

Consolidated Financial Statements  
December 31, 2022

**Robex.**

**A BLUEPRINT  
FOR RESPONSIBLE MINING**

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## Independent auditor's report

To the Shareholders of Robex Resources Inc.

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### Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Robex Resources Inc. and its subsidiaries (together, the Company) as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

### What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of income for the years ended December 31, 2022 and 2021;
- the consolidated statements of comprehensive income for the years ended December 31, 2022 and 2021;
- the consolidated statements of changes in equity for the years ended December 31, 2022 and 2021;
- the consolidated balance sheets as at December 31, 2022 and 2021;
- the consolidated statements of cash flows for the years ended December 31, 2022 and 2021; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

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### 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 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.



## 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, 2022. 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.

### Key audit matter

### How our audit addressed the key audit matter

#### Uncertain tax positions

*Refer to Note 5, Critical Accounting Estimates and judgements, to the consolidated financial statements.*

The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the amount of the overall tax provision. The ultimate tax consequences of many of the transactions and calculations are uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the tax provision initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

The estimates for the various notices of assessment involve a degree of estimation and judgment with respect to certain items for which the tax treatment cannot be determined with certainty until the objection process reaches a resolution with its tax authority or, if applicable, through a formal legal proceeding.

The inherent uncertainty regarding the outcome of these items means that their eventual resolution could differ from the accounting estimates, thereby

Our approach to addressing the matter included the following procedures, among others:

Tested the calculation of the overall tax provision by considering uncertain tax positions, by jurisdiction, based on developments in the tax situation, which included the following:

- Evaluated the information used in calculating the provision, including consideration of changes in facts and circumstances during the year.
- Used professionals with specialized skills and knowledge in tax to assist in evaluations of the Company's uncertain tax positions, including assessing the reasonableness of management's assessment of the likelihood that the tax authority will accept an uncertain tax treatment, estimating the provision and applying relevant tax laws.
- Evaluated the status and results of income tax audits with the relevant tax authorities.
- Assessed the related disclosures in the consolidated financial statements.



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affecting the Company's financial position, results of operations and cash flows.

We considered this a key audit matter due to the significant judgement made by management in evaluating uncertain tax positions. This resulted in a high degree of auditor judgment and subjectivity in performing procedures. The audit effort involved the use of professionals with specialized skill and knowledge in foreign tax matters.

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### **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.

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### **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, 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.



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## 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 communicate to 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 to 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: they 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 Maxime Guilbault.

/s/ PricewaterhouseCoopers LLP<sup>1</sup>

Montreal, Quebec  
April 28, 2023

<sup>1</sup> CPA auditor, public accountancy permit No. A128042

**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31**

(in Canadian dollars unless otherwise indicated)

	2022	2021
	\$	\$
<b>MINING</b>		
Revenues - gold sales	112,236,766	103,892,699
Mining expenses - Note 9	(34,774,721)	(34,632,805)
Mining royalties	(3,477,139)	(3,207,100)
Depreciation of property, plant and equipment and amortization of tangible and intangible assets	(11,475,176)	(11,451,992)
<b>MINING RESULTS</b>	<b>62,509,730</b>	<b>54,600,802</b>
<b>OTHER EXPENSES</b>		
Administrative expenses - Note 10	(18,653,171)	(17,442,857)
Exploration and evaluation expenses	(183,994)	---
Stock option compensation cost - Note 20 (b)	(863,180)	---
Amortization of tangible and intangible assets	(102,949)	(64,238)
Loss on retirement of assets	(1,168,823)	(5,951)
Other income	109,973	122,407
<b>OPERATING INCOME</b>	<b>41,647,586</b>	<b>37,210,163</b>
<b>FINANCIAL EXPENSES</b>		
Finance costs - Note 11	(1,704,897)	(938,960)
Foreign exchange gains	742,774	507,875
<b>INCOME BEFORE INCOME TAX EXPENSE</b>	<b>40,685,463</b>	<b>36,779,078</b>
Provision for income taxes - Note 23	(7,871,946)	(20,658,446)
<b>NET INCOME</b>	<b>32,813,517</b>	<b>16,120,632</b>
<b>ATTRIBUTABLE</b>		
To the common shareholders	30,777,719	15,892,676
To non-controlling interest	2,035,798	227,956
<b>EARNINGS PER SHARE - Note 24</b>		
Basic	0.048	0.026
Diluted	0.048	0.026

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31**

(in Canadian dollars unless otherwise indicated)

	<b>2022</b>	2021
	\$	\$
<b>NET INCOME FOR THE YEAR</b>	<b>32,813,517</b>	16,120,632
<b>Other comprehensive income</b>		
Item that may be reclassified subsequently to net income		
Exchange difference	<b>1,531,412</b>	(8,772,942)
<b>COMPREHENSIVE INCOME</b>	<b>34,344,929</b>	7,347,690
<b>COMPREHENSIVE INCOME ATTRIBUTABLE</b>		
To common shareholders	<b>32,206,612</b>	7,195,017
To the non-controlling interest	<b>2,138,317</b>	152,673
	<b>34,344,929</b>	7,347,690

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Years ended December 31, 2022 and 2021

(in Canadian dollars unless otherwise indicated)

	Common shareholders					Total	Non-controlling interest	Total equity
	Share capital issued	Share capital to be issued	Reserve - stock options	Retained earnings	Accumulated other comprehensive income - Note 21			
<b>Balance as at December 31, 2020</b>	<b>71,269,402</b>	---	<b>3,081,586</b>	<b>8,211,833</b>	<b>7,576,935</b>	<b>90,139,756</b>	<b>1,099,763</b>	<b>91,239,519</b>
Net income for the year	---	---	---	15,892,676	---	15,892,676	227,956	<b>16,120,632</b>
Other comprehensive income	---	---	---	---	(8,697,659)	(8,697,659)	(75,283)	<b>(8,772,942)</b>
Comprehensive income for the year	---	---	---	15,892,676	(8,697,659)	7,195,017	152,673	<b>7,347,690</b>
Dividends - Note 20 (c)	---	---	---	---	---	---	(23,614)	<b>(23,614)</b>
Stock options exercised during the year	137,645	---	(53,975)	---	---	83,670	---	<b>83,670</b>
<b>Balance as at December 31, 2021</b>	<b>71,407,047</b>	---	<b>3,027,611</b>	<b>24,104,509</b>	<b>(1,120,724)</b>	<b>97,418,443</b>	<b>1,228,822</b>	<b>98,647,265</b>
Net income for the year	---	---	---	30,777,719	---	30,777,719	2,035,798	<b>32,813,517</b>
Other comprehensive income	---	---	---	---	1,428,892	1,428,892	102,520	<b>1,531,412</b>
Comprehensive income for the year	---	---	---	30,777,719	1,428,892	32,206,612	2,138,317	<b>34,344,929</b>
Acquisition of Sycamore Group – Note 20 (a)	50,853,600	11,719,099	---	---	---	62,572,699	---	<b>62,572,699</b>
Stock options exercised during the year - Note 20 (a)	214,624	---	(88,374)	---	---	126,250	---	<b>126,250</b>
Stock options expensed during the year - Note 20 (b)	---	---	863,180	---	---	863,180	---	<b>863,180</b>
<b>Balance as at December 31, 2022</b>	<b>122,475,271</b>	<b>11,719,099</b>	<b>3,802,417</b>	<b>54,882,228</b>	<b>308,168</b>	<b>193,187,184</b>	<b>3,367,139</b>	<b>196,554,323</b>

**CONSOLIDATED BALANCE SHEETS**  
**FOR THE YEARS ENDED DECEMBER 31**

(in Canadian dollars unless otherwise indicated)

	2022 \$	2021 \$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	3,611,406	20,721,807
Inventories - Note 12	17,648,967	13,638,323
Accounts receivable - Note 13	8,867,852	4,222,161
Prepaid expenses	805,914	742,304
Deposits paid	1,161,559	1,920,523
	<b>32,095,698</b>	<b>41,245,118</b>
<b>NON-CURRENT ASSETS</b>		
VAT receivable	258,386	1,453,141
Deposits paid on property, plant and equipment	3,791,457	---
Mining properties - Note 14	87,831,409	9,305,349
Property, plant and equipment - Note 15	127,397,473	90,605,261
Intangible assets	386,885	58,849
<b>TOTAL ASSETS</b>	<b>251,761,308</b>	<b>142,667,718</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Lines of credit and bank overdraft - Note 17	11,370,939	6,659,600
Accounts payable - Note 16	17,957,004	24,325,955
Current portion of long-term debt - Note 17	1,343,591	4,389,574
Current portion of lease liabilities - Note 19	1,087,477	79,150
	<b>31,759,011</b>	<b>35,454,279</b>
<b>NON-CURRENT LIABILITIES</b>		
Long-term debt - Note 17	51,624	305,032
Environmental liabilities - Note 18	424,138	378,385
Lease liabilities - Note 19	11,431,265	7,213
Deferred tax liabilities - Note 23	10,106,230	7,875,544
Other long-term liabilities	1,434,717	---
<b>TOTAL LIABILITIES</b>	<b>55,206,985</b>	<b>44,020,453</b>
<b>SHAREHOLDERS' EQUITY</b>		
Issued share capital - Note 20 (a)	122,475,271	71,407,047
Share capital to be issued - Note 20 (a)	11,719,099	---
Stock option reserve - Note 20 (b)	3,802,417	3,027,611
Retained earnings	54,882,228	24,104,509
Accumulated other comprehensive income - Note 21	308,168	(1,120,724)
	<b>193,187,184</b>	<b>97,418,443</b>
Non-controlling interest	3,367,139	1,228,822
	<b>196,554,323</b>	<b>98,647,265</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>251,761,308</b>	<b>142,667,718</b>

Contingencies and commitments (Note 26)

Subsequent events (Note 29)

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31**

(in Canadian dollars unless otherwise indicated)

	2022 \$	2021 \$
<b>CASH FLOW FROM THE FOLLOWING ACTIVITIES</b>		
<b>Operating</b>		
Net income for the year	32,813,517	16,120,632
Adjustments for		
Financial expenses	1,704,897	938,960
Depreciation of property, plant and equipment and amortization of intangible assets	11,578,125	11,516,230
Deferred income tax expense	2,037,040	4,658,751
Loss on retirement of assets	1,168,823	5,951
Stock option compensation cost	863,180	---
Net change in non-cash working capital items - Note 22	(21,544,425)	10,155,047
Change in VAT receivable	1,278,090	1,365,503
Change in other long-term liabilities	1,434,717	---
Interest paid - Note 22	(1,516,817)	(837,826)
	<b>29,817,147</b>	<b>43,923,248</b>
<b>Investing</b>		
Advances to the Sycamore Group prior to the Transaction - Note 7	(11,575,108)	---
Cash acquired - Note 7	248,380	---
Transaction costs - Note 7	(886,379)	---
Change in deposits paid	(378,861)	334,055
Acquisition of mining properties	(3,736,969)	(2,005,403)
Acquisition of property, plant and equipment	(31,241,413)	(33,199,518)
Acquisition of intangible assets	(121,080)	(3,700)
	<b>(47,691,430)</b>	<b>(34,874,566)</b>
<b>Financing</b>		
Long-term debt contracted	1,322,466	4,079,841
Repayment of long-term debt	(4,402,782)	(5,452,097)
Change in lines of credit	4,470,921	5,622,118
Payments on lease liabilities	(783,340)	(145,910)
Issuance of common shares upon exercise of stock options	126,250	83,670
Dividends paid	---	(8,623)
	<b>733,515</b>	<b>4,178,999</b>
<b>Effect of exchange rate changes on cash</b>	<b>30,367</b>	<b>(1,401,728)</b>
<b>Increase (decrease) in cash</b>	<b>(17,110,401)</b>	<b>11,825,953</b>
<b>Cash, beginning of the year</b>	<b>20,721,807</b>	<b>8,895,854</b>
<b>Cash, end of the year</b>	<b>3,611,406</b>	<b>20,721,807</b>
<b>Taxes paid</b>	<b>10,789,086</b>	<b>7,400,802</b>

Additional information (Note 22)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2022 and 2021

(in Canadian dollars unless otherwise indicated)

### 1. DESCRIPTION OF THE BUSINESS

Robex Resources Inc. (the "Company") is a Canadian mining company specialized in gold exploration and exploitation in West Africa. In Mali, the Company has been operating the Nampala mine since 2017 and holds five exploration permits in the south (Mininko, Kamasso and Gladié) and west (Sanoula and Diangounté) of the country.

