Annual Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in Canadian dollars)

TSX-V: SRG

Management's Responsibilities over Financial Reporting

The Financial Statements of SRG Mining Inc. (the "Company" or "SRG") are the responsibility of the Company's management. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretation of the International Financial Reporting Interpretations Committee ("IFRIC") and reflect management's best estimates and judgment based on information currently available.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The Audit Committee reviews the results of the consolidated financial statements prior to their submission to the Board of Directors for approval.

SRG Mining Inc.
Consolidated Statements of Financial Position
(in Canadian dollars)

	Notes	**December 31, 2022**	December 31, 2021
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	4	**11,106,401**	4,575,961
Sales taxes and other receivables		**101,605**	17,426
Prepaid expenses and deposits		**105,818**	35,424
		11,313,824	4,628,811
Non-current assets			
Property and equipment	5	**332,098**	336,470
TOTAL ASSETS		**11,645,922**	4,965,281
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**921,251**	1,671,031
Short-term portion of lease liability	8	**12,116**	11,841
Short-term loan	9	**-**	752,796
Convertible debt - host	10	**-**	319,563
Convertible debt - embedded derivative	10	**-**	270,561
Interest payable	9 & 10	**-**	147,171
		933,367	3,172,963
Non-current labilities			
Long-term portion of lease liability	8	**7,346**	16,846
		940,713	3,189,809
EQUITY			
Share capital	11	**41,282,782**	27,699,990
Contributed surplus	12	**9,314,620**	8,098,705
Deficit		**(39,892,193)**	(34,023,223)
TOTAL EQUITY		**10,705,209**	1,775,472
TOTAL LIABILITIES AND EQUITY		**11,645,922**	4,965,281

Nature of operation and liquidity risk (Note 1)
Subsequent events (Note 21)

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

On behalf of the Board,

Marc Filion /s/
Director

Yves Grou /s/
Director

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

		Years ended December 31,	
		2022	2021
	Notes	**$**	$
Expenses			
Exploration and evaluation	6	**1,880,352**	310,534
General and administrative	7	**2,500,746**	1,422,284
Share-based compensation	12	**1,321,001**	542,581
		5,702,099	2,275,399
Other expenses (income)			
Other income		**(339)**	-
Government Grant	9	**(15,917)**	-
Gain on settlement of convertible debenture	10	**(82,617)**	(51,050)
Change in fair value of embedded derivative	10	**67,998**	105,694
Interest expense		**88,813**	341,135
Financing costs		**78,827**	-
Foreign exchange (income) loss		**30,106**	(6,600)
		166,871	389,179
Net loss and comprehensive loss		**5,868,970**	2,664,578
Basic and diluted loss per common share	17	**0.05**	0.03
Weighted average number of shares – basic and diluted	17	**107,968,288**	81,668,100

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

SRG Mining Inc.
Consolidated Statements of Changes in Equity
(in Canadian dollars)

	Notes	Number of issued and outstanding common 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	11	22,442,941	12,568,047	-	-	12,568,047
Issuance of shares in settlement of account payable and accrued liabilities	11	500,000	270,000	-	-	270,000
Share issuance costs	11	-	(129,115)	-	-	(129,115)
Conversion of debt	10 & 11	881,550	699,314	-	-	699,314
Exercise of stock options	11	93,564	139,546	(70,086)	-	69,460
Exercice of deferred share units	11 & 12	68,628	35,000	(35,000)	-	-
Share-based compensation	12	-	-	1,321,001	-	1,321,001
Net loss and comprehensive loss for the year		-	-	-	(5,868,970)	(5,868,970)
Balance as at December 31, 2022		**113,822,338**	**41,282,782**	**9,314,620**	**(39,892,193)**	**10,705,209**
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	11	9,709,000	4,863,742	-	-	4,863,742
Share issuance costs	11	-	(34,052)	-	-	(34,052)
Exercise of stock options	11 & 12	300,000	226,931	(103,930)	-	123,001
Share-based compensation	12	-	-	542,581	-	542,581
Net loss and comprehensive loss for the year		-	-	-	(2,664,578)	(2,664,578)
Balance as at December 31, 2021		**89,835,655**	**27,699,990**	**8,098,705**	**(34,023,223)**	**1,775,472**

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

SRG Mining Inc.
Consolidated Statements of Cash Flows
(in Canadian dollars)

