Consolidated Financial Statements
December 31, 2021

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CONSOLIDATED FINANCIAL STATEMENTS

Independent auditor's report

To the Shareholders of Robex Resources Inc.

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 Entity) as at December 31, 2021 and 2020, 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 Entity's consolidated financial statements comprise:

- the consolidated statements of income for the years ended December 31, 2021 and 2020;
- the consolidated statements of comprehensive income for the years ended December 31, 2021 and 2020;
- the consolidated statements of changes in equity for the years ended December 31, 2021 and 2020;
- the consolidated statements of financial position as at December 31, 2021 and 2020;
- the consolidated statements of cash flows for the years ended December 31, 2021 and 2020; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

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

Other information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity'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 Entity 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 Entity 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, related safeguards.

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

/s/PricewaterhouseCoopers LLP[1]

Montréal, Quebec
May 2, 2021

[1] CPA auditor, CA, public accountancy permit No. A128042

CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31

(all amounts are in Canadian dollars unless otherwise indicated)

	2021	2020
	$	$
REVENUE - GOLD SALES	**103,892,699**	120,830,189
COSTS OF OPERATIONS		
Mining operation expenses - note 7	**37,839,905**	34,465,494
Administrative expenses - note 8	**17,442,857**	16,348,407
Depreciation of property, plant and equipment and amortization of intangible assets	**11,516,230**	20,913,370
Stock-based compensation expense - note 18 b)	---	573,791
OPERATING INCOME	**37,093,707**	48,529,127
OTHER EXPENSES (INCOME)		
Financial expenses - note 9	**938,960**	1,145,749
Foreign exchange gain	**(507,875)**	(193,820)
Write-off of property, plant and equipment and intangible assets	**5,951**	57,341
Other income	**(122,407)**	(62,490)
INCOME BEFORE INCOME TAX EXPENSE	**36,779,078**	47,582,347
Income tax expense - note 21	**20,658,446**	2,556,305
NET INCOME FOR THE YEAR	**16,120,632**	45,026,042
ATTRIBUTABLE TO		
Common shareholders	**15,892,676**	44,609,088
Non-controlling interest	**227,956**	416,954
	16,120,632	45,026,042
EARNINGS PER SHARE - note 22		
Basic	**0.026**	0.076
Diluted	**0.026**	0.074

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31

(all amounts are in Canadian dollars unless otherwise indicated)

	2021	2020
	$	$
NET INCOME FOR THE YEAR	**16,120,632**	45,026,042
Other comprehensive income (loss)		
Item that may be reclassified subsequently to net income		
Exchange difference	**(8,772,942)**	5,829,920
COMPREHENSIVE INCOME	**7,347,690**	50,855,962
COMPREHENSIVE INCOME ATTRIBUTABLE TO		
Common shareholders	**7,195,017**	50,407,529
Non-controlling interest	**152,673**	448,433
	7,347,690	50,855,962

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Years ended December 31, 2021 and 2020

(all amounts are in Canadian dollars unless otherwise indicated)

	Common shareholders						
	Share capital	Reserve - stock options	Retained earnings (deficit)	Accumulated other comprehensive income - note 19	Total	Non-controlling interest	**Total equity**
Balance as at December 31, 2019	**66,850,704**	**4,185,214**	**(859,288)**	**1,778,494**	**71,955,124**	**724,344**	**72,679,468**
Net income for the year	---	---	44,609,088	---	44,609,088	416,954	**45,026,042**
Other comprehensive income	---	---	---	5,798,441	5,798,441	31,479	**5,829,920**
Comprehensive income for the year	---	---	44,609,088	5,798,441	50,407,529	448,433	**50,855,962**
Dividend - note 18 c)	---	---	(35,537,967)	---	(35,537,967)	(73,014)	**(35,610,981)**
Stock options exercised during the year - note 18 a)	4,418,698	(1,677,419)	---	---	2,741,279	---	**2,741,279**
Stock options charged to expense during the year - note 18 b)	---	573,791	---	---	573,791	---	**573,791**
Balance as at December 31, 2020	**71,269,402**	**3,081,586**	**8,211,833**	**7,576,935**	**90,139,756**	**1,099,763**	**91,239,519**
Net income for the year	---	---	15,892,676	---	15,892,676	227,956	**16,120,632**
Other comprehensive income	---	---	---	(8,697,659)	(8,697,659)	(75,283)	**(8,772,942)**
Comprehensive income (loss) for the year	---	---	15,892,676	(8,697,659)	7,195,017	152,673	**7,347,690**
Dividend - note 18 c)	---	---	---	---	---	(23,614)	**(23,614)**
Stock options exercised during the year - note 18 a)	137,645	(53,975)	---	---	83,670	---	**83,670**
Balance as at December 31, 2021	**71,407,047**	**3,027,611**	**24,104,509**	**(1,120,724)**	**97,418,443**	**1,228,822**	**98,647,265**

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
YEARS ENDED DECEMBER 31

(all amounts are in Canadian dollars unless otherwise indicated)

	2021	2020
	$	$
ASSETS		
CURRENT ASSETS		
Cash	**20,721,807**	8,895,854
Inventories - note 10	**13,638,323**	13,316,488
Accounts receivable - note 11	**4,222,161**	3,754,189
Prepaid expenses	**742,304**	175,943
Deposits paid	**1,920,523**	2,012,030
	41,245,118	28,154,504
VAT RECEIVABLE	**1,453,141**	3,346,714
MINING PROPERTIES - note 12	**9,305,349**	7,935,245
PROPERTY, PLANT AND EQUIPMENT - note 13	**90,605,261**	77,259,852
INTANGIBLE ASSETS	**58,849**	77,882
	142,667,718	116,774,197
LIABILITIES		
CURRENT LIABILITIES		
Lines of credit and overdraft - note 15	**6,659,600**	1,086,599
Accounts payable - note 14	**24,325,955**	13,765,622
Current portion of long-term debt - note 15	**4,389,574**	4,288,403
Current portion of lease obligations - note 17	**79,150**	202,056
	35,454,279	19,342,680
LONG-TERM DEBT - note 15	**305,032**	2,211,700
ENVIRONMENTAL LIABILITIES - note 16	**378,385**	423,702
LEASE OBLIGATIONS - note 17	**7,213**	99,495
DEFERRED INCOME TAX - note 21	**7,875,544**	3,457,101
	44,020,453	25,534,678
EQUITY		
Share capital - note 18 a)	**71,407,047**	71,269,402
Reserve - stock options - note 18 b)	**3,027,611**	3,081,586
Retained earnings	**24,104,509**	8,211,833
Accumulated other comprehensive income - note 19	**(1,120,724)**	7,576,935
	97,418,443	90,139,756
Non-controlling interest	**1,228,822**	1,099,763
	98,647,265	91,239,519
	142,667,718	116,774,197

Contingencies and commitments (note 24)

Subsequent event (note 27)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31

(all amounts are in Canadian dollars unless otherwise indicated)

	2021	2020
	$	$
CASH FLOWS FROM THE FOLLOWING ACTIVITIES		
Operating		
Net income for the year	**16,120,632**	45,026,042
Adjustments for		
Financial expenses	**938,960**	1,145,749
Depreciation of property, plant and equipment and amortization	**11,516,230**	20,913,370
Deferred income tax expense	**4,658,751**	1,788,301
Write-off of property, plant and equipment and intangible assets	**5,951**	57,341
Stock-based compensation expense	**---**	573,791
Net changes in non-cash working capital items - note 20	**10,155,047**	(1,624,536)
Variation in VAT receivable	**1,365,503**	(3,346,714)
Paid interest - note 20	**(837,826)**	(1,067,824)
	43,923,248	63,465,520
Investing		
Variation in deposits paid	**334,055**	(1,109,028)
Acquisition of mining properties	**(2,005,403)**	(282,319)
Acquisition of property, plant and equipment	**(33,199,518)**	(28,789,875)
Acquisition of intangible assets	**(3,700)**	(14,773)
	(34,874,566)	(30,195,995)
Financing		
Long-term debt contracted	**4,079,841**	---
Repayment of long-term debt	**(5,452,097)**	(7,732,748)
Variation in lines of credit	**5,622,118**	1,110,942
Payments of lease obligations	**(145,910)**	(315,429)
Issue of common shares	**83,670**	2,741,279
Dividends paid	**(8,623)**	(35,545,366)
	4,178,999	(39,741,322)
Effect of exchange rate changes on cash	**(1,401,728)**	1,768,651
Increase (decrease) in cash	**11,825,953**	(4,703,146)
Cash at the beginning of the year	**8,895,854**	13,599,000
Cash at the end of the year	**20,721,807**	8,895,854
Tax paid	**7,400,802**	1,468,607

Additional information (note 20)

1 - NATURE OF OPERATIONS

Robex Resources Inc. (the "Company") is a junior Canadian operations and exploration mining company. The Company has entered into commercial operation on its Nampala deposit, located on the Mininko permit, on January 1, 2017. In addition to its operational mining activities, the Company holds five exploration permits, all located in Mali, West Africa. The head office's address is 437 Grande Allée Est, Québec (Quebec), G1R 2J5, Canada.

