Condensed Consolidated Interim Financial Statements

For the three and six-month periods ended June 30, 2022 and 2021

(Expressed in Canadian dollars)
(Unaudited)

TSX-V: SRG

Management’s Responsibilities over Financial Reporting

The accompanying unaudited condensed consolidated interim financial statements of SRG Mining Inc. (the "Company" or “SRG”) for the three and six-month periods ended on June 30, 2022 and 2021 have been prepared by the management and are its responsibility. The condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretation of the International Financial Reporting Interpretations Committee (“IFRIC”) and reflect management’s best estimates and judgment based on information currently available.

These unaudited condensed consolidated interim financial statements, together with the accompanying notes, have been reviewed and approved by the members of the Company's Board of Directors. These unaudited condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

SRG Mining Inc.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited, in Canadian dollars)

	June 30, 2022	December 31, 2021
	$	$
ASSETS		
Current		
Cash and cash equivalents	**13,617,027**	4,575,961
Sales taxes and other receivables	**56,298**	17,426
Prepaid expenses and deposits	**73,438**	35,424
	13,746,763	4,628,811
Non-current		
Property and equipment	**275,716**	336,470
TOTAL ASSETS	**14,022,479**	4,965,281
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**366,332**	1,671,031
Short-term portion of lease liability (Note 5)	**28,252**	11,841
Short-term loan (Note 6)	**-**	752,796
Convertible debenture host (Note 7)	**-**	319,563
Convertible debenture derivative (Note 7)	**-**	270,561
Interest payable	**-**	147,171
	394,584	3,172,963
Non-current		
Long-term portion of lease liability (Note 5)	**12,137**	16,846
TOTAL LIABILITIES	**406,721**	3,189,809
EQUITY		
Share capital (Note 8)	**41,280,346**	27,699,990
Contributed surplus (Note 9)	**8,656,089**	8,098,705
Deficit	**(36,320,677)**	(34,023,223)
TOTAL EQUITY	**13,615,758**	1,775,472
TOTAL LIABILITIES AND EQUITY	**14,022,479**	4,965,281

Nature of operation and liquidity risk (Note 1)
Subsequent events (Note 16)

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

On behalf of the Board,

Marc Filion /s/
Director

Yves Grou /s/
Director

SRG Mining Inc.
Condensed Consolidated Interim Statements of Loss and Comprehensive loss
(Unaudited, in Canadian dollars)

	Three-month periods ended June 30, 2022	Three-month periods ended June 30, 2021	Six-month periods ended June 30, 2022	Six-month periods ended June 30, 2021
		$		$
Expenses				
Exploration and evaluation (Note 3)	**403,906**	76,565	**496,968**	155,723
General and administrative (Note 4)	**692,788**	268,666	**1,024,631**	657,443
Share-based payments (Note 9)	**234,741**	131,925	**627,469**	409,512
	1,331,435	477,156	**2,149,068**	1,222,678
Other expenses (income)				
Government Grant (Note 6)	**(15,917)**	-	**(15,917)**	-
Gain on extinguishment of debt (Note 7)	**-**	-	**(82,617)**	-
Change in fair value of embedded derivative (Note 7)	**(34,240)**	(8,799)	**67,998**	12,161
Gain on settlement of convertible derivative (Note 7)	**-**	(51,049)	**-**	(51,049)
Interest expense	**21,853**	145,522	**85,992**	220,925
Financing costs	**78,827**	-	**78,827**	-
Foreign exchange (income) loss	**19,851**	(9,335)	**14,103**	(11,170)
	70,374	76,339	**148,386**	170,867
Net loss and comprehensive loss for the period	**1,401,809**	553,495	**2,297,454**	1,393,545
Basic and diluted loss per common share for the period	**0.01**	0.01	**0.02**	0.02
Weighted average number of shares – basic and diluted	**113,475,786**	80,220,270	**102,030,102**	80,101,084

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

SRG Mining Inc.

Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited, in Canadian dollars)

	Number of issued and outstanding shares	Share capital	Contributed surplus	Deficit	Total equity
		$	$	$	$
Balance as at January 1, 2022	**89,835,655**	**27,699,990**	**8,098,705**	**(34,023,223)**	**1,775,472**
Issuance of common shares (Note 8)	22,942,941	12,838,047	-	-	12,838,047
Share issuance costs	-	(96,551)	-	-	(96,551)
Conversion of debt (Note 7)	881,550	699,314	-	-	699,314
Exercise of options (Note 8 & 9)	93,564	139,546	(70,085)	-	69,461
Share-based payments (Note 9)	-	-	627,469	-	627,469
Net loss and comprehensive loss for the period	-	-	-	(2,297,454)	(2,297,454)
Balance as at June 30, 2022	**113,753,710**	**41,280,346**	**8,656,089**	**(36,320,677)**	**13,615,758**
Balance as at January 1, 2021	**79,825,755**	**22,643,369**	**7,660,054**	**(31,358,645)**	**(1,055,222)**
Issuance of common shares (Note 8)	109,900	63,742	-	-	63,742
Exercise of options (Note 8 & 9)	300,000	226,931	(103,931)	-	123,000
Share-based payments (Note 9)	-	-	409,512	-	409,512
Net loss and comprehensive loss for the period	-	-	-	(1,393,545)	(1,393,545)
Balance as at June 30, 2021	**80,235,655**	**22,934,042**	**7,965,635**	**(32,752,190)**	**(1,852,513)**

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

SRG Mining Inc.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited, in Canadian dollars)

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2022	2021	**2022**	2021
Cash flows provided by (used in)		$		$
OPERATING ACTIVITIES				
Net (loss) income for the period	**(1,401,809)**	(553,495)	**(2,297,454)**	(1,393,545)
Adjustments for non-cash items				
Depreciation	**47,356**	57,273	**93,840**	118,830
Accreted interest on lease liability (Note 5)	**950**	796	**1,911**	1,900
Foreign exchange on lease liability (Note 5)	**2,262**	142	**2,336**	(404)
Gain on settlement of convertible debenture	**-**	(51,049)	**-**	(51,049)
Gain on extinguishment of debt (Note 7)	**-**	-	**(82,617)**	-
Interest payable	**(93,713)**	106,891	**(64,554)**	138,500
Accreted interest on loan (Note 6)	**1,291**	1,703	**3,121**	3,295
Foreign exchange on convertible debenture (Note 7)	**13,647**	(35,595)	**4,309**	(40,873)
Accretion expense on convertible debenture (Note 7)	**5,551**	36,578	**36,884**	77,065
Change in fair value of embedded derivatives (Note 7)	**(34,240)**	(8,799)	**67,998**	12,161
Share-based payments (Note 9)	**234,740**	131,925	**627,468**	409,512
Change in non-cash working capital items (Note 13)	**(1,158,743)**	134,725	**(1,381,585)**	187,962
	(2,382,708)	(178,905)	**(2,988,343)**	(536,646)
INVESTING ACTIVITIES				
Property and equipment additions	**(3,644)**	-	**(3,644)**	-
Deposit for investment	**-**	400,000	**-**	-
Proceed on disposal of property and equipment	**-**	69,523	**-**	69,523
	(3,644)	469,523	**(3,644)**	69,523
FINANCING ACTIVITIES				
Lease liability (Note 5)	**(11,913)**	(11,320)	**(21,987)**	(22,505)
Issuance of units as part of a private placement (Note 8)	**-**	-	**12,838,047**	-
Issuance of shares (Note 8)	**-**	-	**-**	63,742
Share issuance costs (Note 8)	**(21,153)**	-	**(96,551)**	-
Exercise of options (Note 8 & 9)	**69,461**	36,500	**69,461**	123,000
Repayment of loan due to a related company (Note 6)	**(755,917)**	-	**(755,917)**	-
Issuance of convertible debenture	**-**	(474,781)	**-**	441,127
	(719,522)	(449,601)	**12,033,053**	605,364
Net change in cash and cash equivalents	**(3,105,874)**	(158,983)	**9,041,066**	138,241
Cash and cash equivalents, beginning of period	**16,722,901**	820,360	**4,575,961**	523,136
Cash and cash equivalents, end of period	**13,617,027**	661,377	**13,617,027**	661,377

Supplemental cash flow information (Note 13)

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

1. NATURE OF OPERATIONS AND GOING CONCERN ASSUMPTION

SRG Mining Inc. is a Canadian-based mineral exploration and development business with activities in Africa. The Company was incorporated on April 16, 1996 under the *Canada Business Corporations Act*. The Company's common shares are listed on the TSX Venture Exchange (the "TSX-V") under the trading symbol "SRG.V". The Company's principal office is located at #132 – 1320 Graham Blvd., Mont-Royal, Quebec, Canada, H3P 3C8.