		Years ended December 31,	
		2022	2021
Cash flows provided by (used in)	Notes	**$**	$
OPERATING ACTIVITIES			
Net loss		**(5,868,970)**	(2,664,578)
Adjustments for non-cash items			
Amortization		**196,789**	211,088
Accreted interest on lease liabilities	8	**2,965**	2,263
Foreign exchange on lease liabilities	8	**4,206**	899
Gain on settlement of convertible debenture	10	**(82,617)**	(51,050)
Interest payable	9 & 10	**-**	88,486
Accreted interest on loan	9	**3,121**	6,886
Foreign exchange on convertible debenture	10	**4,308**	(16,620)
Accretion expense on convertible debenture	10	**36,884**	124,579
Change in fair value of embedded derivatives	10	**67,998**	105,694
Government Grant	9	**(15,917)**	-
Value of the taxable benefit from cashless exercise of stock options	11	**94,000**	-
Share-based compensation	12	**1,321,001**	542,581
Change in non-cash working capital items	18	**(668,018)**	295,907
		(4,904,250)	(1,353,865)
INVESTING ACTIVITIES			
Property and equipment additions	5	**(162,934)**	(1,751)
Proceed on disposal of property and equipment		**-**	47,402
		(162,934)	45,651
FINANCING ACTIVITIES			
Lease liabilities	8	**(45,879)**	(19,173)
Issuance of units as part of private placements	11	**-**	4,800,000
Issuance of shares as part of private placements	11	**12,568,047**	-
Issuance of shares	11	**-**	63,742
Share issuance costs	11	**(129,115)**	(34,052)
Exercise of stock options	11 & 12	**9,125**	123,001
Short-term loan - Due to a related company	9	**(700,000)**	-
Short-term loan - Government loan	9	**(40,000)**	-
Issuance of convertible debenture	10	**-**	427,521
Interest payable	9 & 10	**(64,554)**	-
		11,597,624	5,361,039
Net change in cash and cash equivalents		**6,530,440**	4,052,825
Cash and cash equivalents, beginning of year		**4,575,961**	523,136
Cash and cash equivalents, end of year		**11,106,401**	4,575,961

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

December 31, 2022 and 2021 (in Canadian dollars)

1. NATURE OF OPERATION AND LIQUIDITY RISK

SRG Mining Inc. is a Canadian-based mineral exploration and development business with activities in West 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 consolidated financial statements were authorized for publication by the Board of Directors on April 14, 2023.

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 December 31, 2022, the Company had a working capital of $ 10.4 million, which included cash of $11.1 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

(a) Basis of presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company has consistently applied the same accounting policies throughout all the periods presented in these consolidated financial statements.

(b) Basis of measurement

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

(c) Basis of consolidation

In addition to the Company, the consolidated financial statements include all subsidiaries controlled by the Company. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. 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	Ownership %
Sama Resources Guinee SARL ("SRG Guinée")	Guinea	100%
SRG Graphite International Inc. ("SRG Intl")	Cayman Islands	100%
SRG Liberia Inc. ("SRG Liberia")	Liberia	100%
SRG Lithium Inc. ("SRG Lithium")	Canada	100%

(d) Functional and presentation currency

The functional currency for the parent entity, and its subsidiaries, is the currency of the primary economic environment in which the entity operates. The parent entity has determined the functional currency of each entity is the Canadian dollar. The determination of the functional currency may involve certain judgments as to defining the primary economic environment, and the parent entity will reconsider the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment in which these entities operate. The functional currencies of entities within the group have remained unchanged during the reporting period.

These consolidated financial statements are presented in Canadian dollars.

(e) Foreign currency transactions

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

(f) Cash and cash equivalents

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

(g) Exploration and evaluation ("E&E") expenses

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

The development stage is considered to begin once the technical feasibility and commercial viability of the extraction of minerals in an area of interest are demonstrable. It's based on both qualitative and quantitative criteria such as substantial physical project completion, sustained level of mining, sustained level of processing activity, and passage of a reasonable period of time.

Mineral properties under development are the costs incurred subsequent to the establishment of the technical feasibility and commercial viability of the extraction of resources from a particular mineral property. Capitalized costs, including mineral property acquisition costs and certain mine development and construction costs, are not depreciated until the related mining property has reached a level of operating capacity predetermined by management, a level often referred to as "commercial production."