2 - BASIS OF PRESENTATION

These consolidated financial statements have been prepared in accordance with IFRS and were approved by the Board of Directors for issue on May 2, 2022.

3 - SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

Basis of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries and those of African Peak Trading House Limited, in which the Company has made a significant investment and all of whose earnings are redistributed to the Company in the form of preferred dividends. The Company's subsidiaries are Robex N'Gary SA, in which the Company holds an 85% interest, Robex Resources Mali SARL, which is wholly owned, and Nampala SA, in which the Company holds a 90% interest. These three subsidiaries are all located in Mali. All intercompany transactions and balances have been eliminated.

The non-controlling interest in the net assets of consolidated subsidiaries is presented within equity but separate from the Company's equity. The non-controlling interest consists of the non-controlling interest at the date of the original business combination plus the non-controlling interest share of recognized changes in equity since the date of acquisition.

Total comprehensive income of subsidiaries is attributed to the shareholders of the Company and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

Functional and presentation currency

The Canadian dollar is the presentation currency for the consolidated financial statements. The euro and the CFA franc are the functional currencies of the Company.

These consolidated financial statements are translated into the presentation currency as follows: assets and liabilities are translated into Canadian dollars at the exchange rate in effect on the date of the consolidated statement of financial position. The foreign currency translation adjustment arising from such translation is included in accumulated other comprehensive income under equity. Income and expenses are translated at the exchange rate in effect on the date of the transaction.

3 - SIGNIFICANT ACCOUNTING POLICIES - (continued)

Foreign currency transaction translation

Transactions denominated in currencies other than the functional currency are translated into the relevant functional currency as follows: monetary assets and liabilities are translated at the exchange rate in effect on the date of the consolidated statement of financial position, and income and expenses are translated at the exchange rate in effect on the date of the transaction. Non-monetary assets and liabilities measured at historical cost and denominated in a foreign currency are translated using the exchange rate at the date of the transaction; and non-monetary items that are measured at fair value and denominated in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Foreign exchange gains and losses arising from such translation are recorded in profit or loss under "Foreign exchange loss (gain)".

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provision of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

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

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

(a) Assets and liabilities at fair value through profit or loss ("FVTPL")

Financial instruments classified as assets or liabilities at FVTPL are recognized at fair value at each consolidated statement of financial position date, and any change in the fair value is reflected in the consolidated statement of income in the period during which these changes take place.

(b) Assets and liabilities at amortized cost

Financial instruments classified as assets or liabilities at amortized cost are initially recognized at fair value including transaction costs and are subsequently measured at each consolidated statement of financial position date at amortized cost using the effective interest rate method; any change in the cost is reflected in the consolidated statement of income in the period during which these changes take place.

(c) Fair value through other comprehensive income ("FVTOCI")

Financial instruments classified as assets or liabilities at FVTOCI are initially recognized at fair value including transaction costs and are subsequently measured at each consolidated statement of financial position date at fair value; any change in the fair value is reflected in the consolidated statement of comprehensive income (loss) with no reclassification to net income on disposal of such assets and liabilities.

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

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

3 - SIGNIFICANT ACCOUNTING POLICIES - (continued)

Financial instruments - (continued)

Transaction costs

Transaction costs related to financial instruments that are not classified as assets or liabilities at FVTPL, are recognized as adjustments to the cost of the financial instrument in the consolidated statement of financial position at the time of initial recognition. These will be amortized until they are carried out or until they are exercised.

Inventories

The material extracted from the mining pits is classified as a sterile material corresponding to stripping costs and capitalized to property, plant and equipment, or as ore stocks. Ore represents material that, at the time of extraction, is expected to be processed into a saleable form and sold at a profit. Raw materials comprise ore in stockpiles, which are subsequently processed into gold in a saleable form. Work in progress represents *doré* bars in the processing circuit that have not completed the production process, and are not yet in a saleable form. Supplies represent commodity consumables 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 a normal production capacity, in bringing each product to its present location and condition. Cost of inventories includes direct labour, materials and subcontractor expenses and an allocation of mine site overhead costs. As ore is sent to the mill for processing, costs are reclassified out of inventory based on the average cost per tonne of the stockpile.

The Company records provisions to reduce inventory to net realizable value to reflect changes in economic factors that impact inventory value and to reflect present intentions for the use of slow-moving and obsolete supplies inventory. Net realizable value is determined with reference to relevant market prices less applicable variable selling expenses. Provisions recorded also reflect an estimate of the remaining costs of completion to bring the inventory into its saleable form. Provisions are also recorded to reduce mine operating supplies to net realizable value, which is generally calculated by reference to its salvage or scrap value when it is determined that the supplies are obsolete. Provisions are reversed to reflect subsequent recoveries in net realizable value where the inventory is still on hand.

3 - SIGNIFICANT ACCOUNTING POLICIES - (continued)

Mining properties

Expenditures incurred on activities that precede exploration for and evaluation of mineral resources, being all expenditures incurred prior to securing the legal rights to explore an area, are expensed immediately.

Exploration expenditures include rights to mining properties, paid or acquired through an acquisition of assets, and costs related to the initial 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 an impairment loss caused by a loss in value. Mining rights and options to acquire undivided interests in mining rights are depreciated only as 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 applied against the related carrying amount, and any excess or shortfall is recorded as a gain or loss in the consolidated statement of income. In the case of partial sale, if the carrying amount exceeds the proceeds, only the losses are recorded.

Exploration expenditures also typically include costs associated with prospecting, sampling, trenching, drilling and other work involved in searching for ore like topographical, geological, geochemical and geophysical studies. Generally, expenditures relating to exploration activities are capitalized 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’s confidence in the ore body.

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

- establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve;
- determining the optimal methods of extraction and metallurgical and treatment processes;
- studies related to surveying, transportation and infrastructure requirements;
- permitting activities; and
- economic evaluations to determine whether the development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

Exploration and evaluation expenditures are capitalized if management determines that there is sufficient evidence to support the probability of generating positive economic returns in the future. When a mine project moves into the development phase, exploration and evaluation expenditures are capitalized to mine development costs. If an exploration and evaluation activity does not prove viable, all irrecoverable costs with the project are written off. Exploration and evaluation expenditures include overhead expenses directly attributable to the related activities.

3 - SIGNIFICANT ACCOUNTING POLICIES - (continued)

Mining properties - (continued)

Impairment loss

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

Mining properties are reviewed for impairment at each reporting date whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment test is performed when impairment indicators arise, which is typically when one of these conditions 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 exploration expense and subsequent evaluation in the specific area is planned or in the budget;
- No resource discovery is commercially viable and the Company has decided to cease exploration in the specific area; or
- Sufficient work has been done to indicate that the carrying amount of the expense recognized in the asset will not be fully recovered.

An impairment loss is recognized for the amount by which the carrying amount of a mining property exceeds its recoverable amount. For the purpose of measuring the recoverable amount, mining properties are grouped at the lowest levels for which there are separately identifiable cash flows ("cash-generating units" or "CGUs"). The recoverable amount of a mining property is the higher of its fair value less costs of disposal and its value in use. The value in use is determined based on the present value of the expected future cash flows of the relevant asset or CGU. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount.