On November 9, 2022, the Company acquired, through the Transaction described in Note 7 - Acquisition, a portfolio of four exploitation permits (the "Kiniéro Project") in the Republic of Guinea. These permits consist of a series of mining licenses (approximately 470 km<sup>2</sup>) in the Siguiiri Basin.

During the year ended December 31, 2022, the Company incorporated RBX Technical Services Limited, a wholly owned subsidiary based in the United Kingdom, to provide technical services to subsidiaries of the Company.

The address of the head office is 2875 Laurier Boulevard, D1-1000, Québec, Quebec, G1V 2M2, Canada.

### 2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and were approved by the Board of Directors on April 28, 2023.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of preparation

These consolidated financial statements have been prepared on a going concern basis and using the historical cost basis, except for financial instruments classified as at fair value.

#### Principles of consolidation, functional currency and presentation currency

The consolidated financial statements include the financial statements of the Company and those of its subsidiaries. All intercompany accounts and transactions are eliminated.

Name of subsidiary	Country of incorporation	Shareholding	Main activity	Functional currency
Nampala S.A.	Mali	90%	Mining	XOF
Robex Resources Mali S.A.R.L.	Mali	100%	Exploration	XOF
Robex N N'Gary S.A.	Mali	85%	Inactive	XOF
African Peak Trading House Limited	Isle of Man	100%	Commercial	EUR
Golden International Income Trust	United Kingdom	100%	Management	EUR
RBX Technical Services Limited	United Kingdom	100%	Consultation	GBP
Sycamore Capital CY Limited	Cyprus	100%	Portfolio	EUR
Sycamore Mining Limited	Cyprus	100%	Portfolio	USD
Sycamore Mine Guinea S.A.U.	Guinea	100%	Exploration	GNF
Sycamore Trading Limited	Mauritius	100%	Inactive	USD

The non-controlling interest in the net assets of consolidated subsidiaries is presented as a component of equity separate from the Company's net worth. The non-controlling interest represents the non-controlling interest at the date of acquisition of control plus the non-controlling interest in changes in net value since the date of acquisition.

The comprehensive income of subsidiaries is attributed to the Company's shareholders and the non-controlling interests, even if this results in a deficit balance for the non-controlling interests.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2022 and 2021

(in Canadian dollars unless otherwise indicated)

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Principles of consolidation, functional currency and presentation currency (continued)

The presentation currency of the consolidated financial statements is the Canadian dollar. The functional currency of each of the consolidated entities in the Company's financial statements is determined by the currency of the main economic environment in which it operates. The functional currency of the Company is the euro, and the functional currencies of its subsidiaries are indicated in the above table.

The consolidated financial statements are translated into the reporting currency as follows: assets and liabilities are translated into Canadian dollars at the rate of exchange prevailing at the balance sheet date. The foreign currency translation adjustment resulting from this translation is included in accumulated other comprehensive income in shareholders' equity. Revenues and expenses are translated at the exchange rate in effect on the transaction date.

#### Translation of foreign currency transactions

Transactions denominated in currencies other than functional currency are translated into the appropriate functional currency as follows: monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date, and revenues and expenses are translated at the exchange rate in effect at the time of the transaction. Non-monetary assets and liabilities measured at historical cost and denominated in foreign currencies are translated at the historical rates. Non-monetary items measured at fair value and denominated in foreign currencies are translated at the rates in effect at the time fair value was determined. Exchange gains or losses resulting from such translation are included in net income under "Foreign exchange gains (losses)."

#### Financial instruments

Financial assets and financial liabilities 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 have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership of the transferred asset.

All financial instruments are required to be measured at fair value on initial recognition. Subsequent to initial recognition, financial assets and liabilities are measured based on their classification, which depends on the purpose for which the financial instruments were acquired and their characteristics.

The measurement of financial assets and liabilities is based on one of the following classifications:

##### (a) Financial assets and liabilities measured at amortized cost

Financial instruments classified as assets or liabilities at amortized cost are initially measured at fair value including transaction costs and are subsequently measured at each balance sheet date at amortized cost using the effective interest rate method. Changes in cost are reflected in the consolidated statement of income in the period in which the changes occur.

##### (b) Financial assets at fair value through other comprehensive income ("FVOCI")

Financial instruments classified as assets or liabilities at FVOCI are initially measured at fair value including transaction costs and are subsequently measured at fair value at each balance sheet date, with changes in fair value reflected in the consolidated statement of comprehensive income in the period in which the changes occurred. No reclassification to net income is permitted upon derecognition of financial assets and liabilities.

The Company's financial assets at amortized cost include cash, accounts receivable (excluding taxes receivable) and deposits paid. Financial assets at amortized cost are presented as current assets if payment is receivable within the next 12 months. Otherwise, they are presented as non-current assets.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2022 and 2021

(in Canadian dollars unless otherwise indicated)

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

The Company's financial liabilities at amortized cost include accounts payable, the lines of credit and long-term debt. Liabilities are classified as current if payment is due within the next 12 months. Otherwise, they are presented as non-current liabilities.

#### Transaction costs

Transaction costs related to financial instruments are recognized as an adjustment to the cost of the financial instrument on the balance sheet upon initial recognition. These costs are amortized using the effective interest rate method.

#### Inventory

Material extracted from mining pits is classified as waste material corresponding to stripping costs and is capitalized to property, plant and equipment or as ore inventory. Ore represents material that, at the time of extraction, is expected to be processed into a marketable product that will be sold at a profit. Raw materials consist of stockpiled ore. The ore is stockpiled and then processed into gold in a marketable form. Gold in process represents gold in the milling circuit whose production process is not complete and which is not yet in a marketable form. Gold bullion represents marketable product held in a metal account at Argor-Heraeus ready for sale. Supplies represent consumable commodities and other raw materials used in the production process, as well as spare parts and other maintenance supplies that are not classified as property, plant and equipment.

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes all costs incurred, based on normal production capacity, to bring each product to its current location and condition. The cost of inventories includes direct labour, subcontractor costs, materials, customs and other taxes, transportation costs and an allocation of general mine site costs. As ore is sent to the mill for processing, costs are reclassified out of inventory based on the average cost per ton of ore stockpiled.

The Company records provisions to reduce inventories to net realizable value to reflect changes in economic factors that affect the value of inventories and to reflect current intentions regarding the use of obsolete or slow-moving supplies inventory. Net realizable value is determined by reference to the relevant market price less applicable variable selling costs. The provisions recorded also reflect an estimate of the residual costs to bring the inventory to a marketable form. Provisions are also recorded to reduce mining supplies to net realizable value, which is generally calculated by reference to salvage or scrap value, when it is determined that the supplies are obsolete. Provisions are reversed to reflect subsequent recoveries of net realizable value when the inventory is still on hand.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Mining properties

Costs incurred for activities that precede mineral exploration and evaluation, i.e. all costs incurred prior to obtaining the legal rights to explore an area, are expensed immediately.

Exploration costs include rights in mining properties, paid or acquired through an asset acquisition, as well as costs related to the search for mineral deposits with economic potential or to obtain more information about existing mineral deposits.

Mining rights are recorded at acquisition cost or at fair value in the case of impairment due to an impairment loss. Mining rights and options to acquire undivided interests in mining rights are amortized only when these properties are put into production. These costs are written off when properties are abandoned or when cost recovery or access to resources is uncertain. Proceeds from the sale of mining properties are recorded as a reduction of the carrying amount and any excess or deficit is recorded as a gain or loss in the consolidated statement of income. In the case of a partial sale, if the carrying amount is greater than the sale proceeds, only losses are recognized.

Exploration costs also generally include costs associated with production, sampling, trenching, drilling and other work involved in searching for ore such as topographical, geological and geophysical studies. Generally, capitalization of expenditures on exploration activities commences when it is more likely than not that future economic benefits will be realized. The assessment of probability is based on factors such as the level of exploration and the degree of management confidence in the mineralized body.

Exploration and evaluation costs reflect costs associated with establishing the technical and commercial viability of extracting a mineral resource identified by exploration or acquired through a business combination or asset acquisition. Exploration and evaluation costs include the cost to:

- Establish the volume and grade of deposits by core drilling, trenching and sampling in an ore body that is classified as a proven and probable mineral resource or reserve;
- Determine the optimal extraction methods and metallurgical and processing methods;
- Conduct studies related to surveying, transportation and infrastructure needs;
- Complete licensing activities; and
- Perform economic evaluations to determine if the development of the mineralized material is commercially justified, including preliminary assessment, pre-feasibility and final feasibility studies.

Exploration and evaluation costs are capitalized if management determines that there is sufficient evidence to support the probability of generating positive economic benefits in the future. When a project enters the development stage, exploration and evaluation costs are capitalized to mining properties. If an exploration activity does not prove to be viable, all the project's sunk costs are written off. Exploration and evaluation costs include general expenses directly attributable to these activities.

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Mining properties (continued)

##### Loss of value

The recoverability of amounts shown for mining properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof. The amount shown as mining interests does not necessarily represent the present or future value of such mining interests.

Mining properties are tested for impairment at the reporting date whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment test is performed when indicators of impairment arise, generally when one of the following circumstances occurs:

- The right to explore in the specific area expires or will expire in the near future and is not expected to be renewed;
- No further exploration and evaluation expenditures in the specific area are budgeted or planned;
- No resource discovery is commercially viable and the Company has decided to cease exploration in that specific area; or
- Sufficient work has been performed to indicate that the carrying amount of the expenditure capitalized will not be fully recovered.