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

(h) Property and equipment ("P&E")

P&E and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

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

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

Category	Straight-line method
Computer equipment and software	30%–35%
Furniture	20%
Equipment	20%
Laboratory	10%
Right-of-use assets	Over the lease term

The estimated residual values, estimated useful lives and depreciation methods are reviewed annually.

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

(i) Impairment of non-financial assets

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

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

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

(j) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets

Financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. On initial recognition, the Company classifies its financial assets in the following measurement categories:

i) measured subsequently at amortized cost; and
ii) measured subsequently at fair value (either through other comprehensive loss, or through net loss).

For assets measured at fair value, gains and losses will either be recorded in net loss or in other comprehensive income.

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment loss, if:

i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flow; and
ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

A financial asset shall be measured at fair value through net loss unless it is measured at amortized cost or at fair value through other comprehensive loss. A financial asset shall be measured at fair value through other comprehensive loss if both of the following conditions are met:

i) A financial asset shall be measured at fair value through net loss unless it is measured at amortized cost or at fair value through other comprehensive loss. A financial asset shall be measured at fair value through other comprehensive loss if both of the following conditions are met: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment

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

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. An external rating of “investment grade” is considered to indicate that a financial instrument may be considered as having low credit risk.

Financial liabilities

Financial liabilities are initially recorded at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortized cost using the effective interest method.

Financial liabilities measured at fair value

Financial liability with embedded foreign exchange derivative liability is separated in two components: the derivative liability and the host liability. The embedded foreign exchange derivative liability is determined first, and the residual value is assigned to the debt host liability. On recognition, the derivative liability is measured at fair value using Black & Scholes. Subsequently, the foreign exchange derivative liability is measured at fair value with changes recognised in the consolidated statement of loss and comprehensive loss. The debt host liability is recorded at amortized cost and is translated at the exchange rate at the reporting date. The effects of changes in foreign exchange rates are recognised in the consolidated statement of loss and comprehensive loss. Interest expense is calculated on an effective rate method, and is translated at the average rate for the period.

(k) Share Capital

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

(l) Equity financing

The equity financing transactions may involve issuance of common shares or units. Units typically comprise a certain number of common shares and warrants. Depending on the terms and conditions of the equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the terms of the transaction. The Company adopted a residual value method with respect to the measurement of common shares and warrants issued as private placement units. The fair value of the common shares issued in the private placements is determined by the closing quoted bid price on the transaction date. The balance, if any, is allocated to the attached warrants. When underlying shares are issued, the amounts previously credited to contributed surplus are transferred to share capital.

(m) Share-based payments

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

i) Exercise price
ii) Expected volatility
iii) Risk-free interest rate
v) Expected life of the award
vi) Current market price

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

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

(n) Current and deferred income taxes

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

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

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

(o) Loss per share

Basic loss per share is computed by dividing loss available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. The dilutive effect of convertible securities is reflected in diluted loss per share by application of the "if converted" method. The dilutive effect of outstanding stock options and warrants and their equivalents is reflected in diluted loss per share by application of the treasury stock method.

(p) Deferred share units

The DSU Plan provides for the payment of directors' compensation with deferred share units ("DSU"s). Each DSU is a right granted by the Company to an eligible director or officer to receive an equivalent to the value of one common share on termination of service. DSU payments are ultimately recognized as an expense in the consolidated statements of loss and comprehensive loss as share-based compensation. The Company may and intends to 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 the volume-weighted average price of the Common Shares on the Toronto Stock Exchange for the five trading days immediately preceding the date of grant. The Company uses the fair value method to recognize compensation expense related to the granting of DSUs. When underlying shares are issued, the amounts previously credited to contributed surplus are transferred to share capital.

(q) Restricted share units

The Restricted Share Unit plan (the "RSU Plan") allows the grant to directors, employees, or service providers nontransferable Restricted Share Units ("RSU"s) based on the value of the Company'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 Company. The Company intends to settle all RSUs in equity. The Company uses the fair value method to recognize compensation expense related to the granting of RSUs. When underlying shares are issued, the amounts previously credited to contributed surplus are transferred to share capital.

