	(9,954)	(168,034)
Assets held under a finance lease (Note 10)	(131,141)	-	-	(131,141)
Assets distributed (Note 7)	(30,301)	-	(2,531)	(32,832)
Assets subject to impending loss of control (Note 6)	(2,436,717)	(259,787)	(82,199)	(2,778,703)
Balance – December 31, 2023	119,595	-	20,508	140,103
Disposals	(30,328)	-	(2,308)	(32,636)
Balance – December 31, 2024	89,267	-	18,200	107,467

(in Canadian dollars)

	Exploration equipment	Buildings and lease improvements	Other equipment	Total
	$	$	$	$
Accumulated amortization				
Balance – January 1st, 2023	1,809,159	111,239	99,328	2,019,726
Depreciation	301,388	38,935	6,758	347,081
Disposals	(135,905)	-	(9,954)	(145,859)
Assets held under a finance lease (Note 10)	(34,545)	-	-	(34,545)
Assets distributed (Note 7)	(2,085)	-	(211)	(2,296)
Assets subject to impending loss of control (Note 6)	(1,876,823)	(150,174)	(76,988)	(2,103,985)
Balance – December 31, 2023	61,189	-	18,933	80,122
Depreciation	11,630	-	578	12,208
Disposals	(8,756)	-	(1,311)	(10,067)
Balance – December 31,2024	64,063	-	18,200	82,263
Carrying amount				
Balance – December 31, 2023	58,406	-	1,575	59,981
Balance – December 31, 2024	25,204	-	-	25,204

During the year ended December 31, 2024, a depreciation expense of $9,185 (December 31, 2023 – $35,032) was recorded under general and administrative expenses, $3,023 (December 31, 2023 – $310,248) under exploration and evaluation ("E&E") expenses and $1,801 under discontinued operations as at December 31, 2023 in the consolidated statement of income (loss) and comprehensive income (loss).

A depreciation expense of $67,408 was also recorded in the consolidated statement of income (loss) and comprehensive income (loss) on assets subject to impending loss of control until deconsolidation.

10 Finance lease

On October 1, 2023, the Company signed a lease agreement with SRQ for the lease of vehicles. The lease agreement is for a two-year period and include an option to purchase the vehicles at $1 at the end of the term. Management classified this lease agreement as a finance lease. Upon initial measurement, the assets held under the finance lease were presented as a finance lease in the consolidated statement of financial position, at an amount equal to the net investment in the lease. The net investment in the lease of $73,441 was determined using a discounted rate of 6.5%. A loss on disposal of property, plant and equipment of $23,155 was recognized in the statement of income (loss) and comprehensive income (loss) during the year ended December 31, 2023.

(in Canadian dollars)

	December 31, 2024	December 31, 2023
	$	$
Balance – beginning of year	74,512	-
Net investment in the lease	-	73,441
Lease payments	(48,730)	-
Accretion of interest	2,856	1,071
Balance – end of year	28,638	74,512
Current portion	28,638	45,874
Long-term portion	-	28,638

The undiscounted minimum lease payments receivable on finance lease for the coming year are as follows:

	$
Total minimum payments receivable	29,239
Less interest	(601)
Total minimum capital payments receivable	28,638

11 Investments in shares

The Company owns 15,180,377 common shares of Falcon Energy Materials PLC ("Falcon") (previously SRG Mining Inc.), representing an interest of 12.93%.

The fair value of $9,108,226 (December 31, 2023 – $10,322,657) was determined using Falcon's share price of $0.60 (December 31, 2023 – $0.68). A change in fair value of investments in shares of $1,214,431 (December 31, 2023 – $nil) was recorded in the consolidated statement of income (loss) and comprehensive income (loss).

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

	December 31, 2024	December 31, 2023
	$	$
Balance – beginning of year	10,322,657	10,322,657
Change in fair value of investments in shares	(1,214,431)	-
Balance – end of year	9,108,226	10,322,657

Subsequently to year-end, the share price of Falcon's shares went from $0.60 per share to $0.54 per share, thus creating a loss in fair value of investment in shares of $819,740.