The Company evaluates impairment losses at each reporting date for potential reversals when events or circumstances warrant such consideration.

Property, plant and equipment

Property, plant and equipment are initially and subsequently recorded at cost less accumulated depreciation and impairment. Cost includes expenditures that are directly attributable to the acquisition of an 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 item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced.

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

The Company allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and depreciates separately each such part. Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate. In case of change in these estimates, they are accounted for prospectively.

Expenditures on major maintenance rebuilds or overhauls are capitalized when it is probable that the expenditure will extend the productive capacity or useful life of an asset.

3 - SIGNIFICANT ACCOUNTING POLICIES - (continued)

Property, plant and equipment - (continued)

Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included in the consolidated statement of income.

Property acquisition costs, exploration costs and mining development costs

Costs incurred relative to proven and probable developed and undeveloped reserves, and probable non-reserve resources, if there is sufficient objective evidence to support a conclusion that it is probable that the non-reserve resources will be produced (the "probable non-reserve resources"), are included in the depreciable amount. 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 begins when a property is put into commercial operation and is calculated using the units of production method over the expected operating life of the mine based on estimated recoverable ounces of gold. Estimated recoverable ounces of gold include proved and probable reserves and some indicated resources.

Exploration costs incurred on a property in production are capitalized to property, plant and equipment and amortized based on estimated recoverable ounces of gold in the resource area concerned.

Equipment related to mining operations

Equipment related to mining operations is recorded at cost and depreciated, less residual value, using the units of production method over the expected operating life of the mine based on estimated recoverable ounces of gold. However, if the estimated useful life of the assets is less than that of the mine, depreciation is based on their estimated useful life, or using the straight-line method over the expected operating life of the mine.

Buildings and office development

Buildings and office development are recorded at cost and depreciated, less residual value, using the straight-line method over the expected operating life of the mine or using the declining balance method at rates of 20%. However, if the expected useful life of the assets is less than that of the mine, depreciation is based on their expected useful life.

Assets under construction

Assets under construction include property, plant and equipment under construction, including those intended for their own use. The cost includes the purchase price, as well as any cost directly attributable to bringing the asset into working condition for its intended use. Assets under construction are classified in the appropriate tangible asset category when the costs are incurred. Assets under construction are recognized at cost, less any recognized impairment loss, and are not depreciated. Their depreciation begins only when they are ready for their intended use.

Tools, equipment and vehicles

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

Exploration equipment

Depreciation of exploration equipment is capitalized to mining properties according to the capitalization policy of mining properties. Depreciation of property, plant and equipment, if related to mine development expenditures, is capitalized in mine development costs. These amounts will be recognized in the consolidated statement of income through depreciation of property, plant and equipment when they are put into production (or when mining properties are put into production). For those which are not related to exploration and development activities, depreciation expense is recognized directly in the consolidated statement of income. Depreciation is calculated on a declining balance basis at an annual rate of 20% or 30%.

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 intended for their own use. The cost includes the purchase price, as well as any cost directly attributable to bringing the asset into working condition for its intended use. Assets under construction are classified in the appropriate tangible asset category when the costs are incurred. Assets under construction are recognized at cost, less any recognized impairment loss, and are not depreciated. Their depreciation begins only when they are ready for their intended use.

Stripping costs

In open pit mining operations, it is necessary to remove overburden and other sterile materials to access ore from which minerals can be extracted economically. The process of mining overburden and other sterile materials is referred to as stripping. Stripping costs incurred in order to provide initial access to the ore body are capitalized under mining development costs and are amortized when the ore to which the costs are attached is extracted from the pit and the mine is considered operational. When these costs are directly attributable to the development of a tangible asset category, they are recorded into it.

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

(i) It is probable that the future economic benefit (improved access to the component of the ore body) associated with the stripping activity will flow to the Company;

(ii) The Company can identify the component of the ore body for which access has been improved; and

(iii) The costs relating to the stripping activity associated with that component can be measured reliably.

The Company measures the stripping activity at cost based on an accumulation of costs incurred to perform 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 losses in the same way as 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 such time as the assets 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 on a declining balance basis at an annual rate of 30%.

3 - SIGNIFICANT ACCOUNTING POLICIES - (continued)

Impairment of non-financial assets

Property, plant and equipment and intangible assets are tested for impairment when events or changes in circumstances indicate that their carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units – "CGUs"). The recoverable amount is the higher of its fair value less costs of disposal and value in use (being the present value of the expected future cash flows of the relevant asset or CGUs). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

Provision for asset retirement obligations

The Company records the present value of estimated costs of legal and constructive obligations required to restore locations in the period in which the obligation is incurred with a corresponding increase in the carrying amount of the related mining asset. For locations where mining activities have ceased, changes to provisions are charged directly to the consolidated statement of income under financial expenses. The obligation is generally considered to have been incurred when mining assets are constructed or the ground environment is disturbed at the production location.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material. The increase in the provisions due to passage of time is recognized as financial 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 lease contracts for office space and vehicles.

Lease terms are negotiated on a case-by-case basis and include a wide range of terms and conditions. The lease agreements do not impose any covenants.

Leases are recognized as a right-of-use asset and a corresponding liability to the date when the leased asset is available for use by the Company. Each lease payment is allocated between liability and financial expenses. Financial expenses are charged to net income over term of the lease for a constant periodic interest rate on the remaining balance of the liability for each period. The right-of-use asset is amortized over the lease term on a straight-line basis.

<u>Right-of-use assets</u>

Right-of-use assets are initially measured at cost and include:

- the amount of the initial measurement of the lease liability
- lease payments made on or before the start date, less any lease incentives
- all initial costs incurred directly by the Company
- restoration costs.

After the start date, right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses and are adjusted for any revaluation of the lease obligation.

3 - SIGNIFICANT ACCOUNTING POLICIES - (continued)

Leases - (continued)

Lease obligations

Lease obligations are initially measured at the present value of the lease payments that have not been paid as of that date. This includes:

- fixed payments, less any lease incentives receivable
- variable lease payments that are based on an index or rate
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

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

Exemptions

The Company elected to apply exemptions for leases with low underlying asset values, or for which the lease term does not exceed 12 months. Payments associated with such leases are recognized on a straight-line basis as an expense in net income.

Non-controlling interest

Non-controlling interest consists of the interests in the equity of subsidiaries held by outside parties. The share of the net assets attributable to the non-controlling interest is presented within equity. Their share of profit or loss and other comprehensive income (loss) is recognized directly in equity even if the non-controlling interest has a deficit balance.

Income tax and deferred taxes

The tax expense comprises current and deferred tax. Tax is recognized in the consolidated statement of income, except if it concerns items recognized directly in equity. In this case, the related tax is also recognized directly in equity.

The Company provides for deferred income taxes using the liability method. Under this method, deferred income tax assets and liabilities are determined based on deductible or taxable temporary differences between financial statement values and tax values of assets and liabilities, using enacted or substantively enacted income tax rates that are expected to be in effect for the years in which the assets are expected to be recovered or the liabilities to be settled.

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

3 - SIGNIFICANT ACCOUNTING POLICIES - (continued)

Income tax and deferred taxes - (continued)

Deferred tax assets and liabilities are presented as non-current and are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Stock option plan

The Company grants stock options to directors, members of management, employees and service providers. The Board of Directors offers such options for periods of up to ten years, with no vesting period, except for stock options granted to the financial advisor for whom the options are exercisable for a period of twelve months at 25% per quarter, at prices determined by the Board of Directors.

The fair value of options is measured at the grant date using the Black-Scholes option pricing model and is recognized over the period during which employees acquire options. The fair value is recognized as an expense with offset to "Reserve - stock options". The amount recognized as an expense is adjusted to reflect the number of options that are expected to be acquired.

Revenue

Revenue includes the sale of gold and by-products (silver). The Company sells gold through a refiner. Sales are recognized when control of the gold has been transferred to the ultimate buyer, being when the gold is sold through the open market. Thus, the performance obligations are satisfied at a point in time when gold is sold on the open market. Revenue from the sale of gold is recognized based on the London Bullion Market price in euro at the time of the sale.

