THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you should consult an independent professional adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

This document constitutes an AIM admission document relating to Thor Explorations Ltd. and has been prepared in accordance with the AIM Rules for Companies. This document does not contain an offer of transferable securities to the public in the United Kingdom within the meaning of section 102B of FSMA and is not required to be issued as a prospectus pursuant to section 85 of FSMA. Accordingly, this document has not been drawn up in accordance with the Prospectus Regulation Rules and has not been approved by, or filed with, the FCA or any other authority which would be a competent authority for the purposes of the Prospectus Regulation.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

Application will be made for the Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Common Shares will commence on AIM at 8.00 a.m. on 22 June 2021. It is emphasised that no application is being made for the admission of the Common Shares to the Official List.

The Directors, whose names appear on page 8 of this document, and the Company accept responsibility, both individually and collectively, for the information contained in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Company (having taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Prospective investors should read the whole text of this document and should be aware that an investment in the Company involves a high degree of risk. In particular, the attention of prospective investors is drawn to Part II – *(Risk Factors)* of this document which sets out certain risk factors relating to any investment in Common Shares. All statements regarding the Group's business, financial position and prospects should be viewed in light of these risk factors.

THOR EXPLORATIONS LTD.

(*incorporated and registered in the Province of British Columbia under the Business Corporations Act, with company number BC0860183*)

Admission of the Share Capital to trading on AIM

Nominated adviser and joint broker

Canaccord Genuity Limited

Joint broker

H&P Advisory Limited

This document does not constitute an offer or invitation to subscribe for or to purchase any securities in the Company. No Common Shares have been, or are proposed to be, offered to the public in connection with the application for admission to AIM.

Canaccord Genuity Limited (**Canaccord Genuity**), which is a member of the London Stock Exchange and is authorised and regulated in the United Kingdom by the FCA, is acting as the Company's nominated adviser and joint broker for the purposes of the AIM Rules exclusively for the Company and no one else in connection with the Admission and will not be responsible to any other person for providing the protections afforded to customers of Canaccord Genuity, or for advising anyone other than the Company on the contents of this document or any matter referred to herein. The responsibilities of Canaccord Genuity, as the

Company's nominated adviser, are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person and accordingly no duty of care is accepted in relation to them. No representation or warranty, express or implied, is made by Canaccord Genuity as to, and no liability whatsoever is accepted by Canaccord Genuity in respect of, any of the contents of this document, including the accuracy of any information or opinions contained in this document or for the omission of any material information, for which the Company and the Directors are solely responsible.

H&P Advisory Limited (**Hannam & Partners**), which is a member of the London Stock Exchange and is authorised and regulated in the United Kingdom by the FCA, is acting as the Company's joint broker for the purposes of the AIM Rules exclusively for the Company and no one else in connection with the Admission and will not be responsible to any other person for providing the protections afforded to customers of Hannam & Partners, or for advising anyone other than the Company on the contents of this document or any matter referred to herein. No representation or warranty, express or implied, is made by Hannam & Partners as to, and no liability whatsoever is accepted by Hannam & Partners in respect of, any of the contents of this document, including the accuracy of any information or opinions contained in this document or for the omission of any material information, for which the Company and the Directors are solely responsible.

The Common Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or with any securities regulatory authority of any state or other jurisdiction in the United States. Consequently, the Common Shares are "restricted securities" as defined in Rule 144 under the Securities Act and none of the securities may be offered or sold or otherwise transferred within the United States, or to, or for the account or benefit of, US Persons except in accordance with an exemption from the registration requirements of the Securities Act.

Subject to certain exceptions, this document may not be published, distributed, forwarded, transferred, copied or otherwise transmitted by any means or media, directly or indirectly, in whole or in part, to any persons within the United States or to any US Persons (as such term is defined in Regulation S under the Securities Act (**Regulation S**)). This document does not constitute an offer of, or the solicitation of an offer to subscribe for or to buy, any Common Shares to any person in the United States or to US Persons (as such term is defined in Regulation S) to whom it is unlawful to make such offer or solicitation or which may result in the requirement to register the Common Shares under the Securities Act.

This document does not constitute an offer of, or the solicitation of an offer to buy or subscribe for, Common Shares to any person to whom, or in any jurisdiction in which, such offer or solicitation is unlawful and is not for distribution in or into Australia, Canada, the Republic of South Africa, or Japan. The Common Shares have not been, and will not be, registered under any applicable securities laws of Australia, Canada, the Republic of South Africa or Japan. Subject to certain exceptions, the Common Shares may not be offered for sale or subscription, or sold or subscribed, directly or indirectly, within Australia, Canada, the Republic of South Africa, or Japan or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada, the Republic of South Africa or Japan.

The distribution of this document in certain jurisdictions may be restricted by law. No action has been taken or will be taken by the Company, the Directors, Canaccord Genuity or Hannam & Partners to permit a public offer of Common Shares or to permit the possession or distribution of this document in any jurisdiction where action for that purpose may be required. This document may not be distributed in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes are required by the Company, the Directors, Canaccord Genuity and Hannam & Partners to inform themselves about and to observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of the relevant jurisdiction.

Prospective investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Directors, Canaccord Genuity or Hannam & Partners. Without prejudice to the Company's obligations under the AIM Rules, neither the delivery of this document nor any subscription made under this document shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this document or that the information contained in this document is correct as of any time subsequent to the date of this document. Neither Canaccord Genuity nor Hannam & Partners have authorised the contents of this document and, without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by Canaccord Genuity or Hannam & Partners as to the contents of this document and no responsibility or liability whatsoever is accepted by Canaccord Genuity or Hannam & Partners for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document, for which the Company and the Directors are solely responsible. The contents of this document are not to be construed as legal, business or tax advice. Prospective investors should consult their own professional advisers for legal, financial or tax advice in relation to an investment or proposed investment in Common Shares.

Copies of this document will be available to the public for download from the Company's website https://www.thorexpl.com.

IMPORTANT NOTICE

Investors should take independent advice and should carefully consider Part II of this document headed "**Risk Factors**" before making any decision to purchase Common Shares.

Investment in the Common Shares will involve significant risks due to the nature of the Company's business and the present stage of exploration and development of its mineral properties. The Common Shares may not be suitable for all recipients or be appropriate for their personal circumstances. You should carefully consider in the light of your financial resources whether investing in the Company is suitable for you. An investment in the Common Shares is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise (which may be equal to the whole amount invested).

Canaccord Genuity has been appointed as nominated adviser and joint broker to the Company. In accordance with the AIM Rules, Canaccord Genuity has confirmed to the London Stock Exchange that it has satisfied itself that the Directors have received advice and guidance as to the nature of their responsibilities and obligations to ensure compliance by the Company with the AIM Rules and that, in its opinion and to the best of its knowledge and belief, all relevant requirements of the AIM Rules have been complied with. No liability whatsoever is accepted by Canaccord Genuity for the accuracy of any information or opinions contained in this document or for the omissions of any material information, for which it is not responsible.

In the United Kingdom, this document is being distributed only to and is only directed at persons who (a) are defined as "qualified investors" falling within the meaning of article (2)(e) of the Prospectus Regulation; and (b) fall within the definition of "investment professionals" in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the **Order**) (investment professionals); or (c) who fall within the definition of "high net worth companies, unincorporated associations etc." in Article 49(2)(a) to (d) of the Order; or (d) are "qualified investors" as defined in section 86 of the Financial Services and Markets Act 2000; or (e) persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as **Relevant Persons**). Any investment or investment activity to which this document relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

Forward-looking statements

This document contains statements that are, or may be deemed to be, "**forward-looking statements**", within the meaning of the applicable Canadian securities legislation, as well as other applicable international securities law. All statements other than statements of historical facts included in this document, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations or statements relating to expectations in relation to dividends or any statements preceded by, followed by or that include any of the words "targets", "believes", "expects", "estimates", "aims", "intends", "plans", "will", "may", "anticipates", "would", "could" or similar expressions or the negative thereof, are forward-looking statements. Such forward-looking statements involve known or unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance, achievements of or dividends paid by, the Company to be materially different from future results, performance or achievements, or dividend payments expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as of the date of this document. In addition, even if the Company's actual results, performance, achievements of or dividends paid are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto, any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by law or any appropriate regulatory authority.

There are statements in this document that are forward-looking statements. In particular, forward-looking statements in this document include, but are not limited to, each of the forward-looking risk factors contained in Part II – *(Risk Factors)* of this document.

Because actual results or outcomes could differ materially from those expressed in any forward-looking statements, investors should not place any reliance on any such forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes will not occur. Some of these risks, uncertainties and other factors are similar to those faced by other mining companies and some are unique to the Company. If one or more of these risks or uncertainties materialise, or if any underlying assumptions prove incorrect, the Company's actual results may vary materially from those expected, estimated or projected.

In addition, statements relating to "**reserves**" and "**resources**" are deemed to be forward-looking statements as they involve the implied assessment based on certain estimates and assumptions that the reserves or resources described can be profitably produced in the future. There are numerous uncertainties inherent in estimating quantities of reserves and resources and in projecting future rates of production and the timing of development expenditures. The total amount or timing of actual future production may vary from reserve, resource and production estimates.

Certain information in this document is "**financial outlook**" within the meaning of applicable securities laws. The purpose of this financial outlook is to provide readers with disclosure regarding the Company's reasonable expectations as to the anticipated results of its proposed business activities. Readers are cautioned that this financial outlook may not be appropriate for other purposes.

Although the Company believes that the expectations reflected by the forward-looking statements presented in this document are reasonable, the Company's forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to the Company about itself and the businesses in which it operates. Information used in developing forward-looking statements has been acquired from various sources including third party consultants, suppliers, regulators and other sources.

The Company's unaudited interim condensed consolidated financial statements for the three months ended 31 March 2021 and its audited consolidated financial statements for the years ended 31 December 2020 and 2019, and 31 December 2019 and 2018 which are set out in Part V – *(Historical financial information on the Group)* of this document, and other documents filed with securities regulatory authorities (accessible through the SEDAR website www.sedar.com) describe risks, material assumptions and other factors that could influence actual results.

New factors could emerge from time to time and it is not possible for the Company to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. These factors include, but are not limited to, those described in Part II of this document entitled "Risk Factors" which should be read in conjunction with the other cautionary statements that are included in this document. The impact of any one factor on a particular forward-looking statement is not determinable with certainty as such factors are dependent upon other factors, and the Company's course of action would depend upon management's assessment of the future considering all information available to it at the relevant time. Any forward-looking statement speaks only as of the date on which such statement is made and, except as required by applicable securities laws, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events.

All subsequent written and oral forward-looking statements attributable to the Group or individuals acting on behalf of the Group are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

Market and financial information

The data, statistics and information and other statements in this document regarding the markets in which the Company operates, or its market position therein, is based upon the Company's records or are taken or derived from statistical data and information derived from the sources described in this document. In relation to these sources, such information has been accurately reproduced from the published information, and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of these sources, no facts have been omitted which would render such information inaccurate or misleading. Certain financial data has also been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. All times referred to in this document are, unless otherwise stated, references to London time.

CONTENTS

STATISTICS

Number of Common Shares in issue at Admission	623,070,509
Expected market capitalisation at Admission (GBP)	£137.9 million[1]
LEI Number	213800AXZ8468CQYVT76
ISIN Code for the Common Shares	CA8851491040
SEDOL for the Common Shares	BL9YLD9
TIDM for the Common Shares (AIM)	THX
TIDM for the Common Shares (TSX-V)	THX

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Date of publication of this document	16 June 2021
Admission and commencement of dealings on AIM	22 June 2021

All references to times in this document are to the time in London, unless otherwise stated.

1 Market capitalisation calculation assumes a share price of C$0.38 closing price as at 15 June 2021 which is equivalent to £0.22 per Common Share using a C$ to GBP exchange rate of 0.5826.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Olusegun Adeyemi Lawson (CEO and Director) Adrian John Geoffrey Coates (Independent Non-executive Chairman) Chief Kayode Victor Aderinokun (Non-executive Director) Folorunso Dada Adeoye (Non-executive Director) Dr Julian Fraser Harvey Barnes (Independent Non-executive Director) Collin Ellison (Independent Non-executive Director) Osamede Iyahen (Non-executive Director)
Officers	Ben Hodges (CFO and Company Secretary)
Company Secretary	Ben Hodges
Registered Office	550 Burrard St Suite 2900 Vancouver, BC CA, V6C 0A3
Nominated Adviser and Joint Broker	Canaccord Genuity Limited 88 Wood Street London EC2V 7QR
Joint Broker	H&P Advisory Limited 2 Park Street London W1K 2HX
English Solicitors to the Company	Fasken Martineau LLP 15th Floor 125 Old Broad Street London EC2N 1AR
Canadian Solicitors to the Company	Fasken Martineau DuMoulin LLP 550 Burrard Street 2900 Vancouver, BC V6C 0A3 Canada
Nigerian Solicitors to the Company	Rockville & Co The Rock Towers, (4th Floor) The Rock Drive, off C& I Leasing Drive C.B.D – Lekki Phase I Lagos
Senegal Solicitors to the Company	Houda Law Firm 66 Boulevard de la République Seydou Nourou Tall building, 1st floor Dakar, Senegal BP 11 417
Burkina Faso Solicitors to the Company	Cabinet de Maitre Moussa Sogodogo 01 BP 1499 Ouagadougou 01 Burkina Faso
BVI Solicitors to the Company	Conyers Dill & Pearman Commerce House, Wickhams Cay 1, PO Box 3140 Road Town, Tortola, VG1110 British Virgin Islands
Solicitors to the Nominated Adviser and Joint Brokers	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU

Auditors	BDO LLP 55 Baker Street London W1U 7EU United Kingdom
Reporting Accountants	PKF Littlejohn, LLP 15 Westferry Circus London E14 4HD United Kingdom
Competent person	SLR Consulting Ltd. Suite 2.9 Warnford Court, 29 Throgmorton Street, London, UK EC2N 4AT
Registrars	Computershare Investor Services 510 Burrard Street, 3rd Floor Vancouver, BC Canada V6C 3B9
Depositary	Computershare Investor Services Plc The Pavilion Bridgwater Road Bristol BS13 8AE United Kingdom
Financial PR	Blytheweigh 4-5 Castle Ct Langbourn London EC3V 9DL
Website	https://www.thorexpl.com/

DEFINITIONS AND INTERPRETATION

The following definitions apply throughout this document, unless the context otherwise requires:

Admission	admission of the Share Capital to trading on AIM and such admission becoming effective in accordance with the AIM Rules
AIM	the market of that name operated by the London Stock Exchange
AIM Rules for Companies or **AIM Rules**	the rules for companies whose securities are admitted to trading on AIM, as published by the London Stock Exchange from time to time
AIM Rules for Nominated Advisers	the rules setting out the eligibility requirements, ongoing obligations and certain disciplinary matters in relation to nominated advisers, as published by the London Stock Exchange from time to time
Articles	the articles of incorporation of the Company, a summary of certain provisions of which is set out in paragraph 5 of Part VI – (*Additional Information*) of this document
C$	Canadian dollars, the lawful currency of Canada
BCBCA	the Business Corporations Act (British Columbia)
CDS	the Canadian Depositary for Securities Limited
Canaccord Genuity	Canaccord Genuity Limited, nominated adviser and joint broker to the Company
certificated or **in certificated form**	in relation to a Common Share, a Common Share that is recorded on the Company's register as being held in certificated form (that is not in CREST)
Common Shares	common shares of no par value in the capital of the Company
Community Development Agreements	means the Community Development Agreements entered into between SROL and each of (a) Imogbara community of Atakunmosa East Local Government Area of Osun State (b) Iperindo Community of Atakunmosa East Local Government Area of Osun State (c) Odo-Ijesha Community of Atakunmosa East Local Government Area of Osun State
Companies Act	the Companies Act 2006, as amended
Company	Thor Explorations Ltd., a corporation incorporated in the Province of British Columbia, listed on TSX-V
Coronavirus	the COVID-19 strain of the respiratory coronavirus (as may be mutated) resulting in a global pandemic in 2020/2021
CPR	the competent person's report which is included in Part IV – (*Competent Person's Report*)
CREST	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations
CREST Regulations or **Regulations**	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time
Depositary	Computershare Investor Services Plc of The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom
Depositary Interests	a dematerialised depositary interest which represents an entitlement to Common Shares

Directors	the current directors of the Company whose names are set out on page 8 of this document
EPC Contract	the engineering, procurement and construction contract entered into between SROL and Norinco International Cooperation Limited (**Norinco**) dated 31 May 2019
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
FCA	the UK Financial Conduct Authority
FSMA	the Financial Services and Markets Act 2000, as amended
Group	the Company and the Subsidiaries
Latest Practicable Date	15 June 2021
Licences	each of the licences listed in paragraph 5.1 of Part I – (*Information on the Group*)
London Stock Exchange	London Stock Exchange plc
MAR	the EU Market Abuse Regulation (596/2014) as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time including by the Market Abuse (Amendment) (EU Exit) Regulations 2019)
NED	a Non-Executive Director
NI 52-110	National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators
Official List	the Official List of the FCA
Properties	the Segilola Gold Project, the Douta Gold Project and the Central Houndé Project (each as defined in paragraph 4.2 of Part I – (*Information on the Group*)) or any of them as the context requires
Prospectus Regulation	EU Prospectus Regulation 2017/1129/EU including any relevant measure in each member state of the European Economic Area that has implemented Directive 2003/71/EC
Prospectus Regulation Rules	the prospectus rules made by the FCA under Part 6 of FSMA
Regulation S	Regulation S promulgated under the Securities Act
SDRT	United Kingdom stamp duty reserve tax
Securities Act	the United States Securities Act of 1933 (as amended)
Share Capital	the 623,070,509 Common Shares that are in issue at the date of this document
Shareholder	a holder of Common Shares or Depositary Interests
SLR	SLR Consulting Ltd., the competent person which prepared the CPR
Stock Option Plan	the stock option plan, dated 2 December 2019, details of which are set out in paragraph 7 of Part VI – (*Additional Information*)
Subsidiaries	each of: (a) Thor Investments (BVI) Ltd., a company incorporated in the British Virgin Islands with BVI company number 1656591 (**Thor Investments BVI**) (b) Segilola Resources Incorporated, a company incorporated in the British Virgin Islands with BVI company number 2032850 (**SRI BVI**)

	(c) African Star Resources Incorporated, a company incorporated in the British Virgin Islands with BVI company number 1640871 (**African Star BVI**) (d) Segilola Resources Operating Limited, a company incorporated in Nigeria with company number RC1103991 (**SROL**) (e) Segilola Gold Limited, a company incorporated in Nigeria with company number RC664642 (**SGL**) (f) African Star Resources SARL, a company incorporated in Senegal with company number SNDKR2011B8548 (**African Star Senegal**) (g) AFC Constelor Panafrican Resources SARL, a limited liability company incorporated in Burkina Faso with company number BF OUA 2012 B 044 (**AFC Burkina Faso**) (h) Argento Exploration SARL, a limited liability company incorporated in Burkina Faso with company number BF OUA 2010 B 3780 (**Argento Burkina Faso**)
TSX-V	TSX Venture Exchange
United Kingdom or **UK**	the United Kingdom of Great Britain and Northern Ireland
uncertificated or **in uncertificated form**	in relation to a Common Share, recorded on the Company's register as being held in uncertificated form in CREST or CDS and title to which may be transferred by means of CREST or CDS
UK Takeover Code	the City Code on Takeovers and Mergers
VAT	United Kingdom value added tax
US$	United States dollars, the lawful currency of the United States
£ or **sterling**	UK pounds sterling, the lawful currency of the United Kingdom

References to paragraphs and Parts are to the paragraphs of and the Parts to this document and references to paragraphs are to paragraphs of the relevant Part.