(in Canadian dollars)

12 Investment in associate

On March 12, 2024, as a result of the deconsolidation of SNC, an equity investment of $9,600,000 was recorded based on the estimated fair value of the shares held on that date. At that date and as at December 31, 2024, the Company's ownership in SNC is 40%. Management has determined that its investment in the common shares of SNC gives it significant influence over SNC. As a result, the Company applied the equity method of accounting for its investment in SNC.

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

	$
Balance – Beginning of year	-
Deconsolidation of SNC (Note 6)	16,000,000
Contributions	480,000
Share of loss	(394,996)
Balance – End of year	16,085,004

The following table is a summary of the financial information of SNC as at December 31, 2024, on a 100% basis, including fair value adjustments made by the Company for equity accounting purposes.

	$
Current assets	520,310
Non-current assets	40,024,994
Current liabilities	(332,794)
Non-current liabilities	-
Total net assets	40,212,510
Net loss and comprehensive loss	987,490

13 Share capital

Authorized

Unlimited number of voting common shares without par value.

Transactions on share capital

2023

During the year ended December 31, 2023, a total of 300,000 stock options were exercised at a price of $0.20 per share for total proceeds of $60,000.

(in Canadian dollars)

14 Stock options

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

The following table shows the changes in stock options:

		December 31, 2024		December 31, 2023
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
		$		$
Outstanding – Beginning of year	21,095,000	0.21	19,040,000	0.22
Granted	680,000	0.11	2,355,000	0.14
Exercised	-	-	(300,000)	0.20
Outstanding – End of year	21,775,000	0.20	21,095,000	0.21
Exercisable – End of year	21,435,000	0.20	20,067,500	0.22

The weighted average price of the shares at the time of exercise was $0.125 per share.

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

	December 31, 2024	December 31, 2023
	$	$
Weighted average price at the grant date	$0.11	$0.13
Weighted average exercise price	$0.11	$0.14
Expected dividend	-	-
Expected average volatility	91.5%	97.5%
Risk-free average interest rate	3.6%	2.8%
Expected average life	10 years	9.36 years
Weighted fair value per share option	$0.09	$0.11

An expense for stock-based compensation of $76,526 (December 31, 2023 – $306,392) was recognized during the year ended December 31, 2024. An amount of $73,207 (December 31, 2023 – $240,020) was recognized under general and administrative expenses and $3,319 (December 31, 2023 – $66,372) under exploration and evaluation expenses in the consolidated statement of income (loss) and comprehensive income (loss).

(in Canadian dollars)

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

Expiry date	Exercise price	Number outstanding	Number exercisable
	$		
April 21, 2025 (a)	0.174	2,150,000	2,150,000
May 27, 2025	0.180	200,000	200,000
January 17, 2027	0.085	1,775,000	1,775,000
March 31, 2027	0.150	500,000	500,000
April 27, 2027 (a)	0.179	100,000	100,000
November 28, 2027 (a)	0.266	660,000	660,000
September 12, 2028 (a)	0.303	3,655,000	3,655,000
July 29, 2028 (a)	0.275	340,000	340,000
October 31, 2028 (a)	0.275	60,000	60,000
February 20, 2029 (a)	0.248	3,225,000	3,225,000
December 19, 2029 (a)	0.174	2,080,000	2,080,000
December 14, 2030	0.115	1,885,000	1,885,000
September 17, 2031	0.160	265,000	265,000
February 28,2032 (a)	0.202	2,145,000	2,145,000
January 17, 2033	0.135	2,055,000	2,055,000
May 3, 2034	0.110	680,000	340,000
		21,775,000	21,435,000

(a) As per the court-approved plan of arrangement in connection with SRQ's spinout (Note 7) and following the TSX-V's approval on July 25, 2024, these exercise prices have been adjusted to reflect a reduction of 8.3%.