(r) Government grants

The Company recognises a government grant when it has reasonable assurance that it will comply with the relevant conditions and the grant will be received. If the conditions are met, then the Company recognises government grants in profit or loss on a systematic basis and in line with its recognition of the expenses that the grants are intended to compensate.

(s) Standards, amendments and Interpretations to existing Standards that are not yet effective effective and have not been adopted early by the Company

As the date of authorization of the consolidated financial statements, several new, but not yet effective Standards and amendments to exiting Standards, and Interpretations have been published by the International Accounting Standard Board (IASB). None of these Standards of amendments to existing Standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current period have not been disclosed as they are not expected to have a material impact on the Company's consolidated financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Significant judgments and estimation uncertainty

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

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

(a) Going concern and liquidity risk

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

(b) Determination of the ownership of mining property title

Management must determine if it has or still holds the legal title of its mining properties in Guinea on a continuous basis. In certain cases, to conclude on the validity of the legal title, significant judgment is required in determining if the Company has met all of its commitments and obligations. Management exercised its judgment, having considered the laws enforceable in Guinea and the communications with the government, to conclude on the title ownership. Note 6 to these consolidated financial statements provides background information around those judgments.

(c) Impairment of non-financial assets

P&E is reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. The recoverable amounts with respect to non-financial assets are based on numerous assumptions and may differ significantly from actual recoverable amounts. The recoverable amounts are based, in part, on certain factors that may be partially or totally outside of the Company's control. This evaluation involves a comparison of the estimated recoverable amounts of non-financial assets to their carrying values. The recoverable amount estimates may differ from actual recoverable amounts, and these differences may be significant and could have a material impact on the Company's financial position and results of operations. Asset groups are reviewed for an indication of impairment at each consolidated statement of financial position date or when a triggering event is identified. This determination requires significant judgment.

(d) Determination of the functional currency of the subsidiaries

A number of judgments were made in the determination of the subsidiaries' functional currency. The parent entity has determined the functional currency of each entity is the Canadian dollar. The determination of the functional currency may involve certain judgments as to defining the primary economic environment, and the parent entity will reconsider the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment in which these entities operate. If a different conclusion had been reached for any one of those assumptions, it could have resulted in the identification of functional currency different from the one actually identified by the Company.

(e) Recognition of deferred taxes

The determination of income tax expense and deferred income tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of laws in the countries in which the Company operates. The Company is subject to assessment by tax authorities who may interpret the tax law differently. Changes in these estimates may materially affect the final amount of deferred income taxes or the timing of tax payments.

Management continually evaluates the likelihood that it is probable that its deferred tax assets will be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

(f) Fair value of stock options

The estimation of share-based payments requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The model used by the Company is the Black-Scholes valuation model at the date of grant. The Company has made estimates as to the volatility, the probable life of stock options granted and the time of exercise of those stock options. The expected underlying volatility was based on comparable companies shares over a period equivalent to the expected average life of the options.

(g) Provision for foreign tax and value-added tax

The Company is subject to foreign tax and value-added tax in numerous jurisdictions. Significant judgment is required in determining the provision for foreign tax and value-added taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company 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 differs from the amounts that were initially recorded, such differences will impact the current foreign tax and value-added tax liabilities in the period in which such determination is made.

December 31, 2022 and 2021 (in Canadian dollars)

4. CASH AND CASH EQUIVALENT

	2022	2021
	$	$
Cash	**11,060,864**	4,530,767
Guaranteed investment certificate, maturing June 12, 2023, 0.90%	**20,252**	20,124
Guaranteed investment certificate, maturing November 8, 2023, 4.76%	**25,285**	25,070
	11,106,401	4,575,961

The guaranteed investment certificates are guarantees given to secure the credit card line of credit and are considered restricted. Those investments can be redeemed anytime if the credit card is cancelled or for the same consideration of the reduction of the line of credit.