An impairment loss is recognized if the carrying amount of a mining property exceeds its recoverable amount. In order to assess recoverable value, mining properties are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating unit" or "CGU"). The recoverable amount of a mining property is the higher of its fair value less costs of disposal and its value in use. Value in use is determined based on the current value of the expected future cash flows of the asset or CGU concerned. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The Company evaluates impairment losses at each balance sheet date for potential reversals when events or circumstances warrant.

#### Property, plant and equipment

Property, plant and equipment are initially recognized and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs that are directly attributable to acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced capital asset is derecognized when it is replaced.

Repairs and maintenance costs are expensed in the consolidated statement of income in the period in which they are incurred.

The Company allocates the amount initially recognized for a capital asset to its significant portions and depreciates each portion separately. The residual values, method of depreciation and useful lives of assets are reviewed annually and adjusted if appropriate. If there is a change in these estimates, the amount initially recognized is recognized prospectively.

Major rebuilds or overhauls performed as part of maintenance programs are capitalized when it is probable that the work will increase the productive capacity or useful life of the asset.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property, plant and equipment (continued)

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds of disposal to the carrying amount of the asset and are presented in the consolidated statement of income.

#### Property acquisition, exploration and mine development costs

The depreciable amount includes the costs incurred in respect of proven and probable developed and undeveloped reserves, and probable resources not forming part of reserves, where there is sufficient objective evidence to support a conclusion that it is probable that the resources not forming part of the reserves will be produced (“probable resources not forming part of the reserves”). Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciable amount of the asset is its cost, or any other amount substituted for cost, less its residual value.

Depreciation commences when the property is brought into commercial production and is calculated on a unit-of-production basis over the expected life of the mine, based on estimated recoverable ounces of gold. The estimated number of recoverable ounces of gold includes proven and probable reserves and a portion of indicated resources.

Exploration costs incurred on an operating property are capitalized to property, plant and equipment and depreciated based on the estimated number of recoverable ounces of gold in the applicable resource area.

#### Equipment related to mining operations

Equipment related to mining operations is recorded at cost and depreciated, net of residual value, on a unit-of-production basis over the expected life of the mine, based on the estimated number of recoverable ounces of gold or on a straight-line basis over the expected life of the mine. In addition, if the asset’s expected useful life is less than the life of the deposit, depreciation is based on its expected useful life.

#### Buildings and office development

Buildings and office developments are recorded at cost and depreciated, net of residual value, using the straight-line method over the expected life of the mine or over the declining balance method at a rate of 20%. In addition, if the asset’s expected useful life is less than the life of the deposit, depreciation is based on its expected useful life.

#### Tools, equipment and vehicles

Tools, equipment and vehicles include communication and computer equipment and are recorded at cost. Depreciation is calculated using the declining balance method at rates of 20% or 30%. Depreciation is recorded in the consolidated statement of income.

#### Exploration equipment

Depreciation of exploration equipment is capitalized to mining properties based on the capitalization policy for mining properties. Depreciation of property, plant and equipment related to mine development costs is capitalized to mine development costs. These amounts will be recorded in the consolidated statement of income through the depreciation of property, plant and equipment following commencement of their operations (or following the commencement of production of mining properties). For property, plant and equipment not related to exploration and development activities, depreciation expense is recognized directly in the consolidated statement of income. Depreciation is calculated using the declining balance method at rates of 20% or 30%.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property, plant and equipment (continued)

##### Assets under construction

Assets under construction include property, plant and equipment under construction, including those held for their own use. Cost includes the purchase price, as well as any costs directly attributable to bringing the asset to a working condition for its intended use. Assets under construction are classified as property, plant and equipment when costs are incurred. Assets under construction are recorded at cost less any impairment loss recognized and are not depreciated. Depreciation begins only when they are ready for their intended use.

##### Overdraft fees

During the operation of an open-pit mine, it is necessary to incur costs to remove overburden and other waste materials to access the ore from which minerals can be economically mined. The process of removing the overburden and other sterile material is called overburden removal. Stripping costs incurred to provide initial access to the ore body are capitalized as mine development costs and are amortized when the ore to which these costs relate is extracted from the pit and the mine is considered to be in production. When such costs are directly attributable to the development of a category of property, plant and equipment, they are recognized.

It may also be necessary to remove waste material and incur stripping costs during the production phase of the mine. The Company recognizes a stripping activity asset if all of the following conditions are met:

- i) It is probable that the future economic benefit (improved access to the component of the deposit) associated with the stripping activity will flow to the Company;
- ii) The Company can identify the component of the deposit to which access has been improved; and
- iii) The costs associated with the stripping activity associated with this component can be measured reliably.

The Company initially measures the stripping activity asset at cost, based on the accumulated costs incurred to complete the stripping activity that improves access to the identified component of ore.

After initial recognition, the stripping activity asset is carried at cost less depreciation and impairment, consistent with the existing asset of which it is a part.

##### Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets until they are substantially ready for their intended use. All other borrowing costs are recognized as financial expenses in the consolidated statement of income in the period in which they are incurred.

#### Intangible assets

Intangible assets are initially and subsequently recorded at cost and amortized using the declining balance method at an annual rate of 30%. Intangible assets include software. The carrying amount of a replaced and/or unused intangible asset is derecognized upon replacement and/or end of use.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment of non-financial assets

Property, plant and equipment and intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. For the purpose of determining recoverable amounts, assets are grouped at the lowest levels for which identifiable cash flows are independent of the cash flows of other groups of assets ("cash-generating unit" or "CGU"). The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use (i.e., the present value of expected future cash flows from the asset or CGU). The impairment loss recognized is the excess of the carrying amount over its recoverable amount.

The Company assesses impairment losses that may be reversed when events or circumstances warrant it.

#### Provision for environmental remediation obligations

The Company accrues the estimated costs of legal and constructive obligations required to restore sites in the period in which the obligation is incurred with a corresponding increase in the carrying amount of the related asset. For locations where mining operations have ceased, changes in provisions are recognized as finance costs in the consolidated statement of income. The obligation is generally considered to have been incurred when the mining assets are constructed or the ground is disturbed at the production site.

Provisions are measured based on management's best estimate of the expense required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material. The change in the provision due to the passage of time is recognized as a financing expense. Changes in assumptions or estimates are reflected in the period in which they occur.

The discounted liability is adjusted at the end of each period to reflect the passage of time, based on a risk-free real discount rate that reflects current market assessments and changes in the estimated future cash flows underlying the obligation.

#### Leases

The Company is a party to leases.

Each lease is negotiated on a case-by-case basis, and the leases contain a wide variety of terms and conditions. There are no covenants in the leases.

Leases are recorded as a right-of-use asset and a lease liability, representing the date the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance costs. Finance costs are charged to net income over the lease period to produce a constant periodic interest rate on the remaining liability balance for each period. The right-of-use asset is amortized over the term of the lease on a straight-line basis.

#### Right-of-use assets

Right-of-use assets are initially measured at cost, which includes:

- The amount of the initial measurement of the lease liability;

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Leases (continued)

##### Right-of-use assets (continued)

- The lease payments made on or before the commencement date, net of lease inducements received;
- All upfront costs directly incurred by the Company; and
- Remediation costs.

After the effective date, right-of-use assets are measured at cost less any accumulated amortization and any accumulated impairment losses, adjusted for any remeasurement of the lease liability.

##### Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that have not yet been made at that date, which include:

- Fixed payments, net of lease inducements receivable;
- Variable lease payments that depend on an index or rate;
- Amounts that the Company expects to be paid under residual value guarantees;
- The exercise price of a call option if the Company is reasonably certain to exercise such an option; and
- The penalties for termination of a lease, if the lease term reflects the lessee exercising the option to terminate the lease.

Lease payments are discounted using the Company's incremental borrowing rate, unless the implied rate of the lease is readily determinable, in which case the implied rate is used.

##### Exemptions

The Company has elected to use the exemptions for leases for which the underlying asset is of low value and for leases with a term not exceeding 12 months. Payments for such leases are recognized on a straight-line basis and are expensed in net income.

#### Non-controlling interests

Non-controlling interests represent equity interests in subsidiaries held by external parties. The share of net assets attributable to non-controlling interests is presented as a component of equity. Their share of net income and other comprehensive income is recognized directly in equity even if the non-controlling interests' income balance is negative.

#### Income taxes and deferred income taxes

Income tax expense comprises current and deferred tax expense. Income taxes are recognized in the consolidated statement of income except for items recognized directly in equity. In this case, the related tax is also recognized directly in equity.

The Company recognizes income taxes using the liability method. Under this method, deferred income tax assets and liabilities are determined by taking into account deductible or taxable temporary differences between the carrying amounts and tax bases of the assets and liabilities using the tax rates enacted or substantively enacted in the years in which the assets are recovered and the liabilities are settled.

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### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Income and deferred taxes (continued)**

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

Deferred tax assets and liabilities are classified as non-current. They are offset when there is a legally enforceable right to offset current tax assets and liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same tax authority on the same taxable entity or on different taxable entities that intend to settle the balances on a net basis.

#### **Stock Option Plan**

The Company grants stock options to directors, officers, employees and service providers. The Board of Directors offers such options with terms of up to ten years, with no vesting period, except for stock options granted to the financial advisor, for whom the options are exercisable over a 12-month period at a rate of 25% per quarter, at prices determined by the Board of Directors.

The fair value of the options is measured at the grant date, using the Black-Scholes model, and is recognized in the year the options are vested. The fair value is recorded as an expense against "Reserve – stock options." The amount recognized as an expense is adjusted to reflect the number of stock options expected to vest.

#### **Revenues**

Revenues include the sale of gold and by-products (silver). The Company sells through a refiner. Sales are recognized when legal title to the metals passes to the purchaser, which is when the metals are sold in the market. The Company's performance obligation is satisfied at a point in time when the metals are sold in the market. Revenues from the sale of gold are recognized in income based on the price at the time of sale.

#### **Earnings per share**

Basic earnings per share for the period is calculated based on the weighted average number of common shares outstanding during the year.

Diluted earnings per share for the period are calculated using the weighted average number of common shares outstanding during the year, plus the effect of dilutive potential common shares outstanding during the year. The treasury stock method is used to determine the dilutive effect of options. Under this method, the calculation of diluted earnings per share is made as if all dilutive potential shares had been exercised at the later of the beginning of the year or the date of issuance, as the case may be, and that the funds obtained thereby were used to purchase common shares of the Company at the average market value of the participating shares during the year.

### **4. NEW ACCOUNTING STANDARDS ADOPTED DURING THE YEAR AND STANDARDS ISSUED BUT NOT YET EFFECTIVE**

Certain new accounting standards and interpretations have been issued but are not mandatory for the current period and have not been early adopted. The Company is currently assessing the impact of these standards and does not expect the impact to be material to the Company's current or future reporting periods.

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### 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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. The determination of estimates requires judgment based on various assumptions and other factors such as experience and current and expected economic conditions. Actual results could differ from these estimates. Management believes that no critical judgment is likely to result in material adjustments to the carrying amounts of assets and liabilities.