GLOSSARY AND UNITS

Alteration	Any physical or chemical change in a rock or mineral subsequent to its formation. Milder and more localized than metamorphism.
ANFO	Acronym for ammonium nitrate and fuel oil, a mixture used as a blasting agent in many mines.
Assay	A chemical test performed on a sample of ores or minerals to determine the amount of valuable metals contained.
Back	The ceiling or roof of an underground opening.
Backfill	Waste material used to fill the void created by mining an orebody.
Ball Mill	A steel cylinder filled with steel balls into which crushed ore is fed. The ball mill is rotated, causing the balls to cascade and grind the ore.
Basement Rocks	The underlying or older rock mass. Often refers to rocks of Precambrian age which may be covered by younger rocks.
Beneficiate	To concentrate or enrich; often applied to the preparation of iron ore for smelting.
Block Model	A three dimensional mathematical representation of a volume of mineralization used to estimate tonnage and grade of a deposit.
Breccia	A rock in which angular fragments are surrounded by a mass of fine-grained minerals.
Bulk Mining	Any large-scale, mechanized method of mining involving many thousands of tonnes of ore being brought to surface per day.
Bulk Sample	A large sample of mineralized rock, frequently hundreds of tonnes, selected in such a manner as to be representative of the potential orebody being sampled. Used to determine metallurgical characteristics.
Chip Sample	A method of sampling a rock exposure whereby a regular series of small chips of rock is broken off along a line across the face.
Concentrate	A fine, powdery product of the milling process containing a high percentage of valuable metal.
Contact	A geological term used to describe the line or plane along which two different rock formations meet.
Core	The long cylindrical piece of rock, about an inch in diameter, brought to surface by diamond drilling.
Crosscut	A horizontal opening driven from a shaft and (or near) right angles to the strike of a vein or other orebody.
Cyanidation	A method of extracting exposed gold or silver grains from crushed or ground ore by dissolving it in a weak cyanide solution. May be carried out in tanks inside a mill or in heaps of ore out of doors.
Cyanide	A chemical species containing carbon and nitrogen used to dissolve gold and silver from ore.
Decline	A sloping underground opening for machine access from level to level or from surface; also called a ramp.
Development	Underground work carried out for the purpose of opening up a mineral deposit. Includes shaft sinking, cross-cutting, drifting and raising.
Development Drilling	Drilling to establish accurate estimates of mineral reserves.
Diamond Drill	A rotary type of rock drill that cuts a core of rock that is recovered in long cylindrical sections, two cm or more in diameter.

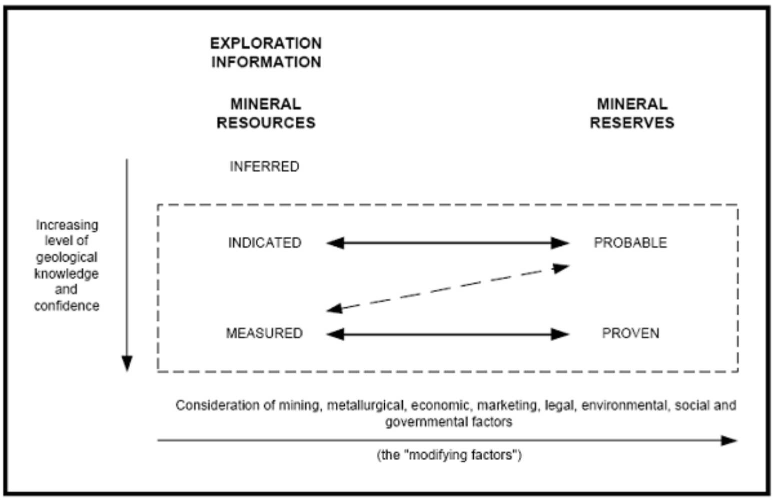
Dilution (mining)	Rock that is, by necessity, removed along with the ore in the mining process, subsequently lowering the grade of the ore.
Dip	The angle at which a vein, structure or rock bed is inclined from the horizontal as measured at right angles to the strike.
Drift	A horizontal underground opening that follows along the length of a vein or rock formation as opposed to a cross-cut which crosses the rock formation.
Exploration	Prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore.
Exploration Target	An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralization for which there has been insufficient exploration to estimate a Mineral Resource.
Feasibility Study (FS)	A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.
Flotation	A milling process in which valuable mineral particles are induced to become attached to bubbles and float as others sink.
Footwall	The rock on the underside of a vein or ore structure.
Gangue	The worthless minerals in an ore deposit.
Geochemistry	The study of the chemical properties of rocks.
Geophysical Survey	A scientific method of prospecting that measures the physical properties of rock formations. Common properties investigated include magnetism, specific gravity, electrical conductivity and radioactivity.
Hangingwall	The rock on the upper side of a vein or ore deposit.
Head Grade	The average grade of ore fed into a mill.
Heap Leaching	A process whereby valuable metals, usually gold and silver, are leached from a heap, or pad, of crushed ore by leaching solutions percolating down through the heap and collected from a sloping, impermeable liner below the pad.
Hoist	The machine used for raising and lowering the cage or other conveyance in a shaft.
Host Rock	The rock surrounding an ore deposit.
Hydrothermal	Relating to hot fluids circulating in the earth's crust.
Igneous Rocks	Rocks formed by the solidification of molten material from far below the earth's surface.
Indicated Mineral Resource (CIM 2014 Definition)	An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

Inferred Mineral Resource (CIM 2014 Definition)	An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.
IRR	Internal Rate of Return.
Leaching	A chemical process for the extraction of valuable minerals from ore; also, a natural process by which ground waters dissolve minerals, thus leaving the rock with a smaller proportion of some of the minerals than it contained originally.
Lens	Generally used to describe a body of ore that is thick in the middle and tapers towards the ends.
Lenticular	A deposit having roughly the form of a double convex lens.
Level	The horizontal openings on a working horizon in a mine; it is customary to work mines from a shaft, establishing levels at regular intervals, generally about 50 metres or more apart.
Magnetic Susceptibility	A measure of the degree to which a rock is attracted to a magnet.
Metallurgical coal	Coal used to make steel.
Metallurgy	The study of extracting metals from their ores.
Mill	A plant in which ore is treated and metals are recovered or prepared for smelting; also a revolving drum used for the grinding of ores in preparation for treatment.
Milling ore	Ore that contains sufficient valuable mineral to be treated by milling process.
Mineral	A naturally occurring homogeneous substance having definite physical properties and chemical composition and, if formed under favourable conditions, a definite crystal form.
Mineral Resource (CIM 2014 Definition)	A Mineral Resource is a concentration or occurrence of a solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Reserve.
Measured Mineral Resource (CIM 2014 Definition)	A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.

Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered.

A Measured Mineral Resource has a higher level of confidence that that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or under certain circumstances to a Probable Mineral Reserve.

Mineral Resource / Reserve Relationship (CIM Definition)



Mineral Reserves

A Mineral Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

The reference point at which Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.

Muck

Ore or rock that has been broken by blasting.

Open Pit

A mine that is entirely on surface. Also referred to as open-cut or open-cast mine.

Ore

A mixture of ore minerals and gangue from which at least one of the metals can be extracted at a profit.

Ore Pass

Vertical or inclined passage for the downward transfer of ore connecting a level with the hoisting shaft or a lower level.

Orebody

A natural concentration of valuable material that can be extracted and sold at a profit.

Oxidation

A chemical reaction caused by exposure to oxygen that results in a change in the chemical composition of a mineral.

Preliminary Feasibility Study (Pre-Feasibility Study)

A Preliminary Feasibility Study (Pre-Feasibility Study) is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a state where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective

	method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to a Mineral Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.
Probable Mineral Reserve (CIM 2014 Definition)	A Probable Ore Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resources. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve.
prorogated	The prolongation or extension in time or duration of a licence in accordance with the laws or regulation of Senegal.
Proven Mineral Reserve (CIM 2014 Definition)	A Proven Mineral Reserve is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.
Pillar	A block of solid ore or other rock left in place to structurally support the shaft, walls or roof of a mine.
Plant	A building or group of buildings in which a process or function is carried out; at a mine site it will include warehouses, hoisting equipment, compressors, maintenance shops, offices and the mill or concentrator.
Porphyry	Any igneous rock in which relatively large crystals, called phenocrysts, are set in a fine-grained groundmass.
Portal	The surface entrance to a tunnel or adit.
Prospect	A mining property, the value of which has not been determined by exploration.
Pulp	Pulverized or ground ore in solution.
Raise	A vertical or inclined underground working that has been excavated from the bottom upward.
Reclamation	The restoration of a site after mining or exploration activity is completed.
Recovery	The percentage of valuable metal in the ore that is recovered by metallurgical treatment.
Refractory Ore	Ore that resists the action of chemical reagents in the normal treatment processes and which may require pressure leaching or other means to effect the full recovery of the valuable minerals.
Rock Mechanics	The study of the mechanical properties of rocks, which includes stress conditions around mine openings and the ability of rocks and underground structures to withstand these stresses.
Sample	A small portion of rock or a mineral deposit taken so that the metal content can be determined by assaying.
Sampling	Selecting a fractional but representative part of a mineral deposit for analysis.
Semi-Autogenous Grinding (SAG)	A method of grinding rock into fine powder whereby the grinding media consist of larger chunks of rocks and steel balls.
Shaft	A vertical or inclined excavation in rock for the purpose of providing access to an orebody. Usually equipped with a hoist at the top, which lowers and raises a conveyance for handling workers and materials.
Shear or Shearing	The deformation of rocks by lateral movement along innumerable parallel planes, generally resulting from pressure and producing such metamorphic structures as cleavage and schistosity.

Shear Zone	A zone in which shearing has occurred on a large scale.
Short ton	2,000 lbs. avoirdupois.
Sodium Cyanide	A chemical used in the milling of gold ores to dissolve gold and silver.
Solvent Extraction-Electrowinning (SX-EW)	A metallurgical technique, so far applied only to copper ores, in which metal is dissolved from the rock by organic solvents and recovered from solution by electrolysis.
Stockpile	Broken ore heaped on surface, pending treatment or shipment.
Stope	An excavation in a mine from which ore is, or has been, extracted.
Strike	The direction, or bearing from true north, of a vein or rock formation measure on a horizontal surface.
Strip	To remove the overburden or waste rock overlying an orebody in preparation for mining by open pit methods.
Sulphide	A compound of sulphur and some other element.
Sustainable Development	Industrial development that does not detract from the potential of the natural environment to provide benefits to future generations.
Tailings	Material rejected from a mill after most of the recoverable valuable minerals have been extracted.
Tailings Pond	A low-lying depression used to confine tailings, the prime function of which is to allow enough time for heavy metals to settle out or for cyanide to be destroyed before water is discharged into the local watershed.
Thickener	A large, round tank used in milling operations to separate solids from liquids; clear fluid overflows from the tank and rock particles sink to the bottom.
Trench	A long, narrow excavation dug through overburden, or blasted out of rock, to expose a vein or ore structure.
Trend	The direction, in the horizontal plane, of a linear geological feature, such as an ore zone, measured from true north.
Tunnel	A horizontal underground opening, open to the atmosphere at both ends.
Umpire Sample or Assay	An assay made by a third party to provide a basis for settling disputes between buyers and sellers of ore.
Vein	A fissure, fault or crack in a rock filled by minerals that have travelled upwards from some deep source.
Waste	Unmineralized, or sometimes mineralized, rock that is not minable at a profit.

Units

m	micron	kVA	kilovolt-amperes
mg	microgram	kW	kilowatt
a	annum	kWh	kilowatt-hour
A	ampere	L	litre
bbl	barrels	lb	pound
Btu	British thermal units	L/s	litres per second
°C	degree Celsius	m	metre
C$	Canadian dollars	M	mega (million); molar
cal	calorie	m^2	square metre
cfm	cubic feet per minute	m^3	cubic metre
cm	centimetre	masl	metres above sea level
cm^2	square centimetre	m^3/h	cubic metres per hour
d	day	mi	mile
dia	diameter	min	minute
dmt	dry metric tonne	mm	micrometre
dwt	dead-weight ton	mm	millimetre
°F	degree Fahrenheit	mph	miles per hour
ft	foot	MVA	megavolt-amperes
ft^2	square foot	MW	megawatt
ft^3	cubic foot	MWh	megawatt-hour
ft/s	foot per second	N	Nigerian naira
g	gram	oz	Troy ounce (31.1035g)
G	giga (billion)	oz/st, opt	ounce per short ton
Gal	Imperial gallon	ppb	part per billion
g/L	gram per litre	ppm	part per million
Gpm	Imperial gallons per minute	psia	pound per square inch absolute
g/t	gram per tonne	psig	pound per square inch gauge
gr/ft^3	grain per cubic foot	RL	relative elevation
gr/m^3	grain per cubic metre	s	second
ha	hectare	st	short ton
hp	horsepower	stpa	short ton per year
hr	hour	stpd	short ton per day
Hz	hertz	t	metric tonne
in.	inch	tpa	metric tonne per year
in^2	square inch	tpd	metric tonne per day
J	joule	US$	United States dollar
k	kilo (thousand)	USg	United States gallon
kcal	kilocalorie	USgpm	US gallon per minute
kg	kilogram	V	volt
km	kilometre	W	watt
km^2	square kilometre	wmt	wet metric tonne
km/h	kilometre per hour	wt%	weight percent
kPa	kilopascal	yd^3	cubic yard
		yr	year

Source: CPR, Appendix 2 (other than "prorogated").

PART I – INFORMATION ON THE GROUP

1. Introduction

Thor Explorations Ltd. is a TSX-V listed (THX:TSX-V) Canadian gold exploration and development company engaged in the acquisition, exploration and development of mineral properties in West Africa. The Company was formed in 1968 and is organised under the BCBCA with its registered office at 550 Burrard St, Suite 2900 Vancouver, BC, CA, V6C 0A3. The Company evolved into its current form in August 2011 when Segun Lawson (amongst others), via a reverse acquisition, vended a portfolio of interests in early stage, gold exploration licences located in Senegal and Burkina Faso into the Company and took the position of President and Chief Executive Officer. The intention was to generate shareholder value through the development of these licences and the acquisition of additional prospective licences in West Africa.

In August 2016, the Company completed a transformational acquisition of a 100% interest in the Segilola Gold Project which is located in Osun State, Nigeria. At the time of the acquisition, the Segilola Gold Project comprised of a proposed open pit gold mining project with an indicated mineral resource estimate of 555,000 ounces of gold at an average grade of 3.8 g/t. The acquisition took the Company from being an early stage explorer to a developer with a mineral resource inventory and the potential to become a producer. The Company has since focused its activities on the development of the Segilola Gold Project, initially through a Preliminary Feasibility Study completed in 2017, then a Definitive Feasibility Study completed in 2019, and subsequently a project financing of US$104.5m comprised of equity, debt and a stream facility completed in 2020. The Segilola Gold Project began construction on 1 March 2020 and is expected to pour its first gold in July 2021 with commercial operations scheduled for Q3 2021.

The fully funded Segilola Gold Project is a high-grade, low cash cost project with a post-tax NPV of US$265m at a 10% discount rate and IRR of 88.4%, both using a gold price assumption of US$1,600/oz. It is projected to produce an average of 84,000 ounces of gold per year for 6 years of commercial operation. *Source: CPR, section 1.3.8.*

The Company believes it is well positioned to capitalise on its first mover advantage in south-west Nigeria, a region of West Africa that the Company considers to be an unexploited region with significant artisanal and small-scale gold mining but no industrial-scale gold mining production. The Company's current exploration licences in the country cover approximately 915 km^2 of the gold bearing Ilesha Schist Belt.[2] In January 2021, the Company recruited further on ground exploration expertise and has commenced a systematic exploration programme on its licences in Nigeria.

In Senegal, the Company continues to advance the Douta Gold Project which is an early stage exploration project that covers an area of 58 km^2, located within the Kéniéba inlier in Eastern Senegal (Figure 1). The project licence area is located approximately five kilometres East of the Massawa project, currently being developed by Endeavour Mining Corporation, and to the west of Bassari's Makabingui project. Five separate gold prospects have been identified within the licence area using surface geochemical sampling. These comprise the most advanced Makosa prospect, where first-pass Reverse Circulation (**RC**) and diamond drilling has defined mineralisation over a 2.7 km strike length, and the earlier exploration stage Maka, Mansa, Samba and Makosa Tail prospects. During 2020, the Company completed a 10,000 m RC drilling programme across three of the prospects (Makosa North, Makosa Tail and Maka), which confirmed the continuity of mineralisation of the Makosa North prospect for an additional one kilometre along strike. *Source: CPR, sections 1.1.2, 2.1.2 & 3.2.* A maiden resource has yet to be estimated, but is targeted before the end of 2021.

In Burkina Faso, the company is in the process of submitting new applications for the Bongui and Legue explorations permits, which were originally granted to AFC Burkina Faso in January 2008 and expired in January 2020 in the ordinary course following the initial three year grant period, two subsequent three year renewal periods and one exceptional three year renewal period as provided by the Burkinabe mining code. An application to exceptionally renew the Ouere exploration permit which was originally granted to Argento Burkina Faso in December 2011, was submitted to the Ministry of Mines on 8 September 2020. A conditional letter of approval from the Ministry of Mines to exceptionally renew the Ouere permit was sent on 30 December 2020 subject to the payment by Argento Burkina Faso of fees and taxes. Such fees and taxes were paid by Argento Burkina Faso in February 2021 and confirmation as to the status of the Ouere permit is awaited from the Burkinabe Ministry of Mines.

[2] This figure is the Company's calculation based directly on the coordinates of the permit areas and exceeds the aggregated figures recorded on the permitting certificates issued by the Nigerian government.

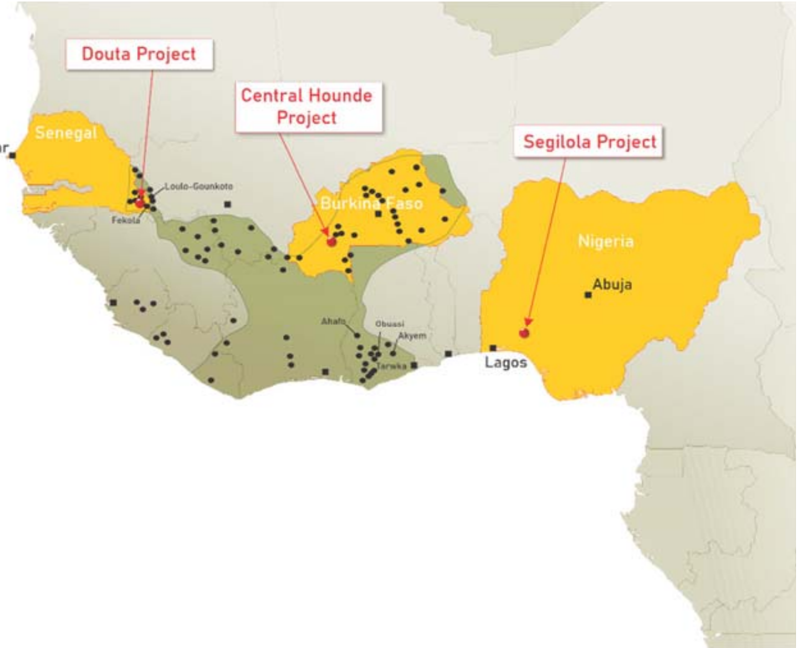


Figure 1: Thor Explorations Ltd. Project Locations

2. Key Strengths

The Directors believe an investment in the Company to be attractive to potential investors for the following reasons:

2.1.1 Near term producer

The Company's Segilola Gold Project is fully funded, with construction nearing completion, currently on time and on budget with first gold pour expected in July 2021 and commercial operations scheduled for Q3 2021. Based on the CPR, the mine is forecast to produce an average of ~84,000oz per year over an initial approximately six year life of mine plan at an All In Sustaining Cost (**AISC**) averaging approximately US$685/oz. *Source: CPR, sections 1.3.8, 10.7 & table 10-4*.

2.1.2 Robust Base Case Project Economics and Strong Projected Cash Flow

The Segilola Gold Project is a high-grade low-risk gold pit with a 517koz @ 4.02g/t Au base case that has excellent leverage to the gold price. At a US$1,600 per ounce gold price, the Segilola Gold Project has an undiscounted payback period of 1.1 years from the start of commercial operations, a post-tax IRR of 88.4% and NPV of US$265m. The Segilola Gold Project has a projected Life of Mine Cash Flow of US$369 million at a US$1,600 per ounce gold price with the operating cash flow in 2021 targeted at US$31.7 million. *Source: CPR, sections 11.1, table 1-1, 10.7 and table 10-3).*

2.1.3 Upside Potential at Segilola Underground

The Segilola Gold Project remains open at depth. In 2019, the Company completed a Preliminary Economic Assessment (**PEA**) on the existing underground potential. The PEA demonstrated good economic potential to continue mining beneath the pit and provide complementary ore material to the open pit project, adding a potential 102,000 ounces to the production from the Segilola Gold Project open pit at an AISC of c.US$760 per ounce.

2.1.4 First Mover Advantage in Nigeria

The Company is a first mover in south-west Nigeria, an area which is highly prospective and remains underexplored by modern exploration techniques. The Company has a current licence holding of approximately 915 km^2, comprising the Segilola Gold Project plus 8 other exploration licences located in close proximity to its Segilola Gold Project, in an area known for its existing small scale artisanal and alluvial gold production.[3] Once completed, the Company will also have the strategic advantage of owning the first and only industrial scale processing plant on the gold bearing Ilesha Schist Belt, which has a processing capacity of 715,000 tonnes per annum, as well as having longstanding

[3] The 915 km^2 figure is based directly on the coordinates of the permit areas and exceeds the aggregated figures recorded on the permitting certificates issued by the Nigerian government.

relationships built within country. Nigeria has incorporated into law a pioneer status incentive whereby a tax holiday from the payment of income tax for three years – renewable for a further two years, can be granted to eligible Nigerian companies, including mining companies, located in economically disadvantaged local government areas. SROL has initiated its application for pioneer status and the Directors expect it to be designated as a pioneer company.