Earnings per share

Basic earnings per share for the period are 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 effects of dilutive potential common shares outstanding during the year. The treasury stock method is used to determine the dilutive effect of stock options. Under these methods, the calculation of diluted earnings per share is made, as if all dilutive potential shares had been issued at the later of the beginning of the year or the date of issuance, as the case may be, and as if the funds obtained thereby had been used to purchase common shares of the Company at the average quoted market value of the common shares during the year.

4 - NEW ACCOUNTING STANDARDS ADOPTED DURING THE YEAR AND ISSUED BUT NOT YET IN EFFECT

The following standards and amendments to existing standards have been published, and their adoption is mandatory for future accounting periods.

IAS 37 – Provisions, contigent liabilities and contingent asset

The amendments clarify the meaning of "costs to fulfil a contract", and specify that, before a separate provision for an onerous contract is established, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. The amendment will be applied prospectively to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments or after the first reporting period beginning on or after January 1, 2022. This change is currently being assessed by the Company.

5 - CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates. Management believes that there are no critical judgements that may result in material adjustment to the carrying amounts of assets and liabilities.

Critical accounting estimates and assumptions

The preparation of financial statements in conformity 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 income and expenses during the reporting period. The Company also makes estimates and assumptions concerning the future.

Impairment of property, plant and equipment

The Company's recoverability of the recorded value of its property, plant and equipment (including mining properties and associated deferred expenditures) is based on market conditions for metals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale.

Any change in the quality and quantity of recoverable ore reserves and mineral resources recoverable, expected selling prices and operating costs could materially affect the estimated fair value of mining assets, which could result in material write-downs or write-offs in the future.

Ore reserves 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 mining properties. The Company estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Such an analysis requires complex geological judgements to interpret the data.

As the economic assumptions used may change and as additional geological information is produced during the operation of a mine, estimates of reserves and the resources may change. Such changes may impact the Company's reported financial position and results, which include:

(i) The carrying value of property, plant and equipment may be affected due to changes in estimated future cash flows;

(ii) Amortization charges in the consolidated statement of income may change where such charges are determined using the units of production method, or where the useful life of the related assets change; and

(iii) Provisions for environmental restoration obligations may change - where changes to the reserve estimates affect expectations about when such activities and resources will occur and the associated cost of these activities.

5 - CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS - (continued)

Estimated useful life of property, plant and equipment

A significant portion of property, plant and equipment is depreciated according to the method of production units. The calculation of the units-of-production rate of amortization could be impacted to the extent that actual gold production in the future is different from current forecast production based on proved and probable ore reserve and indicated resources. This would generally arise when there are significant changes in any of the factors or assumptions used in estimating ore reserve and mineral resources.

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

Provision for environmental restoration obligations

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Company recognizes management's best estimate for decommissioning and restoration obligations in the period in which they are incurred. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision. Such changes could similarly impact the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life of mine.

Income taxes and uncertain tax positions

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

The estimates relating to the different tax assessments received from the Government of Mali involve a degree of estimation and judgment with regard to certain items whose tax treatment cannot be finally determined until a resolution of an opposition process has been reached with the relevant taxation authority or, as appropriate, through a formal legal process.

The inherent uncertainty regarding the outcome of these items means that eventual resolution could differ from the accounting estimates and therefore impact the Corporation’s financial position, results of operations and cash flows. The financial impact of the estimate is reported in note 24.

COVID-19

A global pandemic related to COVID-19 was declared by the World Health Organization in March 2020, resulting in adjustments to the Company's operating procedures. To date, its operations have not been significantly impacted. The current and expected repercussions on global commerce have been and will continue to be far-reaching. To date, there has been significant volatility in commodity prices and foreign exchange rates around the world. In addition, many restrictions have been implemented, including travel restrictions and supply chain disruptions. As of the date of publication of these condensed interim consolidated financial statements, there is still a significant ongoing global uncertainty surrounding COVID-19 and the extent and duration of the impact it may have. Thereby, it is not possible to reliably estimate either the length or the severity of these developments and their impact on the Company's financial results, financial situation and cash flows.

(all amounts are in Canadian dollars unless otherwise indicated)

6 - SEGMENTED INFORMATION

The Company conducts its operating and exploration activities in Mali. The operational sectors presented reflect the Company's management structure and how the Company's principal operational decision-maker assesses business performance. The Company evaluates the performance of its operating sectors primarily based on operating income (loss), as shown in the following tables.

Operating income for the Mining Operation (Gold) division is consolidated from the Company and all its subsidiaries involved in the value chain from production to sale, be it at the point of production, or from refinery and administrative activities, and regardless of country or currency.

				Year ended Decembre 31, 2021
				$
	Mining Operations (Gold)	**Mining Exploration**	**Corporate management**	**Total**
REVENUE - GOLD SALES	**103,892,699**	**---**	**---**	**103,892,699**
Mining operation expenses - note 7	**34,632,805**	**---**	**---**	**34,632,805**
Mining royalties - note 7	**3,207,100**	**---**	**---**	**3,207,100**
Administrative expenses - note 8	**11,456,289**	**33,939**	**5,952,629**	**17,442,857**
Depreciation of property, plant and equipment and amortization of intangible assets	**11,451,992**	**---**	**64,238**	**11,516,230**
OPERATING INCOME (LOSS)	**43,144,513**	**(33,939)**	**(6,016,867)**	**37,093,707**

				Year ended December 31, 2020
				$
	Mining Operations (Gold)	Mining Exploration	Corporate management	Total
REVENUE - GOLD SALES	120,830,189	---	---	120,830,189
Mining operation expenses - note 7	31,550,225	---	---	31,550,225
Mining royalties - note 7	2,915,269	---	---	2,915,269
Administrative expenses - note 8	8,808,597	10,779	7,529,031	16,348,407
Depreciation of property, plant and equipment and amortization of intangible assets	20,849,429	---	63,941	20,913,370
Stock-based compensation expense - note 18 b)	---	---	573,791	573,791
OPERATING INCOME (LOSS)	56,706,669	(10,779)	(8,166,763)	48,529,127

The Company's proceeds come from one client. The Company does not economically depend on a limited number of buyers for the sale of gold, as gold can be sold through many commodity traders around the world.

(all amounts are in Canadian dollars unless otherwise indicated)

6 - SEGMENTED INFORMATION - (continued)

The Company's assets by segment are as follows:

				As at December 31, 2021
				$
	Mining Operations (Gold)	**Mining Exploration**	**Corporate management**	**Total**
Cash	**3,200,665**	**244,021**	**17,277,121**	**20,721,807**
Inventories	**13,638,323**	**---**	**---**	**13,638,323**
Accounts receivable	**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**
	114,868,149	**9,936,896**	**17,862,673**	**142,667,718**

				As at December 31, 2020
				$
	Mining Operations (Gold)	Mining Exploration	Corporate management	Total
Cash	3,567,627	70,737	5,257,490	8,895,854
Inventories	13,316,488	---	---	13,316,488
Accounts receivable	3,676,205	---	77,984	3,754,189
Prepaid expenses	157,371	3,615	14,957	175,943
Deposits paid	1,979,833	---	32,197	2,012,030
VAT receivable	3,346,714	---	---	3,346,714
Mining properties	---	7,935,245	---	7,935,245
Property, plant and equipment	77,033,029	94,944	131,879	77,259,852
Intangible assets	14,546	63,336	---	77,882
	103,091,813	8,167,877	5,514,507	116,774,197

(all amounts are in Canadian dollars unless otherwise indicated)

7 - MINING OPERATION EXPENSES

	2021 $	2020 $
Operating and maintenance supplies and service	**31,536,300**	25,650,438
Fuel	**14,025,782**	11,689,016
Reagents	**5,065,618**	5,273,288
Employee benefit expenses	**5,054,785**	5,793,822
Inventory change	**44,901**	(1,453,919)
Less: Production expenses capitalized as stripping cost	**(21,937,381)**	(16,414,575)
Delivery costs	**842,800**	1,012,155
Total production costs	**34,632,805**	31,550,225
Mining royalties	**3,207,100**	2,915,269
	37,839,905	34,465,494

8 - ADMINISTRATIVE EXPENSES

	2021 $	2020 $
Operations and explorations	**11,490,228**	8,819,376
Corporation management	**5,952,629**	7,529,031
	17,442,857	16,348,407

Salary related amounts of $1,650,861 and $485,338, respectively, are included in the «Operations and explorations» item and in the «Corporate management» item for the year ended December 31, 2021 ($1,918,603 and $391,588, respectively, for the year ended December 31, 2020).