#### Critical accounting estimates and assumptions

The preparation of financial statements in compliance with IFRS requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company also makes estimates and assumptions for the future.

#### Impairment of exploration and evaluation assets (Mining properties)

The assessment of impairment of exploration and evaluation assets requires judgment to determine whether there are any indications that a formal impairment test would be required for exploration and evaluation assets. Factors that could trigger an impairment test include, but are not limited to, the fact that the right to explore in a specific area expires during the period or in the near future and is not expected to be renewed; the fact that significant exploration and evaluation expenditures in a specific area are not budgeted or planned; the fact that the exploration and evaluation of the mineral resources in a specific area has not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in that specific area; the fact that sufficient data exists to indicate that, although development in a specific area is likely to proceed, it is unlikely that the full carrying amount of the assets will be recovered in the event of a successful development or sale; significant negative trends in the industry or the economy in general; interruptions in exploration and evaluation activities by the Company; and significant changes in current or forecast commodity prices.

Any changes in the judgments used to determine the fair value of exploration and evaluation assets could affect the impairment analysis.

#### Impairment of non-financial assets

Assets are reviewed at each consolidated statement of financial position date for any indication that an asset may be impaired, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. This test requires significant judgment. Factors that may trigger an impairment test include, but are not limited to, significant negative industry or economic trends, including the price of gold and current, projected or historical losses that indicate continued losses, a decrease in market capitalization and deferred capital expenditures.

#### Mineral reserve and mineral resource estimates

Ore reserves and mineral resources are estimates of the amount of ore that can be economically and legally extracted from the Company's mineral properties. The Company estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons with respect to geological and engineering data relating to the size, depth, shape and grade of the deposit, as well as appropriate production techniques and recovery rates. Such analysis requires complex geological judgments in interpreting the data.

Because the economic assumptions used may change and additional geological information is produced during the operation of a mine, reserve and resource estimates may also change. Such changes could have an impact on the Company's financial position and results, including:

- (i) The carrying amount of property, plant and equipment could be affected by changes in estimates of future cash flows;
- (ii) The depreciation expense in the consolidated statement of income may change when these expenses are determined using the units-of-production method, or when the useful lives of the related assets change; and
- (iii) Provisions for environmental remediation obligations may change – where changes in reserve and resource estimates affect expectations as to the timing and cost of these activities.

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### 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

#### Estimated useful life of property, plant and equipment

A significant portion of property, plant and equipment is depreciated using the units-of-production method. The calculation of the production depreciation rate per unit could be affected to the extent that actual future gold production differs from expected production based on proven and probable ore reserves and indicated resources. This generally occurs when major changes are made to any of the factors or assumptions used in estimating ore reserves and mineral resources.

Management estimates the useful life of property, plant and equipment based on the period over which the assets are expected to be available for use. The amounts and duration of expenses recorded for depreciation of mining assets for any period, as well as their net recoverable value, are affected by these estimates of useful lives. Estimates are reviewed at least annually and are updated if expectations change as a result of changes in ore reserves and mineral resources, physical wear and tear, technical or commercial obsolescence and other legal or other restrictions on use. It is possible that such changes could result in significant changes in the estimated useful lives of the Company's property, plant and equipment in the future, thereby affecting the depreciation and net recoverable value of such assets.

#### Provision for environmental remediation obligations

The Company's mining and exploration activities are subject to laws and regulations governing the protection of the environment. The Company recognizes amounts based on management's best estimates for decommissioning and remediation obligations in the period in which they become effective. Actual costs incurred in future periods could differ materially from these estimates. In addition, future changes in laws, interpretations of environmental agreements and regulations, estimates of operating lives and discount rates could affect the carrying amount of this provision. Such changes could also affect the useful lives of assets amortized on a straight-line basis, whose useful lives are limited to the life of the mine.

#### Income taxes and uncertain tax position

The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the amount of the overall tax provision. The ultimate tax consequences of many of the transactions and calculations are uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the tax provision initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

The estimates for the various notices of assessment received from the Government of Mali involve a degree of estimation and judgment with respect to certain items for which the tax treatment cannot be determined with certainty until the objection process reaches a resolution with its tax authority or, if applicable, through a formal legal proceeding.

The inherent uncertainty regarding the outcome of these items means that their eventual resolution could differ from the accounting estimates, thereby affecting the Company's financial position, results of operations and cash flows.

#### Renewal of exploration and mining permits

The Company makes estimates relating to the renewal of research and exploration permits by the Government of Mali. Failure to renew these permits could have a material impact on the value of the mineral properties.

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### 6. SEGMENTED INFORMATION

The Company operates in the precious metals mining and exploration industry. The operating segments presented reflect the Company's management structure and how the Company's chief operating decision maker assesses business performance. The Company evaluates the performance of its operating segments primarily based on mining income, operating income, income before income taxes and net income, as shown in the following tables.

Operating income for the Mining (gold) segment includes the Company and all of its subsidiaries in the production-to-sale value chain, whether at the production site, in refining operations or in administrative operations, regardless of country or currency.

	Year ended December 31, 2022				\$
	Mining (gold)	Exploration - Guinea	Exploration - Mali	Corporate management	Total
<b>MINING</b>					
Revenues - gold sales	112,236,766	---	---	---	112,236,766
Mining expenses - Note 9	(34,774,721)	---	---	---	(34,774,721)
Mining royalties	(3,477,139)	---	---	---	(3,477,139)
Depreciation of property, plant and equipment and amortization of intangible assets	(11,475,176)	---	---	---	(11,475,176)
<b>MINING INCOME</b>	<b>62,509,730</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>62,509,730</b>
<b>OTHER EXPENSES</b>					
Administrative expenses - Note 10	(11,660,083)	(780,764)	(49,886)	(6,162,438)	(18,653,171)
Exploration and evaluation expenses	(183,994)	---	---	---	(183,994)
Stock option compensation cost - Note 20 (b)	---	---	---	(863,180)	(863,180)
Depreciation of property, plant and equipment and amortization of intangible assets	---	(36,987)	---	(65,962)	(102,949)
Loss on retirement of assets	(1,129,235)	---	---	(39,588)	(1,168,823)
Other income	81,476	28,497	---	---	109,973
<b>OPERATING INCOME</b>	<b>49,617,894</b>	<b>(789,254)</b>	<b>(49,886)</b>	<b>(7,131,168)</b>	<b>41,647,586</b>
<b>FINANCIAL EXPENSES</b>					
Finance costs - Note 11	(1,652,352)	(7,796)	(4,542)	(40,207)	(1,704,897)
Foreign exchange gains (losses)	112,916	(15,524)	(1,561)	646,943	742,774
<b>INCOME BEFORE INCOME TAXES</b>	<b>48,078,458</b>	<b>(812,574)</b>	<b>(55,989)</b>	<b>(6,524,432)</b>	<b>40,685,463</b>
Provision for income taxes - Note 23	(7,130,484)	---	---	(741,462)	(7,871,946)
<b>NET INCOME</b>	<b>40,947,974</b>	<b>(812,574)</b>	<b>(55,989)</b>	<b>(7,265,894)</b>	<b>32,813,517</b>

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### 6. SEGMENTED INFORMATION (continued)

	Year ended December 31, 2021			Total \$
	Mining (gold)	Exploration - Mali	Corporate management	
<b>MINING</b>				
Revenues - gold sales	103,892,699	---	---	103,892,699
Mining expenses - Note 9	(34,632,805)	---	---	(34,632,805)
Mining royalties	(3,207,100)	---	---	(3,207,100)
Depreciation of property, plant and equipment and amortization of intangible assets	(11,451,992)	---	---	(11,451,992)
<b>MINING INCOME</b>	<b>54,600,802</b>	<b>---</b>	<b>---</b>	<b>54,600,802</b>
<b>OTHER EXPENSES</b>				
Administrative expenses - Note 10	(11,456,289)	(33,939)	(5,952,629)	(17,442,857)
Depreciation of property, plant and equipment and amortization of intangible assets	---	---	(64,238)	(64,238)
Loss on retirement of assets	(5,951)	---	---	(5,951)
Other income	122,407	---	---	122,407
<b>OPERATING INCOME</b>	<b>43,260,969</b>	<b>(33,939)</b>	<b>(6,016,867)</b>	<b>37,210,163</b>
<b>FINANCIAL EXPENSES</b>				
Finance costs - Note 11	(877,573)	(4,767)	(56,620)	(938,960)
Foreign exchange gains (losses)	(31,099)	---	538,974	507,875
<b>INCOME BEFORE INCOME TAXES</b>	<b>42,352,297</b>	<b>(38,706)</b>	<b>(5,534,513)</b>	<b>36,779,078</b>
Provision for income taxes - Note 23	(20,587,552)	---	(70,894)	(20,658,446)
<b>NET INCOME</b>	<b>21,764,745</b>	<b>(38,706)</b>	<b>(5,605,407)</b>	<b>16,120,632</b>

The Company's revenues are derived from one customer. The Company is not economically dependent on a limited number of customers for the sale of gold, as gold can be sold through numerous commodity market traders around the world.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 6. SEGMENTED INFORMATION (continued)

The Company's assets by segment are as follows:

	As at December 31, 2022				
					\$
	Mining (gold)	Exploration - Guinea	Exploration - Mali	Corporate management	Total
Treasury	2,811,608	633,565	67,980	98,253	3,611,406
Inventory	17,648,967	---	---	---	17,648,967
Receivables	8,209,335	459,148	---	199,369	8,867,852
Prepaid expenses	264,491	416,974	3,739	120,710	805,914
Deposits paid	1,065,052	3,460	25,047	68,000	1,161,559
VAT receivable	---	258,386	---	---	258,386
Deposits paid on property, plant and equipment	85,649	3,705,808	---	---	3,791,457
Mining properties	---	76,557,447	11,273,962	---	87,831,409
Property, plant and equipment	123,229,366	3,442,204	148,679	577,224	127,397,473
Intangible assets	68,015	221,565	---	97,305	386,885
	<b>153,382,483</b>	<b>85,698,557</b>	<b>11,519,407</b>	<b>1,160,861</b>	<b>251,761,308</b>

	As at December 31, 2021				
					\$
	Mining (gold)	Exploration - Mali	Corporate management	Total	
Treasury	3,200,665	244,021	17,277,121	20,721,807	
Inventory	13,638,323	---	---	13,638,323	
Receivables	4,164,700	---	57,461	4,222,161	
Prepaid expenses	273,776	43,362	425,166	742,304	
Deposits paid	1,839,861	52,118	28,544	1,920,523	
VAT receivable	1,453,141	---	---	1,453,141	
Mining properties	---	9,305,349	---	9,305,349	
Property, plant and equipment	90,288,294	242,586	74,381	90,605,261	
Intangible assets	9,389	49,460	---	58,849	
	<b>114,868,149</b>	<b>9,936,896</b>	<b>17,862,673</b>	<b>142,667,718</b>	

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 6. SEGMENTED INFORMATION (continued)

The Company's liabilities by segment are as follows:

	As at December 31, 2022				Total
	Mining (gold)	Exploration - Guinea	Exploration - Mali	Corporate management	
Lines of credit and bank overdraft	11,370,939	---	---	---	11,370,939
Accounts payable	12,170,146	4,488,470	69,609	1,228,779	17,957,004
Current portion of long-term debt	1,343,591	---	---	---	1,343,591
Current portion of lease liabilities	1,061,538	---	6,631	19,308	1,087,477
Long-term debt	51,624	---	---	---	51,624
Environmental liability	424,138	---	---	---	424,138
Lease liabilities	10,976,165	---	1,200	453,900	11,431,265
Deferred tax liabilities	10,106,230	---	---	---	10,106,230
Other long-term liabilities	1,283,342	---	151,375	---	1,434,717
	<b>48,787,713</b>	<b>4,488,470</b>	<b>228,815</b>	<b>1,701,987</b>	<b>55,206,985</b>

	As at December 31, 2021			
	Mining (gold)	Exploration - Mali	Corporate management	Total
Lines of credit and bank overdraft	6,659,600	---	---	6,659,600
Accounts payable	22,205,437	190,903	1,929,615	24,325,955
Current portion of long-term debt	4,389,574	---	---	4,389,574
Current portion of lease liabilities	10,392	12,490	56,268	79,150
Long-term debt	305,032	---	---	305,032
Environmental liability	378,385	---	---	378,385
Lease liabilities	---	7,213	---	7,213
Deferred tax liabilities	7,875,544	---	---	7,875,544
	<b>41,823,964</b>	<b>210,606</b>	<b>1,985,883</b>	<b>44,020,453</b>

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### 7. ACQUISITION OF SYCAMORE GROUP

On November 9, 2022, the Company acquired a portfolio of 4 exploitation permits in the Republic of Guinea, representing the Kiniéro gold project ("Kiniéro"), through the acquisition of Sycamore Capital CY Limited, Sycamore Mining Limited, Sycamore Mine Guinée SAU and Sycamore Trading Limited ("the Transaction" and "the Sycamore Group"). The Company accounted for the acquisition as a purchase of assets and assumption of liabilities. The Transaction was not considered a business combination under IFRS 3, Business Combinations, as significant inputs and processes that, taken together, constitute a business have not been identified, given the stage of exploration and evaluation of the permits. The Company settled the purchase price payable by issuing 242,160,000 common shares on November 9, 2022, with another 55,805,232 shares to be issued pursuant to certain closing adjustments. As at December 31, 2022, these shares had not yet been issued. Accordingly, a purchase price of \$74,785,806 was allocated to the assets acquired and liabilities assumed, based on their fair values relative to the date of acquisition. Acquisition costs of \$886,379 were capitalized to the cost of the assets acquired.

The fair value of the consideration paid in common shares represents the fair value of the shares based on the price at the time of issuance less a discount to reflect twenty-two months of restrictions on their sales.

The share purchase agreement ("SPA") provides for a further payment in common shares of up to 100,900,000 common shares of Robex. This payment in shares is conditional on the signing of an "Establishment Agreement with the Government of Guinea determining the terms under which the Kiniéro Project will operate. The number of shares to be delivered at that time may be reduced depending on the amount of certain liabilities attributable to Sycamore or to the sellers. These shares to be issued, if any, will be recognized when the conditions for their issue are met.

The consideration and allocation of the purchase price to the assets acquired and liabilities assumed are as follows:

<b>Purchase price</b>	<b>Total</b>
	\$
Consideration paid in common shares	62,572,699
Advance to the Sycamore Group prior to the Transaction	11,575,108
Acquisition costs	886,379
Less: Cash acquired	(248,380)
	<b>74,785,806</b>

<b>Net identifiable assets</b>	<b>Total</b>
	\$
Exploration and evaluation assets	74,280,934
Property, plant and equipment and intangible assets	3,580,984
Deposits paid on property, plant and equipment	2,542,697
Current assets	447,964
Current liabilities	(6,066,773)
	<b>74,785,806</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 8. CHANGES TO THE COMPARATIVE FIGURES

In completing the current year's consolidated financial statements, the Company decided to group expenses in the consolidated statement of income differently in order to represent more fairly the results.

	As previously reported \$	Reclassification \$	Current presentation \$
Revenues – gold sales	103,892,699	---	103,892,699
Mining expenses	(37,839,905)	3,207,100	(34,632,805)
Mining royalties	---	(3,207,100)	(3,207,100)
Administrative expenses	(17,442,857)	17,442,857	---
Depreciation of property, plant and equipment and amortization of intangible assets	(11,516,230)	64,238	(11,451,992)
<b>MINING RESULTS (previously presented as OPERATING INCOME)</b>	<b>37,093,707</b>	<b>17,507,095</b>	<b>54,600,802</b>
<b>OTHER EXPENSES</b>			
Administrative expenses	---	(17,442,857)	(17,442,857)
Depreciation of property, plant and equipment and amortization of intangible assets	---	(64,238)	(64,238)
Finance costs	(938,960)	938,960	---
Foreign exchange gains	507,875	(507,875)	---
Loss on retirement of assets	(5,951)	---	(5,951)
Other income	122,407	---	122,407
<b>OPERATING INCOME</b>	<b>36,779,078</b>	<b>431,085</b>	<b>37,210,163</b>
<b>FINANCIAL EXPENSES</b>			
Finance costs	---	(938,960)	(938,960)
Foreign exchange gains	---	507,875	507,875
<b>INCOME BEFORE INCOME TAX EXPENSE</b>	<b>36,779,078</b>	<b>---</b>	<b>36,779,078</b>

### 9. MINING EXPENSES

	2022 \$	2021 \$
Operating and maintenance supplies and services	30,085,353	31,536,300
Fuels	18,771,607	14,025,782
Reagents	4,757,153	5,065,618
Employee benefits expense	4,794,954	5,054,785
Change in inventories	(1,309,965)	44,901
Less: Production costs capitalized as stripping costs	(23,176,526)	(21,937,381)
Transportation costs	852,145	842,800
	<b>34,774,721</b>	<b>34,632,805</b>

### 10. ADMINISTRATIVE EXPENSES

	2022 \$	2021 \$
Exploitation and exploration	12,490,733	11,490,228
Corporate management	6,162,438	5,952,629
	<b>18,653,171</b>	<b>17,442,857</b>

Salary-related amounts of \$2,328,147 and \$777,971 are included in "Mining and exploration" and "Corporate management," respectively, for the year ended December 31, 2022 (\$1,650,861 and \$485,338, respectively, for the year ended December 31, 2021).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 11. FINANCE EXPENSES

	2022	2021
	\$	\$
Interest on long-term debt	416,672	483,861
Effective interest on long-term debt	151,404	59,320
Interest on lines of credit	431,370	196,065
Interest on lease liabilities	532,399	7,548
Bank charges	131,404	150,241
Change in environmental liability	41,648	41,925
	<b>1,704,897</b>	<b>938,960</b>

### 12. INVENTORY

	2022	2021
	\$	\$
Doré bars in production	4,592,268	3,976,552
Supplies and spare parts	11,866,485	9,249,760
Stacked ore	1,190,214	412,011
	<b>17,648,967</b>	<b>13,638,323</b>

### 13. ACCOUNTS RECEIVABLE

	2022	2021
	\$	\$
Gold sales receivable	783,784	---
VAT receivable <sup>(1)</sup>	7,917,847	3,804,644
Other taxes receivable	125,534	351,557
Other receivables	40,687	65,960
	<b>8,867,852</b>	<b>4,222,161</b>

<sup>(1)</sup> VAT receivables are non-interest bearing and are generally settled within 12 months. The VAT receivable that will be recovered over more than twelve months has been recognized in non-current assets. For the year ended December 31, 2022, no provision was recorded for VAT receivables (December 31, 2021 – nil). As at December 31, 2022, the Company held no collateral for the amounts receivable (December 31, 2021 – nil).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 14. MINING PROPERTIES

	Kiniéro (A)	Gladié (B)	Mininko (C)	Sanoula (D)	Kamasso (E)	Diangounté (F)	Total
Undivided interest	100%	100%	100%	100%	100%	100%	\$
<b><u>Mining rights and titles</u></b>							
Balance as at December 31, 2020	---	---	147,080	240,645	23,944	51,288	462,957
Acquisitions	---	---	---	---	13,459	25,799	39,258
Change in foreign exchange rate	---	---	(11,468)	(18,764)	(1,867)	(5,027)	(37,126)
<b>Balance as at December 31, 2021</b>	---	---	<b>135,612</b>	<b>221,881</b>	<b>35,536</b>	<b>72,060</b>	<b>465,089</b>
Acquisitions	74,280,934	127,538	10,201	10,201	---	---	74,428,874
Change in foreign exchange rate	(407,143)	8,173	1,657	2,059	(13,356)	336	(408,274)
<b>Balance as at December 31, 2022</b>	<b>73,873,791</b>	<b>135,711</b>	<b>147,470</b>	<b>234,141</b>	<b>22,180</b>	<b>72,396</b>	<b>74,485,689</b>
<b><u>Exploration expenses</u></b>							
Balance as at December 31, 2020	---	---	5,147,469	1,384,766	868,859	71,194	7,472,288
Costs incurred	---	---	1,408,894	548,857	---	19,888	1,977,639
Amortization	---	---	23,726	21,725	---	---	45,451
Change in foreign exchange rate	---	---	(459,630)	(121,636)	(67,748)	(6,104)	(655,118)
<b>Balance as at December 31, 2021</b>	---	---	<b>6,120,459</b>	<b>1,833,712</b>	<b>801,111</b>	<b>84,978</b>	<b>8,840,260</b>
Costs incurred	2,683,656	175,005	827,167	465,938	43,585	174,335	4,369,686
Change in foreign exchange rate	---	11,340	76,692	32,407	6,616	8,719	135,774
<b>Balance as at December 31, 2022</b>	<b>2,683,656</b>	<b>186,345</b>	<b>7,024,318</b>	<b>2,332,057</b>	<b>851,312</b>	<b>268,032</b>	<b>13,345,720</b>
<b>Total:</b>							
As at December 31, 2021	---	---	6,256,071	2,055,593	836,647	157,038	9,305,349
<b>As at December 31, 2022</b>	<b>76,557,447</b>	<b>322,056</b>	<b>7,171,788</b>	<b>2,566,198</b>	<b>873,492</b>	<b>340,428</b>	<b>87,831,409</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 14. MINING PROPERTIES (continued)

- (A) On November 4, 2020, the subsidiary Sycamore Mine Guinée S.A.U., 100% owned by the Company since the Transaction, received a gold and mineral substances exploitation permit for a portion of the Kouroussa property. This permit is valid for fifteen years.

On November 17, 2020, the subsidiary Sycamore Mine Guinée S.A.U. received three permits to mine gold and mineral substances on a portion of the Kouroussa property. These three exploitation permits are valid for a period of fifteen years.

As stipulated in the Mining Code of the Republic of Guinea, the Company is required to reach the exploitation phase no later than four years from the date that exploitation permits are granted. In addition, the Company is subject to certain minimum development work obligations over the life of the permits.