2.1.5 **Multiple Sources of Growth**

The Company has a diversified portfolio of mineral assets, diversified both by jurisdiction in West Africa and by stage of development. The Douta Gold Project in Senegal is a second, earlier-stage asset in which the Company has a contractual interest. A maiden resource has yet to be estimated, but is targeted before the end of 2021. The project is located in a mining friendly jurisdiction and approximately 5 kilometres from Endeavour's Sabodala-Massawa mine with 4.8Moz P&P Reserves.

2.1.6 **Strong Management and Development in Nigeria**

The Company's management team has longstanding experience and relationships within Nigeria. The Company's CEO has been in place since leading the reverse takeover by African Star BVI in August 2011 and has been a key driver in its subsequent acquisitions and financings, notably the Segilola Gold Project. The current executive management has a strong track record of corporate management and project development with members of the team also having a proven track record in mine construction, production and technical leadership.

3. Strategy

The Company's short to medium term strategy is to successfully complete the construction of the Segilola Gold Project, enter into commercial production and, from its own internally-generated financial resources, to explore comprehensively its extensive licence holdings in the Segilola region and its interest in the Douta Gold Project in Senegal, with the objective of substantially increasing gold resources, reserves and production and further expand its West African land package as and when attractive new licences become available. The Company's long term ambition is to be a West African, growth oriented and cash generative gold company with a focus on maintaining high standards of corporate responsibility in relation to people, the environment and local communities.

4. History and Background of the Group

4.1 Incorporation and amalgamation

Thor Explorations Ltd. N.P.L. was incorporated on 11 September 1968 under certificate number 81705 as a specially limited company pursuant to the Company Act (British Columbia, Canada). On 4 December 2001, Thor Explorations Ltd. N.P.L. changed its name to Thor Explorations Ltd. (**Old Thor**). On 28 March 2006 Old Thor transitioned to the BCBCA and on 24 August 2007 Old Thor resolved to remove the pre-existing company provisions applicable to Old Thor. Effective on 1 September 2009, Old Thor amalgamated with Magnate Ventures Inc. The amalgamated entity continued as Thor Explorations Ltd. The Company trades on the TSX-V under the symbol "THX-V".

4.2 Acquisitions

4.2.1 **Segilola Gold Project, Nigeria**

On 18 August 2016, the Company completed the acquisition of a 100% interest in the Segilola Gold Project located in Osun State, Nigeria approximately 120km northeast of Lagos (the **Segilola Gold Project**) through the acquisition (by its wholly owned subsidiary African Star BVI; such shareholding subsequently transferred to SRI BVI) of SROL from Tropical Mines Limited (**TML**) and Delano Gold Mining Industries Limited (**Delano**) and through the acquisition (by the Company; such shareholding subsequently transferred to African Star BVI) of its joint venture partner SGL from Ratel Group Limited (**Ratel**), a wholly owned subsidiary of RTG Mining Inc. (TSXV:RTG) (**RTG**).

The Segilola Gold Project comprises mining licence ML41 and exploration licence EL19066. ML41 covers an area of 81 Cadastral Units (16.2 km^2; 1,620ha) and is wholly contained within the larger EL19066 covering an area of 135 Cadastral Units (27.0 km^2; 2,700ha).

4.2.2 **Nigerian Exploration licences**

Between December 2017 and October 2019 the Company, through its wholly owned subsidiary SGL, acquired a total of eight exploration licences located in close proximity to its Segilola Gold Project. Together with the mining licence ML41 and exploration licence EL19066 held by SROL, the Company's total exploration tenure amounts to approximately 915 km².[4]

4.2.3 **Douta Gold Project, Senegal**

The Douta Gold Project consists of a prorogated gold exploration licence located in southeastern Senegal, approximately 700km east of the capital city Dakar (the **Douta Gold Project**). An application for an exploitation permit has been submitted by the Company's local partner International Mining Company (**IMC**) in September 2020 and was acknowledged by the Ministry of Mines the same month. The exploration licence, which expired in November 2020 after the exploitation permit application was submitted, benefits from automatic prorogation until the Ministry of Mines decides on the application for exploitation permit.

The Company is party to an option agreement (the **Option Agreement**) with IMC, pursuant to which, with effect from 24 February 2012, the Company exercised its option to acquire a 70% interest in the Douta Gold Project to be held through African Star BVI. As consideration for the exercise of the option, the Company issued to IMC 11,646,663 Common Shares, based on a volume weighted average trading price for the 20 trading days preceding the option exercise date of C$0.2014 (or US$0.2018) per share, valued at C$2,678,732 based on the Company's closing share price on 24 February 2012. The share payment includes consideration paid to IMC for extending the time period for the exercise of the option.

Pursuant to the terms of the Option Agreement, IMC's 30% interest will be a "free carry" interest until such time as the Company announces probable reserves on the Douta Gold Project (the **Free Carry Period**). Following the Free Carry Period, IMC must either elect to sell its 30% interest to African Star BVI at a purchase price determined by an independent valuator commissioned by African Star BVI or fund its 30% share of the exploration and operating expenses.

The 70% interest acquired by African Star BVI has not yet been formally transferred from IMC to African Star BVI and remains a contractually held interest. Pursuant to the terms of a side letter to the Option Agreement, the parties have agreed to (i) obtain the Ministry of Mines approval of the entry into security to be issued by IMC / its shareholder in favour of African Star BVI / African Star Senegal as security for its interest in the Douta Gold Project; (ii) set up an exploitation property company (**Property Company**) to hold the exploitation permit once granted, the Property Company to be owned 10% by the State of Senegal (being "free carry" shares, a local law requirement, noting that the State of Senegal has the right to negotiate to purchase up to a further 25%, being a maximum 35% interest when aggregated with the 10% free carry shares) with the remaining shares to be held by IMC and (iii) obtain the Ministry of Mines approval to the transfer of 70% of the shares held by IMC in the Property Company to African Star Senegal and the deemed transfer of such shares following receipt of such approval.

4.2.4 **Central Houndé Project, Burkina Faso**

(i) Exploration permit applications Central Houndé Project, Burkina Faso:

The Company is in the process of submitting new applications for the Bongui and Legue gold exploration permits to cover a total area of approximately 173 km^2 located within the Houndé belt. These permits were originally granted to AFC Burkina Faso on 8 January 2008 and expired on 8 January 2020 in the ordinary course following the initial three year grant period, two subsequent three year renewal periods and one exceptional three year renewal period as provided by the Burkinabe mining code.

An application to exceptionally renew the Ouere exploration permit over an area of approximately 179 km^2 located within the Houndé belt was submitted to the Ministry of Mines on 8 September 2020 by Argento Burkina Faso. A conditional letter of approval from the Ministry of Mines to exceptionally renew the Ouere permit was sent on 30 December 2020 subject to the payment by Argento Burkina Faso of fees and taxes. Such fees and taxes were paid by Argento in February 2021 and confirmation as to the status of the Ouere permit is awaited from the Ministry of Mines.

[4] This figure is the Company's calculation based directly on the coordinates of the permit areas and exceeds the aggregated figures recorded on the permitting certificates issued by the Nigerian government.

The three permits together form the Central Houndé Project (the **Central Houndé Project**).

(ii) Barrick Option Agreement, Central Houndé Project, Burkina Faso:

On 8 April 2015, the Company entered into an option agreement with Acacia Mining plc (**Acacia**), whereby Acacia had the exclusive option to earn up to a 51% interest in the Central Houndé Project by satisfying certain conditions over a specified 4-year period and then the right to acquire an additional 29% interest, for an aggregate 80% interest in the Central Houndé Project, upon the declaration of a Pre-Feasibility Study. Acacia met the minimum spending requirement for the Phase 1 Earn-in and, as a result, earned a 51% interest in the Central Houndé Project with the Group holding the remaining 49% interest in the Central Houndé Project.

In 2019, Barrick Gold Corporation, via its subsidiary Barrick TZ Limited (**Barrick**) completed an acquisition of Acacia through the purchase of the ordinary share capital of Acacia that Barrick did not already own.

On 1 April 2021, the Company and Barrick signed an agreement to terminate the 2015 earn-in and joint venture agreement between the Company and Acacia. Following the signing of the agreement, the Company has acquired Barrick's 51% equity interest in the Central Houndé Project in exchange for a 1% Net Smelter Royalty in relation to gold and related products produced on the Central Houndé Project, being the area that is covered by three exploration licences referred to as Bongui, Legue and Ouere respectively (including any licence(s) granted in renewal, extension and/or substitution of such licences). Accordingly, the Company regained 100% equity interest in the Central Houndé Project.

4.3 Fundraisings

On 18 August 2016, the Company completed the acquisition of the Segilola Gold Project. In connection with the acquisition, the Company completed a related non-brokered private placement for gross proceeds of C$4,647,864 through the issuance of 40,416,204 Common Shares at an issue price of C$0.115 per Common Share (the **Private Placement**). Proceeds from the Private Placement were used to finance the acquisition of the Segilola Gold Project and the Company's associated transaction costs, to fund the initial work program at the Segilola Gold Project, to advance the Company's exploration project and for working capital purposes.

On 8 December 2016, the Company completed a non-brokered private placement for gross proceeds of C$1,884,387 through the issue of 12,995,776 Common Shares at a price of C$0.145 per Common Share.

On 26 June 2017, the Company completed a non-brokered private placement for gross proceeds of C$2,418,895 through the issue of 16,125,967 Common Shares at a price of C$0.15 per Common Share.

On 29 March 2018, the Company completed a non-brokered private placement for gross proceeds of C$4,234,812 through the issue of 24,910,660 Common Shares at a price of C$0.17 per Common Share.

On 31 August 2018 the Company completed a non-brokered private placement for gross proceeds of C$8,001,600 through the issue of 44,453,335 Units (the Units) at a price of C$0.18. Each Unit comprised one (1) Common Share and one (1) Common Share purchase warrant. Each Warrant was exercisable for one (1) Common Share at a price of C$0.28 per share, the exercise price, for a period of thirty-six (36) months from the date of issue.

On 5 December 2019, the Company completed a non-brokered private placement for gross proceeds of C$15,733,850 through the issue of 78,669,250 Common Shares at a price of C$0.20 per Common Share. The private placement included proceeds of C$8,962,650 (US$6,750,000) from Africa Finance Corporation (**AFC**), who made its initial investment in the Company.

On 29 April 2020, the Company completed a non-brokered private placement for gross proceeds of C$5,643,150 (US$4,250,000) through the issue of 28,215,750 Common Shares with the AFC at a price of C$0.20 per Common Share. At the same time the Company also issued 34,750,000 Common Shares against US$5,000,000 of invoices under its EPC Contract for the construction of the mine at the Segilola Gold Project.

On 6 June 2020, the Company drew down a US$21 million gold stream upfront deposit (the **Prepayment**) over future gold production at the Segilola Gold Project under the terms of a Gold Purchase and Sale Agreement (**GSA**) entered into between the Company's wholly owned subsidiary SROL and AFC; as summarised at paragraph 12.9.1(d) of Part VI – (*Additional Information*) below. The Prepayment is secured over the shares in SROL as well as over SROL's assets, and is not subject to interest. The initial term of the GSA is for ten years with an automatic extension of a further ten years. AFC will receive 10.27% of gold production from the Segilola ML41 mining licence until the US$21 million Prepayment has been repaid in full. Thereafter AFC will continue to receive 10.27% of gold production from material mined within the ML41 mining licence until a further US$26.25 million is received, representing a total money multiple of 2.25 times the value of the Prepayment, at which point the GSA will terminate. AFC is not entitled to receive an allocation of gold production from material mined from any of the Group's other gold tenements under the terms of the GSA.

On 13 July 2020, the Company completed a brokered private placement for gross proceeds of C$13,558,253 through the issue of 75,548,530 Common Shares at a price of C$0.18 per Common Share.

On 1 December 2020 the Company completed the financial closing of a US$54 million project finance senior debt facility from the AFC for the construction of the Segilola Gold Project. Following the closing SROL received a disbursement of US$21.5 million, representing 40% of the facility, and drew down a further US$22 million in May 2021.

5. Asset Overview

5.1 Licence Summary

Asset	Holder	Interest (%)	Status	Licence	Expiry Date	Licence Area (km2)	Comments
Nigeria, Segilola Gold Project	Segilola Resources Operating Limited	100	Development / in construction	ML41 Mining Licence	28 September 2040	16.2	ML41 is contained within EL19066.
Nigeria, Segilola Gold Project	Segilola Resources Operating Limited	100	Exploration	EL19066	24 September 2021	27	An application for a new exploration licence on the same coordinates will be submitted by the Company prior to the expiry of EL19066.
Nigeria, Exploration licences	Segilola Gold Limited	100	Exploration	EL26355	22 November 2022	77.6	26355 EL expired on 22 November 2020 but was renewed for another 2 year term. It is renewable for one (1) further period of two (2) years.
	Segilola Gold Limited	100	Exploration	EL26356	22 November 2022	120	26356 EL expired on 22 November 2020 but was renewed for another 2 year term. It is renewable for one (1) further period of two (2) years.
	Segilola Gold Limited	100	Exploration	EL26357	22 November 2022	39.2	26357 EL expired on 22 November 2020 but was renewed for another 2 year term). It is renewable for one (1) further period of two (2) years.
	Segilola Gold Limited	100	Exploration	EL26358	22 November 2022	97	26358 EL expired on 22 November 2020 but was renewed for another 2 year term. It is renewable for one (1) further period of two (2) years.
	Segilola Gold Limited	100	Exploration	EL28801	31 March 2022	124.8	28801 EL is renewable for two (2) further periods of two (2) years each.
	Segilola Gold Limited	100	Exploration	EL28802	31 March 2022	17.6	28802 EL is renewable for two (2) further periods of two (2) years each.
	Segilola Gold Limited	100	Exploration	EL29978	1 October 2022	170	29978 EL is renewable for two (2) further periods of two (2) years each.

Asset	Holder	Interest (%)	Status	Licence	Expiry Date	Licence Area (km2)	Comments
	Segilola Gold Limited	100	Exploration	EL29977	1 October 2022	173.6	29977 EL is renewable for two (2) further periods of two (2) years each.
Senegal, Douta Gold Project	African Star Resources Limited	70 (contractual interest – permit is 100% legally held by IMC)	Early stage Exploration	Ministry of Mines order n°025825	Prorogated exploration permit.	58	The Company holds a contractual interest through African Star Resources Limited. Application for an exploitation permit submitted 14 September 2020. No Mineral Resources have been estimated or declared for the asset.

5.2 Nigeria

5.2.1 *Licences held by SROL and SGL*

The property held by SROL comprises a mining licence (ML41), which covers an area of 1,620 ha (16.2 km^2 / 81 cadastral units) and is contained within the larger exploration licence (EL19066), which measures 2,700 ha (27.0 km^2 / 135 cadastral units).

The mining licence (ML41) was renewed in September 2016 and is valid for a period of 25 years until 28 September 2040. Obligations required to maintain the mining licence include:

- Meet the prescribed reporting requirements in line with Schedule 5 of the Nigerian Minerals and Mining Regulations 2011, comprising a half yearly report on mining activities.
- Annual service fee of N100,000 per cadastral unit (approximately US$275 per cadastral unit) which amounts to N8,100,000 (approximately US$22,300).

EL19066 was originally granted on 25 September 2014. The exploration licence is renewable twice for a period of two years each, with the first renewal application granted with effect from 25 September 2017 and the second renewal application being granted with effect from 25 September 2019. Prior to the expiry of EL19066 in September 2021, SROL intends to apply for a new exploration licence on the same coordinates.

Obligations required to maintain the exploration licence include:

- Meet the prescribed reporting requirements in line with Schedule 5 of the Nigerian Minerals and Mining Regulations 2011.
- Annual service fee of N2,000 per cadastral unit (approximately US$5.5 per cadastral unit) which amounts to N270,000 (approximately US$745).

Source: CPR, section 3.1.5. Subsequent to acquiring ML41 and EL19066, SGL was granted a further eight exploration licences bringing the total certified land holding to approximately 915 km^2.[5]

5.2.2 *Summary*

Segilola is an advanced stage gold project located in the state of Osun, Nigeria, approximately 120 km northeast of Lagos and 18 km south of the regional centre of Ilesha. The Segilola Gold Project is 100% owned by SROL and its joint venture partner SGL, both of which are wholly-owned indirect subsidiaries of the Company. The Company acquired its 100% interest in the Segilola Gold Project in 2016 through its acquisition of SROL and SGL.

The Segilola Gold Project envisages a conventional open pit operation, mining and processing gold ore through an on-site gravity and carbon-in-leach (**CIL**) gold recovery plant to produce gold doré. Gold mineralisation is non-refractory and free milling with a high gold recovery of 97% projected.

A Definitive Feasibility Study for the Segilola Gold Project was completed in 2018, the results of which were reported in a Canadian National Instrument 43-101 (**NI 43-101**) Technical Report, dated 18 March 2019. The Company has since advanced with the project financing, detailed engineering and construction of the Segilola Gold Project. Construction commenced in 2020. As of May 2021, the Segilola Gold Project was 80% complete, with procurement at 94% complete and construction

[5] This figure is the Company's calculation based directly on the coordinates of the permit areas and exceeds the aggregated figures recorded on the permitting certificates issued by the Nigerian government.

and installation 65% complete. The Segilola Gold Project's actual expenditure is lower than budget, however, higher than budgeted payments are expected between May and September 2021 as the final equipment begins to arrive and installation increases.

Plant commissioning is due to start in July 2021, ore processing is scheduled for 68 months at a production rate of 715,000 tonnes per annum (**tpa**). The first gold pour is currently expected to be in July 2021 with commercial production expected in Q3 2021.

In March 2021, the Company published updated Mineral Resource and Mineral Reserve estimates prepared for the Segilola Gold Project by Mining Associates Pty Limited (**Mining Associates**).

As of 4 January 2021, the open pit Indicated Mineral Resources are estimated to be 3.70 million tonnes (**Mt**) at a gold grade of 4.5 grams per tonne (**g/t**) for 532,000 ounces of gold (**oz Au**), plus Inferred Resources of 32,000 tonnes at a grade of 2.5 g/t Au for an additional 3,000 oz Au. Additional Indicated Mineral Resources have been estimated for possible underground extraction comprising 386,000 tonnes at a gold grade of 6.1 g/t and Inferred Resources of 411,000 tonnes at a gold grade of 5.0 g/t.

As of 31 March 2021, total Probable Reserves for the open pit are estimated to be 4.0 Mt at 4.02 g/t Au for a total of 517,000 oz Au. No Mineral Reserves have been estimated for the potential underground mine at this time.

The current Project Life-of-Mine (**LOM**) plan forecasts plant commissioning to start in July 2021. The target processing rate is 715,000 tpa over a period of 68 months. Mine overburden stripping started in March 2021 and mining continues for 48 months at a maximum rate of 80,000 tpd material mined.

Based on the above Mineral Reserves, LOM ore production is 4.0 Mt at a grade of 4.02 g/t Au, with a constant gold recovery of 97%. The total recovered gold is estimated to be 502,000 oz Au, at an annual LOM average gold production rate of 84,000 oz Au. Total material moved over the LOM is 71.0 Mt at an average strip ratio of 16.7:1. *Source: CPR, section 3.1.5.*

5.2.3 *Geology and Mineral Resources*

The Segilola Gold Project is an orogenic-style lode gold deposit which occurs within a regional-scale shear zone. The style of mineralisation is well understood.

Drilling has delineated three steeply dipping lodes which form an elongated mineralised zone striking 010º and dipping 60º to 70º towards the west within a single robust shear zone, primarily in biotite gneiss. The known mineralised zone is approximately 2,000 m in strike length, between 70 m and 200 m in depth, and between two metres and 20 m in true thickness.

The drill hole data has been adequately validated with satisfactory quality control analysis. The quantity and quality of the geological, geotechnical, collar and downhole survey data is sufficient to support Mineral Resource estimation. The analytical data is sufficiently reliable to support Mineral Resource estimation. The use of ordinary kriging (**OK**) to estimate the Mineral Resources is considered appropriate based on a review of a number of factors, including the quantity and spacing of available data, the interpreted controls on mineralisation, and the style and geometry of mineralisation.