December 31, 2022 and 2021 (in Canadian dollars)

5. PROPERTY AND EQUIPMENT

	Equipment	Furniture	Computer, equipment and software	Laboratory	Right of use assets	Total
	$	$	$	$	$	$
Cost						
Balance – January 1, 2021	707,080	80,653	135,186	109,482	206,068	1,238,469
Acquisitions	-	-	1,751	-	25,146	26,897
Disposal	(188,660)	-	-	-	(101,357)	(290,017)
Balance – December 31, 2021	518,420	80,653	136,937	109,482	129,857	975,349
Acquisitions	146,028	2,220	14,686	-	29,483	192,417
Balance – December 31, 2022	664,448	82,873	151,623	109,482	159,340	1,167,766
Accumulated depreciation						
Balance – January 1, 2021	346,355	37,222	75,083	23,457	163,143	645,260
Amortization	117,950	16,131	29,417	10,948	36,643	211,089
Disposal	(119,139)	-	-	-	(98,331)	(217,470)
Balance – December 31, 2021	345,166	53,353	104,500	34,405	101,455	638,879
Amortization	110,352	15,964	20,403	10,948	39,122	196,789
Balance – December 31, 2022	455,518	69,317	124,903	45,353	140,577	835,668
Carrying amount						
Balance – December 31, 2021	173,254	27,300	32,437	75,077	28,402	336,470
Balance – December 31, 2022	208,930	13,556	26,720	64,129	18,763	332,098

During the year ended December 31, 2022, an amortization expense of $55,324 (2021 – $65,148) was recorded in the consolidated statement of loss and comprehensive loss under general and administrative expenses and an amortization expense of $141,465 (2021 – $145,940) was recorded under exploration and evaluation expenses.

December 31, 2022 and 2021 (in Canadian dollars)

6. 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 N°A2018/5349/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 N°D/2019/291/PRG/SGG the mining permit for its Lola graphite project near the town of Lola in eastern Guinea, West Africa. The fifteen (15) year renewable permit was officially granted by the Government of Guinea through presidential decree number D/2019/291/PRG/SGG. 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 mining permit is subject to the general obligations of the Guinean mining code. In June 2020, the Company asked the Government of Guinea for a deferment due to the ongoing Covid-19 crisis. A number of events since its receipt of the mining permit, namely the COVID pandemic as well as a Coup d'État, each of which the Company considers being a Force Majeur event, rendered impossible the fulfillment of certain obligations by the Company during a significant period of time. Furthermore, 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. The Company remains in active dialogue with the government of Guinea about the development timeline for the Lola Graphite Project and intends to start early development works on the mining permit in Q2 2023.

	Year ended December 31,	
Lola Graphite Property	**2022**	2021
	$	$
Exploration expenses	**111,191**	7,249
Engineering study	**1,283,980**	25,000
HSEC & Community relations on site	**150,715**	3,772
Salaries and wages	**193,001**	128,573
Amortization	**141,465**	145,940
Total Lola Graphite Property	**1,880,352**	310,534
Total E&E expenses	**1,880,352**	310,534

December 31, 2022 and 2021 (in Canadian dollars)

7. 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.

	Year ended December 31,	
Operating expenses	**2022**	2021
	$	$
Salaries and benefits	**723,599**	258,514
Consulting fees	**967,422**	564,745
Travel and representation	**185,860**	55,214
General and office expenses	**272,194**	194,409
Professional fees	**175,122**	233,338
Investor relation fees	**68,540**	233
Transfer agent and filing fees	**52,685**	46,006
Shareholder information	**-**	4,677
Amortization	**55,324**	65,148
Total general and administrative expenses	**2,500,746**	1,422,284

8. LEASE LIABILITIES

The Company leases office space for employees. These leases are for a period of one to four years. Certain leases include an option to renew after the end of the contract term.

The movement in lease liabilities during the years ended December 31, 2022 and 2021 is comprised of the following:

	December 31, 2022	December 31, 2021
	$	$
Lease liabilities at the beginning of the year	**28,687**	44,698
Lease payments	**(45,879)**	(43,212)
Lease addition	**29,483**	29,268
Lease termination	**-**	(5,229)
Accreted interest	**2,965**	2,263
Foreign exchange gain	**4,206**	899
Balance, end of year	**19,462**	28,687
Current portion	**12,116**	11,841
Long-term portion	**7,346**	16,846

The undiscounted minimum lease payments on lease liabilities for the forthcoming years are as follows:

	$
2023	12,278
2024	7,695
Total minimum payments	**19,973**
Less interest	(511)
Total minimum capital payments	19,462

December 31, 2022 and 2021 (in Canadian dollars)

9. SHORT-TERM LOAN

On June 18, 2019, the Company received a bridge loan of $1,000,000 from Sama Resources Inc. (“SRI”), a shareholder with significant influence on the company, to fund the immediate cash requirements of the Company. The loan bears interest at 10% per annum. As at December 31, 2022 the loan of $700,000, plus interest charges of $34,521, has been repaid (2021, $711,699).