These condensed consolidated interim financial statements were authorized for publication by the Board of Directors on August 24, 2022.

The Company's mining properties are located in the Republic of Guinea ("Guinea"), Africa, and hence are subject to the risks normally associated with unanticipated changes in taxes and royalties, renegotiation of contracts, foreign currency fluctuations and political uncertainties.

As at June 30, 2022, the Company had a working capital of $ 13.4 million, which included cash of $13.6 million. Management of the Company believes that it has sufficient funds to maintain the status of its current obligations and keep its properties in good standing, to pay its ongoing general and administrative expenses and to meet its liabilities, obligations and existing commitments beyond the ensuing 12 months as they fall due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future. To continue the Company's future operations and fund its development expenditures, the Company will periodically need to raise additional funds, which may be completed in a number of ways, including, but not limited to, the issuance of new equity, debt financing or securing capital from potential partners. While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Company or that they will be available on terms which are acceptable to the Company.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed consolidated interim financial statements should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2021.

The preparation of condensed interim financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Companys accounting policies.

The Company has consistently applied the same accounting policies throughout all the periods presented in these condensed consolidated interim financial statements.

Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis using the accrual basis of accounting except for:

(i) Cash flow information;
(ii) Share-based payment arrangements, which are measured at faire value on grant date pursuant to IFRS 2, Share-based Payment

Significant accounting policies

These condensed interim consolidated financial statements have been prepared following the same accounting policies and methods of computation as the audited annual consolidated financial statements for the year ended December 31, 2021 except for the followings amendments to accounting policies:

(Unaudited and in Canadian dollars)

New or revised accounting standards or interpretations and modifications to significant accounting policies

Restricted share units

The Restricted Share Unit plan (the "RSU Plan") allows the grant to directors, employees, or service providers nontransferable Restricted Share Units ("RSUs") based on the value of the Corporation's share price at volume-weighted average price of the Common Shares on the Toronto Stock Exchange for the five trading days immediately preceding the date of grant. Unless otherwise stated, the awards typically have a vesting schedule over a three-year period and can be settled either in cash or equity upon vesting at the discretion of the Corporation. The Corporation intends to settle all RSUs in equity. The Corporation uses the fair value method to recognize compensation expense related to the granting of RSUs.

Basis of consolidation

In addition to the Company, the condensed consolidated interim financial statements include all subsidiaries. Subsidiaries are all companies over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Intercompany transactions and balances are eliminated upon consolidation. They are deconsolidated from the date that control by the Company ceases.

The subsidiaries of the Company, all of which are wholly owned, are as follows:

Subsidiaries	**Jurisdiction of incorporation**
Sama Resources Guinee SARL (“SRG Guinée”)	Guinea
SRG Graphite International Inc. (“SRG Intl”)	Cayman Islands
SRG Liberia Inc. (“SRG Liberia”)	Liberia
SRG Lithium Inc. (“SRG Lithium”)	Canada

3. EXPLORATION AND EVALUATION EXPENSES

The Company has one project currently under evaluation which is named Lola Graphite.

On August 10, 2018, the Government of Guinea awarded SRG Guinée, through ministerial order NoA2018/5349/MMG/SGG, the Lola Graphite research permit for a final two-year period, and, as per the legislation, the surface area was reduced to 94.38 square kilometers (from 187 square kilometers). This research permit has been canceled on November 6, 2019 when the mining permit has been issued.