The resource estimate was constrained with geological and mineralisation interpretations. At a cut off grade of 0.3 g/t Au, the Indicated Mineral Resources for the open pit mine are 3.7 Mt at an average grade of 4.5 g/t Au for 532,000 oz of contained gold. The Inferred Mineral Resources estimated for the proposed open pit mine are 0.3 Mt at an average grade of 2.5 g/t Au containing 3,000oz of contained gold. The Mineral Resource estimate is consistent with the Canadian Institute of Mining, Metallurgy and Petroleum (**CIM**) Definition Standards for Mineral Resources and Mineral Reserves (CIM 2014 definitions) as incorporated by reference into NI 43-101. *Source: CPR, section 1.2.1.1.*

5.2.4 *Mining and Mineral Reserves*

The Segilola Gold Project deposit is amenable to conventional drill, blast and haul open pit mining. As of 31 March 2021, the estimated Probable Mineral Reserves are 4.0Mt at 4.02 g/t Au, for 517,000 oz of contained gold. SLR has verified that the Mineral Reserves have positive economics at the applied Mineral gold price of US$1,600 per oz Au and is of the opinion that the classification of the estimated Probable Mineral Reserves meets the CIM (2014) definition of Probable Mineral Reserves.

Approximately 4.0 Mt of ore and 67.0 Mt of waste is planned to be mined over a period of approximately five years at an average head grade of 4.02 g/t Au.

Grade control drilling ahead of the mining activities has commenced. Mining preparation work has commenced, with site establishment work, road preparation, clearing and grubbing and initial mining works for the sourcing of suitable material for the run-of-mine (**ROM**) pad construction. All permits for mining operations are in place, all mining equipment purchased, and SROL and the mining team is preparing for first ore mining. The mining contractor is building its mining team and, in the opinion of SLR, SROL has all key technical positions in place. *Source: CPR, section 1.2.2.*

5.2.5 *Mineral Processing*

The process flowsheet and plant are appropriately designed, based on conventional crushing, griding, gravity and CIL circuits to produce doré gold bars. The plant is sized to treat 715,000 tpa of gold bearing ore from the open pit.

As noted above, in the opinion of SLR, SROL has filled its key technical positions and is currently recruiting and training operations and maintenance teams. The plant is expected to be commissioned in the second half of 2021 with commercial production achieved during Q3 2021. The focus of current activities is on finalising all civil works, installing processing plant equipment and the start of commissioning. *Source: CPR, section 1.2.3.*

5.2.6 *Project Infrastructure*

The Segilola Gold Project is being provided with the necessary infrastructure to mine and process gold ore. Based on the observations made during SLR's site visit in April 2021, and discussion with the Company's site team, the construction of the Segilola Gold Project infrastructure is well advanced. The camp is being made ready, with teams already occupying office and living space. The power generation facility is ready for generator installation. The fuel farm and compressed natural gas (**CNG**) facilities are being prepared.

The sample preparation and assay laboratory is being constructed. The water storage dam is in place to provide initial processing plant water. The tailings management facility (**TMF**) embankment is at commissioning height and is lined. Security Infrastructure is well advanced with the processing plant and camp areas fully walled. The mining workshop is under construction. *Source: CPR, section 1.2.4.*

5.2.7 *Environmental, Social and Permitting*

The Company has an in-country and local environmental and social team who are managing environmental and social aspects of the Segilola Gold Project. The location of the Segilola Gold Project is in a modified environment which has been logged for over 100 years and has remnants of gold mining from the 1950s.

The mine area does not directly impact on the permanent dwellings of the nearest communities. The compensation process for the loss of agricultural crops and land has been outlined in the Livelihood Restoration Plan (**LRP**) in line with Nigerian legislation and international standards (specifically IFC PS 5 Land Acquisition and Involuntary Resettlement). Compensation rates for loss of crops and trees and rental rates for land within the proposed mine footprint have been prepared and endorsed by the Ministry of Mines and Steel Development (**MMSD**) and an inter-ministerial group consisting of State and Federal Government Representatives. Compensation has been paid prior to land clearance and will be completed in Q2 2021.

The Company holds an Environmental Impact Assessment (**EIA**) certificate which was issued by the Federal Ministry of Environment on 22 March 2013 for "….. exploration and mining of gold deposits at Iperindo/Odo, Osun State"; the certificate permits the Company to carry out activities from exploration through to construction and operation of the Segilola Gold Project; the certificate was issued following a review of an EIA report.

The EIA certificate included general and specific conditions, one of which was to submit an Environmental Protection and Restoration Programme (**EPRP**); the EPRP was submitted for review and approval was granted in August 2017.

Management plans have been prepared, or are in the process of preparation, to address environment and/or social impacts during exploration, construction, operation and closure phases. The Company has developed a stakeholder engagement plan for consultation with key project stakeholders over the life of the Segilola Gold Project.

Community Development Agreements provide project benefits to local communities; these have been signed by the three communities near the Segilola Gold Project and endorsed by the MMSD. Benefits include provision of nine new boreholes; 26 school scholarships to keep vulnerable children in school; and employment opportunities.

Mine closure is addressed in the EIA and EPRP which identify closure objectives. Plans for habitat rehabilitation will be determined in consultation with stakeholders, particularly the local communities. A closure fund or bond is a legal requirement however the mechanism has not yet been established in Nigeria. A provision for closure costs has been made in the Segilola Gold Project's budget (US$4.2 million). *Source: CPR, section 1.2.5.*

5.2.8 *Capital and Operating Costs*

The Segilola Gold Project initial capital cost estimate is US$92.4 million. This estimate is primarily based on the EPC Contract with Norinco. Work commenced under the EPC Contract on 1 March 2020 and is scheduled to achieve EPC Handover in August 2021. Total pre-production costs include initial capital for construction of facilities, equipment, and mining pre-production operating costs. *Source: CPR, section 1.2.6.*

5.3 Senegal

5.3.1 *Licence held by IMC*

The property held by IMC and in which the Company, through its wholly owned subsidiary African Star BVI, holds a 70% contractual interest, comprises a prorogated exploration permit that covers an area of 58 km^2, located within the Kéniéba inlier in Eastern Senegal.

5.3.2 *Summary*

The Douta Gold Project is an early stage exploration project located within the Kéniéba inlier in Eastern Senegal. The property is located approximately five kilometres East of the Massawa deposit, currently being developed by Endeavour Mining Corporation, and to the west of the Makabingui project, owned by Bassari Resources Ltd.

Five separate gold prospects have been identified within the licence area. These comprise the most advanced Makosa prospect and the earlier exploration stage Maka, Mansa, Samba, and Makosa Tail prospects. *Source: CPR, sections 1.1.2, 1.3.1.2, 2.1.2 and 3.2.* A maiden resource has yet to be estimated, but is targeted before the end of 2021.

5.3.3 *Geology and Mineral Resources*

A series of drilling programmes have delineated gold mineralisation over a 2.7 km strike length. A 10,000 m RC drilling programme in 2020 confirmed the continuity of mineralisation of the deposit along strike for an additional one kilometre. To date, insufficient exploration has been completed to allow Mineral Resources to be declared for the Douta Gold Project. *Source: CPR, section 1.2.1.2.*

5.4 Additional Assets

5.4.1 *Licences in relation to which applications have been made by Argento Burkina Faso and AFC Burkina Faso*

The Company is in the process of submitting new applications for the Bongui and Legue gold exploration permits to cover a total area of approximately 173 km^2 located within the Houndé belt. These permits were originally granted to AFC Burkina Faso on 8 January 2008 and expired on 8 January 2020 in the ordinary course following the initial three year grant period, two subsequent three year renewal periods and one exceptional three year renewal period as provided by the Burkinabe mining code.

An application to exceptionally renew the Ouere exploration permit over an area of approximately 179 km^2 located within the Houndé belt was submitted to the Ministry of Mines on 8 September 2020 by Argento Burkina Faso. A conditional letter of approval from the Ministry of Mines to exceptionally renew the Ouere permit was sent on 30 December 2020 subject to the payment by Argento Burkina Faso of fees and taxes. Such fees and taxes were paid by Argento in February 2021 and confirmation as to the status of the Ouere permit is awaited from the Ministry of Mines.

The three permits together form the Central Houndé Project.

Further information on the Company's wider licence portfolio is located in the CPR in Part IV – (*Competent Person's Report*).

6. Current Trading and Prospects

On 31 May 2021 the Company published its unaudited quarterly results for the three months ended 31 March 2021, which are set out in Part V – (*Historical Financial Information on the Group*). On 31 May 2021 the Company also published its Management's Discussion and Analysis for the three months ended 31 March 2021.

7. Reasons for Admission

The Company is seeking Admission to complement its existing TSX-V listing and to further raise the profile and status of the Company within the global investment community. In addition, the Company believes that Admission will:

- increase access to UK and European investors;
- provide additional liquidity for the Company's current and future shareholders; and
- broaden the marketing of the Company's shares.

8. Directors and Officers

The Directors and Officers are as follows:

8.1 Directors

Olusegun Lawson – CEO & President

Segun has been the CEO of the Company since August 2011. He has since identified and lead all of the Company's acquisitions and financings, most recently, the Company's acquisition of the Segilola Gold Project and the Company's JV with Acacia Mining. He is a co-founder of African Star Resources Incorporated where he served as an officer assisting with financing, corporate and business development activities. He holds a Bachelor of Science from the Royal School of Mines at Imperial College (UK) with Honours in Geology, and has an MBA from Cass Business School. Mr Lawson had extensive transaction experience at Noble Company, in the Oil and Gas corporate finance areas, and also experience at Premier Oil in identifying and negotiating new West African opportunities. Segun is a British Nigerian citizen and has a strong network of contacts both in the UK and in West Africa.

Adrian Coates – Independent Non-Executive Chairman

Adrian has over 25 years' experience in the mining sector. He served as the Global Sector Head of Resources and Energy Group, Global Banking and Markets Division of HSBC Bank plc until 2008 with strategic responsibility for its relationships and businesses with major clients globally in the resources and utilities sectors. He was the Lead HSBC Banker on a number of large-scale metals and mining transactions. At HSBC, his advisory clients included Randgold Resources. He has also held roles in UBS, Warrior International and Credit Suisse First Boston with a specialisation in the resources sector. He served as Managing Director, Metals and Mining at UBS Investment Bank, London and was involved in the landmark Billiton IPO. Previously Adrian served as Senior Independent Director and Audit Committee Chairman of JKX Oil & Gas plc, as well as an Independent Non-Executive Director of Petropavlovsk PLC, Regal Petroleum plc and Kazakhgold Group Limited. He also served as a Senior Independent Non-Executive Director of Polyus Gold International Limited until the company was taken private in late 2015. In his non-executive career, he has also served as an Adviser to a number of leading mining companies. Mr. Coates holds an MA degree in Economics from Cambridge University and an MSc (MBA) from London Business School.

Chief Kayode Aderinokun – Non-Executive Director

Chief Kayode Aderinokun is a traditional Chief with over thirty-five years of accomplished business in Nigeria. He currently serves as Chairman of First Marina Trust Limited, a leading Central Bank regulated financial services institution in Nigeria. He is one of the leading business personalities in the Nigerian Mining sector, having led a number of initiatives including the first commercial exploration program of the Segilola Gold Project. He is a founder shareholder of Tropical Mines Limited and Segilola Resources Operating limited and brings valuable in-country expertise to the board of the Company through his significant experience gained in the mining and financial services sectors and also through his network of contacts in the Nigerian mining community.

Folorunso Adeoye – Non-Executive Director

Folorunso "Folli" Adeoye is the co-founder and President of Superior Petroleum Limited, a Nigerian downstream oil and gas company. He also co-founded Pacific Merchant Bank Limited (founded in 1989), which subsequently merged into Unity Bank Plc., one of the leading banks in Nigeria. Mr Adeoye has had over twenty five years involvement in the Nigerian Mining Sector, where he co – founded Pineridge Nigeria Limited in order to advance prospective projects technically and financially in joint ventures with the Nigerian Mining Corporation. This included pioneering modern standards in gold exploration in Nigeria with Tropical Mines Limited, the original indigenous owners of the Segilola Gold Project. Mr Adeoye join's the Company's board with a track record of successfully doing business in Nigeria for over forty years, where he has built a strong network of contacts.

Dr. Julian Barnes – Independent Non-Executive Director

Dr Barnes has 35 years of experience in over 52 countries in a wide variety of commodities and has over 26 years experience in undertaking bank due diligence studies for the majority of the major resource lending institutions. Dr Barnes co-founded Resource Service Group (subsequently RSG Global) in 1986. In 2004, he joined Dundee Precious Metals Inc. and was responsible for their worldwide exploration activities, project acquisition and investment due diligence. Following this, Dr Barnes was responsible for all technical aspects including exploration, project management, development, and management of Preliminary Economic Assessment (PEA) studies and due diligence for various companies as a specialist consultant. Dr Barnes has extensive experience in due diligence studies, company and project reviews for major global resource lending institutions and mining companies located throughout the world.

Collin Ellison – Independent Non-Executive Director

Mr. Ellison is a Mining Engineer with over 40 years of experience in mine design, construction, project implementation and operation. He has been responsible at a senior and executive level for the development from Definitive Feasibility Study, Project finance to production of seven underground and open pit mines with companies in Africa, Australia, S.E. Asia, Central Asia and North America. He also managed the completion of a number of feasibility studies for projects that were later developed by other parties such as Olympic Dam Life-of-mine study for Western Mining Corporation (later acquired by BHP Billiton). Mr. Ellison's recent West African roles included President & CEO of Goldbelt Resources developing the Inata Gold Project in Burkina Faso and President & CEO of PMI Gold Corporation, developing the Obatan Gold Project in Ghana which was successfully taken over by Asanko Gold, Canada.

Osamede Iyahen – Non-Executive Director

Osam Iyahen is a Senior Director at AFC. He is responsible for the natural resources sector where he leads client coverage, transaction origination, in addition to providing technical advisory in deal execution. He has about twenty years of international energy & resource finance experience, including involvement in multi-billion dollar development projects with international institutions. He has led AFC in developing a rapidly expanding Natural Resources sector franchise in Sub Saharan-Africa, with over US$2B valued landmark transactions in final credit and investment approvals in the last 13 years, with leading sponsors seeking to undertake financing transactions in the oil, gas, mining and associated infrastructure space. Osam obtained his MBA from the Johnson School of Management at Cornell University (Johnson School of Management) in New York State. He is bilingual, and has presented and moderated various topics at international oil & gas, mining and infrastructure conferences.

8.2 Senior Management

Ben Hodges – Chief Financial Officer

Mr Hodges is a qualified Certified Practicing Accountant with 24 years experience in both the accounting profession and in the natural resources sector where he has had fourteen years experience in both mining and oil and gas, working as Chief Financial Officer and Company Secretary of Zeta Petroleum plc, an ASX listed oil & gas company, and previously serving as Chief Financial Officer and Company Secretary of Atlantic Coal, a former AIM quoted coal mining company.

8.3 Other Senior Employees

The Group engages the following senior employees: Alfred Gillman (Group Exploration Manager), James Philip (VP Corporate Development), Louise Porteus (Environmental & Social Manager) and Michael Kelly (General Manager, Segilola Gold Project).

9. Management Incentive Scheme

9.1 Long-term incentives

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Stock Option Plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors.

The Stock Option Plan is administered by the Board and the Board determines the number of stock options to be awarded under the Stock Option Plan, based on the recommendations of the Remuneration and Nomination Committee. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. Stock options are granted to reward individuals for current performance, expected future performance and value to the Company. The size of awards made subsequent to the commencement of employment takes into account stock options already held by the individual. Further details of the Stock Option Plan are set out at paragraph 7 of Part VI – (*Additional Information*) below.

The Company intends to replace the existing stock option plan with a new plan that is a hybrid option and long-term incentive plan (**LTIP**) following Admission, subject to obtaining shareholder approval.

The Company does not provide a pension plan to its executive officers, nor does it have any other long-term incentives.

9.2 Annual Performance Bonus

Annual bonuses may be awarded at the sole discretion of the Board, based on recommendations of the Remuneration and Nomination Committee, for individual achievements, contributions or efforts that the Remuneration and Nomination Committee has determined can reasonably be expected to have a positive impact on the value of the Company to Shareholders.

10. Lock-in and orderly market arrangements

Each of the Directors, who will together be beneficially interested in a total of 51,443,583 Common Shares on Admission (representing 8.26 per cent. of the Share Capital), has undertaken to the Company, Canaccord Genuity and Hannam & Partners that, except in limited circumstances (see below), they will not dispose of any Common Shares during the period of 12 months from Admission and that, during the period of 12 months from the first anniversary of the date of Admission, they will not dispose of any Common Shares unless such disposal is made on an orderly market basis through the Company's broker, as appointed from time to time.

The limited exceptions include the acceptance of a takeover offer for the Company, the execution of an irrevocable commitment to accept such an offer, a disposal following the death of a Locked-in Party to his personal representatives or to the beneficiaries of his estate, a disposal pursuant to a court order and a disposal of the minimum amount required to realise sufficient proceeds to cover the cost of the Directors exercising their Options together with any associated tax liability due and payable at the point of exercise.

Accordingly, on Admission, a total of 51,443,583 Common Shares will be subject to the lock-in and orderly market arrangements described above representing 8.26 per cent. of the Share Capital.

Further details of the lock-in and orderly market undertakings are set out in paragraph 12.5 of Part VI – (*Additional Information*).

11. Corporate governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders of the Company, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices, which both are in the interest of its Shareholders and contribute to effective and efficient decision-making.

The Company is subject, among other laws and regulations, to instruments published by relevant Canadian securities regulators. One such instrument, NI 58-101 *Disclosure of Corporate Governance Practices*, prescribes certain disclosure by the Company of its corporate governance practices and NP 58-201 *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. This paragraph sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101 and NP 58-201.

As a result of its listing on the TSX-V and being a reporting issuer in the Canadian province of British Columbia, the Company has already established corporate governance practices and procedures appropriate for a publicly listed company in Canada. The Company complies with Canadian corporate governance standards appropriate for publicly listed companies, including the adoption of a Code of Business and Ethics and an updated Corporate Disclosure and Trading Policy.

The Board further complies with the ten Principles set out in the corporate governance guidelines for smaller quoted companies published by the Quoted Companies Alliance (the **QCA Code**), with the exception of Principle 7 relating to the evaluation of board performance, which is not required under Canadian corporate governance standards and which the Board does not consider appropriate at the present stage of its corporate development when it is still acquiring first functionality as a producing gold company. In addition, Canadian reporting obligations do not require a chairman's corporate governance statement as contemplated by the QCA Code. However, the Board intends to implement additional disclosure in line with the QCA Code, to the extent appropriate for a Company of its size and stage of development, as further detailed in a corporate governance comparison table showing the Company's compliance with Canadian corporate governance standards and the QCA Code and which is available on the Company's website. This comparison table will be updated periodically.

Board

The Board is responsible for the conduct of the Company's affairs generally. The Board is responsible for reviewing and approving the Company's operating plans and budgets as presented by management. The Board is responsible for identifying the principal risks of the Company's business and for ensuring these risks are effectively monitored and mitigated to the extent practicable. Succession planning, including the recruitment, supervision, compensation and performance assessment of the Company's senior management personnel also falls within the ambit of the Board's responsibilities. The Board is responsible for ensuring effective communications by the Company with its shareholders and the public and for ensuring that the Company adheres to all regulatory requirements with respect to the timeliness and content of its disclosure. In keeping with its overall responsibility for the stewardship of the financial affairs of the Company, the Board created an audit committee which is responsible for the integrity of the Company's internal control and management information systems.

The Board is responsible for approving annual operating plans recommended by management. Board consideration and approval is also required for all material contracts and business transactions and all debt and equity financing proposals.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements.

The Board is currently comprised of one executive officer and six non-executive directors. Mr. Lawson holds the positions of President and Chief Executive Officer of the Company and, therefore, does not meet the definition of independence set forth in NI 52-110. The Board considers that Adrian Coates, Julian Barnes and Collin Ellison are "independent" from a UK corporate governance perspective, notwithstanding the interests in Common Shares and the options over Common Shares held by them.

The Board has established an Audit Committee, a Remuneration and Nomination Committee and a Technical Committee, with formally delegated duties and responsibilities, as described below.

Audit Committee

The Company has adopted a charter for the Audit Committee. The primary function of the Audit Committee is to assist the Company's Board of Directors in fulfilling its financial oversight responsibilities by supervising the Company's external auditor and reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Audit Committee's primary duties and responsibilities are to:

- supervise the performance of the Company's external auditors;
- serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

The Audit Committee is currently comprised of three Directors, Adrian Coates, Julian Barnes and Olusegun Lawson, and is chaired by Adrian Coates. All members are considered "financially literate" within the meaning of Nl 52-110 and Adrian Coates and Julian Barnes are considered "independent" within the meaning of Nl 52-110 and the corporate governance guidelines for smaller quoted companies published by the QCA Code. For the purposes of this charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The Audit Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Remuneration and Nomination Committee

The main objectives of the Remuneration and Nomination Committee are to establish a sound remuneration policy framework and benefits plan; review the adequacy and form of compensation of directors and management as a whole; review that appropriate and required disclosure is made (in annual filings) of director and executive remuneration, in accordance with regulatory requirements and good governance practices; further an environment and framework where management talent and potential is assessed and developed in line with the requirements of the Company; review key executive positions within the Company to ensure robust succession planning exists; undertake performance evaluations of the directors and management of the Company; review the structure, size and composition of the Board and make recommendations with regards to any changes to ensure an appropriate level of skills, knowledge, experience and diversity is achieved and that the Board is operating to a best practice standard of governance; identify and nominate, for the approval of the Board, candidates to fill vacancies on the Board as and when they arise; review the independence of independent directors on behalf of the Board; work and liaise as necessary with other Board committees; and make recommendations to the Board in respect of the matters contemplated in the Remuneration and Nomination Committee charter.