In response to COVID-19, the Company has received a $60,000 emergency loan from the Canada Emergency Business Account (“CEBA”). The loan was interest-free until December 31, 2023, and upon reimbusrment of $40,000 during Q2-2022, the Company was entitled to a $20,000 exemption as government grant, recognized in other income (2021, $52,797).

10. CONVERTIBLE DEBT

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, amended in October 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 a maximum 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 (2021 – $832,267).

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.

As at April 25, 2022, date of conversion, the embedded foreign exchange derivative liability was fair valued at $341,467 and the residual value was amortized to $357,847. 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**
	2022	2021	**2022**	2021	**2022**	2021
	$	$	**$**	$	**$**	$
Balance beginning of year	**319,563**	-	**270,561**	-	**590,124**	-
Addition during the year	**-**	905,862	**-**	863,852	**-**	1,769,714
Change in fair value of derivative	**-**	-	**67,998**	105,694	**67,998**	105,694
Partial repayments	**-**	(706,176)	**-**	(692,689)	**-**	(1,398,865)
Change in foreign exchange rate	**1,400**	(4,702)	**2,908**	(6,296)	**4,309**	(10,998)
Accretion	**36,884**	124,579	**-**	-	**36,884**	124,579
Conversion of debt	**(357,847)**	-	**(341,467)**	-	**(699,314)**	-
Balance end of year	**-**	319,563	**-**	270,561	**-**	590,124

The value of the embedded derivative was determined using a Black & Scholes valuation model on the following assumptions:

December 31, 2022 and 2021 (in Canadian dollars)

	April 25, 2022	December 31, 2021
	$	$
Stock price	**0.87**	$0.72
Exercice price	**0.69**	$0.69
Expected life	**1.27 year**	1.58 year
Expected volatility	**81.6%**	84,9%
Risk-free interest	**2.50%**	0.52%

11. 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 10.

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 $123,001.

2022

On February 22, 2022, the Company settled an account payable of $270,000 in equity, at a price of $0.54 per common 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 common share, issuing 22,442,941 common 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 year ended December 31, 2022, 200,000 share purchase options we exercised at a price of $0.41 per share purchase option via a cashless exercice, resulting in a net issuance of 68,564 common shares and 25,000 share purchase options were exerciced at a price of $0.365 per share purchase option for total proceeds of $9,125.

During the year ended December 31, 2022, 68,628 shares were issued to former directors from a previous DSU grant.

December 31, 2022 and 2021 (in Canadian dollars)

Warrants

The following table shows the changes in warrants:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Number	$(1)	Number	$(1)
Balance, beginning of year	14,880,203	0.86	7,166,580	1.00
Issued	-	-	7,713,623	0.73
Balance exercisable, end of year	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:

	Year ended December 31, 2022 and 2021	
Expiry date	Number	Exercise Price $
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 year	14,880,203	0.86(1)

(1) Weighted average exercise price.

12. SHARE-BASED PAYMENTS

Share purchase options

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

December 31, 2022 and 2021 (in Canadian dollars)

The following table shows the changes in stock options:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Number	**$(2)**	Number	$(2)
Balance, beginning of year	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 year	8,735,500	0.71	7,660,500	0.70
Excercisable, end of year	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:

			December 31, 2022
	Number outstanding	Number exercisable	Exercise price $
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:

	Year ended December 31, 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

A share-based payment expense of $685,272 was recognized during the year ended December 31, 2022 (2021 - $542,581) in share-based compensation in the consolidated statement of loss and comprehensive loss. The expected underlying volatility was based on the historical data of comparable companies shares over a period equivalent to the expected average life of the options.

December 31, 2022 and 2021 (in Canadian dollars)

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 year ended December 31, 2022:

	Year ended September 30, 2022		Year ended December 31, 2021	
	Number	**$(3)**	Number	$(3)
Balance, beginning of year	171,570	0.51	171,570	0.51
Granted	279,221	0.77	-	-
Exercised	(68,628)	0.51	-	-
Balance, end of year	382,163	0.70	171,570	0.51

(3) Weighted average fair value.