15 Exploration and evaluation expenses

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

	December 31, 2024	December 31, 2023
	$	$
Samapleu	240,626	1,469,398
Zérégouiné	38,980	787,760
Grata	595,760	960,678
Zoupleu	-	27,718
Total Ivory Coast properties (a)	875,366	3,245,554
St-John River	-	164,422
Zwedru South	75,673	615,790
Total Liberian properties (b)	75,673	780,212
	951,039	4,025,766

(a) These properties were deconsolidated on March 12, 2024.
(b) The exploration licenses of these properties were not renewed.

(in Canadian dollars)

16 General and administrative expenses

	December 31, 2024	December 31, 2023
	$	$
Consulting fees	309,233	234,370
Professional fees	457,439	718,626
General and other expenses	181,527	492,725
Salaries and benefits	107,248	239,547
Travel and representation	24,654	110,634
Marketing fees	-	40,000
Investor relation fees	104,000	-
Transfer agent and filing fees	31,470	48,504
Depreciation	10,073	35,032
Stock-based compensation	73,207	240,020
	1,298,851	2,159,458

17 Income taxes

Major components of tax expense (income)

The major components of tax expense (income) are outlined below:

	December 31, 2024	December 31, 2023
	$	$
Deferred tax expense (income)		
Origination and reversal of temporary differences	3,429,256	(1,002,785)
Deferred tax expense arising from the write-down of a deferred tax asset	(3,429,256)	1,002,785
Total deferred tax expense (income)	-	-

(in Canadian dollars)

Relationship between expected tax expense (income) and accounting profit or loss

The relationship between the expected tax expense (income) based on the combined income tax rate in Canada and the reported tax expense (income) in the consolidated statement of income (loss) and comprehensive income (loss) can be reconciled as follows:

	December 31, 2024	December 31, 2023
	$	$
Income (loss) before income taxes	11,953,599	(5,144,016)
Expected tax expense (income) calculated using the combined federal and provincial income tax rate in Canada of 26.50 % (2023 – 26.50%)	3,167,704	(1,363,164)
Loss of tax attributes	2,063,088	699,388
Non-taxable portion on gain on loss of control	(2,082,099)	-
Non-taxable portion on gain on deemed disposition	-	(467,285)
Non-deductible portion of losses	213,249	-
Stock-based compensation	20,279	81,194
Non-deductible items	-	154,917
Other	47,035	(107,835)
Change in unrecognized temporary differences	(3,429,256)	1,002,785
Deferred tax expense (income)	-	-

The following differences between the carrying amounts and tax bases from timing differences, unused tax losses and unused tax credits give rise to the following recognized deferred income tax assets and liabilities.

	Balance on January 1, 2024	Profit (loss)	Equity	Balance on December 31, 2024
	$	$	$	$
Deferred income tax liabilities				
Property, plant and equipment	(43,746)	43,746	-	-
Investment in shares	(876,765)	160,913	-	(715,852)
Finance lease	(19,746)	12,157	-	(7,589)
	(940,257)	216,816	-	(723,441)
Deferred income tax assets				
Non-capital loss carry forwards	940,257	(216,816)	-	723,441
Deferred income tax asset (liability)	-	-	-	-

	Balance on January 1, 2023	Profit (loss)	Equity	Balance on December 31, 2023
	$	$	$	$
Deferred income tax liabilities				
Property, plant and equipment	(43,811)	65	-	(43,746)
Investment in shares	(876,765)	-	-	(876,765)
Finance lease	-	(19,746)	-	(19,746)
	(920,576)	(19,681)	-	(940,257)
Deferred income tax assets				
Non-capital loss carry forwards	920,576	19,681	-	940,257
Deferred income tax asset (liability)	-	-	-	-

Unrecognized deferred tax assets

As at December 31, 2024 and 2023, the Company has the following temporary differences for which no deferred tax has been recognized:

	December 31, 2024	December 31, 2023
	$	$
Property, plant and equipment	190,832	209,934
Exploration and evaluation expenses	3,171,408	3,714,711
Investment in associate	7,035,128	-
Non-capital loss carry forwards	6,678,689	28,497,835
	17,076,057	32,422,480

The ability to realize the tax benefits is dependant upon a number of factors, including the future profitability of operations. Deferred tax assets are recognized only to the extent that it is probable that sufficient profits will be available to allow the asset to be recovered.