- (B) The Company holds the permit through its subsidiary, Robex Resources Mali S.A.R.L. This research and exploration permit was granted on April 8, 2022 with a term of 24 months, renewable twice for three years. The licence will expire on March 30, 2030. <sup>(1)</sup>
- (C) The Company holds 100% of the mining titles of this property. The seller benefits from a 1% NSR (Net Smelter Return) royalty on which the Company has a right of first refusal.

On March 21, 2012, Nampala S.A. received a permit to mine gold and mineral substances on a portion of the Mininko property. This exploitation permit is valid for thirty years.

In addition, at the time of the granting of the operating permit, the Government of Mali was granted 10% of the shares of Nampala S.A. without charge. The Government of Mali may decide to acquire an additional 10% interest in return for payment, which it has not done as at the date of these consolidated financial statements.

On September 17, 2019, Robex Resources Mali S.A.R.L. was again granted this research and exploration permit. The term of the licence is three years, renewable twice for two years. The permit will expire on September 16, 2026. The first renewal application was filed on May 11, 2022 and has yet to be verified by the Malian authorities. <sup>(1)</sup>

- (D) Since May 30, 2008, the Company holds 100% of the mining title through Robex Resources Mali S.A.R.L. The seller will receive a 2% NSR royalty on which the Company will have a right of first refusal.

This research and exploration permit was granted again on August 28, 2019 for a term of three years, renewable twice for two years. The permit will expire on August 27, 2026. The first renewal application was filed on April 27, 2022 and has yet to be verified by the Malian authorities. <sup>(1)</sup>

- (E) The Company holds the permit through its wholly-owned subsidiary, Robex Resources Mali SARL. This research and exploration permit was granted on September 19, 2017. The term of the licence is three years, renewable twice for three years. The permit will expire on September 18, 2026.
- (F) The Company holds the permit through its subsidiary Robex Resources Mali S.A.R.L. This research and exploration permit was granted on August 26, 2019. The term of this permit is 15 months, renewable twice for three years. The permit will expire on November 27, 2026. <sup>(1)</sup>

<sup>(1)</sup> The Company is subject to certain minimum exploration work obligations to be incurred over the terms of its research and exploration permits.

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### 15. PROPERTY, PLANT AND EQUIPMENT

	Mining development costs	Buildings and office equipment	Mining-related equipment	Tools, equipment and vehicles	Exploration equipment	Total \$
<b>Cost</b>						
Balance as at December 31, 2020	25,681,948	12,985,292	115,857,012	4,254,745	762,357	159,541,354
Acquisitions	3,146,804	1,201,296	26,036,894	1,042,396	---	31,427,390
Change in right-of-use assets	---	---	---	(116,087)	---	(116,087)
Asset retirement	---	---	---	(29,976)	---	(29,976)
Change in foreign exchange rate	(2,052,943)	(1,046,526)	(9,520,491)	(353,934)	(59,444)	(13,033,338)
<b>Balance as at December 31, 2021</b>	<b>26,775,809</b>	<b>13,140,062</b>	<b>132,373,415</b>	<b>4,797,144</b>	<b>702,913</b>	<b>177,789,343</b>
Acquisitions	892,072	4,403,543	38,445,037	640,357	15,012	44,396,021
Acquisition of Kiniéro	---	2,443,543	---	916,753	---	3,360,296
Asset retirement	---	(1,321,759)	(640,774)	(948,050)	(680,016)	(3,590,599)
Change in foreign exchange rate	195,329	189,507	2,722,887	47,473	(13,097)	3,142,099
<b>Balance as at December 31, 2022</b>	<b>27,863,210</b>	<b>18,854,896</b>	<b>172,900,565</b>	<b>5,453,677</b>	<b>24,812</b>	<b>225,097,160</b>
<b>Accumulated depreciation</b>						
Balance as at December 31, 2020	9,242,146	5,061,851	65,411,042	1,868,079	698,384	82,281,502
Depreciation	1,580,081	1,093,106	8,189,453	737,609	13,338	11,613,587
Change in right-of-use assets	---	---	---	(58,044)	---	(58,044)
Asset retirement	---	---	---	(24,025)	---	(24,025)
Change in foreign exchange rate	(729,724)	(415,334)	(5,271,709)	(157,338)	(54,833)	(6,628,938)
<b>Balance as at December 31, 2021</b>	<b>10,092,503</b>	<b>5,739,623</b>	<b>68,328,786</b>	<b>2,366,281</b>	<b>656,889</b>	<b>87,184,082</b>
Depreciation	1,016,819	1,109,390	8,897,601	696,269	9,219	11,729,298
Asset retirement	---	(754,502)	(424,394)	(600,607)	(646,244)	(2,425,747)
Change in foreign exchange rate	97,302	189,286	729,735	207,539	(11,808)	1,212,054
<b>Balance as at December 31, 2022</b>	<b>11,206,624</b>	<b>6,283,797</b>	<b>77,531,728</b>	<b>2,669,482</b>	<b>8,056</b>	<b>97,699,687</b>
<b>Net amounts:</b>						
Total as at December 31, 2021	16,683,306	7,400,439	64,044,629	2,430,863	46,024	90,605,261
<b>Total as at December 31, 2022</b>	<b>16,656,586</b>	<b>12,571,099</b>	<b>95,368,837</b>	<b>2,784,195</b>	<b>16,756</b>	<b>127,397,473</b>
Not depreciated						
as at December 31, 2021 <sup>(1)</sup>	7,192,341	1,301,482	2,267,858	---	---	10,761,682
Not depreciated						
as at December 31, 2022 <sup>(1)</sup>	6,777,069	2,653,947	1,276,450	299,623	---	11,007,089

<sup>(1)</sup> Property, plant and equipment with a carrying amount of \$11,007,089 is not depreciated because it was under development, construction or installation as at December 31, 2022 (\$10,761,682 as at December 31, 2021).

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### 16. ACCOUNTS PAYABLE

	2022	2021
	\$	\$
Suppliers	11,876,702	10,567,591
Due to the state	5,021,158	10,965,585
Other payables	467,762	1,352,444
Accounts payable to a company owned by a shareholder	429,403	1,424,708
Accounts payable to related parties	151,901	---
Accrued interest	10,078	15,627
	<b>17,957,004</b>	<b>24,325,955</b>

### 17. LONG-TERM DEBT, LINES OF CREDIT AND BANK OVERDRAFT

#### Long-term debt

Bank loan, in the initial amount of \$1,224,135 (600,000,000 CFA francs), annual interest of 10%, secured by a third-ranking land mortgage on the gold mining and mineral substances permit for the region of Nampala. This loan is repayable in monthly instalments of \$139,539 (63,308,678 CFA francs) including capital and interest, until July 2023 inclusively.

Bank loan in the initial amount of \$701,937 (300,000,000 CFA francs), annual interest of 7.5%, secured by a pledge of the financed vehicles. This loan is repayable in monthly instalments of \$20,277 (9,199,798 CFA francs) including capital and interest, until March 2024 inclusively.

Bank loan in the initial amount of \$69,726 (29,800,000 CFA francs), annual interest of 7.5%, secured by a pledge of the financed vehicles. This loan is repayable in monthly instalments of \$2,014 (913,846 CFA francs) including capital and interest, until March 2024 inclusively.

Loans fully repaid during the year

Less: Deferred financing costs of \$291,011 (122,263,500 CFA francs)

Less: Current portion of long-term debt

	2022	2021
	\$	\$
	1,068,374	---
	297,308	491,576
	29,533	48,830
	---	4,163,173
	<b>1,395,215</b>	<b>4,703,579</b>
	---	(8,973)
	<b>1,395,215</b>	<b>4,694,606</b>
	<b>(1,343,591)</b>	<b>(4,389,574)</b>
	<b>51,624</b>	<b>305,032</b>

The principal payments required over the next two years amount to \$1,395,215.

	\$
2023	1,343,591
2024	51,624

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### 17. LONG-TERM DEBT, LINES OF CREDIT AND BANK OVERDRAFT (continued)

Lines of credit and bank overdraft	2022 \$	2021 \$
Authorized line of credit from a Malian bank for a maximum amount of \$11,020,547 (5,000,000,000 CFA francs), bearing interest at 7.75% per annum, maturing on November 30, 2023.	8,685,739	---
Authorized line of credit from a Malian bank for a maximum amount of \$2,204,109 (1,000,000,000 CFA francs), bearing interest at an annual rate of 8%, maturing on August 8, 2023. <sup>(1)</sup>	1,877,640	---
Authorized line of credit from a Malian bank for a maximum amount of \$1,102,055 (500,000,000 CFA francs), bearing interest at an annual rate of 8%, maturing on October 31, 2023.	807,560	573,797
Authorized line of credit from a Malian bank for a maximum amount of \$5,484,729 (2,500,000,000 CFA francs), bearing interest at 7.75% per annum, matured on November 30, 2022.	---	5,484,729
Bank overdraft	---	601,074
	<b>11,370,939</b>	<b>6,659,600</b>

The lines of credit are secured by land mortgages on the gold mining and mineral substances permit for the region of Nampala.

(1) This line of credit was renegotiated on April 4, 2023 (see Note 29 - Subsequent events).

### 18. ENVIRONMENTAL LIABILITIES

	2022 \$	2021 \$
<b>Balance, beginning of the year</b>	<b>378,385</b>	423,702
Change in environmental liabilities	---	(54,309)
Accretion expense for the year	41,648	41,925
Effect of change in exchange rate	4,105	(32,933)
<b>Balance, end of the year</b>	<b>424,138</b>	378,385

The Company's operations are subject to various laws and regulations regarding environmental remediation and closure provisions for which the Company estimates future costs. These provisions may be revised as a result of changes in such laws and regulations and new information, such as changes in reserves corresponding to a change in the life of the mine and discount rates, changes in estimated costs of reclamation activities and the acquisition or construction of a new mine. The Company establishes a provision based on the best estimate of the future reclamation costs of the mining sites and related production facilities on a discounted basis.

#### Asset retirement obligations related to capital assets

As at December 31, 2022, the liability for asset retirement obligations was \$424,138 (December 31, 2021 – \$378,385).

The estimated undiscounted value of this liability was \$1,032,499 (December 31, 2021 – \$1,027,712).

For the year ended December 31, 2022, an accretion expense of \$41,648 (December 31, 2021 - \$41,925) was charged to income in finance costs to reflect an increase in the carrying amount of the asset retirement obligation, using a weighted average discount rate of 11% (December 31, 2021 - 11%).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 19. LEASES

Right-of-use assets are included in property, plant and equipment as described below:

	Buildings and office construction	Equipment related to mining operations	Tools, equipment and vehicles	Total \$
<b>Balance, beginning of the year</b>	<b>65,134</b>	<b>---</b>	<b>9,802</b>	<b>74,936</b>
Additions	473,207	11,916,685	---	12,389,892
Amortization	(76,355)	(597,162)	(9,435)	(682,952)
Effect of change in exchange rate	70,771	834,399	(367)	904,803
<b>Balance, end of the year</b>	<b>532,757</b>	<b>12,153,922</b>	<b>---</b>	<b>12,686,679</b>

Liabilities related to lease liabilities are as follows:

	2022 \$
<b>Balance, beginning of the year</b>	<b>86,363</b>
Additions	12,389,892
Payments during the year	(783,340)
Effect of change in exchange rate	825,827
<b>Balance, end of the year</b>	<b>12,518,742</b>
Less: Current portion of lease liabilities	(1,087,477)
	<b>11,431,265</b>

The lease liabilities required for the next three years are \$3,529,676.