The compensation expense relating to DSUs amounted to $215,000 for the year ended December 31, 2022 (2021 - nil) recognized in share-based compensation in the consolidated statement of loss and comprehensive loss.

Restricted share units

In February 2022, the Company adopted a Restricted Unit Plan ("RSU Plan") to reward certain employees, officers and directors of the Company (the "Participants"), which was approved by its shareholders at the Company'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 Company'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 Company issued from treasury. The outstanding RSU's as at December 31, 2022 are as follows:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Number	**$(4)**	Number	$(4)
Balance, beginning of year	-	-	-	-
Granted	1,750,000	0.86	-	-
Balance, end of year	1,750,000	0.86	-	-
Excercisable, end of year	-	-	-	-

(4) Weighted average fair value.

A share-based payment compensation payment of $420,729 was recognized during year ended December 31, 2022 (2021 - $nil) in share-based compensation in the consolidated statement of loss and comprehensive loss.

December 31, 2022 and 2021 (in Canadian dollars)

13. INCOME TAXES

Major components of tax expense (income)

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

	2022	2021
	$	$
Current tax expense (Income)	-	-
Deferred tax expense (Income)		
Origination and reversal of temporary differences	(1139,848)	(249,046)
Unrecognized deferred tax assets	1,139,848	249,046
Total deferred tax expense (income)	-	-
Total income tax expense (income)	-	-

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

	2022	2021
	$	$
Loss before income taxes	(5,868,970)	(2,664,578)
Expected tax expense calculated using the combined federal and provincial income tax rate in Canada of 26.5% (26.5% in 2021)	(1,555,277)	(706,113)
Difference between Canadian and foreign tax rate	(34,167)	(15,315)
Share-based compensation	350,065	143,784
Non deductible expenses	41,423	20,628
Prior year adjustment	58,108	307,971
Change in unrecognized temporary differences	1,139,848	249,046
Deferred income tax expense (income)	**-**	**-**

The statutory tax rate is 26.5% in 2022 (26.5% in 2021).

The significant components of deferred tax assets and liabilities as at December 31, 2022 and 2021, respectively are as follows:

	Balance as at January 1, 2022	Recognized in net income	Recognized in equity	Balance as at December 31, 2022
	$	**$**	**$**	**$**
Deferred tax assets				
Unused non-capital losses	1,909	(1,909)	-	-
Deferred tax liabilities				
Convertible debentures	-	-	-	-
Term loan	(1,909)	1,909		-
Deferred tax assets (liabilities)	**-**	**-**	**-**	**-**

Unrecognized deferred tax assets and liabilities

As at December 31, 2022 and 2021, the Company has the following temporary differences for which no deferred tax has been recognized:

December 31, 2022 and 2021 (in Canadian dollars)

	2022		2021	
	Federal	**Provincial**	Federal	Provincial
	$	**$**	$	$
Exploration & evaluation	7,975,005	7,975,005	6,690,955	6,690,955
Property & equipment	70,470	70,470	51,789	51,789
Convertible debt	-	-	219,276	219,276
Issuance costs	187,905	187,905	332,736	332,736
Non-capital losses	12,076,771	12,058,103	9,698,028	9,679,360
	20,310,151	20,291,483	16,992,784	16,974,116

The ability to realize the tax benefits is dependant upon a number of factors, including the future profitability of operations. Deferred tax assets are recognized only to the extend that it is probable that sufficient profits will be available to allow the asset to be removed. At December 31, 2022, deferred tax assets totaling $5,372,206 ($4,493,103 at December 31, 2021) have not been recognized.

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

	2022	
	Federal	Provincial
	$	**$**
From 2036 to 2042	12,076,771	12,058,103

14. 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 year ended December 31, 2022.

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

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

Classification

The Company's financial instruments as at December 31, 2022 and 2021 consist of cash and cash equivalents, other receivables, accounts payable and accrued liabilities, loans and convertible debenture.