On November 6, 2019, the Government of Guinea awarded SRG Guinée, through presidential order NºD/2019/291/PRG/SGG awarded the fifteen (15) year renewable mining permit for its Lola graphite project near the town of Lola in eastern Guinea, West Africa. The mining permit covers an area of 94.38 square kilometers. SRG Guinée has agreed to develop the mine and has an obligation to invest US$110,000,000 within the first year of the permit being granted. The Company has asked for a deferment and suspension of its obligations due to force majeure events including the COVID-19 Pandemic as well as the coup d’état in the Republic of Guinea.

On June 5, 2021, the Company and the government of Guinea signed an agreement which stipulates that the Company must begin work on its Lola project within six months of being formally reissued the Gogota permit. As of this date, the Company has yet to receive formal notice of reissuance of the Gogota permit.

(Unaudited and in Canadian dollars)

Lola Graphite Property	Three-month periods ended June 30, 2022	2021	Six-month periods ended June 30, 2022	2021
	$	$	**$**	$
Geochemistry	**844**	433	**1,581**	868
Camp operations, field supplies & other expenses	**2,390**	671	**12,858**	2,418
Engineering study	**326,774**	-	**326,774**	-
Metallurgical tests	**-**	6,250	**-**	12,500
HSEC Community relations on site	**624**	1,217	**1,187**	1,750
Salaries and wages	**39,624**	29,101	**87,791**	56,374
Amortization	**33,650**	38,893	**66,777**	81,813
Total Lola Graphite Property	**403,906**	76,565	**496,968**	155,723
Total E&E expenses	**403,906**	76,565	**496,968**	155,723

4. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses consist of expenditures required to manage the business but which are not directly linked to the sale of goods, the provision of services, and to the carrying out of construction or E&E activities.

Operating expenses	Three-month periods ended June 30, 2022	2021	Six-month periods ended June 30, 2022	2021
	$	$	**$**	$
Salaries and benefits	**201,411**	49,071	**310,310**	124,244
Consulting fees	**238,389**	58,771	**333,929**	205,143
Travel and representation	**39,336**	24,606	**70,386**	36,188
General and office expenses	**106,521**	29,387	**159,970**	61,845
Professional fees	**81,538**	79,392	**89,744**	160,328
Investor relation fees	**-**	100	**-**	201
Transfer agent and filing fees	**11,887**	7,882	**33,229**	27,800
Shareholder information	**-**	1,077	**-**	4,677
Amortization	**13,706**	18,380	**27,063**	37,017
Total general and administrative expenses	**692,788**	268,666	**1,024,631**	657,443

(Unaudited and in Canadian dollars)

5. LEASE LIABILITIES

The movement in lease liabilities during the six-month period ended June 30, 2022 and the year ended December 31, 2021 is comprised of the following:

	June 30, 2022	December 31, 2021
	$	$
Lease liabilities at the beginning of the period	**28,687**	44,698
Lease payments	**(22,020)**	(43,212)
Lease addition	**29,475**	29,268
Lease termination	**-**	(5,229)
Accreted interest	**1,911**	2,263
Foreign exchange gain	**2,336**	899
Balance, end of period	**40,389**	28,687
Current portion	**28,252**	11,841
Long-term portion	**12,137**	16,846

6. LOAN PAYABLE

On June 18, 2019, the Company received a bridge loan of $1,000,000 from Sama Resources Inc. (“SRI”), a related company, to fund the immediate cash requirements of the Company. The loan bears interest at 10% per annum. As at June 30, 2022 the full amount, including interest charges, has been repaid.

In response to COVID-19, the Company has received a $60,000 emergency loan from the Canada Emergency Business Account (“CEBA”). The loan is interest-free until December 31, 2022, and if $40,000 is reimbursed by said date, the Company will be entitled to a $20,000 exemption as government grant. In January 2022, the government of Canada announced that the maturity of the CEBA loans was extended to December 31, 2023.

Although the government grant of $20,000 is not refundable if the Company repays the amount of $40,000 by December 31, 2023, this amount will be recognized in income when the Company has reasonable assurance that it will comply with the terms of early repayment of this aid. As at June 30, 2022 the loan has been reimbursed.