	\$
2023	1,087,477
2024	1,171,558
2025	1,270,641
2026	1,378,526
2027 and subsequent	7,610,540

In 2020, the Company and Vivo Solar Mali S.A. ("Vivo") announced that they had entered into an agreement for Vivo to supply electricity to the Nampala mine through a photovoltaic power plant and battery energy storage system (the "PV Plant"). The agreement has an initial term of five years and is renewable at the Company's option for two consecutive five-year periods for a total of 15 years, once the PV Plant is commissioned. The PV Plant was commissioned in July 2022. The Company may be subject to an early termination fee, which is reduced monthly over 60 months. If the Company had terminated the agreement on December 31, 2022, it would have been subject to an early termination fee of \$10.1 million (US\$7.5 million).

It has been determined, based on the substance of the agreement and the payment mechanisms, that the agreement with Vivo contains a lease for the PV Plant. This conclusion is based in part on the fact that the PV Plant is dedicated to serving the Nampala mine and that the mine must take delivery of all its production. The most significant estimate in quantifying the liability for the lease obligation is the Company's calculation of the present value of the fixed lease payments. The financing costs charged to the liability have been determined based on the Company's incremental borrowing rate, which has been estimated at 9%.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 20. SHAREHOLDERS' EQUITY

#### a) Share capital

##### Authorized

Unlimited number of shares without par value

Common

Preferred shares, non-voting, variable non-cumulative dividend not exceeding 14%, non-voting, non-participating in the remaining assets, redeemable at the price paid

##### Issued and fully paid

**843,363,403 common shares**

(December 31, 2021 - 599,878,403 common shares)

2022	2021
\$	\$
<b>122,475,271</b>	71,407,047

#### Year 2022

During the year ended December 31, 2022, the Company issued 1,325,000 shares following the exercise of stock options for a cash amount of \$126,250. The value of the options exercised, which has been reclassified to share capital, is \$214,624.

As mentioned in Note 7, the Company settled the purchase price due on the Transaction by issuing 242,160,000 common shares on November 9, 2022.

#### b) Reserve – stock options

Under the Stock Option Plan, the Company may grant options to certain directors, officers, key employees and consultants. The total number of common shares in the share capital of the Company that may be issued under this plan is 34,770,600 shares. The aggregate number of common shares reserved for the exercise of options in favour of any one optionee, who is not a consultant or investor relations person, shall not exceed, in any 12-month period, five percent (5%) of the issued and outstanding common shares of the Company. At the time of each grant of options, the Board of Directors determines the term and exercise price of the options and may determine whether they may vest on a particular schedule. The term of the options issued cannot exceed ten years and the exercise price can be set at a discounted price. The total number of options granted in any 12-month period to consultants and persons performing investor relations activities must not exceed 2% of the issued and outstanding common shares. Lastly, the options granted to a person whose services are retained to perform investor relations activities vest over a 12-month period at the rate of 25% per three-month period.

The stock options granted by the Company are payable in equity instruments of the Company.

Outstanding stock options  
Stock options expired or cancelled

2022	2021
\$	\$
<b>1,236,659</b>	461,853
<b>2,565,758</b>	2,565,758
<b>3,802,417</b>	3,027,611

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2022 and 2021

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### 20. SHAREHOLDERS' EQUITY (continued)

#### b) Reserve - stock options (continued)

Stock options varied as follows:

	2022		2021	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at beginning of the year	6,281,163	\$0.12	7,140,163	\$0.12
Granted	6,000,000	\$0.36	---	---
Exercised	(1,325,000)	\$0.10	(759,000)	\$0.11
Cancelled or expired	---	---	(100,000)	\$0.12
Outstanding at end of the year	10,956,163	\$0.26	6,281,163	\$0.12
Can be exercised	10,956,163	\$0.26	6,281,163	\$0.12

For the year ended December 31, 2022, the weighted average share price upon exercise of the stock options was \$0.36 (\$0.41 for the year ended December 31, 2021).

The total fair value of stock options granted during the year ended December 31, 2022 is \$863,180 (no stock options were granted during the year ended December 31, 2021). For the year ended December 31, 2022, an amount of \$863,180 was recorded as stock option compensation cost (no amount was recorded for the year ended December 31, 2021). The fair value was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

	2022
Risk-free interest rate	3.11%
Expected volatility	55%
Rate of return on equity	0%
Expected life of the options	5 years
Share price	\$0.31
Exercise price	\$0.36

The following table summarizes certain information regarding the Company's stock options:

<u>Exercise price</u>	Options outstanding and exercisable as at December 31, 2022	
	Number	Weighted average remaining contractual life
\$0.115	100,000	0.7
\$0.13	4,856,163	1.9
\$0.36	6,000,000	4.5
	10,956,163	

#### c) Dividends

During the year ended December 31, 2022, no dividends were declared by the Nampala S.A. subsidiary to the non-controlling interest (dividends of \$23,614 for the year ended December 31, 2021).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 21. ACCUMULATED OTHER COMPREHENSIVE INCOME

	2022	2021
	\$	\$
<b>Exchange rate difference</b>		
Balance, beginning of the year	(1,219,990)	7,552,952
Change in foreign currency translation adjustment for the year	(1,531,412)	(8,772,942)
<b>Balance, end of the year</b>	<b>311,422</b>	<b>(1,219,990)</b>
<b>Attributable</b>		
To the common shareholders	308,168	(1,120,724)
To the non-controlling interest	3,254	(99,266)
	<b>311,422</b>	<b>(1,219,990)</b>

### 22. ADDITIONAL INFORMATION TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

	2022	2021
	\$	\$
<i>a) Net change in non-cash working capital items</i>		
<b>Decrease (increase) in current assets</b>	<b>(4,603,713)</b>	<b>(618,360)</b>
Receivables	(3,673,500)	(1,455,442)
Inventory	360,100	(592,808)
Prepaid expenses	(116,236)	(392,546)
Deposits paid	(8,033,349)	(3,059,156)
<b>Increase (decrease) in current liabilities</b>	<b>(13,511,076)</b>	<b>13,214,202</b>
Accounts payable	(21,544,425)	10,155,047
<i>b) Interest paid</i>		
Lines of credit	(431,370)	(196,065)
Long-term debt	(421,644)	(483,972)
Lease liabilities	(532,399)	(7,548)
Bank charges	(131,404)	(150,241)
	<b>(1,516,817)</b>	<b>(837,826)</b>
<i>c) Items not affecting cash related to investing activities</i>		
Change in accounts payable related to mining properties	(708,626)	---
Change in accounts payable related to property, plant and equipment	(460,975)	1,717,820
	<b>(1,169,601)</b>	<b>1,717,820</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 23. INCOME TAXES

#### Provision for income taxes

	2022	2021
	\$	\$
<b>Tax payable</b>		
Income tax payable	5,834,906	15,999,695
<b>Deferred tax</b>		
Origination and reversal of temporary differences	2,037,040	4,658,751
<b>Provision for income taxes</b>	<b>7,871,946</b>	<b>20,658,446</b>

The reconciliation of the combined federal (Canada) and provincial (Quebec) tax rate to the provision for income taxes is as follows:

	2022	2021
	\$	\$
Current tax at combined statutory rate of 26.5% (2021 - 26.5%)	10,752,897	9,746,448
Adjustments from previous years	123,800	14,276,807
Non-deductible and non-taxable items	(5,026,473)	(5,537,492)
Change in unrecognized deferred tax assets	156,305	1,298,180
Rate differential	838,672	771,537
Items not affecting cash and cash equivalents	---	233,922
Difference between accounting frameworks	---	(102,573)
Other	285,283	(102,325)
Foreign withholding tax	741,462	73,942
	<b>7,871,946</b>	<b>20,658,446</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 23. INCOME TAXES (continued)

#### Deferred income taxes and other

The components of deferred tax assets and liabilities are as follows:

#### Recognized deferred tax assets and liabilities

##### Deferred tax assets

Property, plant and equipment  
Lease liabilities

2022	2021
\$	\$
965,972	---
---	15,838
<b>965,972</b>	<b>15,838</b>

##### Deferred tax liabilities

Property, plant and equipment  
Intangible assets

(11,072,202)	(7,889,310)
---	(2,071)
<b>(11,072,202)</b>	<b>(7,891,381)</b>

#### Deferred income taxes, net

<b>(10,106,230)</b>	<b>(7,875,543)</b>
---------------------	--------------------

#### Unrecognized deferred tax assets

Mining properties  
Non-capital losses  
Deferred financial expenses  
Lease liabilities  
Property, plant and equipment

2022	2021
\$	\$
3,334,471	3,346,373
14,796,397	15,740,708
9,062	27,756
---	2,191
---	793,771
<b>18,139,930</b>	<b>19,910,799</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 24. EARNINGS PER SHARE

	2022 \$	2021 \$
Basic and diluted net income attributable to common shareholders	30,777,719	15,892,676
Basic weighted average number of shares outstanding	635,778,939	599,737,408
Options to purchase shares <sup>(1)</sup>	3,431,520	4,595,729
Diluted weighted average number of shares outstanding <sup>(1)</sup>	639,210,459	604,333,137
<b>Basic earnings per share</b>	<b>0.048</b>	0.026
<b>Diluted earnings per share</b>	<b>0.048</b>	0.026

<sup>(1)</sup> The calculation of hypothetical conversions excludes options whose effect is anti-dilutive. Some options are anti-dilutive either because their exercise price is higher than the average market price of the Company's common shares for each of the periods presented or because the impact of the conversion of these items on net income would cause diluted earnings per share to be higher than the basic earnings per share for each of these periods. For the year ended December 31, 2022, 2,852,459 options were excluded from the calculation of diluted earnings per share (no options for the year ended December 31, 2021).

### 25. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to maintain sufficient liquidity to fund planned activities. The definition of capital includes equity. The Company's capital was \$196,554,323 and \$98,647,265 as at December 31, 2022 and December 31, 2021, respectively.

The Company's objectives when managing capital are to maintain financial flexibility in order to preserve its ability to meet its financial obligations.

Other transactions affecting equity are disclosed in the consolidated statement of changes in equity.

### 26. CONTINGENCIES AND COMMITMENTS

#### Purchase obligations

As at December 31, 2022, the Company was committed to purchase, from various unrelated suppliers, property, plant and equipment for an amount of \$245,839 (\$2,149,770 as at December 31, 2021) and supplies and spare parts inventory for an amount of \$5,164,112 (\$4,423,053 as at December 31, 2021). In addition, the Company is committed to various unrelated suppliers for the delivery of services for a term of less than 12 months totalling \$677,175 (\$719,232 as at December 31, 2021).