The Company has the following non-capital losses which are available to reduce income taxes in future periods, for which no deferred tax asset has been recognized in the statement of financial position, that can be carried over the following years:

	$
2031	648,450
2032	828,187
2033	1,016,786
2034	813,639
2035	192,412
2036 to 2040	4,181,060
2041 to 2044	1,728,122
	9,408,656
Non-capital losses recognized against the deferred tax liability	(2,729,967)
	6,678,689

18 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue its exploration and evaluation activities.

The Company considers its capital structure to include shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets and capital markets. In order to facilitate the management of capital the Company prepares annual expenditure budgets which are monitored and updated as considered necessary.

To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms.

The Company is not subject to externally imposed capital requirements. There has been no change in the Company's approach to capital management during the year ended December 31, 2024.

The changes in the capital are disclosed in the consolidated statement of changes in shareholders' equity.

19 Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company views credit risk on trade and other amounts receivable as minimal. The Company is also exposed to credit concentration risk by holding cash and cash equivalents. This risk is minimized by holding cash and cash equivalents balances with large Canadian financial institutions.

Liquidity risk

The Company manages its liquidity risk by using budgets that enable it to determine the amounts required to fund its E&E programs, mainly through contributions to its associate. The Company also ensures that it has sufficient working capital available to meet its day-to-day commitments.

As at December 31, 2024, the Company had cash and cash equivalents of $1,658,359 (December 31, 2023 – $2,956,298) to settle account payable and accrued liabilities of $17,684 (December 31, 2023 – $28,619).

As at December 31, 2024, management does not consider current funds to be sufficient for the Company to finance its share of funding to achieve optimal exploration budgets and thus fully advance and develop its mining projects held through its investment in associate. Any funding shortfall may be met in the future in a number of ways including, but not limited to, the issuance of new equity instruments, further expenditure reductions, or other measures as described in Note 1. 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.

(in Canadian dollars)

Fair value

The carrying value of cash and cash equivalents, trade and other amounts receivable, accounts payables and accrued liabilities approximate their fair values due to their relatively short periods to maturity. The investment in shares is categorized as Level 1 in the fair value hierarchy.

Market risk

Commodity price risk

Commodity price risk is the risk that the fair value or expected future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand. The Company has no financial instrument creating an exposure to commodity price risk. However, the Company is indirectly exposed to commodity price risk as it impacts the Company's access to capital and funding.

20 Related parties

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

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

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

	December 31, 2024	December 31, 2023
	$	$
Professional fees paid to key management and/or companies controlled by key management	204,600	204,600
Consultant fees paid to companies controlled by key management	356,224	122,699
Consultant fees and other expenses paid to a company controlled by key management recorded under E&E expenses	51,748	206,993
E&E expenses recharged to a company controlled by a key management	9,953	8,886
Directors and officers stock-based compensation	62,751	200,677
Professional and consultant fees recharged to an associate	(346,373)	-

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 or a change of control would occur during the year ending December 31, 2025, the total amounts payable to key personnel in respect of severance would amount to $1,085,000.

(in Canadian dollars)

21 Earnings (loss) per share

	December 31, 2024	December 31, 2023
	$	$
Weighted average number of common shares outstanding	220,068,440	219,877,755
Effect of potential dilutive stock options	647,912	-
Weighted average of diluted common shares	220,716,352	219,877,755
Net income (loss) and comprehensive income (loss) from continuing operations		
Basic earnings (loss) per common share	0.056	(0.022)
Diluted earnings (loss) per common share	0.056	(0.022)
Net income (and comprehensive income from discontinued operations		
Basic earnings per common share	-	0.004
Diluted earnings per common share	-	0.004
Net income (loss) and comprehensive income (loss)		
Basic earnings (loss) per common share	0.056	(0.018)
Diluted earnings (loss) per common share	0.056	(0.018)

(in Canadian dollars)

22 Unaudited quarterly financial information

During the last quarter ended December 31, 2024, management reviewed the fair value of SNC as at the date of loss of control using the technique described in Note 6. As a result, the fair value estimation of the retained interest in SNC was reviewed from $9,600,000 to $16,000,000.