The Remuneration and Nomination Committee is currently comprised of Collin Ellison, Adrian Coates, Folorunso Adeoye and Kayode Aderinokun and is chaired by Collin Ellison. A quorum shall be any three members, with at least two being non-executive directors. The Remuneration and Nomination Committee will meet at least twice a year or at the discretion of the Chairman of the Remuneration and Nomination Committee.

Technical Committee

The role of the Technical Committee is to provide oversight and guidance to the Company in achieving success in its exploration and development operations.

The Technical Committee is comprised of Julian Barnes, Collin Ellison, Olusegun Lawson and designated members of the Board and other senior employees, and is chaired by Julian Barnes. The Technical Committee will meet at least twice a year and otherwise as required.

Dealing Code and Dealing Notification Policy

The Company has adopted, with effect from Admission, a revised dealing code and dealing notification policy for Directors and applicable employees of the Group for the purpose of ensuring compliance by such persons with the provisions of the AIM Rules relating to dealings in the Company's securities (including, in particular, Rule 21 of the AIM Rules) and MAR, as well as applicable Canadian securities laws. The Directors consider that this dealing code and dealing notification policy is appropriate for a company whose shares are admitted to trading on AIM and the TSX-V, and will take all reasonable steps to ensure compliance by the Directors and any relevant employees with such policy.

Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics to be followed by the Directors and the Company's officers and employees. The purpose of the Code is to, among other things, prescribe the minimum moral and ethical standards of conduct required of all Company personnel, avoid conflict of interest, protect confidential information and comply with the applicable government laws and securities rules and regulations.

12. Dividend policy

The Company has not paid any dividends since its incorporation.

Whilst the Directors propose that earnings are re-invested into the development of the Company's asset base in the short to medium term, the Board will consider commencing the payment of dividends as and when the development and profitability of the Company allows and the Board considers it commercially prudent to do so. The declaration and payment of dividends and the quantum of such dividends will, in any event, be dependent upon the Company's financial condition, cash requirements and future prospects, the level of profits available for distribution and other factors regarded by the Board as relevant at the time.

13. Settlement and dealing arrangements

Application will be made to the London Stock Exchange for the Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Common Shares will commence on AIM on 22 June 2021.

The Common Shares will remain listed and traded on the TSX-V, with trades settled electronically on the Canadian register through CDS. In addition the Common Shares will be admitted to trading on AIM and settled in the form of Depositary Interests through the CREST system, as Common Shares held on the Canadian registry cannot directly be settled through CREST and similarly, Depositary Interests cannot be settled through CDS on the TSX-V. However, Common Shares held through CDS on the Canadian registry may be transferred into Depositary Interests held through CREST on the UK registry and vice versa.

The Company's Common Shares may be represented by a share certificate or may be an uncertificated share, in accordance with the CREST Regulations. CREST allows shares and other securities to be held in electronic form rather than paper form, although a shareholder can continue dealing based on share certificates and notarial deeds of transfer. For private investors who do not trade frequently, this latter course is likely to be more cost-effective.

The Company, through the Depositary, has established a depositary facility whereby Depositary Interests, representing Common Shares, will be issued to Shareholders who wish to hold their Common Shares in electronic form in CREST. The Company will apply for the Depositary Interests to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in Common Shares following Admission may take place within the CREST system, if the relevant Shareholders so wish. Depositary Interests will have the same international security identification number (**ISIN**) as the underlying Common Shares and will not require a separate application for admission to trading on AIM. CREST is a voluntary system and holders of Common Shares who wish to deal on AIM and receive and retain share certificates will be able to do so.

For more information concerning CREST, Shareholders should contact their brokers or Euroclear at 33 Cannon Street, London EC4M 5SB.

Trading in Common Shares or Depositary Interests (as the case may be) on AIM will require Shareholders to deal through a stockbroker or other intermediary who is a member of the London Stock Exchange. Shareholders resident outside the UK should ensure that their stockbroker is either a member of the London Stock Exchange or has in place arrangements allowing them to effect trades on AIM.

It should be noted that if at any time a CREST member requires any further information regarding the depositary arrangement and the holding of Common Shares in the form of Depositary Interests or wishes to withdraw its Depositary Interests from the CREST system and hold shares in dematerialised registered form, they should contact Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, BS13 8AE and by telephone on +44(0)370 702 0003 for such further information. Further details of the depositary arrangements are set out in paragraph 16 of Part VI – (*Additional Information*).

Shareholders wishing to undertake such a transfer will generally need to contact their broker (unless they are the registered shareholder, in which case they can deal directly with the transfer agent) and allow a reasonable time for the transfer to be effected. Furthermore, Shareholders will need to establish an account with a broker in the market to which they are transferring their Common Shares in order to trade their Common Shares on that market.

14. Rule 17 of the AIM Rules

When acquiring Common Shares in the Company, Shareholders are entitled, under Canadian securities laws, to categorise themselves as "objecting" shareholders (**OBOs**) or "non-objecting" shareholders (**NOBOs**). OBOs object to their ownership information being disclosed to the Company by their intermediaries. Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans (RRSPs), registered retired income funds (RRIFs), registered education savings plans (RESPs) and similar plans. NOBOs do not object to their ownership details being disclosed to the Company. Shareholders holding 10 per cent., or more of the Common Shares in the Company are required, pursuant to Canadian securities law, to make filings which disclose their beneficial ownership of securities and details to the Company regardless of OBO or NOBO categorisation.

Rule 17 of the AIM Rules requires, *inter alia*, that Shareholders notify an AIM listed company once their holding is three per cent., or more, and of any changes thereto (movements through a percentage point upwards or downwards).

The Company put a resolution to its Shareholders at the general meeting held on 30 April 2021 to change the Company's Articles and require that Shareholders holding three per cent., or more of the Company's Common Shares notify the Company thereof and of subsequent changes thereto. This resolution was passed and the Company's Articles have been updated accordingly.

15. Canadian Take-over Law and Early Warning Requirements

Although the Common Shares will be admitted to trading on AIM, as a Canadian incorporated company, the Company will not be subject to takeover regulation in the UK and the UK Takeover Code will not apply to the Company.

However, Canadian laws applicable to the Company provide for early warning disclosure requirements and for take-over bid rules for bids made to security holders in various jurisdictions in Canada, a summary of which is set out below.

In Canada, securities laws are a matter of provincial/territorial jurisdiction and, as a result, bids are governed by applicable corporate and securities legislation in each province or territory, in addition to policies and instruments implemented by the Canadian securities law regulators.

In Canada, a "take-over bid" is defined as an offer to acquire outstanding voting securities or equity securities of a class of an issuer made to one or more persons, any of whom is in British Columbia where the securities subject to the offer to acquire, together with the offeror's securities, constitute in the aggregate 20 per cent., or more of the outstanding securities of that class of securities at the date of the offer to acquire but does not include an offer to acquire if the offer to acquire is a step in an amalgamation, merger, reorganisation or arrangement that requires approval in a vote of security holders.

There are certain exemptions which would permit a shareholder to exceed the 20 per cent. threshold without triggering the requirement to make a formal take-over bid. The most common exemptions are: (i) the normal course purchase exemption (allowing purchases of up to 5 per cent. in any 12 month period); (ii) the private agreement exemption (allowing for the purchase from up to 5 shareholders provided it does not pay a premium of greater than 15 per cent. to the market price); and (iii) the "foreign take-over bid exemption" (allowing for the purchase of securities subject to certain other conditions, as considered further below). It should be noted that issuances of new shares do not trigger take-over bids because the definition of a "take-over bid" is limited to offers to acquire outstanding voting or equity securities.

The "foreign take-over bid" exemption may be available where (among other criteria):

(a) security holders whose last address as shown on the books of the offeree issuer is in Canada hold less than 10 per cent., of the outstanding securities of the class subject to the bid at the commencement of the bid;

(b) the offeror reasonably believes that security holders in Canada beneficially own less than 10 per cent., of the outstanding securities of the class subject to the bid at the commencement of the bid;

(c) the published market on which the greatest volume of trading in securities of that class occurred during the 12 months immediately preceding the commencement of the bid was not in Canada;

(d) security holders in the local jurisdiction are entitled to participate in the bid on terms at least as favourable as the terms that apply to the general body of security holders of the same class;

(e) at the same time as material relating to the bid is sent by or on behalf of the offeror to security holders of the class that is subject to the bid, the material is filed and sent to security holders whose last address as shown on the books of the offeree issuer is in the local jurisdiction; and

(f) if no material relating to the bid is sent by or on behalf of the offeror to security holders of the class that is subject to the bid but a notice or advertisement of the bid is published by or on behalf of the offeror in the jurisdiction where the offeree issuer is incorporated or organized, an advertisement of the bid specifying where and how security holders may obtain a copy of, or access to, the bid documents is filed and published in at least one major daily newspaper of general and regular paid circulation in the local jurisdiction.

In the event of a take-over bid, an offeror must make a take-over bid or an issuer bid to all holders of the class of securities subject to the bid who are in the local jurisdiction by sending the bid to (a) each holder of that class of securities whose last address as shown on the books of the offeree issuer is in the local jurisdiction, and (b) each holder of securities that, before the expiry of the deposit period referred to in the bid, are convertible into securities of that class, whose last address as shown on the books of the offeree issuer is in the local jurisdiction.

Subject to limited exemptions, a take-over bid must be made to all holders of securities of the class that is subject to the bid who are in the local jurisdiction (also referred to as a jurisdiction in Canada) and must allow such security holders 105 days to deposit securities pursuant to the bid. The offeror must deliver to the security holders a take-over bid circular which describes the terms of the take-over bid and the directors of the reporting issuer must deliver a directors' circular within 15 days of the date of the bid, making a recommendation to security holders to accept or reject the bid and the reasons for the recommendation or a statement that the directors are unable to make or are not making a recommendation and the reasons why. While individual provincial securities laws in Canada only regulate offers to residents of that province, the Canadian Securities Administrators have adopted a policy whereby they may issue a cease trade order against a company if a take-over bid is not made to all Canadian security holders.

Take-over bids must be subject to a minimum tender condition of more than 50 per cent., of the outstanding securities of the class subject to the bid (excluding target securities held by the bidder and its joint actors). Additionally, a take-over bid must be extended for 10 days after the bidder satisfies the minimum tender condition and announces its intention to immediately take up and pay for the deposited securities.

For a complete description of the foreign take-over bid exemption, please refer to National Instrument 62-104 – *Take-over Bids and Issuer Bids* of the Canadian Securities Administrators (**NI 62-104**). This summary is qualified in its entirety by the text of NI 62-104.

Under the BCBCA, if an offer made by an acquiring person to acquire shares, or any class of shares, of a company is accepted within four months after the making of the offer by the holders of not less than 90 per cent., of the shares of a company (exclusive of those previously held by the offeror), the offeror may, within five months after making the offer, send written notice to any shareholder who did not accept the offer compelling them to sell their shares on the same terms as contained in the original offer, subject to the right of such shareholder to demand payment of the fair value of shares by making an application to court, in which case the court may set the price and terms of payment and make such other consequential orders and give such directions as it deems appropriate.

Applicable Canadian securities laws provide that any person who acquires beneficial ownership of, or the power to exercise direction or control over, voting or equity securities of any class of the Company or securities convertible or exchangeable into voting or equity securities of any class which, when added to the acquirer's securities of that class, would constitute 10 per cent., or more of the securities of that class is required to disclose the acquisition by preparing and filing an early warning report in the required form along with issuing a press release announcing the acquisition.

If a shareholder continued to hold in excess of 10 per cent., of the voting securities of the Company then such shareholder will be a "related party" of the Company. The consequence of being a related party is that if such shareholder later intends to propose certain types of business dealings with the Company, rules relating to going private or related-party transactions may trigger valuation and majority of minority shareholder approval requirements, subject to certain exceptions.

For every increase or decrease of two per cent, of such securities thereafter (or upon falling below 10 per cent.), a new press release must be issued and a new early warning report must be filed. Canadian securities laws also require the Company to disclose, in its proxy circular in respect of its annual general meetings of shareholders, the names of holders known to the Company who beneficially own, directly or indirectly, or who exercise control or direction over, 10 per cent., or more of the Company's issued and outstanding Common Shares.

Insiders (as defined in section 1(1) of the United States Securities Act 1996) of the Company are required to file insider reports within five (5) days of each trade in the securities of the Company. Insiders would be deemed to be in a "special relationship" with the Company for the purposes of Canadian insider trading laws and will not be permitted to trade where it has special knowledge in the form of an undisclosed "material fact" or "material change" pertaining to the Company.

16. Taxation information for investors

The attention of investors is drawn to the information regarding UK and Canadian taxation set out in paragraph 13 of Part VI – (*Additional Information*). This information is intended only as a general guide to the current tax position under UK and Canadian taxation law for certain types of investor. **Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK and Canada are strongly advised to consult their professional advisers.**

17. Restrictions on the issue of new Common Shares

No pre-emptive rights are provided to Shareholders of the Company under the laws of the Province of British Columbia or the Company's Articles and Notice of Articles. Pursuant to the terms of the nominated adviser and joint broker agreement, further details of which are set out at paragraph 12.2 of Part VI – (*Additional Information*), from Admission, and for so long as the Company's shares are admitted to trading on AIM, the Company undertakes to Canaccord Genuity (or any replacement nominated adviser of the Company for the time being if it is not Canaccord Genuity) that it will not, without the prior written consent of Canaccord Genuity (or the replacement nominated adviser), issue wholly for cash any shares or securities exchangeable or convertible into shares (the "**Relevant Securities**") ("**Securities Issuance**") such that the Securities Issuance would, when taken together with any issues of other Relevant Securities for cash during the 12 month period prior to the Securities Issuance, exceed 25 per cent. of the Company's issued and outstanding share capital on the date of the Securities Issuance, other than where: (a) the new shares have first been offered to existing Shareholders who are given a right to acquire Relevant Securities being offered pursuant to the Securities Issuance in proportion to their holdings of existing shares, at the same price and on the same terms as those Relevant Securities are to be offered to any other person(s); or (b) the Company has obtained prior shareholder approval in respect of the proposed Securities Issuance.

18. Further information

The attention of prospective investors is drawn to the financial and other information set out in Part II – (*Risk Factors*) to Part VI – (*Additional Information*) inclusive, which provide additional information on the Company. In particular, prospective investors are advised to consider carefully the risk factors relating to any investment in Common Shares set out in Part II – (*Risk Factors*) and the CPR on the Company's material assets set out in Part IV – (*Competent Person's Report*).

PART II – RISK FACTORS

Prospective investors should be aware that an investment in Thor Explorations Ltd. may not be suitable for all recipients of this document, is speculative and involves a high degree of risk. In addition to the other information in this document, the Directors consider the following risk factors are of particular relevance to the Company's activities and to any investment in the Company. It should be noted that this list is not exhaustive and that other risk factors not presently known or currently deemed immaterial may apply. Any one or more of these risk factors could have a materially adverse impact on the value of the Company and its business prospects and should be taken into consideration when assessing the Company. In such circumstances, investors could lose all or part of the value of their investment.

Potential investors are advised to consult a person authorised under FSMA who specialises in advising on investments of this kind before making any investment decisions. A prospective investor should carefully consider whether an investment in the Company is suitable in light of their personal circumstances and the financial resources available to them. Prospective investors should also consider carefully all of the information set out in this document and the risks attaching to the investment in the Company, including, in particular, the risks described below, before making any investment decision.

RISKS RELATING TO THE COMPANY

The Company is a pre-production stage company with only one project under construction

The Company is currently in the construction phase at its Segilola Gold Project in Osun State, Nigeria. Commercial production is scheduled for Q3 2021.

The Directors do not consider there to be a material risk that production at the Company's Segilola Gold Project will not be ultimately achieved, however there can be no guarantee that completion of construction will not be subject to delay or additional costs including for reasons beyond its control. Additionally, there is no guarantee that commercial production will occur without delay.

The Company has no other projects in development and its other licence interests are all early stage. Although a number of them are believed to host gold prospects, the Company will be required to conduct significant exploration and development activities in order to demonstrate the commercial viability of these assets. There can be no certainty that such exploration and development activities will result in commercial resources being discovered.

The Company has no history of generating revenue or profits. There can be no assurance that it will generate profits in the future, even after completion of the Segilola Gold Project.

If the Company is unable to commence commercially viable operations, its business, financial condition and results of operations will be materially adversely affected.

Construction risk in relation to the Segilola Gold Project

The Company is subject to inherent uncertainties and risks related to the construction and start-up of the Segilola Gold Project, the principal of which include:

- potential delays in pre-commissioning and ramp-up to commercial production;
- potential delays associated with contractors;
- potential delays in taking delivery of imported equipment;
- potential budget overruns due to changes in costs of fuel, labour, power, materials and supplies;
- inflation and exchange rate risks; and
- potential opposition from non-governmental organizations, environmental groups or local groups which may delay or prevent activities.

The Company's ability to meet construction, development, and production schedules and cost estimates for the Segilola Gold Project, therefore, cannot be assured. The Company has prepared estimates of capital costs and/or operating costs for the Segilola Gold Project, but no assurance can be given that such estimates will be achieved. Delays in the commencement of commercial production, failure to achieve cost estimates or material increases in costs due to increases in foreign exchange rates, imposition of exchange control restrictions, and delays in obtaining tax exemptions, could all have a material adverse effect on the Company's ability to fund the development of the Segilola Gold Project and could have an adverse impact on future cash flows, profitability, results of operations and the financial condition of the Company.

In order to mitigate this construction risk, the Company has entered into the EPC Contract on a lump sum turnkey basis which provides the Company with a fixed price of US$67,641,299 for the full delivery of design, engineering, procurement, construction and commissioning of the proposed 650,000 ton per annum gold ore processing plant within 18 months of the commencement date, and includes guarantees for construction schedule and plant performance. However, the performance of the EPC Contract and any guarantees in respect of the same are ultimately dependent on counterparty solvency. There can be no guarantee that the Company's counterparties will remain solvent or otherwise able to perform their obligations under the EPC Contract.

Operational risk in relation to the Segilola Gold Project

SLR has identified the following operational risks: *Source: CPR, section 1.3.12.*

- minor design aspects relating to slope stability, bench height and pit dewatering during the rainy season may pose a low operational risk;
- due to the narrow mining width of some of the lodes, there is a risk that dilution in excess of the assumption of 12% dilution may occur with a reduction in head grade to the plant;
- the mining contract structure requires strict adherence to planned volumes. If these are not achieved, unit rates will increase resulting in an increase in operating costs;
- based on the ore lode dimensions, dilution will remain a risk and achieving 12% or less dilution will require appropriate control and supervision over the ore mining operation;
- high rainfall periods in the wet season (April to October) can lead to materials handling difficulties at ROM pad, and coarse ore stockpile. This will require particularly close attention during the commissioning period and first few months of operations; and
- The tailings management facility (TMF) has been designed with a capacity for a LOM ore production of 4.0 Mt. Additional capacity will be required if the LOM is extended.

Project portfolio development risks

While the Company believes it has the appropriate personnel, systems, procedures and controls in place to manage the expansion of the Company following construction of the Segilola Gold Project, there can be no assurance this will be the case once the expansion happens. In particular, although certain of the Directors, Officers and other senior employees have experience of bringing mineral assets analogous to the Segilola Gold Project into production, the Company itself does not and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with service providers that can provide such expertise. The Group's ability to commence, maintain or increase its annual production of ore in the future will be dependent in significant part on its ability to bring the Segilola Gold Project and other Properties into production. Any failure of the Board to manage effectively the Company's growth and development could have a material adverse effect on its business, financial condition and results of operations. There is no certainty that all or, indeed, any of the elements of the Board's strategy will develop as anticipated. The Company's profitability will depend, in part, on the actual economic returns and the actual costs of developing the Properties, which may differ significantly from the Company's current estimates.

Host community risks

Although the Company has taken steps to mitigate these risks through its Community Development Agreements, the Segilola Gold Project may be adversely affected by influx of non-locals coming and settling in surrounding villages or along existing public roads through mine site, leading to:

- people coming to site looking for work;
- prostitution;
- petty trading along existing road;
- increase in congestion on road;
- increase in pressure on existing services;
- squatting;
- criminal activity;

- adverse impact on the Segilola Gold Project to operate safely; and
- community unrest due to non-locals taking over villages.