7. CONVERTIBLE DEBENTURE

On January 26, 2021, SRG entered into a private placement in the form of a convertible debt financing for US$7,500,000 with Sprott Private Resource Lending II (Collector), LP (“Sprott”). The first tranche (“First Tranche”) of US$800,000 was received on January 25, 2021 and included a subscription for 109,900 common shares of the Company (the “Incentive Shares”). Incentive Shares were issued at $0.58 per share.

On April 6, 2021, Sprott agreed to refinance the First Tranche and replace it with a new secured credit agreement for US$1,600,000 (the “US$1.6M Note”). The US$1.6M Note, included a refinancing and a replacement of the US$800,000 First Tranche, as well as a fresh cash injection on the same terms which are for the totality of the amount; (i) an interest rate of 8% per annum, (ii) a term expiring on July 31, 2023, (iii) is convertible into common shares of the Company, at the discretion of Sprott, at a conversion price equal to $0.69 per share and (iv) includes the issuance of 2,913,623 common share purchase warrants to Sprott exercisable for up to 2,913,623 common shares of the Company at $0.69 per share until July 31, 2023.

The Company was unsuccessful in its bid to acquire NAL, and $1,400,000 (US$1,117,629) of the US$1.6M Note was reimbursed to Sprott. The full amount outstanding including principal, implied interest, prepayment fee and expenses under the US$1.6M Note is due immediately.

On April 25th 2022, Sprott has converted the full outstanding amount of capital owed under the previously announced Sprott convertible debt facility to common shares of the Company. The total principal amount of US$482,371 has been converted at the pre-agreed conversion price of C$0.69 per share. As a result, SRG has issued 881,550 common shares to Sprott. In addition to the Shares, the Company has paid the Recipient in cash accrued interest and certain expenses. The Recipient has waived its entitlement to an early prepayment fee of US$65,067, recognized as a gain of $82,617.

(Unaudited and in Canadian dollars)

As at April 25, 2022, date of conversion, the embedded foreign exchange derivative liability was fair valued at $341,467 and the residual value of $357,847 was assigned to the debt host liability. A change in fair value of the embedded foreign exchange derivative liability between the initial recognition date and April 25, 2022 has generated a loss of $67,998 for the period.

	Host	Derivative	Total
	$	$	$
Balance beginning of period	319,563	270,561	590,124
Change in fair value of derivative	0	67,998	67,998
Change in foreign exchange rate	1,400	2,908	4,309
Accretion	36,884	0	36,884
Conversion of debt	(357,847)	(341,467)	(699,314)
Balance end of period	-	-	-

8. SHARE CAPITAL

2021

On January 27, 2021 as part of the Financing with Sprott, the Company has issued 109,900 Incentive Shares at a price of $0.58 per share for total proceeds of $63,742. See Note 7.

In November 5, 2021 the Company closed a concurrent non-brokered private placement for the issuance of a total of 9,600,000 units of SRG at a price of $0.50 per unit for gross proceeds of $4,800,000, and issuance costs of $34,052. Each unit comprises one common share of the Company and half of one non-transferable common share purchase warrant of the Company. Each warrant entitles the holder thereof to acquire one additional common share of the Company at an exercise price of $0.75 per common share at any time for a period of 24 months. Based on the residual method, a fair value of $nil was allocated to the warrants.

During the year ended December 31 2021, 200,000 share purchase options were exercised at a price of $0.365 per share purchase and 100,000 share purchase options were exercised at a price of $0.50 per share purchase option for total proceeds of $123,000.

2022

On February 22, 2022, the Company completed a non-brokered private placement for a total of $270,000 at a price of $0.54 per share, issuing 500,000 shares.

On March 31, 2022, the Company completed a non-brokered private placement for a total of $12,568,047 at a price of $0.56 per share, issuing 22,442,941 shares.

On April 25, 2022, the Company has converted the full outstanding amount of capital owed to Sprott under the previously announced Sprott convertible debt facility to common shares of the Company. The total principal amount of US$482,371 has been converted at the pre-agreed conversion price of C$0.69 per share. As a result, SRG has issued 881,550 common shares to Sprott.