9 - FINANCIAL EXPENSES

	2021 $	2020 $
Interest on long-term debt	**483,861**	707,153
Effective interest on long-term debt	**59,320**	78,261
Interest on lines of credit	**196,065**	7,582
Interest on lease obligations	**7,548**	25,710
Bank charges	**150,241**	249,877
Change in environmental liabilities	**41,925**	77,166
	938,960	1,145,749

(all amounts are in Canadian dollars unless otherwise indicated)

10 - INVENTORIES

	2021	2020
	$	$
Doré bars in production	**3,976,552**	4,648,288
Supplies and spare parts	**9,249,760**	8,437,106
Stacked ore	**412,011**	231,094
	13,638,323	13,316,488

11 - ACCOUNTS RECEIVABLE

	2021	2020
	$	$
VAT receivable [1]	**3,804,644**	3,355,503
Other taxes receivable	**351,557**	381,448
Other receivables	**65,960**	17,238
	4,222,161	3,754,189

[1] The amounts to be received as VAT do not bear any interest and are generally paid within 12 months. The receivable VAT to be retrieved on a period longer than 12 months has been recorded in the non-current assets. For the year ended on December 31, 2021, no provision expense was recorded as receivable VAT (none on December 31, 2020). As at December 31, 2021, the Company did not have any guarantee on the amounts to be received (none on December 31, 2020).

(all amounts are in Canadian dollars unless otherwise indicated)

12 - MINING PROPERTIES

	Mininko (A)	Sanoula (B)	Kamasso (C)	Diangounté (D)	
Undivided interest	100%	100%	100%	100%	**Total**
Mining rights and titles					**$**
Balance as at December 31, 2019	137,423	224,842	22,372	47,920	**432,557**
Exchange rate changes	9,657	15,803	1,572	3,368	**30,400**
Balance as at December 31, 2020	**147,080**	**240,645**	**23,944**	**51,288**	**462,957**
Acquisition costs	---	---	13,459	25,799	**39,258**
Exchange rate changes	(11,468)	(18,764)	(1,867)	(5,027)	**(37,126)**
Balance as at December 31, 2021	**135,612**	**221,881**	**35,536**	**72,060**	**465,089**
Exploration costs					
Balance as at December 31, 2019	4,651,388	1,233,932	770,860	22,645	**6,678,825**
Expenses incurred	155,715	58,377	39,068	40,391	**293,551**
Amortization	8,860	3,541	2,655	4,311	**19,367**
Exchange rate changes	331,506	88,916	56,276	3,847	**480,545**
Balance as at December 31, 2020	**5,147,469**	**1,384,766**	**868,859**	**71,194**	**7,472,288**
Expenses incurred	1,408,894	548,857	---	19,888	**1,977,639**
Amortization	23,726	21,725	---	---	**45,451**
Exchange rate changes	(459,630)	(121,636)	(67,748)	(6,104)	**(655,118)**
Balance as at December 31, 2021	**6,120,459**	**1,833,712**	**801,111**	**84,978**	**8,840,260**
Total:					
As at December 31, 2020	5,294,549	1,625,411	892,803	122,482	7,935,245
As at December 31, 2021	**6,256,071**	**2,055,593**	**836,647**	**157,038**	**9,305,349**

12 - MINING PROPERTIES - (continued)

(A) Since April 30, 2007, the Company has held 100% of the mining titles of these properties. 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, the subsidiary Nampala SA, 90% owned by the Company, received its gold mining and mineral substances permit regarding a portion of the Mininko property. This mining permit is valid for thirty years.

In addition, when it assigned the mining permit, the Malian government was awarded 10% of Nampala SA's shares for free. The Malian government could decide to acquire an additional 10% for a fee, which has not been done at the date of these consolidated financial statements.

On September 17, 2019, its wholly owned subsidiary Robex Resources Mali SARL was granted again this research and exploration permit. The permit is valid for three years, renewable twice for two years. The permit expires on September 16, 2026.

The Company is subject to certain minimal requirements in terms of exploration work to be carried out over the period of validity of the permit.

(B) Since May 30, 2008, the Company has held 100% of its mining titles through its wholly owned subsidiary, Robex Resources Mali SARL. The seller will receive NSR royalties of 2% on which the Company will have a right of first refusal.

This research and exploration permit was granted again on August 28, 2019. The permit is valid for three years, renewable twice for two years. The permit expires on August 27, 2026.

The Company is subject to certain minimal requirements in terms of exploration work to be carried out over the period of validity of the permit.

(C) 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 permit is valid for three years, renewable twice for two years. The permit expires on September 18, 2024.

The Company is subject to certain minimal requirements in terms of exploration work to be carried out over the period of validity of the permit.

(D) The Company holds the permit through its wholly owned subsidiary, Robex Resources Mali SARL. This research and exploration permit was granted on August 26, 2019. The permit is valid for 13 months, renewable twice for two years. The permit expires on September 27, 2024.

The Company is subject to certain minimal requirements in terms of exploration work to be carried out over the period of validity of the permit.

(all amounts are in Canadian dollars unless otherwise indicated)

13 - PROPERTY, PLANT AND EQUIPMENT

	Mining development costs	Buildings and office development	Equipment related to mining explorations	Tools, equipment and vehicles	Exploration equipment	**Total**
Cost						**$**
Balance as at December 31, 2019	16,500,008	8,922,809	91,853,888	2,845,123	712,293	**120,834,121**
Acquisition costs	8,003,430	3,479,443	17,532,117	1,566,706	---	**30,581,696**
Changes in right-of-use assets - note 17	---	---	---	(266,344)	---	**(266,344)**
Write-offs	---	(52,885)	(34,155)	(93,448)	---	**(180,488)**
Exchange rate changes	1,178,510	635,925	6,505,162	202,708	50,064	**8,572,369**
Balance as at December 31, 2020	**25,681,948**	**12,985,292**	**115,857,012**	**4,254,745**	**762,357**	**159,541,354**
Acquisition costs	3,146,804	1,201,296	26,036,894	1,042,396	---	**31,427,390**
Changes in right-of-use assets - note 17	---	---	---	(116,087)	---	**(116,087)**
Write-offs	---	---	---	(29,976)	---	**(29,976)**
Exchange rate changes	(2,052,943)	(1,046,526)	(9,520,491)	(353,934)	(59,444)	**(13,033,338)**
Balance as at December 31, 2021	**26,775,809**	**13,140,062**	**132,373,415**	**4,797,144**	**702,913**	**177,789,343**
Accumulated depreciation						
Balance as at December 31, 2019	5,964,468	3,496,894	45,752,689	1,351,948	635,646	**57,201,645**
Depreciation	2,851,198	1,345,162	16,340,753	650,000	17,711	**21,204,824**
Changes in right-of-use asset assets - note 17	---	---	---	(162,216)	---	**(162,216)**
Write-offs	---	(33,643)	(20,213)	(70,349)	---	**(124,205)**
Exchange rate changes	426,480	253,438	3,337,813	98,696	45,027	**4,161,454**
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**
Changes in right-of-use asset assets - note 17	---	---	---	(58,044)	---	**(58,044)**
Write-offs	---	---	---	(24,025)	---	**(24,025)**
Exchange rate changes	(729,724)	(415,334)	(5,271,709)	(157,338)	(54,833)	**(6,628,938)**
Balance as at December 31, 2021	**10,092,503**	**5,739,623**	**68,328,786**	**2,366,281**	**656,889**	**87,184,082**
Net amounts:						
As at December 31, 2020	16,439,802	7,923,441	50,445,970	2,386,666	63,973	77,259,852
As at December 31, 2021	**16,683,306**	**7,400,439**	**64,044,629**	**2,430,863**	**46,024**	**90,605,261**
Not depreciated as at December 31, 2020 [1]	7,145,057	1,228,689	2,794,029	---	---	11,167,775
Not depreciated as at December 31, 2021 [1]	7,192,341	1,301,482	2,267,858	---	---	10,761,682

[1] Property, plant and equipment with a book value of $10,761,682 are not depreciated because they are either under development or construction, or not installed as at December 31, 2021 ($11,167,775 as at December 31, 2020).