Community unrest and project delays could also be caused by:

- compensation issues associated with land and crops acquisition prior to construction of the Segilola Gold Project;
- difficulty in determining land and crop ownership;
- unrealistic expectations of rates of compensation;
- desire for cash rather than basket of compensation as part of livelihood restoration plan;
- ongoing demands for additional compensation as compensation is exhausted by recipients; and
- community expectations of benefits from the Segilola Gold Project not being fulfilled.

The proximity of communities, and some public infrastructure close to the Segilola Gold Project mining activities, to the southern part of the south pit of the Segilola Gold Project will have an impact on the local communities with regard to safety, health, environment, and infrastructure. Close and regular liaison with local communities will be essential. *Source: CPR, section 1.3.14.*

The Company may not achieve its production estimates

The Company has, in conjunction with its technical advisers, prepared estimates of future gold production for Segilola Gold Project. The Company cannot give any assurance that it will achieve its production estimates. The failure of the Company to achieve its production estimates could have a material and adverse effect on any or all of its future revenues and profitability.

Actual production realised may vary from production estimates for a variety of reasons, including the operational risks in relation to the Segilola Gold Project referred to above; the availability of certain types of ore; actual ore mined varying from estimates of grade or tonnage; dilution and metallurgical and other characteristics (whether based on representative samples of ore or not); short-term operating factors such as the need for sequential development of ore bodies and the processing of new or adjacent ore grades from those planned; mine failures, or equipment failures; industrial accidents; natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; shortages of principal supplies needed for mining operations, including explosives, fuels, chemical reagents, water, equipment parts and lubricants; plant and equipment failure; the inability to process certain types of ores; labour shortages or strikes; lack of required labour; civil disobedience and protests; and restrictions or regulations imposed by government agencies or other changes in the legal and regulatory environment. Such occurrences could also result in damage to mineral properties or mines, interruptions in production, injury or death to persons, damage to property of the Company of others, monetary losses and legal liabilities in addition to adversely affecting mineral production. These factors may cause a mineral deposit to become unprofitable, forcing the Company to cease production.

The Company has existing senior secured indebtedness pursuant to the AFC Facility Agreement

Whilst the AFC funding is an important part of the Company's financing strategy, any long term indebtedness could have important consequences for the Company's future development, including potentially:

- limiting the Company's ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements, or requiring it to make non-strategic divestitures;
- requiring a substantial portion of the Company's cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions, dividends and other general corporate purposes;
- increasing the Company's vulnerability to general adverse economic and industry conditions;
- limiting the Company's flexibility in planning for and reacting to changes in the industry in which it competes;
- placing the Company at a disadvantage compared to other, less leveraged competitors;

- increasing the Company's cost of borrowing; and
- putting the Company at risk of default and enforcement of security over its assets and subsidiaries if it does not service or repay this debt in accordance with applicable covenants.

Title to the Company's mineral Properties cannot be guaranteed and may be subject to prior unregistered agreements, transfers or claims and other defects

The Company has obtained legal title opinions from Nigerian legal counsel with respect to the Segilola Gold Project and Senegal legal counsel with respect to the Douta Gold Project, but this should not be construed as a guarantee of title. Other parties may dispute title to any of the Company's mineral properties and any of the Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected encumbrances of defects or governmental actions. As described in more detail below, the Company has a contractual interest in the Douta Gold Project through a partnership with IMC and the new applications submitted in respect of the Central Houndé Project exploration licences remain to be processed.

The Company's interest in the prorogated exploration permit for the Douta Gold Project is currently derived through a contractual arrangement with its Senegalese partner, IMC; IMC being the holder of the prorogated exploration permit. An application for an exploitation permit has been submitted and, once granted, this is to be held by a local special purpose vehicle company owned 10% by the State of Senegal (being "free carry" shares, a local law requirement, noting that the State of Senegal has the right to negotiate to purchase up to a further 25%, being a maximum 35% interest when aggregated with the 10% free carry shares) with the remaining shares to be held, following the prior approval from the Ministry of Mines to the transfer of 70% of the shares held by IMC to African Star Senegal, 70% by African Star Senegal and 30% by IMC. Whilst the consent of the Ministry of Mines will be requested to put in place security to secure the Company's title to the Douta Gold Project, until the application for the exploitation permit has been successfully concluded and the necessary consent obtained from the State of Senegal to the transfer to African Star Senegal of such interest, the Company is reliant upon IMC to remain in good standing and to act in the best interests of the Douta Gold Project.

Applications for new permits and to renew expired permits may not be forthcoming

In Burkina Faso, the Company is in the process of submitting new applications for the Bongui and Legue explorations permits, which were originally granted to AFC Burkina Faso in 2008 and expired on 8 January 2020 in the ordinary course following the initial three year grant period, two subsequent three year renewal periods and one exceptional three year renewal period as provided by the Burkinabe mining code. There is no guarantee that any such new applications will be granted. An application to exceptionally renew the Ouere exploration permit which was originally granted to Argento Burkina Faso in December 2011, was submitted to the Ministry of Mines on 8 September 2020. A conditional letter of approval from the Ministry of Mines to exceptionally renew the Ouere permit was sent on 30 December 2020 subject to the payment by Argento Burkina Faso of fees and taxes. Such fees and taxes were paid by Argento Burkina Faso in February 2021 however, confirmation as to the status of the Ouere permit is awaited from the Ministry of Mines and there is no guarantee that the renewal application will be granted.

Technical breach for operating in Senegal without permit ownership

Formal written approval by the Senegalese Ministry of Mines has not been sought in respect of (i) the entry into IMC Option Agreement as required by article 5.2 of the IMC Mining Agreement and article 20 of the Senegal mining code 2003; (ii) the transfer of the 70% contractual interest in the exploration permit from IMC to African Star BVI pursuant to the exercise by African Star BVI of its option under the IMC Option Agreement as required by article 5.2 of the IMC Mining Agreement and article 19 of the Senegal mining code 2003; and (iii) the potential transfer of all of, or an interest in, the exploration permit to African Star Senegal that may be deemed to have taken place given that African Star Senegal is the entity carrying out the exploration work locally rather than IMC.

The potential consequences of not obtaining such prior approval of the Ministry of Mines are the withdrawal of the exploration permit and the imposition of penal risks for illicit mining activities on IMC and / or African Star Senegal as the entity operating the mining activities without technically holding a mining licence. Pursuant to article 127 of Senegal mining code 2016, penal risks for illicit mining activities comprise one to five years' imprisonment and a fine of between 5,000,000 CFA francs and 125,000,000 CFA francs.

The Company is confident that the Ministry of Mines is fully aware of the joint venture entered into between African Star BVI and IMC and that it is African Star Senegal carrying out the mining activities and paying the expenses incurred in connection with the mining activities as clearly set out and demonstrated in the reports that have been submitted to the Ministry of Mines jointly by IMC and African Star Senegal on a quarterly and annual basis. The Directors believe that not having obtained the formal prior written approval from the Ministry of Mines to the current arrangements will not give rise to any issues regarding the existing prorogation of the exploration permit or the application of the exploitation permit.

Pioneer tax status in Nigeria

If SROL's application to become a pioneer status company is not granted or, if it is granted and not renewed following the expiry of the initial three year period for which such status is granted, SROL will not benefit from the income tax holiday that the CPR and the Company's forecasts contemplates. Nor will it enjoy the other benefits granted to pioneer status companies, including the exemption of dividends paid out of pioneer profits from withholding tax.

Availability of other finance

The development of the Segilola Gold Project, including future phases of production and processing, and future exploration and development of the other Properties may require additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of the Properties from time to time, or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. Volatile markets for precious metals may make it difficult or impossible for the Company to obtain debt financing or equity financing on favourable terms or at all.

The loss of certain key individuals could have an adverse effect on the Company and the Company does not maintain key man insurance to compensate the Company for the loss of certain key individuals

The Company's success depends to a degree upon certain key members of the management. Those individuals have developed extensive in-country relationships; they have historic knowledge of the Properties which is not recorded in tangible form or shared through data rooms; and they have extensive experience of operating in Nigeria. They are a significant factor in the Company's growth and success. The loss of such individuals could result in delays in developing the Properties and have a material adverse effect on the Company.

The Company is in the process of obtaining quotes for key man insurance in respect of its President and Chief Executive Officer Segun Lawson and, subject to the availability and offer of a suitable policy, expects to put this in place in the coming months. The Company does not currently have key man insurance in place in respect of any of its other Directors or officers.

The Company may experience difficulty attracting and retaining qualified staff to meet the needs of its anticipated growth

Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in the acquisition, exploration and development of mining properties in each of the Company's jurisdictions is limited and competition for such persons is intense. To manage its growth, the Company may have to attract and retain additional highly qualified management, financial and technical personnel and continue to implement and improve operational, financial and management information systems. Although the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

Dependence on third party services

The Company will rely on products and services provided by third parties, including, but not limited to, its mining and EPC contractors. If there is any interruption to the products or services provided by such third parties the Company may be unable to find adequate replacement services on a timely basis or at all.

The Company is unable to predict the risk of insolvency or other managerial failure by any of the contractors or other service providers currently or in the future used by the Company for the Segilola Gold Project or its other activities.

Any of the foregoing may have a material adverse effect on the results of operations or the financial condition of the Company. In addition, the termination of these arrangements, if not replaced on similar terms, could have a material adverse effect on the results of operations or the financial condition of the Company.

External contractors and sub-contractors

When the world mining industry is buoyant there is increased competition for the services of suitably qualified and/or experienced sub-contractors, such as mining and drilling contractors, assay laboratories, metallurgical test work facilities and other providers of engineering, project management and mineral processing services.

As a result, the Company may experience difficulties in sourcing and retaining the services of suitably qualified and/or experienced sub-contractors, and the Company may find this more challenging given its Nigerian operations with most third party service providers located in other countries. The loss or diminution in the services of suitably qualified and/or experienced sub-contractors or an inability to source or retain necessary sub-contractors or their failure to properly perform their services could have a material and adverse effect on the Company's business, results of operations, financial condition and prospects.

Estimates and assumptions used in preparing the Company's financial statements and actual amounts could differ

Preparation of its financial statements requires the Company's management to use estimates and assumptions. Accounting for estimates requires the Company's management to use its judgement to determine the amount to be recorded on its financial statements in connection with these estimates. If the estimates and assumptions are inaccurate, the Company could be required to write down its recorded values. On an ongoing basis, the Company re-evaluates its estimates and assumptions. However, the actual amounts could differ from those based on estimates and assumptions.

Internal controls

The Company has established a system of internal controls for financial reporting which the Board believes is appropriate for the Company's current stage in operations. Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company has procedures in place in order to help ensure the reliability of its financial reports, including those imposed on it under Canadian securities laws, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to maintain required controls could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its independent auditor discovers a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and adversely affect the market price of the Common Shares.

Taxation

This document has been prepared in accordance with current Canadian and UK tax legislation, practice and concession and interpretation thereof. Any change in the Group's tax status or the tax applicable to a holding of shares or in taxation legislation or its interpretation, could affect the value of the investments held by the Group, affect the Group's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. It should be noted that the information contained in paragraph 13 of Part VI – (*Additional Information*) relating to the taxation of the Group and its investors is based upon current tax law and practice which is subject to legislative change. The taxation of an investment in the Company depends on the individual circumstances of investors.

Litigation

While the Group currently has no material outstanding litigation, there can be no guarantee that the current or future actions of the Group will not result in litigation since there have been a number of cases where the rights and privileges of natural resource companies have been the subject of litigation and the mining industry, as with all industries, may be subject to legal claims, both with and without merit, from time to time. The Board cannot preclude that such litigation may be brought against the Group in the future. For all mining companies, defence and settlement costs can potentially be substantial, even with respect to claims that have no merit.

Reputational Risk

Any environmental damage, loss of life, injury or damage to property caused by the Group's operations could damage the Group's reputation in the areas in which the Group operates. Negative sentiment towards the Group could result in a lack of willingness of municipal authorities to grant the necessary licences or permits for the Group to operate its business and in residents in the areas where the Group is doing business opposing further operations in the area by the Group. If the Group develops a reputation of having an unsafe work site it may impact the ability of the Group to attract and retain the necessary skilled employees and consultants to operate its business. Further, the Group's reputation could be affected by actions and activities of other corporations operating in the mining industry, over which the Group has no control. In addition, environmental damage, loss of life, injury or damage to property caused by the Group's operations could result in negative investor sentiment towards the Group, which may result in limiting the Group's access to capital, increasing the cost of capital, and decreasing the price and liquidity of the Common Shares.

Third Party Credit Risk

The Group may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners and other parties. In addition, the Group may be exposed to third party credit risk from operators of properties in which the Group has a working or royalty interest. In the event such entities fail to meet their contractual obligations to the Group, such failures may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. In addition, poor credit conditions in the industry and of joint venture partners may affect a joint venture partner's willingness to participate in the Group's ongoing capital program, potentially delaying the program and the results of such program until the Group finds a suitable alternative partner. To the extent that any of such third parties go bankrupt, become insolvent or make a proposal or institute any proceedings relating to bankruptcy or insolvency, it could result in the Group being unable to collect all or portion of any money owing from such parties. Any of these factors could materially adversely affect the Group's financial and operational results.

In particular, the Company currently holds its interest in the prorogated exploration permit for the Douta Gold Project through a contractual arrangement with its Senegalese joint venture partner, IMC. Whilst the consent of the Ministry of Mines will be requested to put in place security to mitigate the Company's exposure to the solvency of IMC, until the application for the exploitation permit has been successfully concluded and the necessary consent obtained from the State of Senegal to the transfer to African Star Senegal of such interest, the Company has exposure to third party credit risk in respect of IMC, and there can be no guarantee that it will remain solvent.

Cash Transfer Restrictions

The Company currently conducts the majority of its operations through its foreign subsidiaries. Therefore, the Company could be dependent on the cash flows of these subsidiaries to meet its obligations. The ability of its subsidiaries to make payments to the Company may be constrained by, among other things: the level of taxation, particularly corporate profits and withholding taxes, in the jurisdictions in which it operates; the introduction of exchange controls or repatriation restrictions or the availability of hard currency to be repatriated; and contractual restrictions with third parties. For example, certain governments have imposed a number of monetary and currency exchange control measures that include restrictions on the free disposition of funds deposited with banks and tight restrictions on transferring funds abroad, with certain exceptions for transfers related to foreign trade and other authorised transactions approved by a country's central bank. These central banks may require prior authorisation and may or may not grant such authorisation for the Group's foreign subsidiaries to transfer funds to it and there may be a tax imposed with respect to the expatriation of the proceeds from the Group's foreign subsidiaries.

Director and Officer conflicts

Certain of the Directors and officers of the Company also serve as directors and/or officers of other companies involved in mining and/or natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such Directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interest of the Company and its shareholders. In addition, each of the Directors are required to declare and refrain from voting on any matter in which such Directors may have a conflict of interest in accordance with the procedures set forth under applicable laws.

The Company is subject to the risks and liabilities associated with possible accidents, injuries or deaths on its Properties

Mining, like many other extractive natural resource industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death. The impact of such accidents could affect the profitability of the operations, cause an interruption to operations, lead to a loss of licences, affect the reputation of the Company and its ability to obtain further licences, damage community relations and reduce the perceived appeal of the Company as an employer.

There is no assurance that the Company has been or will at all times be in full compliance with all laws and regulations or hold, and be in full compliance with, all required health and safety permits. The potential costs and delays associated with compliance with such laws, regulations and permits could prevent the Company from proceeding with the development of a project or the operation or further development of a project, and any non-compliance therewith may adversely affect the Company's operations, financial condition and results of operations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, delays in the development of new mining properties, or increases in abandonment costs.

There is no assurance as to the Group's ability to sustain and expand Mineral Reserves

The life of a mining operation is limited to its Mineral Reserves.

Many factors are involved in the determination of the economic viability of a deposit including the achievement of satisfactory Ore Reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and the estimate of future gold prices. Capital and operating cost estimates are based upon many factors, including anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected recovery rates of gold from the ore and anticipated environmental and regulatory compliance costs. Each of these factors involve uncertainties and as a result the Company cannot give assurance that the Group's development or exploration projects will become operating mines. If a mine is developed, actual operating results may differ from those anticipated, thereby impacting on the economic viability of the project.

Uncertainty associated with Ore Reserve and Mineral Resource estimates

The estimation of Ore Reserves and Mineral Resources involves a certain degree of supposition and the accuracy of these estimates is a function of the quality and quantity of available data and the assumptions used and judgements made in interpreting information. There is significant uncertainty in any resource estimate and the assumptions used or judgements made may prove to be inaccurate; the economic viability of mining may differ materially from the Group's estimates. As further information becomes available through additional field work and analysis, the estimates are likely to change. This may result in alterations to development and mining plans, which may in turn adversely affect the financial position of the Group.

No assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realised or that Mineral Resources can be mined or processed profitably. Actual resources may not conform to geological, metallurgical or other expectations and the volume and grade of ore recovered may be below or above the estimated levels.

Lower market prices, increased production costs, reduced recovery rates and other factors may render the Group's resources uneconomic to exploit and may result in a revision of its resource estimates from time to time. Resource data is not indicative of future results of operations. If the Group's actual mineral resources are less than current estimates, the Group's results of operation and financial condition may be materially impaired.

RISKS RELATING TO THE GOLD MINING INDUSTRY

Gold price volatility may adversely affect the Company

The price of the Common Shares, the Company's financial results and exploration and development activities may in the future be significantly adversely affected by declines in the price of gold. The gold price fluctuates widely and is affected by numerous factors beyond the Company's control such as the sale or purchase of gold by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world. The gold price is subject to fluctuations, and future serious price declines could cause development of any properties in which the Company may hold an interest from time to time to be impracticable. Future production from the Company's properties, if any, will be dependent upon, among other things, a gold price that is adequate to make these properties economic.

In addition to adversely affecting the Company's financial condition and exploration and development activities, a declining gold price can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

The economic metrics in the CPR have been prepared at an assumed long term price of US$1,600/oz. A gold price below this level would impact the estimates and economic metrics in the CPR.

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Mineral exploration and development activities are speculative in nature

Mineral exploration and development operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, base metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

The Company's activities are directed towards the search for, evaluation of, and development of mineral deposits. There is no certainty that the expenditures to be made by the Company will result in discoveries of commercial quantities of minerals. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than the Company has for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

The Company depends on the Properties, in particular the Segilola Gold Project, and there is no assurance that the Company will be able to acquire other properties either due to availability or approval

Any material adverse development affecting the progress of the Properties, in particular the Segilola Gold Project, will have a material adverse effect on the Company's financial condition and results of operations.

If the Company loses or abandons its interest in its Properties, in particular the Segilola Gold Project, there is no assurance that it will be able to acquire another mineral property of merit, whether by way of direct acquisition, option or otherwise.

The Company's operations depend on permits and government regulations

The Company's operations are subject to receiving and maintaining permits and approvals from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of such permits and approvals for future operations. To the extent that such permits or approvals are required and not obtained, the Company may be delayed or prohibited from proceeding with planned exploration or development of its mineral Properties. The costs and delays associated with obtaining necessary permits or approvals and complying with their terms and applicable laws may have a material adverse effect on the operations, financial condition and results of the Company. The Directors of the Company believe the Group has received the necessary permits and approval for the current operations in Nigeria. However, prior to any further development on any properties, the Company must receive permits and approvals from appropriate governmental authorities. There can be no assurance that the Company will obtain and/or continue to hold all permits and approvals necessary to develop or continue operating at any particular property. In addition, the permits in Senegal and Burkina Faso are subject to Government approvals and there can be no guarantee they will be received.

Such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, protection of endangered and protected species, treatment of indigenous people, mine safety and other matters.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or to be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

The Group's operations are subject to compliance with environmental laws and regulation

The Group's current and future operations, including exploration, evaluation, development, extraction and production activities, are subject to environmental regulations.

The Group is also subject to potential risks and unanticipated liabilities associated with its activities, including negative impacts to the environment from operations, waste management and site discharges.

If the Group is unable to remedy an environmental problem fully, it may be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential financial exposure may be significant.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Group's operations.

The Company's insurance does not cover all of its potential losses, liabilities and damage related to its business

The Company has not, historically, had a requirement to insure any of the assets at the Segilola Gold Project Property. Although it intends to put such insurance in place as it develops the Segilola Gold Project Property, this is subject to its ability to obtain such insurance on terms, and at a premium, which are acceptable to the Company. If the Company is unable to obtain cover on acceptable terms, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company.

Exploration, development and production operations on mineral properties involve numerous other risks, including:

- unexpected or unusual geological operating conditions;
- rock bursts, cave-ins, ground or slope failures;
- fires, floods, earthquakes, avalanches and other environmental occurrences;

- political and social instability that could result in damage to or destruction of mineral properties or producing facilities, personal injury or death, environmental damage;
- delays in mining caused by industrial accidents or labour disputes;
- changes in regulatory environment;
- monetary losses; and
- possible legal liability.