During the quarter ended June 30, 2022, 200,000 share purchase options we exercised at a price of $0.41 per share purchase option and 25,000 share purchase options were exerciced at a price of $0.365 per share purchase option for total proceeds of $69,461.

(Unaudited and in Canadian dollars)

Warrants

The outstanding share purchase warrants as at June 30, 2022 and December 31, 2021 and the respective changes during the quarter are summarized as follows:

	Six-month period ended June 30, 2022		Year ended December 31, 2021	
	Number	**$(1)**	Number	$(1)
Balance, beginning of period	14,880,203	0.86	7,166,580	1.00
Issued	-	-	7,713,623	0.73
Balance exercisable, end of period	**14,880,203**	**0.86**	**14,880,203**	**0.86**

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

		Six-month period ended June 30, 2022
Expiry date	**Number**	**Exercice Price $(1)**
March 4, 2023	4,039,800	1.00
March 9, 2023	946,780	1.00
March 31, 2023	180,000	1.00
July 2, 2023	2,000,000	1.00
July 31, 2023	2,913,623	0.69
November 5, 2023	4,800,000	0.75
Balance exercisable, end of period	**14,880,203**	**0.86**

(1) Weighted average exercice price.

9. SHARE-BASED PAYMENTS

Share purchase options

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

(Unaudited and in Canadian dollars)

The following table shows the changes in share purchase options:

	Six-month period ended June 30, 2022		Year ended December 31, 2021	
	Number	**$**(2)	Number	$(2)
Balance, beginning of period	7,660,500	0.70	7,470,500	0.69
Granted	1,300,000	0.70	490,000	0.69
Exercised	(225,000)	0.41	(300,000)	0.41
Balance, end of period	8,735,500	0.71	7,660,500	0.70
Excercisable, end of period	7,868,831	0.71	7,025,876	0.72

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

			June 30, 2022
	Number outstanding	**Number exercisable**	**Exercise price $**(2)
October 24, 2023	150,000	150,000	1.20
February 20, 2027	1,877,007	1,877,007	0.365
April 25, 2027	100,000	100,000	0.50
June 14, 2027	25,000	25,000	0.36
November 22, 2027	325,000	325,000	1.30
January 14, 2028	125,000	125,000	1.72
August 8, 2028	2,285,000	2,285,000	1.10
May 11, 2030	1,108,493	1,108,493	0.37
June 19, 2030	950,000	950,000	0.51
February 9, 2031	490,000	490,000	0.69
March 1, 2032	1,300,000	433,331	0.70
	8,735,500	7,868,831	

(2) Weighted average exercice price.

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

	Six-month period ended June 30, 2022	Year ended December 31, 2021
Weighted average price at the grant date	$0.70	$0.69
Weighted average exercise price	$0.70	$0.69
Expected dividend	-$	-$
Expected average volatility	134.95%	98.31%
Risk-free average interest rate	1.70%	0.99%
Expected average life	10 years	10 years
Weighted fair value per share purchase option	$0.68	$0.61

(Unaudited and in Canadian dollars)

A share-based payment compensation payment of $111,546 and $459,727 was recognized during the three and six-month periods ended June 30, 2022 respectively ($131,925 and $409,512 during the three and six-month periods ended June 30, 2021 respectively).

Deferred share units

The Deferred Share Units ("DSU") plan provides for the payment of directors' compensation with DSUs. Each DSU is a right granted by the Company to an eligible director to receive an equivalent of the value of one common share on termination of service. The Company may make payments due under the DSU Plan by issuing one common share for each DSU. The number of DSUs to be granted under the DSU Plan is determined by dividing the director's compensation by last closing price of the common shares on the TSXV, at the time the DSU is granted. Under the DSU Plan, 6,940,000 shares are reserved for issuance.

The following table summarizes the changes in DSUs issued during the six-month period ended June 30, 2022:

	Six-month period ended June 30, 2022		Year ended December 31, 2021	
	Number	**$(3)**	Number	$(3)
Balance, beginning of period	171,570	0.51	171,570	0.51
Granted	-	-	-	-
Balance, end of period	171,570	0.51	171,570	0.51

(3) Weighted average fair value.