(all amounts are in Canadian dollars unless otherwise indicated)

14 - ACCOUNTS PAYABLE

	2021	2020
	$	$
Suppliers	**10,567,591**	9,770,197
Due to the state[1]	**10,965,585**	365,640
Accounts payables to a shareholder-owned company	**1,424,708**	2,317,787
Other payables	**1,352,444**	1,295,282
Accrued interest	**15,627**	16,716
	24,325,955	13,765,622

[1] Includes a due of $7,714,916 on the provision for prior years' adjustments (see note 24).

15 - LONG-TERM DEBT, LINES OF CREDIT AND OVERDRAFT

	2021	2020
	$	$
Bank loan in the initial amount of $11,549,531 (5,000,000,000 CFA francs), annual interest of 7%, secured by a first mortgage on land on the operating permit for gold and minerals in the region of Nampala. This loan is repayable in monthly instalments of $262,794 (119,784,353 CFA francs) including capital and interest, until August 2022 inclusively. [1]	**2,048,221**	5,365,654
Bank loan in the initial amount of $2,245,420 (1,000,000,000 CFA francs), annual interest of 8%, secured by a third mortgage on land on the operating permit for gold and minerals in the region of Nampala. This loan is repayable in monthly instalments of $193,038 (87,988,866 CFA francs) including capital and interest, until May 2022 inclusively.	**1,123,032**	---
Bank loan in the initial amount of $1,844,706 (500,000,000 CFA francs), annual interest of 10%, secured by a third mortgage on land on the operating permit for gold and minerals in the region of Nampala. This loan is repayable in monthly instalments of $115,792 (52,779,446 CFA francs) including capital and interest, until August 2022 inclusively.	**991,920**	---
Bank loan in the initial amount of $701,937 (300,000,000 CFA francs), annual interest of 7.5%, secured with a pledge on the mobile equipment financed. This loan is repayable in monthly instalments of $20,183 (9,199,798 CFA francs) including capital and interest, until March 2024 inclusively.	**491,576**	---
Bank loan in the initial amount of $69,726 (29,800,000 CFA francs), annual interest of 7.5%, secured with a pledge on the mobile equipment financed. This loan is repayable in monthly instalments of $2,005 (913,846 CFA francs) including capital and interest, until March 2024 inclusively.	**48,830**	---
Loans entirely repaid during the year	**---**	1,189,711
	4,703,579	6,555,365
Less: Capitalized financing fees in the amount of $291,011 (122,263,500 CFA francs)	**(8,973)**	(55,262)
	4,694,606	6,500,103
Less: Current portion of long-term debt	**(4,389,574)**	(4,288,403)
	305,032	2,211,700

[1] Under these obligations, the Company is commited to complying annually with certain conditions and financial ratios. As at December 31, 2021, the Company complied with all required financial ratios.

(all amounts are in Canadian dollars unless otherwise indicated)

15 - LONG-TERM DEBT, LINES OF CREDIT AND OVERDRAFT - (continued)

The principal payments required over the next three years amount to $4,703,579.

	$
2022	4,398,547
2023	253,647
2024	51,385

Lines of credit and overdraft	**2021**	2020
	$	$
Authorized line of credit from a Malian bank for a maximum amount of $1,096,946 (500,000,000 CFA francs), bearing interest at an annual rate of 8%, due on September 30, 2022.	**573,797**	1,086,599
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 an annual rate of 7.75%, due on November 30, 2022.	**5,484,729**	---
Overdraft	**601,074**	---
	6,659,600	1,086,599

16 - ENVIRONMENTAL LIABILITIES

	2021
	$
Balance at the beginning of the year	**423,702**
Change in the provision as a result of changes in estimates	**(54,309)**
Accretion expense of the year	**41,925**
Impact of exchange rate changes	**(32,933)**
Balance at the end of the year	**378,385**

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

(all amounts are in Canadian dollars unless otherwise indicated)

16 - ENVIRONMENTAL LIABILITIES - (continued)

Asset Retirement Obligations

As at December 31, 2021, the liability for asset retirement obligations was $378,385 ($423,702 as at December 31, 2020).

The estimated undiscounted value of this liability was $1,027,712 ($1,114,623 as at December 31, 2020).

For the year ended December 31, 2021, an accretion expense component of $41,925 ($77,166 as at December 31, 2020) was charged to operations in "finance costs" to reflect an increase in the carrying amount of the asset retirement obligation which was determined using a weighted average discount rate of 11% (11% as at December 31, 2020).

17 - LEASE OBLIGATIONS

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

	Buildings and office development	Tools, equipment and vehicles	**Total** $
Balance at the beginning of the year	**146,563**	**146,028**	**292,591**
Modifications	---	(58,043)	(58,043)
Depreciation	(71,967)	(69,574)	(141,541)
Effect in exchange rate changes	(9,462)	(8,609)	(18,071)
Balance at the end of the year	**65,134**	**9,802**	**74,936**

Liabilities related to lease obligations are presented as follows:	**2021** $
Balance at the beginning of the year	**301,551**
Modifications	**(58,043)**
Payments during the year	**(145,910)**
Effect in exchange rate changes	**(11,235)**
Balance at the end of the year	**86,363**
Less : Current portion of lease obligations	**(79,150)**
	7,213

These liabilities were measured at the present value of the remaining lease payments, discounted using the Company's or its subsidiaries' incremental borrowing rate of 4% or 7.38%, respectively. There are no restrictions or covenants imposed by the leases.

(all amounts are in Canadian dollars unless otherwise indicated)

18 - EQUITY

a) Share capital

Authorized

Unlimited number of shares without par value:

Common shares

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

	2021	2020
	$	$
Issued and fully paid		
599,878,403 common shares		
(December 31, 2020 - 599,119,403 common shares)	**71,407,047**	71,269,402

Year 2021

During the year ended December 31, 2021, the Company issued 759,000 shares following the exercise of stock options for a cash consideration of $83,670. The value of options exercised that was reclassified to the share capital is $137,645.

b) Reserve - stock options

Pursuant to the stock option plan, the Company may award options to directors, officers, employees and consultants. The maximum number of common shares of the Company issuable under the plan is 34,770,600. The maximum number of common shares which may be reserved for issuance to any one optionee within a one-year period, other than a consultant or a person employed to provide investor relations activities to the Company, may not exceed 5% of the common shares issued and outstanding at the date of grant. Upon issuance of the options, the Board of Directors determines the expiry date and exercise price of options and establishes the terms and conditions regarding the vesting rules at the date of grant. The option term cannot exceed ten years and the exercise price can be a discounted price. The maximum number of common shares which may be reserved for issuance to a holder who is a consultant or a person employed to provide investor relations activities to the Company in any twelve-month period may not exceed 2% of the common shares issued and outstanding at the date of grant. Finally, options granted to a person retained to provide investor relations activities to the Company will vest over a period of twelve months, at a rate of 25% in any three-month period.

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

(all amounts are in Canadian dollars unless otherwise indicated)

18 - EQUITY - (continued)

b) Reserve - stock options (continued)

	2021	2020
	$	$
Current stock options	**461,853**	523,248
Expired or cancelled stock options	**2,565,758**	2,558,338
	3,027,611	3,081,586

The stock options varied as follows:

	2021		2020	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Oustanding at the beginning of the year	**7,140,163**	**$0.12**	23,000,000	$0.11
Granted	**---**	**---**	3,000,000	$0.35
Exercised	**(759,000)**	**$0.11**	(18,859,837)	$0.15
Cancelled or expired	**(100,000)**	**$0.12**	---	---
Oustanding at the end of the year	**6,281,163**	**$0.12**	7,140,163	$0.12
Exercisable	**6,281,163**	**$0.12**	7,140,163	$0.12

For the year ended December 31, 2021, the weighted average price per share during the exercices of stock options was $0.41 ($0.37 for the year ended December 31, 2020).