It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against certain risks may not be available to the Company or to other companies in the mining industry on acceptable terms. If such liabilities arise and are not covered by insurance, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company.

The competitive environment

The mining industry is competitive in all of its phases. The Company faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to acquire or maintain attractive mineral exploration properties on terms it considers acceptable or at all. Consequently, the Company's operations and financial condition could be materially adversely affected.

RISKS RELATING TO OPERATING IN NIGERIA AND SENEGAL

Fluctuation in exchange rates

A significant portion of the Company's undertakings will be in Nigeria and Senegal, although the majority of the Company's expenditure will relate to goods or services sourced from other countries including, for example, China (pursuant to the EPC Contract), the UK, South Africa, Australia and Canada. Once the Company achieves first production, its revenues will be based on the U.S. dollar denominated gold price that it achieves in its sales. As a result, revenues, cash flows, expenses, capital expenditure and commitments will be primarily denominated in Nigerian Naira, West African CFA franc, Canadian dollars, U.S. dollars and UK Pound Sterling. This results in the income, expenditure and cash flows of the Company being exposed to fluctuations and volatilities in exchange rates, as determined in international markets. If the value of the Nigerian Naira, West African CFA franc, Canadian dollar, UK Pound Sterling or other currencies increases relative to the U.S. dollar, the Company's financial condition and liquidity could be materially adversely affected. Furthermore, as the Company will report its financial results in Canadian dollars, the Company is exposed to translation risk, and its financial results, as well as the amount of funds available to pay future dividends should a dividend be proposed, will fluctuate with changes in exchange rates. Changes in exchange rates are outside the Company's control.

The Company is subject to political risks

Future political actions cannot be predicted and may adversely affect the Company. Changes, if any, in mining or investment policies or shifts in political attitude in the countries in which the Company holds property interests in the future may adversely affect the Company's business, results of operations and financial condition. Future operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's consolidated business, results of operations and financial condition.

The Company's two principal operations are in Nigeria and Senegal. Governments in both countries are democratically elected. The present Nigerian Government is supportive of the mining industry, and while there can be no guarantee that any future Nigerian government will be as supportive, the Directors do not consider government support in Nigeria at the present time as being a material risk. The government in Senegal has displayed long standing support for the mining industry which is now well a well established industry within the country. The Directors do not consider government support in Senegal at the present time as being a material risk.

Coronavirus

There exists a risk that the significant outbreak of Coronavirus across the world may detrimentally impact the Company's operations in Nigeria and Senegal. The Company may be affected by disruptions to its operations in one or more locations, particularly for the foreseeable future in light of the government responses to the spread of Coronavirus or other potential pandemics. During the lock down in Nigeria the Company's Nigerian operations were declared as an essential business by the Nigerian authorities and so were not subject to closure. The Company decided to proceed with construction, following the implementation of Coronavirus procedures at the Segilola Gold Project, established in accordance with industry best practice and the guidelines set out by the Osun State Government and the Ministry of Mines and Steel Development. The Company maintains constant dialogue with local Nigerian government and monitors the situation among the local communities as well as the broader environment.

As a result of the Coronavirus outbreak, there are currently travel restrictions in place in many countries with many land borders closed and suspension of flights. These restrictions may have an immediate impact on the operations of the Company in terms of access to resources and supplies from neighbouring countries, access to its projects by key management personnel, disruption to operations and delays or increased costs in accessing resources and supplies. The outbreak of Coronavirus has demonstrated the need to have contingency plans in place in relation to the outbreak of pandemics, and has also resulted with a number of companies across the globe being essentially shut down for an extended period of time. The impact of this is that the Company will have to ensure that its future plans include an appropriate amount of contingency planning for the current Coronavirus and future pandemics, but are also likely to result in some prices from suppliers being higher than previously thought, as they too include contingencies into their pricing models and work to ensure they remain profitable despite the period of lock down. As such, costs could escalate from the level originally anticipated.

While the Company will seek to manage the effect of Coronavirus on its personnel and operations, if and when necessary, there can be no assurance that Coronavirus will not have an adverse effect on the future operations of the Company's projects in Nigeria and Senegal or an investment in the Company.

Bribery and Corruption

Nigeria, Senegal and Burkina Faso experience security issues and instances of fraud, bribery and corruption. The Group operates and conducts business in Nigeria and Senegal, which, like many countries in emerging market economies, experience a considerable level of criminal activity, fraud, bribery and corruption. Mining companies operating in West Africa, and more specifically Nigeria and Senegal, may be particular targets of criminal or militant actions. Criminal, corrupt or militant action against the Group, its properties or facilities could have a material adverse effect on the Group's business, prospects, financial condition or results of operations. Although the Group has adopted and is in the process of implementing comprehensive corporate governance policies and procedures, including a code of business conduct, an anti-corruption and bribery policy and a whistle-blowing policy, it may not be possible for the Group to detect or prevent every instance of fraud, bribery or corruption. Failure to detect or prevent any such instances may expose the Group to potential civil or criminal penalties under relevant applicable law and to reputational damage, which may have a material adverse effect on the Group's business, prospects, financial condition or results of operations.

RISKS RELATING TO THE COMMON SHARES

The Board has the ability to issue preferred shares without Shareholder approval

The Company's charter documents authorise the Board to issue an unlimited number of preferred shares without the Shareholders' approval and to determine the rights, privileges, restrictions and conditions granted to or imposed on any unissued series of preferred shares. Those rights may be superior to those of the Common Shares. The issuance of preferred shares and the terms selected by the Board could decrease the amount of earnings and assets available for distribution to holders of Common Shares or adversely affect the rights and powers, including the voting rights, of the holders of Common Shares. Issuances of preferred shares, or the perception that such issuances may occur, could cause the trading price of the Common Shares to drop.

There is no current UK market for the Common Shares and no new Common Shares are being issued by the Company on Admission, notwithstanding the Company's intention to be admitted to trading on AIM

There is no current UK market for the Common Shares and no new Common Shares are being issued by the Company on Admission. The Common Shares are currently listed on the TSX-V. Although the Company's current intention is that its securities will continue to trade on AIM, this may not always be the intention. If an active public market for the Common Shares does not develop, or is not maintained, investors may not be able to sell their Common Shares on a UK market. If the Common Shares are listed on a further exchange in addition to, or instead of, the London Stock Exchange, the level of liquidity in the Common Shares may decline.

The Company is incorporated in Canada

The Company was incorporated in Canada in the Province of British Columbia, and, accordingly, transactions in Common Shares in the Company will not be subject to the UK Takeover Code. As a result, Shareholders will not be afforded the protections of the UK Takeover Code. However, Canadian laws applicable to the Company provide for early warning disclosure requirements in relation to potential take-over bids, further details of which are set out in paragraph 15 of Part I – (*Information on the group*) of this document.

The Company will be listed both in Canada and the UK

The Common Shares will be listed on two separate stock markets and investors seeking to take advantage of price differences between such markets may create unexpected volatility in the share price. The Common Shares are already listed and traded on the TSX-V and upon Admission will also be listed and traded on AIM. While the Common Shares are traded on both markets, price and volume levels could fluctuate significantly on either market, independent of the share price or trading volume on the other market. Investors could seek to sell or buy Common Shares to take advantage of any price differences between the two markets through a practice referred to as arbitrage. Any arbitrage activity could create unexpected volatility in both Common Share prices on either exchange and in the volumes of Common Shares available for trading on either market. In addition, holders of Common Shares in either jurisdiction will not immediately be able to transfer such shares for trading on the other market without effecting necessary procedures with the Company's transfer agents/registrars. This could result in time delays and additional cost for Shareholders. In certain circumstances, Common Shares held by Canadian shareholders may also be subject to mandatory hold periods.

The Common Shares may be subject to various factors which may make the share price volatile

Securities of publicly-listed mineral resource companies can be subject to substantial volatility, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments globally and market perceptions of the attractiveness of particular industries. The Company's share price is also likely to be significantly affected by short term changes in the price or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not continue to follow the Company; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Company's securities to be delisted from the exchange on which they trade, further reducing market liquidity.

As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

The Company has no current dividend payment policy and does not intend to pay any cash dividends in the foreseeable future.

Whilst the Company intends to make distributions to Shareholders at the appropriate time in its development, it does not currently have a policy on the payment of dividends. For the foreseeable future, the Company anticipates that it will retain future earnings and other cash resources for the operation and development of its business. The payment of any future dividends will depend upon earnings and the Company's financial condition, current and anticipated cash needs and such other factors as the Directors consider appropriate.

The shareholding of the Shareholders may be diluted

The Company may have further capital requirements as it proceeds with exploration activities at any of its Properties, develop any such Properties, or take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may be presented to it. Such continued exploration and future development may require the issuance of Common Shares in the future and any such issuance is likely to result in the existing Shareholders sustaining dilution to their relative proportion of the equity in the Company. There may be other issues of shares, such as to key employees or personnel, which may further dilute the shareholding of existing Shareholders. No pre-emptive rights are provided to Shareholders of the Company under the laws of the Province of British Columbia or the Company's Articles and Notice of Articles.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Common Shares in the public market, or the potential for such sales, could decrease the trading price of the Common Shares and could impact the Company's ability to raise capital through future sales of Common Shares.

It should be noted that the risk factors listed above are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Group is or may be exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates and holds its major assets. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect upon the Group.

If any of the risks referred to in this Part II – (*Risk Factors*) crystallise, the Group's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of its Common Shares could decline and investors may lose all or part of their investment. Although the Directors will seek to minimise the impact of the risk factors listed above, investment in the Group should only be made by investors able to sustain a total loss of their investment.

PART III – NIGERIA AND SENEGAL OVERVIEW

1. Mining in Nigeria

1.1 Overview

Nigeria is Africa's most populous country and the largest economy in Africa with a Gross Domestic Product (**GDP**) of US$469 billion. The county's economy has a very large dependency on the Oil and Gas sector, which contributes 32.43% of GDP.

Nigeria is endowed with a wide range of hard mineral resources, including precious metals, base metals, industrial and energy minerals as well as gemstones and dimension stone. Despite the abundance and range of hard mineral resources, the mining sector has significantly declined since the 1980's and currently accounts for 0.3% of national employment, 0.02% of exports and about US$1.40 billion to the Nigerian GDP. These figures are very low when compared to the mining sectors of other African countries such as Ghana, Cote D'Ivoire, South Africa and the Democratic Republic of Congo.

The current government has committed to the diversification of the Nigerian economy, and to making the development of the mining and agricultural sectors a priority of his administration. Nigeria has a well-defined and established regulatory structure for the industry. Exploitation and exploration of solid minerals are governed by the Nigerian Minerals and Mining Act 2007, and the Nigerian Minerals and Mining Regulation 2011. This is supported by active professional bodies and national agencies such as the Mining Cadastre Office (**MCO**) that is responsible for the management of mineral rights.

The main federal institution that oversees mining activity in Nigeria is the Ministry of Mines and Steel Development (**MMSD**). The ministry is structured as several technical directorates and agencies, namely: Mines Inspectorate, Mines Environmental Compliance, Artisanal & Small Scale Mining, Mining Cadastre Office, Metallurgical Inspectorate and Raw Material Development, and Steel & Non-Ferrous Metals.

Nigeria does not currently have any of the major gold mining companies active in the country due largely to the perception that the policy and investment climate is hostile to the mining industry and poor infrastructure in the mining regions. There are a small number of mid-tier and junior mining companies actively engaged in the sector, mostly from Australia, UK, China, Ukraine, and India and focused primarily on exploration and mining of gold, iron ore, lead-zinc, and coal. There are also some indigenous small companies involved in small-scale mining activities. Presently, the most active participants in the sector are the quarry operators for construction stones (mostly aggregates), cement companies for limestone, artisanal miners and mineral traders.

Large deposits of gold have been found in the north-west and south-west of Nigeria and other parts of the country, mainly as a result of exploratory activities and activities of artisanal miners.

The Company's Segilola Gold Project is expected to be a leader in changing the perception of the Nigerian industry.

Recently, the Nigerian government has licensed gold refineries to produce the metal for export and for the Central Bank of Nigeria to become an off-taker, buying at international prices.

The Nigerian government has introduced taxation and other regulatory incentives to encourage inward investment in the sector. These include exemption from customs duty for imported mining equipment, and tax relief over a period of three years with a possible extension for another two years if certain criteria are met.

The Mining Sector is designated a Pioneer Industry approved by the Federal Executive Council. Pioneer status is a fiscal incentive provided under the Industrial Development (Income Tax Relief) Act (**IDITRA**), Laws of the Federation of Nigeria. Eligible companies operating in designated pioneer industries, which apply for and are granted pioneer status, are entitled to income tax holiday for up to five years – three years in the first instance, renewable for two additional periods of one year. In addition to income tax holiday, pioneer companies enjoy other benefits, such as the exemption of dividends paid out of pioneer profits from withholding tax. This incentive scheme has been in place and functional for over 14 years.

The Company has initiated its application for pioneer status and the Directors expect it to be designated as a pioneer company and, as a result, to benefit from the foregoing tax shield. The Company also expects that following the five-year tax exemption, the company will be granted (under the Nigerian Minerals and Mining Act) a capital allowance equating to 95% of qualifying project capital expenditure.

The Company's Segilola Gold Project is being seen as a leader in changing the perception of the Nigerian mining industry. *Source: CPR, section 3.1.1.*

1.2 Principal Legislation

The key legislation applicable to activities concerning prospecting, exploration and exploitation of mineral deposits in Nigeria is (i) the Nigerian Mines and Minerals Act, 2007 and (ii) the Nigerian Minerals and Mining Regulations, 2011.

1.3 Administrative Authorities

The Nigerian MCO is autonomous body responsible for the management and administration of mineral titles. The main federal institution that oversees mining activity in Nigeria is the MMSD. The ministry is structured as several technical directorates and agencies, namely: Mines Inspectorate, Mines Environmental Compliance, Artisanal & Small Scale Mining, Mining Cadastre Office, Metallurgical Inspectorate and Raw Material Development, and Steel & Non-Ferrous Metals. *Source: CPR, section 3.1.1.*

1.4 Mineral Licence Categorisation

In accordance with the Nigerian Mines and Mineral Act 2007, there are six types of exploration concessions in Nigeria – Exploration Licence, Mining Lease, Small Scale Mining Lease, Reconnaissance Permit, Water Use Permit and Quarry Lease. The principal characteristics of each are the following:

1.4.1 *Exploration Licence:*

Sets out the rights of the titleholder including any surface rights and access rights; is granted over land not exceeding two hundred (200) square kilometres; is valid for a period of three (3) years and renewable for two further periods of two (2) years.

1.4.2 *Mining Lease:*

Sets out the rights of the titleholder to use, occupy and carry out exploitation within the leased area; is granted over land not exceeding fifty (50) square kilometres; is granted for an initial period of twenty five (25) years renewable after every twenty four (24) years.

1.4.3 *Small Scale Mining Lease:*

Sets out the rights of the titleholder to conduct artisanal mining operations; is granted over land not exceeding three (3) square kilometres; is granted for an initial period of five (5) years and renewable for another (5) years.

1.4.4 *Reconnaissance Permit:*

Sets out the right of the titleholder to search for mineral resources and obtain surface samples in small quantities; is issued and valid for a period of one (1) year.

1.4.5 *Water Use Permit:*

Sets out the right granted to a Mining Lease holder, Exploration Licence holder and a Quarry Lease holder to obtain water for use during exploration; is granted for as long as the mining lease is valid.

1.4.6 *Quarry Lease:*

Sets out the right of the title holder to quarry minerals such as asbestos, marble, limestone, china clay, gravel, gypsum, stone and sand; is granted over land not exceeding five (5) square kilometres and granted for a period of five years.

2. Mining in Senegal

2.1 Overview

Senegal has geological potential with a wide variety of mineral substances including precious metals (gold and platinoides), base metals (iron, copper, chromium, nickel), industrial minerals (phosphates, industrial limestone, baritone etc.), heavy minerals (zircon and titanium), ornamental stones and building materials, etc. Following investment promotion efforts made by the Government of Senegal, the diversification of mining activity is developing through the development of the phosphate-fertiliser sector, the relaunch of the integrated project on falémé iron, the acceleration of the exploitation of the gold sector in the Kédougou region, the supervision and promotion of artisanal mines, the acceleration of the exploitation of the deposits, the development of a regional mining hub. Industrial-scale gold mining has begun in the Kédougou region. Artisanal mining activities are also on the rise in the Kédougou region as a result of large-scale operations.

2.2 Principal Legislation

The key legislation applicable to activities concerning prospecting, exploration and exploitation of mineral deposits in Senegal is (i) the Senegalese Law n°2003-36 of 24 November 2003 establishing the mining code and its application decree n° 2004-647 of 17 May 2004; and (ii) the Senegalese Law n° 2016-32 of 8 November 2016 establishing the mining code and its application decree n° 2017-459 of 20 March 2017.

2.3 Administrative Authorities

The Senegalese Ministry of Mines is the autonomous body responsible for the management and administration of mineral titles.

2.4 Mineral Licence Categorisation

In accordance with Senegalese mining legislation, there are two types of exploration concessions in Senegal – prospecting licences and exploration licences and one type of exploitation concession – exploitation permit. The principal characteristics of each are the following:

2.4.1 *Prospecting Licences:*

Sets out the rights of the titleholder of an prospecting licence; the prospecting licence gives the holder a non-exclusive right to prospect for the targeted substances throughout the licensed area. However, the prospecting licence does not confer on its holder any particular right to obtain any other mining title or a right to dispose of the discovered substances for commercial purposes.

2.4.2 *Exploration Licences:*

Sets out the rights of the titleholder of an exploration licence including any surface rights and access rights; the fees/ taxes that must be paid; the duration of the exploration licence; what happens on expiry of the exploration licence; the right to apply for an exploitation permit. In the event an application for an exploitation permit has been submitted and the Ministry of Mines is unable to make a decision on such application before the date of expiry of the exploration licence, the validity of the said exploration licence is automatically extended ("prorogated") until a decision is taken on the said exploitation permit application. This extension applies only to the part of the exploration perimeter referred to in the application for the exploitation permit pursuant to article 29 of the application decree of the Senegalese mining code of 2016.

2.4.3 *Exploitation permit:*

The mining exploitation permit constitutes immovable property and must be held by a commercial company under Senegalese law. The mining exploitation permit is issued by decree for a minimum period of 5 years and not exceeding 20 years, renewable. The mining exploitation permit confers the following rights on the holder who has fulfilled its obligations, including: the exclusive right to exploit and freely dispose of the substances for which the permit has been granted, the right to stability of the fiscal and customs conditions of exploitation, in accordance with the stipulations of the mining convention, a right to occupy the land necessary for carrying out mining operations. The holder of a mining exploitation permit is required to, *inter alia*, exploit the deposit of which it has demonstrated the existence, to regularly inform the Minister in charge of Mines of the methods and results of the exploitation.

PART IV – COMPETENT PERSON'S REPORT

Competent Person's Report on the Assets of Thor Explorations Ltd.

Thor Explorations Ltd.

SLR Project No: 425.3370U.R0000

11 June 2021

Competent Person's Report on the Assets of Thor Explorations Ltd.

SLR Project No: 425.3370U.R0000

Prepared by
SLR Consulting Ltd
Suite 2.9 Warnford Court, 29 Throgmorton St
London, UK EC2N 2AT

for

Thor Explorations Ltd.
250-1075 Georgia St. W,
Vancouver
British Columbia
V6E 3C9

Signature Date - 11 June 2021

Prepared by:
David J F Smith, CEng, FIMMM
Ian A Taylor, AusIMM (CP), MAIG
A Meiring Burger, SAIMM, SACNASP
C Patrick Donlon,
Marion A Thomas, Pr.Sci.Nat

Approved by:
Alastair Middleton, MSc, FGS
Project Manager

David J F Smith, CEng, FIMMM
Project Director

FINAL

Distribution: 1 copy – Thor Explorations Ltd.
1 copy – Canaccord Genuity Ltd.
1 copy – Hannam & Partners
1 copy – SLR Consulting Ltd

11 June 2021

The Directors
Thor Explorations Ltd.
250-1075 Georgia St. W,
Vancouver
British Columbia
V6E 3C9

The Directors
Canaccord Genuity Limited
88 Wood Street,

London,
EC2V 7QR

The Directors
Hannam & Partners
2 Park St,
London
W1K 2HX

Dear Sirs,

Re: Competent Person's Report on the Assets of Thor Explorations Ltd.

SLR Consulting Ltd (SLR) was retained by Thor Explorations Ltd. (Thor) to prepare an independent Competent Person's Report (CPR or the Report) on the primary assets of Thor, namely the advanced stage Segilola Gold Project (Segilola) located in Nigeria and the exploration stage Douta Gold Project (Douta) in Senegal. As the most advanced of the assets, Segilola is the principal focus of this CPR. The CPR is intended for use by Thor in connection with an Admission Document being issued for a listing on the London AIM.