The following tables summarize the impact of the change in fair value assessment on affected line items within the Company's interim condensed consolidated financial statements:

A) Adjustment of interim condensed consolidated statements of financial position

			As at March 31, 2024
	As previously reported	Adjustment	Adjusted
	$	$	$
ASSETS			
Investment in associate	10,080,000	6,400,000	16,480,000
TOTAL ASSETS	19,734,113	6,400,000	26,134,113
EQUITY			
Deficit	(36,903,630)	6,400,000	(30,503,630)
TOTAL EQUITY	19,717,337	6,400,000	26,117,337
TOTAL LIABILITIES AND EQUITY	19,734,113	6,400,000	26,134,113

			As at June 30, 2024
	As previously reported	Adjustment	Adjusted
	$	$	$
ASSETS			
Investment in associate	9,866,176	6,400,000	16,266,176
TOTAL ASSETS	19,908,313	6,400,000	26,308,313
EQUITY			
Deficit	(36,765,831)	6,400,000	(30,365,831)
TOTAL EQUITY	19,891,597	6,400,000	26,291,597
TOTAL LIABILITIES AND EQUITY	19,908,313	6,400,000	26,308,313

(in Canadian dollars)

	As at September 30, 2024		
	As previously reported	Adjustment	Adjusted
	$	$	$
ASSETS			
Investment in associate	9,791,034	6,400,000	16,191,034
TOTAL ASSETS	22,056,148	6,400,000	28,456,148
EQUITY			
Deficit	(34,621,018)	6,400,000	(28,221,018)
TOTAL EQUITY	22,053,383	6,400,000	28,453,383
TOTAL LIABILITIES AND EQUITY	22,056,148	6,400,000	28,456,148

B) Adjustment of interim condensed consolidated statements of income (loss) and comprehensive income (loss)

	For the three-month period ended March 31, 2024		
	As previously reported	Adjustment	Adjusted
	$	$	$
Other income			
Gain resulting from loss of control of a subsidiary	9,313,956	6,400,000	15,713,956
Net income and comprehensive income	4,732,335	6,400,000	11,132,335
Net income (loss) attributable to:			
Sama Resources Inc.	5,092,676	6,400,000	11,492,676
Non-controlling interest	(360,341)	-	(360,341)
	4,732,335	6,400,000	11,132,335
Net income per common share			
Basis earnings per common share	0.023	0.029	0.052
Diluted earnings per common share	0.023	0.029	0.052

(in Canadian dollars)

	For the six-month period ended June 30, 2024		
	As previously reported	**Adjustment**	**Adjusted**
	$	**$**	**$**
Other income			
Gain resulting from loss of control of a subsidiary	9,313,956	6,400,000	15,713,956
Net income and comprehensive income	4,870,134	6,400,000	11,270,134
Net income (loss) attributable to:			
Sama Resources Inc.	5,230,475	6,400,000	11,630,475
Non-controlling interest	(360,341)	-	(360,341)
	4,870,134	6,400,000	11,270,134
Net income per common share			
Basis earnings per common share	0.024	0.029	0.053
Diluted earnings per common share	0.024	0.029	0.053

	For the nine-month period ended September 30, 2024		
	As previously reported	**Adjustment**	**Adjusted**
	$	**$**	**$**
Other income			
Gain resulting from loss of control of a subsidiary	9,313,956	6,400,000	15,713,956
Net income and comprehensive income	7,014,947	6,400,000	13,414,947
Net income (loss) attributable to:			
Sama Resources Inc.	7,375,288	6,400,000	13,775,288
Non-controlling interest	(360,341)	-	(360,341)
	7,014,947	6,400,000	13,414,947
Net income per common share			
Basis earnings per common share	0.034	0.029	0.063
Diluted earnings per common share	0.033	0.029	0.062

There was no adjustment to the unaudited interim condensed consolidated statement of cash flows for the three-month period ended March 31, 2024, six-month period ended June 30, 2024 and nine-month period ended September 30, 2024.