The payments required during the next fiscal year total \$6,087,126.

#### Kiniéro Project

As at December 31, 2022, the Company was committed to various unrelated suppliers for the delivery of services in the amount of \$11,206,435 and purchases of property, plant and equipment in the amount of \$8,106,600, for which payments required during the next fiscal year total \$18,673,117.

#### Government royalties

In Mali, the royalty rate on shipments is 3%.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 26. CONTINGENCIES AND COMMITMENTS (continued)

#### Tax adjustment for prior years

In 2021, the Company received draft notices of assessment from Malian tax authorities for the years 2016 to 2018 with a maximum exposure of \$21.2 million (including interest and penalties).

The assessment primarily covered the following items: corporate income tax and tax on income from transferable securities.

As at December 31, 2021, various technical discussions were ongoing and a provision of \$14.3 million was recorded as at December 31, 2021, representing the most likely outflow. The dispute was settled with the authorities in 2022, and the outflow corresponded to the provision recorded as at December 31, 2021.

### 27. FINANCIAL INSTRUMENTS

#### Measurement categories

Financial assets and financial liabilities have been classified into categories that define their measurement basis and, for items measured at fair value, whether changes in fair value are recognized in the consolidated statement of income or the consolidated statement of comprehensive income. These categories are: financial assets and liabilities at FVTPL and financial assets and liabilities measured at amortized cost. The following table presents the carrying amounts of assets and liabilities for each of these categories:

	2022	2021
	\$	\$
<b>Financial assets at amortized cost</b>		
Treasury	3,611,406	20,721,807
Receivables	824,471	65,960
Deposits paid	1,161,559	1,920,523
Deposits paid on property, plant and equipment	3,791,457	---
	<b>9,388,893</b>	<b>22,708,290</b>
<b>Financial liabilities at amortized cost</b>		
Lines of credit and bank overdraft	11,370,939	6,659,600
Accounts payable	12,935,846	13,360,370
Long-term debt	1,395,215	4,694,606
Other long-term liabilities	1,434,717	---
	<b>27,136,717</b>	<b>24,714,576</b>

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### 27. FINANCIAL INSTRUMENTS (continued)

#### Financial risk factors

Through its activities, the Company is exposed to various financial risks, such as market risk, credit risk and liquidity risk.

#### a) Market risk

##### i) Fair value

The carrying amount of financial assets approximates fair value due to their short-term maturity and the interest rates on these instruments, which approximate market rates.

The Company believes that the carrying amount of all financial liabilities recorded at amortized cost in its consolidated financial statements approximates their fair value. Current financial assets and liabilities are measured at their carrying amount, which is considered to be a reasonable estimate of their fair value due to their short-term nature. The fair value of the long-term debt was not determined due to the specific conditions negotiated and the third parties involved.

- Level 1: Fair value measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2: Fair value measurement based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3: Fair value measurement based on valuation techniques that include a significant portion of inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2022, the Company had no financial instruments carried at fair value (nil as at December 31, 2021). The financial assets and liabilities presented in the above table have a fair value that approximates cost.

##### ii) Interest rate risk

The Company's current financial assets and liabilities are not significantly exposed to interest rate risk due to their short-term nature or because they are non-interest bearing.

Lines of credit and long-term debt bear interest at fixed rates and are not subject to interest rate risk.

##### iii) Foreign exchange risk

The Company is exposed to currency risk from its exposure to other currencies, primarily the Canadian dollar and the U.S. dollar.

The Company holds cash, accounts receivable, deposits paid, deposits paid on property, plant and equipment, and accounts payable in Canadian dollars, U.S. dollars, Guinean dollars and/or the British pound. As a result, the Company is exposed to the risk caused by fluctuations in foreign exchange rates. The Company does not use any derivatives to mitigate its exposure to currency risk.

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### 27. FINANCIAL INSTRUMENTS (continued)

#### Financial risk factor (continued)

##### a) Market risk (continued)

##### iii) Foreign exchange risk (continued)

The balances in foreign currencies as at December 31, 2022 and December 31, 2021 are as follows, to the extent that these balances are not denominated in the functional currency of the entity in question:

	2022 CAD	2022 USD	2021 CAD	2021 USD
Cash	96,856	292,420	356,078	203,196
Receivables	128,823	---	---	---
Deposits paid	80,331	234,471	27,386	443,407
Deposits paid on property, plant and equipment	---	2,235,320	---	---
Accounts payable	(431,351)	(1,266,234)	(415,070)	(1,540,211)
Lease liabilities	(473,207)	(8,887,849)	(56,268)	---
	<b>(598,548)</b>	<b>(7,391,872)</b>	<b>(87,874)</b>	<b>(893,608)</b>
<b>Net balance in euros</b>	<b>€ (413,990)</b>	<b>€ (6,930,619)</b>	<b>€ (61,062)</b>	<b>€ (789,237)</b>

The CFA franc fluctuates with the euro. The FCFA is currently at a fixed rate of 655.957 FCFA for 1 euro. The balance in euros includes the balance in CFA francs, as the foreign exchange risk associated with these two currencies is managed simultaneously.

Assuming all other variables remain constant, a 5% weakening of the exchange rates presented above would have increased the Company's net income and shareholders' equity by approximately \$570,570 for the year ended December 31, 2022 (increase of approximately \$62,536 for the year ended December 31, 2021). A 5% strengthening of the exchange rates presented above would have resulted in a decrease of approximately \$513,881 in the Company's net income and shareholders' equity for the year ended December 31, 2022 (decrease of approximately \$53,648 for the year ended December 31, 2021).

##### b) Credit risk

Credit risk is the risk of credit loss to the Company if a third party to a financial instrument fails to meet its contractual obligations. The financial instruments that may expose the Company to credit risk are cash and accounts receivable. The Company mitigates this risk by depositing its cash with Canadian and international financial institutions with strong credit ratings. However, as at December 31, 2022, \$313,980 was held with banks in Africa that have no credit rating (December 31, 2021 – \$3,148,070). Deposits were made primarily for the purchase of mining equipment and supplies and spare parts inventory.

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### 27. FINANCIAL INSTRUMENTS (continued)

#### Financial risk factor (continued)

#### c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due.

The following table presents the contractual maturities of financial liabilities as at December 31, 2022:

	Carrying amount	0 to 1 year	1 to 3 years	Over 3 years
Accounts payable	17,957,004	17,957,004	---	---
Lines of credit and bank overdraft	11,370,939	11,370,939	---	---
Long-term debt <sup>(1)</sup>	1,395,215	1,406,105	51,852	---
Lease liabilities <sup>(1)</sup>	12,518,742	2,116,900	4,201,891	11,631,268
Other long-term liabilities	1,434,717	---	---	1,434,717
	<b>44,676,617</b>	<b>32,850,948</b>	<b>4,253,743</b>	<b>13,065,985</b>

<sup>(1)</sup> Future maturities of these liabilities exceed their carrying amount because they include both scheduled principal and interest payments.

### 28. RELATED PARTY TRANSACTIONS

Results for the year ended December 31, 2022 include an expense of \$4,659,652 incurred with directors and officers and companies controlled by them (\$4,424,366 for the year ended December 31, 2021). These transactions occurred in the normal course of business and are measured at the exchange amount, which is the amount of consideration established by the related parties.

The following table summarizes, for the respective fiscal years, the total compensation paid to the directors and senior officers having the authority and responsibility to plan, direct and control the activities of the Company:

	2022	2021
	\$	\$
Professional fees and salaries <sup>(1)</sup>	3,782,840	4,372,566
Directors' fees <sup>(1)</sup>	68,300	51,800
Compensation in stock options	808,512	---
	<b>4,659,652</b>	<b>4,424,366</b>

<sup>(1)</sup> These expenses are included in Administrative expenses - Corporate management in Note 10.

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### 28. RELATED PARTY TRANSACTIONS (continued)

The following table summarizes, for the respective fiscal years, the transactions between the Company and the directors and senior officers having the authority and responsibility to plan, direct and control the activities of the Company:

	2022 \$	2021 \$
Transactions with Fairchild Participation S.A. <sup>(2) (3)</sup>	<b>3,753,746</b>	4,484,805

(2) An amount of \$3,156,507 included in this amount relates to the compensation of officers of the Company for the year ended December 31, 2022 (\$4,372,566 for the year ended December 31, 2021).

(3) Fairchild Participation S.A. is a company co-owned by a director and executive officer of the Company and his wife.

The Company has not provided for the payment of termination and change of control benefits for key management personnel.

### 29. SUBSEQUENT EVENTS

On January 23 and February 15, 2023, the Company issued 230,000 shares and 461,000 shares, respectively, following the exercise of stock options for a total cash amount of \$79,465. The value of the exercised options, which has been reclassified to share capital, was \$51,268.

On April 4, 2023, the Company obtained an authorized line of credit from a Malian bank for a maximum amount of \$4,408,219 (2,000,000,000 CFA francs), bearing interest at an annual rate of 8%, maturing on April 3, 2024.

On April 20, 2023, the Company entered into a US\$35 million bridge loan agreement with Taurus Mining Finance Fund No. 2, L.P. ("Taurus"), an arm's length lender, for the development of the Kiniéro gold project in Guinea (the "Bridge Facility" or the "Bridge Loan").

The main terms of the Bridge Loan are as follows:

- Term of 9 months between the signing of the Bridge Facility and repayment under the terms of the Bridge Facility;
- Interest rate of 8.0% per annum;
- Period of availability until the end of June 2023;
- The customary borrowing commitments for this type of a facility, given the competitive nature of the current market; and
- Security interest in the shares held by the Company in the Sycamore Group.

As a condition of the Bridge Loan, the Company issued 22.5 million non-transferable common share purchase warrants to Taurus at an exercise price of \$0.39 per common share. The warrants will expire on the earlier of:

- i) The date that is four (4) years after the closing date of the Bridge Loan, subject to earlier termination in the event of full repayment of project financing that may be provided by Taurus; or
- ii) The date that is one (1) year after the closing date of the Bridge Loan, if the Bridge Facility is fully repaid on or before such date by refinancing the Bridge Facility with a third party lender or group of lenders that is not directly or indirectly related to Taurus or its affiliates.

Lastly, if the Bridge Facility is reduced or partially repaid during the first year of its term other than through the use of another financing instrument provided by Taurus or its related or affiliated entities, the term with a pro rata number of warrants will be reduced.

On April 28, 2023, the Company announced that its board of directors had approved (i) a 10-for-1 consolidation of shares (subject to (A) approval by the Company's shareholders at the Company's next annual and special meeting of shareholders to be held on June 29, 2023 and (B) approval of the TSX Venture Exchange) and (ii) an amended and updated stock option plan (subject to approval of the TSX Venture Exchange). The amendments to the stock option plan increase the total number of common shares issuable under the plan and add housekeeping amendments to reflect changes to TSX Venture Exchange Policy 4.4 - Security Based Compensation.