Restricted share units

In February 2022, the Corporation adopted a Restricted Unit Plan ("RSU Plan") to reward certain employees, officers and directors of the Corporation (the "Participants"), which was approved by its shareholders at the Corporation's Annual and Special Meeting of Shareholders on June 9, 2022. The RSU Plan provides for a maximum number of common shares available and reserved for issuance to 10% of the Corporation's issued and outstanding common shares, less any shares reserved for issuance under the Option Plan and the DSU Plan. The RSUs are time-based awards and all the amount of RSUs granted will vest upon the continuous employment of the Participants on the third anniversaries of the RSU grant, starting from the date of the grant or such other period not exceeding three years determined by the Board of Directors.

Pursuant to the terms of the RSU Plan, Participants will receive, upon vesting of the RSUs, common shares of the Corporation issued from treasury. The outstanding RSU's as at June 30, 2022 are as follows:

	Six-month period ended June 30, 2022		Year ended December 31, 2021	
	Number	**$(3)**	Number	$(3)
Balance, beginning of period	-	-	-	-
Granted	1,750,000	0.86	-	-
Balance, end of period	1,750,000	0.86	-	-
Excercisable, end of period	-	-	-	-

(3) Weighted average fair value.

A share-based payment compensation payment of $123,194 and $167,742 was recognized during the three and six-month periods ended June 30, 2022 respectively (2021 - $nil)

(Unaudited and in Canadian dollars)

10. CAPITAL MANAGEMENT

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

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

To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms, issue more debts or convertible debenture instruments, sell off permits and enter into joint venture arrangements.

The Company is not subject to externally imposed capital requirements. There has been no change in the Company's approach to capital management during the period ended June 30, 2022.

The changes in the Company's capital are disclosed in the consolidated statements of changes in shareholder's equity.

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

Classification

The classification of financial instruments is summarized as follows, as at June 30, 2022:

Financial Assets	Classification	June 30, 2022	December 31, 2021
		$	$
Cash and cash equivalents	Financial assets at amortized cost	**13,617,027**	4,575,961
Accounts receivables	Financial assets at amortized cost	**2,507**	1,070
		13,619,534	4,577,031

Financial Liabilities	Classification	June 30, 2022	December 31, 2021
		$	$
Accounts payable and accrued liabilities	Financial liabilities at amortized cost	**366,332**	1,671,031
Short-term loan	Financial liabilities at amortized cost	**-**	752,796
Convertible debenture host	Financial liabilities at amortized cost	**-**	319,563
Interest payable	Financial liabilities at amortized cost	**-**	147,171
		366,332	2,890,561
Convertible debt derivative	Fair value through profit & loss	**-**	270,561
		-	270,561

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

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit concentration risk by holding cash and cash equivalents. This risk is minimized by holding cash and cash equivalents balances with large Canadian financial institutions and a minimal amount with local banks in Africa.

Liquidity risk

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

As at June 30, 2022 the Company had cash and cash equivalents of $13,617,027 to settle curent liabilities of $394,584.

Any funding shortfall may be met in the future in a number of ways including, but not limited to, the issuance of new equity instruments, issuance of debts, issuance of convertible debentures, further expenditure reductions, or other measures.

Fair value

Fair value estimates are made at the consolidated statement of financial position date based on relevant market information and other information about financial instruments.

The Company's financial instruments as at June 30, 2022 consist of cash and cash equivalents, accounts payable and accrued liabilities. The Company's financial assets and financial liabilities approximate their fair values due to their relatively short periods to maturity.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates.

Except for the fixed interest recognized on the convertible debenture and short-term loan, all of the Company's assets and liabilities are non-interest-bearing and, as such, are not subject to a significant amount of risk arising from fluctuations in interest rates.

Market risk

Foreign exchange risk

Currency risk is the risk that future cash flows or fair value of financial instruments will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange (''FX'') risk as cash is primarily held in Canadian dollars, while a significant portion of expenditures are denominated in US dollars and Guinean francs and, to a lesser extent, euros, Australian dollars and British pounds.