The total fair value of stock options granted for the year ended December 31, 2021, is null ($573,791 for the year ended December 31, 2020). For the year ended December 31, 2021, no amount is included as stock-based compensation expense ($573,791 for the year ended December 31, 2020). The total fair value was estimated on the grant dates using the Black-Scholes option pricing model with the following average assumptions:

	2020
Risk-free interest rate	0.32%
Expected volatility	66.50%
Expected dividend yield	0%
Expected life	5 years
Stock price	$0.35
Exercise price	$0.35

(all amounts are in Canadian dollars unless otherwise indicated)

18 - EQUITY - (continued)

b) Reserve - stock options - (continued)

The following table summarizes some information on the Company's stock options of the Company:

	Outstanding options as at December 31, 2021		Exercisable options as at December 31, 2021	
		Weighted average remaining contractual life		Weighted average remaining contractual life
Exercise price	Number	Years	Number	Years
$0.09	1,150,000	0.5	1,150,000	0.5
$0.115	100,000	1.7	100,000	1.7
$0.13	5,031,163	2.9	5,031,163	2.9
	6,281,163		6,281,163	

c) Dividends

During the year ended December 31, 2021, no dividend was declared by the Company to common shareholders (extraordinary dividends on the common shares of $0.02 per common share on March 18, 2020 and $0.04 per common share on September 10, 2020 for a total amount of $35,537,967 for the year ended December 31, 2020).

During the year ended December 31, 2021, a dividend of $23,614 was declared to the non-controlling interest (dividend of $73,014 for the year ended December 31, 2020).

(all amounts are in Canadian dollars unless otherwise indicated)

19 - ACCUMULATED OTHER COMPREHENSIVE INCOME

	2021	2020
	$	$
Exchange difference		
Balance at the beginning of the year	**7,552,952**	1,723,032
Exchange difference changes during the year	**(8,772,942)**	5,829,920
Balance at the end of the year	**(1,219,990)**	7,552,952
Attributable to		
Common shareholders	**(1,120,724)**	7,576,935
Non-controlling interest	**(99,266)**	(23,983)
	(1,219,990)	7,552,952

20 - ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENTS OF CASH FLOWS

	2021	2020
	$	$
a) Net changes in non-cash working capital items		
Decrease (increase) in current assets		
Accounts receivable	**(618,360)**	(1,828,758)
Inventories	**(1,455,442)**	(2,435,254)
Prepaid expenses	**(592,808)**	26,795
Deposits paid	**(392,546)**	524,539
	(3,059,156)	(3,712,676)
Increase in current liabilities		
Accounts payable	**13,214,202**	2,088,140
	10,155,047	(1,624,536)
b) Paid interest		
Lines of credit	**(196,065)**	(7,582)
Long-term debt	**(483,972)**	(784,655)
Lease obligations	**(7,548)**	(25,710)
Bank charges	**(150,241)**	(249,877)
	(837,826)	(1,067,824)
c) Items not affecting cash related to investing activities		
Change in accounts payable related to property, plant and equipment	**1,717,820**	(1,853,534)

(all amounts are in Canadian dollars unless otherwise indicated)

21 - INCOME TAX

Current tax expense

	2021	2020
	$	$
Current income tax		
Income tax expense	15,999,695	768,004
Deferred tax expense		
Recognition and reversal of tempory difference	4,658,751	1,788,301
Total income tax expense	20,658,446	2,556,305

The reconciliation of the combined Canadian federal and Quebec provincial income tax rate to the income tax provision is as follows:

	2021	2020
	$	$
Income tax expenses payable at the combined statutory tax rate of 26.5% (26.5% in 2020)	9,746,448	12,609,322
Minimum taxes	---	223,379
Adjustement in respect of prior years	14,276,807	348,159
Non-deductible and non-taxable items	(5,537,492)	(13,466,960)
Change in unrecognized deferred tax assets	1,298,180	2,359,928
Tax rate difference	771,537	194,535
Items not affecting earnings	233,922	(208,785)
Impact of different accounting standard	(102,573)	248,899
Other	(102,325)	170,571
Foreign tax withholdings	73,942	77,257
	20,658,446	2,556,305

(all amounts are in Canadian dollars unless otherwise indicated)

21 - INCOME TAX - (continued)

Deferred income taxes

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

Recognized deferred tax assets and liabilities	**2021**	2020
	$	$
Deferred tax assets		
Lease obligations	**15,838**	75,476
	15,838	75,476
Deferred tax liabilities		
Property, plant and equipment	**(7,889,310)**	(3,529,368)
Intangible assets	**(2,071)**	(3,209)
	(7,891,381)	(3,532,577)
Deferred tax, net	**(7,875,543)**	(3,457,101)

Unrecognized deferred tax assets	**2021**	2020
	$	$
Mining properties	**3,346,373**	3,187,236
Non-capital losses	**15,740,708**	14,198,489
Financing expense	**27,756**	41,933
Lease obligations	**2,191**	761
Capital losses	---	504,588
Property, plant and equipment	**793,771**	775,182
	19,910,799	18,708,189

As at December 31, 2021, there are no non-capital losses in Mali for which no deferred tax assets are recognized (none as at December 31, 2020).

(all amounts are in Canadian dollars unless otherwise indicated)

22 - EARNINGS PER SHARE

	2021 $	2020 $
Net earnings and diluted attributable to common shareholders	**15,892,676**	44,609,088
Basic weighted average number of shares outstanding	**599,737,408**	588,946,537
Stock options [(1)]	**4,595,729**	10,037,766
Diluted weighted average number of shares outstanding [(1)]	**604,333,137**	598,984,303
Basic net earnings per share	**0.026**	0.076
Diluted net earnings per share	**0.026**	0.074

(1) The calculation of the hypothetical conversions excludes options whose effect is anti-dilutive. Some stock options are anti-dilutive either because their price is higher than the average price of the Company's common shares for each of the periods presented or because the impact of the conversion of these elements on net income would result in diluted earnings per share exceeding the basic earnings per share for each of these periods. For the year ended December 31, 2021, no stock option is excluded in the diluted net earnings per share calculation (no stock options for the year ended December 31, 2020).

23 - CAPITAL DISCLOSURES

The Company's objective when managing capital is to maintain adequate cash resources to support planned activities. The Company includes equity in the definition of capital. The Company's capital was $98,647,265 and $91,239,519 as at December 31, 2021 and December 31, 2020, respectively.

The Company's objective when managing capital is to maintain financial flexibility in order to preserve its ability to meet financial obligations. The Company monitors capital in the light of its monthly burn rate and short-term obligations linked to its financial liabilities.

Other operations that affect equity are presented in the consolidated statement of changes in equity.

24 - CONTINGENCIES AND COMMITMENTS

Purchase Obligations

As at December 31, 2021, the Company has commitments to purchase from different non-related party suppliers for an amount of $2,149,770 of property, plant and equipment ($2,803,884 as at December 31, 2020) and for an amount of $4,423,053 of inventories of supplies and spare parts ($5,516,356 as at December 31, 2020). In addition, the Company has commitments with a non-related suppliers for services lasting less than 12 months for a total amount of $719,232 ($64,603 as at December 31, 2020).

The payments required over the next year amount to $7,292,054.

Government Royalties

In Mali, the rate of mining royalties on volumes shipped is 3%.

(all amounts are in Canadian dollars unless otherwise indicated)

24 - CONTINGENCIES AND COMMITMENTS - (continued)

Tax adjustment from previous years

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

The assessment covers mainly these items: corporate income taxes and withholding taxes.

As at 31 December 2021, there are various ongoing technical discussions, the ultimate outcome of which remains uncertain, and therefore there remains a risk that the outcome could materially impact the recognised balances within the next financial year. It is impractical to provide further sensitivity estimates of potential downside variances .