The classification of financial instruments is summarized as follows:

December 31, 2022 and 2021 (in Canadian dollars)

Financial Assets	Classification	**December 31, 2022**	December 31, 2021
		$	$
Cash and cash equivalents	Financial assets at amortized cost	11,106,401	4,575,961
Other receivables	Financial assets at amortized cost	339	1,070
		11,106,740	4,577,031

Financial Liabilities	Classification	**December 31, 2022**	December 31, 2021
		$	$
Accounts payable and accrued liabilities	Financial liabilities at amortized cost	649,551	1,671,031
Short-term loan	Financial liabilities at amortized cost	-	752,796
Convertible debt - host	Financial liabilities at amortized cost	-	319,563
Interest payable	Financial liabilities at amortized cost	-	147,171
		649,551	2,890,561
Convertible debt - embedded 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:

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 December 31, 2022 consist of cash and cash equivalents, other receivables, 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.

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 December 31, 2022 the Company had cash and cash equivalents of $11,106,401 to settle current liabilities of $933,367.

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.

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 guaranteed investment certificates and convertible debt, short-term loan and guaranteed investment certificates, 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.

The below table shows the impact on net earnings and equity of a 10% increase or decrease in foreign currencies on the Company's net income:

	December 31, 2022 in CAD	Impact of 10% change in FX	December 31, 2021 in CAD	Impact of 10% change in FX
United States dollar	41,009	+/- 4,101	160,704	+ / - $16,074
Guinea franc	119,602	+/- 11,960	73,297	+ / - $7,329
British pound	3,695	+/- 370	-	-

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.

16. RELATED PARTIES

Transactions with related parties

During the year ended December 31, 2022 and 2021, the following related party transactions occurred in the normal course of operations:

- Consulting fees of $71,788 (2021 – $63,333) to Groupe Conseils Grou, La Salle Inc., a company owned by the Company's Executive Chairman and a director. As at December 31, 2022, $nil (December 31, 2021 - $64,110) was due to that company.

- Exploration and Evaluation expenses to Sama Resources Inc., a related company, and its subsidiaries of $3,833 (2021 - $1,487). As at December 31, 2022 and 2021, no amount was due to Sama Resources Inc. ("SRI") and its subsidiaries.

- In 2019, SRI, a related company, loaned the Company $1,000,000 which has been fully repaid as at December 31, 2022 (2021 – $711,699).

December 31, 2022 and 2021 (in Canadian dollars)

Remuneration of key management personnel

Key management personnel are the members of the Board of Directors, and executive officers of the Company. During the year ended December 31, 2022 and 2021, the remuneration awarded to key management personnel (including the amounts above) is as follows:

		Year ended December 31,
	2022	2021
	$	$
Salaries and benefits	**117,333**	117,333
Consulting and professional fees	**705,928**	145,555
Share-based payments	**1,025,247**	201,851
	1,848,508	464,739

As at December 31, 2022, consulting fees of $214,500 are due to key management personnel (2021 - $394,324).

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, 2023, the total amounts payable in respect of severance would amount to $1,496,000. If a change of control would occur during the year ending December 31, 2023, the total amounts payable in respect of severance, if elected by the executive members, would amount to $2,323,750.

17. LOSS PER SHARE

Basic earnings or loss per share is the net earnings or loss available to common shareholders divided by the weighted average number of common shares outstanding during the year. Diluted net earnings or loss per share adjusts basic net earnings per share for the effects of potential dilutive common shares. Warrants and stock options were excluded from the calculation of the diluted weighted average number of common shares outstanding for the years ending December 31, 2022 and December 31, 2021, as their effects would have been anti-dilutive.

18. SUPPLEMENTAL CASH FLOW INFORMATION

		Year Ended December 31,
	2022	2021
Changes in working capital items	**$**	$
Sales taxes and other receivables	**(84,179)**	60,646
Prepaid expenses and deposits	**(70,394)**	(6,472)
Accounts payable and accrued liabilities	**(513,445)**	241,733
	(668,018)	295,907

19. COMMITMENTS

The Company must pay $9,585 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:

December 31, 2022 and 2021 (in Canadian dollars)

Year	$
2023	9,585
2024	9,585
2025	9,585
2026	9,585
2027	9,585
Thereafter	57,509

20. OPERATING SEGMENTS

The Company operates in one reportable business segment: the exploration and evaluation of mineral properties. As at December 31, 2022, $297,056 of the Company's non-current assets are located in Guinea, Africa, and $35,042 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.

21. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year. The main reclassification as at December 31, 2021 are the share-based payments amounts of $39,923 included in exploration and evaluation expenses and $502,658 from general and administrative expenses, to share-based compensation expenses.