	June 30, 2022 in CAD	**Impact of 10% change in FX**	**December 31, 2021 in CAD**	**Impact of 10% change in FX**
United States dollar	57,963	+/- 5,796	160,704	+ / - $16,074
Guinea franc	59,357	+/- 5,936	73,297	+ / - $7,329

(Unaudited and in Canadian dollars)

Commodity price risk

Commodity price risk is the risk that the fair value or expected future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and other currencies, as outlined above. As the Company has not yet developed commercial mineral interests, the Company is not a party to financial instruments exposed to the price of commodities. However, the Company is indirectly exposed to commodity price risk, as it impacts the Company's access to capital and funding.

12. RELATED PARTIES

Transactions with related parties

During the three and six-month periods ended June 30, 2022 and 2021 and the year ended December 31, 2021 the following related party transactions occurred in the normal course of operations:

- Management and consulting fees to Groupe Conseils Grou, La Salle Inc., a company owned by Company's Executive Chairman, of $18,750 and $25,000 for the three-month and six-month periods ended June 30, 2022 respectively ($10,608 and $29,471 for the three-month and six-month periods ended June 30, 2021 respectively). As at June 30, 2022, $nil (December 31, 2021 - $45,360) was due to that company.

- Exploration and Evaluation expenses to Sama Resources Inc. and its subsidiaries of $nil and $1,861 for the three-month and six-month periods ended June 30, 2022 respectively ($nil and $1,255 for the three-month and six-month periods ended June 30, 2021 respectively). As at June 30, 2022 and December 31, 2021, no amount was due to Sama Resources Inc. and its subsidiaries.

- In 2019, SRI loaned the Company $1,000,000 which has been fully repaid as at June 30, 2022 (December 31, 2021 – $752,796).

Remuneration of key management personnel

Key management personnel are the members of the Board of Directors, and executive officers of the Company. During the three and six-month periods ended June 30, 2022 and 2021, the remuneration awarded to key management personnel (including the amounts above) is as follows:

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Salaries and benefits	**29,334**	29,334	**58,667**	58,667
Management consulting and professional fees	**134,306**	29,025	**189,444**	83,860
Share-based payments	**182,048**	73,511	**438,701**	158,482
	345,687	131,869	**686,812**	301,009

Termination and change of control provisions

Certain agreements between the executive team and the Company contain termination without cause and change of control provisions. Assuming that these agreements would be terminated without cause during the year ending December 31, 2022, the total amounts payable in respect of severance would amount to $1,123,001. If a change of control would occur during the year ending December 31, 2022, the total amounts payable in respect of severance, if elected by the executive members, would amount to $1,627,750.

(Unaudited and in Canadian dollars)

13. SUPPLEMENTAL CASH FLOW INFORMATION

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2022	2021	**2022**	2021
Changes in working capital items	**$**	$	**$**	$
Sales taxes and other receivables	**13,838**	(1,989)	**(38,872)**	(15,115)
Prepaid expenses and deposits	**(43,642)**	(54,517)	**(38,014)**	(49,116)
Accounts payable and accrued liabilities	**(1,128,939)**	191,231	**(1,304,699)**	252,193
	(1,158,743)	134,725	**(1,381,585)**	187,962

14. COMMITMENTS

The Company must pay $9,125 in superficial rights every year for the next twelve years to the government of Guinea to retain the rights of its mining title.

Minimum annual payments relating to the above commitments in the next five fiscal years and thereafter are as follows:

Year	$
2022	9,125
2023	9,125
2024	9,125
2025	9,125
2026	9,125
Thereafter	63,876

15. OPERATING SEGMENTS

The Company operates in one reportable business segment: the exploration and evaluation of mineral properties. As at June 30, 2022, $228,142 of the Company’s non-current assets are located in Guinea, Africa, and $47,573 are located in Montréal, Canada. As at December 31, 2021 $278,750 of the Company’s non-current assets were located in Guinea, Africa and $57,720 in Montréal, Canada.

16. SUBSEQUENT EVENTS

On July 29, 2022, the Company has issued 279,221 Deferred Share Units (DSUs) to directors. In accordance with the Company’s Amended and Restated Long-Term Incentive Plan. The DSUs were priced based on the 5 day VWAP ending July 27, 2022 of the Company’s common shares on the TSX Venture Exchange.