The final outcome of this matter is not determinable at this time. Although the Company is vigorously defending its positions and is currently negotiating a new tax framework with the Malian authorities, a provision of $14.3 millions has been recorded as at December 31, 2021 which is the most probable outflow of funds at this time. Any incremental provision will be recognized in the Company's consolidated financial statements once and if it is probable that an additional outflow of funds will occur.

25 - FINANCIAL INSTRUMENTS

Measurement categories

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

	2021	2020
	$	$
Financial assets at amortized cost		
Cash	**20,721,807**	8,895,854
Accounts receivable	**65,960**	17,238
Deposits paid	**1,920,523**	2,012,030
	22,708,290	10,925,122
Financial liabilities at amortized cost		
Accounts payable	**13,360,370**	13,399,981
Lines of credit	**6,659,600**	1,086,599
Long-term debt	**4,694,606**	6,500,103
Lease obligations	**86,363**	301,551
	24,800,939	21,288,234

25 - FINANCIAL INSTRUMENTS - (continued)

Financial risk factors

Due to the nature of its activities, the Company is exposed to financial risks: market risk, credit risk and liquidity risk.

a) Market risk

i) Fair value

The carrying amounts of financial assets at amortized cost approximate their fair value due to their short-term maturity and the prevailing interest rates of these instruments, which are comparable to those of the market.

The Company considers that the carrying amount of all its financial liabilities at amortized cost in its consolidated financial statements approximates their fair value. Current financial assets and financial liabilities are valued at their carrying amounts, which are reasonable estimates of their fair value due to their near-term maturities. The fair value of long-term debt has not been determined due to the related specific conditions negotiated between the Company and the third parties concerned.

- Level 1: Measurement at fair value based on quoted prices (not subject to adjustment) in active markets for identical assets or liabilities;

- Level 2: Measurement at fair value based on data, other than the quoted prices mentioned in Level 1, observable for asset or liability, directly (that is, prices) or indirectly (that is, derived from prices); and

- Level 3: Measurement at fair value based on valuation techniques including a significant part of the data related to asset or liability and which are not based on observable market data (unobservable data).

As at December 31, 2021, there were no financial liabilities at fair value (none as at December 31, 2020).

During these periods, there was no transfer between levels.

ii) Interest rate risk

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

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

iii) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the Canadian and the American dollar.

The Company holds balances in cash, accounts receivable, deposits paid and accounts payable in Canadian dollars and/or in American dollars. Accordingly, the Company is exposed to foreign exchange risk due to exchange rate fluctuations. The Company does not use any derivatives to mitigate its exposure to foreign exchange risk.

(all amounts are in Canadian dollars unless otherwise indicated)

25 - FINANCIAL INSTRUMENTS (continued)

a) Market risk - (continued)

The balances in currencies are as follows as at December 31, 2021 and December 31, 2020:

	2021 CAD	**2021 USD**	2020 CAD	2020 USD
Cash	**356,078**	**203,196**	1,312,070	665,025
Deposits paid	**27,386**	**443,407**	224,277	315,711
Accounts payable	**(415,070)**	**(1,540,211)**	(608,299)	(509,967)
Lease obligations	**(56,268)**	**---**	(118,466)	---
	(87,874)	**(893,608)**	809,582	470,769
Net balance in euros	**(€61,062)**	**(€789,237)**	€518,697	€382,884

The FCFA currency is fixed against the Euro currency. The FCFA is currently at a fixed rate of FCFA 655.957 for 1 euro. The balance in Euro currency includes the balance in FCFA as the foreign exchange risk of both currencies is managed simultaneously.

Assuming that all other variables are constant, a 5% weakening of the Canadian dollar exchange rate and the American dollar exchange rate would have generated an approximate increase of $62,536 in net income and equity of the Company for the year ended December 31, 2021 (approximate decrease of $67,006 for the year ended December 31, 2020). A 5% strengthening of the Canadian dollar exchange rate and the American dollar exchange rate would have generated an approximate decrease of $53,648 in net income and equity of the Company for the year ended December 31, 2021 (approximate increase of $70,916 for the year ended December 31, 2020).

b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to credit risk consist of cash and accounts receivable. The Company offsets these risks by depositing its cash with Canadian and international financial institutions with excellent credit ratings. However, as at December 31, 2021, an amount of $3,148,070 was held with banks in Africa that have no credit rating ($1,006,430 as at December 31, 2020). Deposits were principally paid for the purchase of mining exploration material and inventories of parts and supplies. The Company has been doing business with these suppliers for many years and believes that the credit risk associated with these advances is low.

(all amounts are in Canadian dollars unless otherwise indicated)

25 FINANCIAL INSTRUMENTS - (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 shows the contractual maturities of financial liabilities as at December 31, 2021:

	Carrying amount	**Less than a year**	**From 1 to 3 years**	**More than 3 years**
Accounts payable	**24,325,955**	**24,325,955**	**---**	**---**
Long-term debt [(1)]	**4,694,606**	**4,568,970**	**317,871**	**---**
Lines of credit	**6,659,600**	**6,659,600**	**---**	**---**
Lease obligations [(1)]	**86,363**	**81,308**	**6,780**	**---**
	35,766,524	**35,635,833**	**324,651**	**---**

The following table shows the contractual maturities of financial liabilities as at December 31, 2020:

	Carrying amount	Less than a year	From 1 to 3 years	More than 3 years
Accounts payable	13,765,623	13,765,623	---	---
Long-term debt [(1)]	6,500,103	4,661,973	2,280,141	---
Lease obligations [(1)]	301,551	214,129	101,635	---
	21,653,877	19,728,325	2,381,776	---

[(1)] Future maturities relating to these liabilities exceed their carrying amount because they include both capital and interest payments.

26 - RELATED PARTY TRANSACTIONS

Results for the year ended December 31, 2021 include expenses of $4,536,605 that were incurred with the directors and officers of companies controlled by them ($6,597,730 for the year ended December 31, 2020), including travel expenses of $112,239 ($73,952 for the year ended December 31, 2020). These transactions occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established by the related parties.

The table below summarizes, for the respective years, the total compensation paid to directors and key management personnel having authority and responsibility for planning, directing and controlling the activities of the Company:

	2021	2020
	$	$
Salaries and wages [(1)]	**4,372,566**	5,882,787
Attendance fees [(1)]	**51,800**	67,200
Stock-based compensation	**---**	573,791
	4,424,366	6,523,778

[(1)] These expenses are included in administrative expenses under corporation management; see note 8.

(all amounts are in Canadian dollars unless otherwise indicated)

26 - RELATED PARTY TRANSACTIONS - (continued)

The table below summarizes, for the respective years, the transactions between the Company and the directors and key management personnel having authority and responsibility for planning, directing and controlling the activities of the Company:

	2021	2020
	$	$
Transactions with Fairchild Participation SA [(2)]	**4,484,805**	5,956,739

[(2)] An amount of $4,372,566 included in this amount is related to the compensation of the Company's management for the year ended December 31, 2021 ($5,882,787 for the year ended December 31, 2020).

The Company has not provided for payment of benefits to its top management key members in case of a job termination or a change of control.

27 - SUBSEQUENT EVENT

On April 20, 2022, the Company entered into a Share Purchase Agreement ("SPA") in which the Company will issue a maximum of 403,600,000 common shares (less closing adjustments such as potential liabilities) in the share capital of Robex in exchange for 100% of the outstanding shares of Sycamore Mining ("Sycamore").

Pursuant to the terms of the SPA, the common shares will be issued as follows:
- 242,160,000 common shares due at closing;
- upon approval of the closing financial statements, a maximum of 60,540,000 common shares less a number of common shares equal to the aggregate amount of liabilities of Sycamore (on a consolidated basis); and
- 100,900,000 common shares less such number of shares equal to certain liabilities of Sycamore or the sellers not addressed in (i) to be issued once a “Convention d’établissement” signed with the Government of Guinea providing for the conditions under which the Kiniero Project will be operated or (ii) another binding document addressing such liabilities

The closing is expected to occur before end of Q2 2022.

The completion of the transaction is subject to a number of conditions precedent including, but not limited to: (i) the receipt by Robex of a NI43-101 technical report on the Kiniero Project and its acceptance by the TSX Venture Exchange (the Exchange); and (ii) the approval of the transaction by the Exchange.