This Report, which summarises the findings of SLR's independent review of the projects, has been prepared in order to satisfy the requirements of a CPR as set out in the Note for Mining, Oil and Gas Companies, dated June 2009, published by the London Stock Exchange (the AIM Note), which forms part of the AIM Rules for Companies (the AIM Rules) published by the London Stock Exchange.

Mineral Resources and Mineral Reserves in this Report have been prepared by Mining Associates Pty Ltd (Mining Associates), which co-authored this CPR, and conform to the standards published and maintained by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), specifically the CIM Definition Standards for Mineral Resources and Mineral Reserves as adopted 10 May 2014 (CIM (2014) definitions).

Capability and Experience

In 2019, SLR, a global leader in environmental and advisory solutions, acquired Roscoe Postle Associates Inc. (RPA), a world-leading mining advisory business with teams in Toronto, Denver, and London. Since integration of our teams, SLR's core Mining Advisory services include geological, mining, and metallurgical consultants who have provided expertise and advice to clients around the world for more than 35 years.

The team brings world-class mining advisory services to our Mining & Minerals practice, not only in North America and Europe but across the globe. A long period of collaboration between SLR and RPA before acquisition on client projects ensures our clients in the mining sector have access to a comprehensive suite of services.

This extends through the lifecycle of projects commencing with value creation in resource estimation to value recognition through reserve development, including transactional support and decision making, compliance reporting, to independent engineer roles to expert witness testimony and includes tailings, environmental and social risk and liability assessment and management, including ESG and climate change challenges.

Mining Associates

Mining Associates has provided consulting services and solutions to the mining industry for almost 20 years utilising a global network of associates, clients, partners, and suppliers.

Mining Associates' consultants are recognised highly experienced industry professionals. They are skilled in reporting in accordance with JORC, NI 43-101, and Valuation reporting standards and are Competent/Qualified Persons for all major stock exchanges.

Mining Associates' capability ranges from exploration to studies, operations, and closure. The company provides expert technical and corporate advice across a range of mineral commodities, geological settings, and operational scenarios.

Project Approach and Management

The scope of work for the CPR was to prepare a CPR for inclusion in the Admission Document that meets the requirements of the AIM Note. This CPR has been prepared by a team of Competent Persons (CP) who have extensive experience in the mining industry, including geologists, mining engineers, metallurgists, geotechnical specialists, and financial specialists. The members of the team are listed below. Qualifications of the individuals are shown in Appendix 1.

Project Director - David J F Smith

Geology and Mineral Resources - Ian Taylor, Mining Associates

Mining and Mineral Reserves - Meiring Burger, Mining Associates

Metallurgy and Processing - Patrick Donlon

Environmental and Social - Marion Thomas

Economics and Valuation – David JF Smith

SLR prepared this CPR based on observations and data collection on previous site visits to the Segilola property, data provided by Thor and Mining Associates, including interviews with key personnel involved in the operation and management of the assets.

The general methodology for the review of Segilola comprised:

- Review of current Mineral Resource and Mineral Reserve estimates, including sample databases, cut-off grades, and estimation parameters.
- Review of and the planned mining and processing operations including dilution, grade reconciliation, and metallurgical recovery.
- Review of environmental status including permits, compliance, environmental management plans, environmental and social management system, closure plans and costs.
- Review of social and community issues.

- Discussions with the Segilola Resources Operating Limited (SROL) Environmental and Social Manager, Louise Porteus, Thor CEO, Segun Lawson, Thor Vice President, James Phillips and Thor VP Exploration, Alf Gilman.
- Review of capital expenditure forecasts for the Project.
- Review of Life of Mine Plan including physical assumptions – head grade, production rate, metallurgy, and operating and capital cost assumptions.
- Analysis of risk areas and overall sensitivity of the Life of Mine Plans to external and internal risks.

As regards the Douta asset, SLR has relied on information provided by Thor and has not undertaken a site visit to this property.

Limitations and Reliance on Information

This Report has been prepared by SLR and Mining Associates at the request of Thor. Conditions and limitations of use apply to this report. The report may be relied upon and used by Thor, Canaccord Genuity Limited (Canaccord) and Hannan & Partners (H&P), members of any equity syndicate, and their respective legal advisers in connection with the Prospectus and shall not be used nor relied upon by any other party, nor for any other purpose, without the written consent of SLR. If SLR specifically consents in writing to the use of and reliance on this report by any party other than Thor, Canaccord or H&P, such use and reliance shall be in all respects subject to the Terms of Business, including the limitations of liability set forth therein. In no event will SLR have aggregate liability to Thor, Canaccord or H&P or any third parties in excess of the limitations set forth in the Terms of Business.

SLR is responsible for this report as part of the Admission Document and declares that it has taken all reasonable care to ensure that the information contained in this report is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

SLR's opinion as expressed in this CPR is effective at the date of this report. Parameters used in assessing the assets are shown in the report. Some of these parameters can vary significantly and changes could alter SLR's opinion subsequent to the date of this CPR.

The information, conclusions, opinions, and estimates contained herein are based on:

- information available to SLR at the time of preparation of this report.
- assumptions, conditions, and qualifications as set forth in this report.
- data, reports and opinions supplied by Thor and other third party sources.

Save as set out herein, SLR does not guarantee the validity or accuracy of conclusions or recommendations based on information supplied by third parties.

SLR accepts no responsibility for damages, if any, suffered by any third party as a result of decisions made or actions based on this report.

The Report is intended to be read as a whole, including the Executive Summary, and sections should not be read or relied upon out of context.

Independence

SLR has received fees for the preparation of this CPR in accordance with normal professional consulting practice. The fees are not contingent on the success of the Prospectus. Neither SLR nor any of its directors, staff, or sub-consultants who contributed to this report have any material interest in Thor or the assets reviewed.

SLR has previously carried out independent audits of the mineral resources and reserves of the Segilola Project included in this CPR.

Drafts of this report were provided to Thor, for the purpose of confirming both the accuracy of factual material and the reasonableness of assumptions.

Inherent Mining Risk

Mining is carried out in an environment where not all events are predictable.

Whilst an effective management team can, firstly, identify the known risks, and secondly, take measures to manage and mitigate these risks, there is still the possibility for unexpected and unpredictable events to occur. It is therefore not totally possible to remove all risks or state with certainty that an event that may have a material impact on the operation of a mine, will not occur.

Glossary of Terms

Defined and technical terms used in this report are set out in Appendix 3.

Sincerely,

For SLR Consulting Ltd,

(Signed) ***David J F Smith***

David J F Smith, CEng.
Global Technical Director, Mining
Email: djsmith@slrconsulting.com

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TABLES

FIGURES

1.0 SUMMARY

1.1 Executive Summary

SLR Consulting Ltd (SLR) was retained by Thor Explorations Ltd. (Thor) to prepare an independent Competent Person's Report (CPR or the Report) on the two primary assets owned by Thor, namely the advanced stage Segilola Gold Project (Segilola or the Project) located in Nigeria and the exploration stage Douta Gold Project (Douta) in Senegal. As the most advanced of the two assets, Segilola is the principal focus of this CPR.

This Report, which summarises the findings of SLR's independent review of the Segilola Project and the Douta property, has been prepared in order to satisfy the requirements of a CPR as set out in the Note for Mining, Oil and Gas Companies, dated June 2009 (the AIM Note), which forms part of the AIM Rules for Companies (the AIM Rules) published by the London Stock Exchange.

SLR understands that the CPR is intended for use by Thor in connection with an Admission Document being issued for a listing on the London AIM.

1.1.1 Segilola

Segilola is an advanced stage gold project located in the state of Osun, Nigeria, approximately 120 km northeast of Lagos and 18 km south of the regional centre of Ilesha. The Project is 100% owned by Segilola Resources Operating Ltd (SROL) and its joint venture partner Segilola Gold Limited (SGL), both of which are wholly-owned subsidiaries of Thor. Thor acquired its 100% interest in the Project in 2016 through its acquisition of SROL and SGL.

The Project envisages a conventional open pit operation, mining and processing gold ore through an on-site gravity and carbon-in-leach (CIL) gold recovery plant to produce gold doré. Gold mineralisation is non-refractory and free milling with a high gold recovery of 97% projected.

A Definitive Feasibility Study for the Project was completed in 2018, the results of which were reported in a National Instrument 43-101 (NI 43-101) Technical Report, dated 18 March 2019. Thor has since advanced with the project financing, detailed engineering, and construction of the Project. Construction commenced in 2020 and at the time of writing is well advanced. As of May 2021, the Project is 80% complete, with procurement at 94% complete and construction and installation 65% complete. The Project's actual expenditure is lower than budget, however, higher than budgeted payments are expected between May and September as the final equipment begins to arrive and installation increases. According to the company's April 2021 Monthly Operations Report, the forecast cost to completion is currently on budget.

Plant commissioning is due to start in June 2021, ore processing is scheduled for 68 months at a production rate of 715,000 tonnes per annum (tpa). The First Gold pour is currently expected to be in July 2021, with commercial production expected by the end of Q3 2021.

In March 2021, Thor published updated Mineral Resource and Mineral Reserve estimates prepared for the Project by Mining Associates Pty Ltd (Mining Associates).

As of 4 January 2021, the open pit Indicated Mineral Resources are estimated to be 3.70 million tonnes (Mt) at a gold grade of 4.5 grams per tonne (g/t) for 532,000 ounces of gold (oz Au), plus Inferred Resources of 32,000 tonnes at a grade of 2.5 g/t Au for an additional 3,000 oz Au. Additional Indicated Mineral Resources have been estimated for possible underground extraction comprising 386,000 tonnes at a gold grade of 6.1 g/t and Inferred Resources of 411,000 tonnes at a gold grade of 5.0 g/t.

As of 31 March 2021, total Probable Reserves for the open pit are estimated to be 4.0 Mt at 4.02 g/t Au for a total of 517,000 oz Au. No Mineral Reserves have been estimated for the potential underground mine at this time.

Table 1-1 provides a summary of the estimated Mineral Reserves and Mineral Resources for Segilola.

Table 1-1: Summary of Reserves and Resources
Thor Explorations Ltd – Segilola Gold Project

Category	Gross			Net Attributable			Operator
	(Tonnes)	Grade (g/t)	Contained Gold (oz)	(Tonnes)	Grade (g/t)	Contained Gold (oz)	
Segilola Mineral Reserves							
Proven							
Probable	4.00	4.02	517,000	4.00	4.02	517,000	SROL
Sub-total	**4.00**	**4.02**	**517,000**	**4.00**	**4.02**	**517,000**	
Segilola Mineral Resources							
Measured							
Indicated	4.06	4.66	608,000	4.06	4.66	608,000	SROL
Inferred	0.443	4.80	68,000	0.443	4.80	68,000	
Sub-Total	**4.503**	**4.67**	**676,000**	**4.503**	**4.67**	**676,000**	

The above Mineral Resources and Mineral Reserves provide the basis for this CPR.

The current Project Life of Mine (LOM) plan forecasts plant commissioning to start in June 2021. The target processing rate is 715,000 tpa over a period of 68 months. Mine overburden stripping started in March 2021 and mining continues for 48 months at a maximum rate of 80,000 tpd material mined.

Based on the above Mineral Reserves, LOM ore production is 4.0 Mt at a grade of 4.02 g/t Au, with a constant gold recovery of 97%. The total recovered gold is estimated to be 502,000 oz Au, at an annual LOM average gold production rate of 84,000 oz Au. Total material moved over the LOM is 71.0 Mt at an average strip ratio of 16.7:1.

1.1.2 Douta

Douta is an early stage exploration property located in the southeast region of Senegal, in which Thor holds a 70% interest. The property is located approximately five kilometres east of the Massawa Project, currently being developed by Endeavour Mining Corporation. There has been insufficient exploration on the Douta property to date to allow a Mineral Resource estimate to be declared for the property.

1.2 Conclusions

SLR offers the following conclusions:

1.2.1 Geology and Mineral Resources

1.2.1.1 Segilola Gold Project

- The Segilola Gold Project is an orogenic-style lode gold deposit which occurs within a regional-scale shear zone. The style of mineralisation is well understood.
- Drilling has delineated three steeply dipping lodes which form an elongate mineralised zone striking 010º and dipping 60º to 70º towards the west within a single robust shear zone, primarily in biotite gneiss. The known mineralised zone is approximately 2,000 m in strike length, between 70 m and 200 m in depth, and between two metres and 20 m in true thickness.
- The drill hole data has been adequately validated with satisfactory quality control analysis. The quantity and quality of the geological, geotechnical, collar, and downhole survey data is sufficient to support Mineral Resource estimation.
- The analytical data is sufficiently reliable to support Mineral Resource estimation.
- The use of ordinary kriging (OK) to estimate the Mineral Resources is considered appropriate based on review of a number of factors, including the quantity and spacing of available data, the interpreted controls on mineralisation, and the style and geometry of mineralisation.
- The resource estimate was constrained with geological and mineralisation interpretations.
- At a cut-off grade of 0.3 g/t Au, the Indicated Mineral Resources for the open pit mine are 3.7 Mt at an average grade of 4.5 g/t Au for 532,000 oz of contained gold. The Inferred Mineral Resources estimated for the proposed open pit mine are 0.3 Mt at an average grade of 2.5 g/t Au containing 3,000 oz of contained gold.
- The Mineral Resource estimate is consistent with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (CIM (2014) definitions) as incorporated by reference into NI 43-101.
- No significant Mineral Resource risks have been identified by the CP.

1.2.1.2 Douta Gold Project

- Douta is an early stage exploration project located within the Kéniéba inlier in Eastern Senegal.
- A series of drilling programmes have delineated gold mineralisation over a 2.7 km strike length.
- A 10,000 m reverse circulation (RC) drilling programme in 2020 confirmed the continuity of mineralisation of the deposit along strike for an additional one kilometre.
- To date, insufficient exploration has been completed to allow Mineral Resources to be declared for the Douta Project.

1.2.2 Mining and Mineral Reserves

- The Segilola deposit is amenable to conventional drill, blast and haul open pit mining.
- As of 31 March 2021, the estimated Probable Mineral Reserves are 4.0 Mt at 4.02 g/t Au, for 517,000 oz of contained gold.
- The CP has verified that the Mineral Reserves have positive economics at the applied Mineral gold price of $1,600 per oz gold and is of the opinion that the classification of the estimated Probable Mineral Reserves meets the CIM (2014) definition of Probable Mineral Reserves.
- Approximately 4.0 Mt of ore and 67.0 Mt of waste is planned to be extracted over a period of five years at an average head grade of 4.02 g/t Au.
- Grade control drilling ahead of the mining activities has commenced.

- Mining preparation work has commenced, with site establishment work, road preparation, clearing and grubbing, and initial mining works for the sourcing of suitable material for the run-of-mine (ROM) pad construction.
- All permits for mining operations are in place, all mining equipment has been purchased, and the mining team is preparing for first ore mining.
- The mining contractor is building its mining team.
- SROL has all key technical positions in place.

1.2.3 Mineral Processing

- The process flowsheet and plant are appropriately designed, based on conventional crushing, griding, gravity, and CIL circuits to produce doré gold bars.
- The plant is sized to treat 715,000 tpa of gold bearing ore from the open pit.
- SROL has filled key technical positions and is currently recruiting and training operations and maintenance teams.
- The plant is expected to be commissioned during the Q3 2021. The focus of current activities is on finalising all civil works, installing processing plant equipment, and the start of commissioning.

1.2.4 Project Infrastructure

- The Project is being provided with the necessary infrastructure to mine and process gold ore.
- Based on the observations made during the CP's site visit, and discussion with the Thor site team, the construction of the Project infrastructure is well advanced.
- The camp is being made ready, with teams already occupying office and living space.
- The power generation facility is ready for generator installation. The fuel farm and compressed natural gas (CNG) facilities are being prepared.
- The sample preparation and assay laboratory is being constructed.
- The water storage dam is in place to provide initial processing plant water.
- The tailings management facility (TMF) embankment is at commissioning height and is lined.
- Security Infrastructure is well advanced with the processing plant and camp areas fully walled.
- The mining workshop is under construction.

1.2.5 Environmental, Social and Permitting

- Thor has an in-country and local environmental and social team who are managing environmental and social aspects of the Project.
- The location of the Project is in a modified environment which has been logged for over 100 years and has remnants of gold mining from the 1950s.
- The mine area does not directly impact on the permanent dwellings of the nearest communities.
- The compensation process for the loss of agricultural crops and land has been outlined in the Livelihood Restoration Plan (LRP) in line with Nigerian legislation and international standards (specifically IFC PS 5 Land Acquisition and Involuntary Resettlement).
- Compensation rates for loss of crops and trees and rental rates for land within the proposed mine footprint have been prepared and endorsed by the Ministry of Mines and Steel Development (MMSD) and an inter-ministerial group consisting of State and Federal

Government Representatives. Compensation has been paid prior to land clearance and will be completed in Q2 2021.

- Thor has obtained a key environmental permit for the Project, the Environmental Impact Assessment (EIA) and the Environmental Protection and Restoration Programme (EPRP).
- The EIA has been certified by the Federal Ministry of Environment, subject to standard conditions.
- Management plans have been prepared, or are in the process of preparation, to address environment and/or social impacts during exploration, construction, operation, and closure phases.
- Thor has developed a stakeholder engagement plan for consultation with key project stakeholders over the life of the Project.
- Community Development Agreements (CDAs) provide project benefits to local communities; these have been signed by the three communities near the Project and endorsed by MMSD. Benefits include provision of nine new boreholes; 26 school scholarships to keep vulnerable children in school; and employment opportunities.
- Mine closure is addressed in the EIA and EPRP which identify closure objectives.
- Plans for habitat rehabilitation will be determined in consultation with stakeholders, particularly the local communities.
- A closure fund or bond is a legal requirement however the mechanism has not yet been established in Nigeria. A provision for closure costs has been made in the Project's budget ($4.2 million).

1.2.6 Capital and Operating Costs

- The estimated capital costs are primarily based on the Engineering, Procurement and Construction turnkey contract (EPC Contract) with Norinco International Corporation Ltd (Norinco International).
- Work commenced on the EPC Contract in February 2020 and is scheduled to achieve EPC Handover in August 2021.
- Total pre-production costs include initial capital for construction of facilities, equipment, and mining pre-production operating costs.
- Based on the status of the Project and engineering definition available the capital cost estimate is in line with a Class 3 estimate defined in the AACE Recommended Practice 47R-11 Cost Estimate Classification System as Applied in the Mining and Mineral Processing Industries. The estimate accuracy is +/-10%.

1.3 Technical Summary

1.3.1 Property Description

1.3.1.1 Segilola

Segilola is Thor's most advanced project, located in Osun State Nigeria, approximately 120 km northeast of the city of Lagos and 18 km south of the regional centre of Ilesha. The site is situated between the town of Iperindo and Odo Ijesha village.

SROL acquired a 100% interest in the Project in August 2016. Thor's rights to the property are through its 100% ownership of SROL and SGL.

The Project is envisaged as an open pit and gold processing operation.

It is currently in construction, with plant commissioning and the first gold pour scheduled to be during Q3 2021.

1.3.1.2 Douta

The Douta Gold Project is an early stage gold exploration property, located within the Kéniéba inlier, eastern Senegal. The Douta licence area is located between the Massawa and Sabodala deposits to the west and the Makabingui deposit to the east.

Thor, through its wholly owned subsidiary African Star Resources Incorporated (African Star), owns a 70% interest in the licence. International Mining Company SARL (IMC) has a 30% free carry interest until Thor announces a Probable Reserve, after which IMC will have to contribute or sell its interest to African Star.

Five separate gold prospects have been identified within the licence area. These comprise the most advanced Makosa prospect and the earlier exploration stage Maka, Mansa, Samba, and Makosa Tail prospects.

During 2020, Thor confirmed the consistent continuity of mineralisation of the Makosa North prospect for an additional one kilometre along strike.

1.3.2 Geology and Mineral Resources

1.3.2.1 Segilola

The Segilola Project is located in the crystalline Basement Complex rocks of southwestern Nigeria within the Ilesha Schist Belt (ISB). Schist belts in Nigeria occur as north-south trending domains of Upper Proterozoic (Eburnean 2,000 Ma) meta-sedimentary, meta-volcanic, and intrusive sequences that are oriented parallel to the boundary between the West African Craton and the Pan African Province. These schist belts are deeply infolded into a migmatite-gneiss-granite basement of Archean to Lower Proterozoic age and have been intruded by granitoids of the Pan African (600 Ma) orogenic suite. Primary gold mineralisation in the schist belts commonly occurs in quartz veins within several lithologies.

The ISB has accounted for a significant proportion of Nigeria's limited gold production. Significant alluvial-eluvial occurrences are known in the amphibolite belt to the west of the ISZ, particularly around Itagunmodi, which is located 15 km to 20 km west of the Project. However, Segilola is the largest known bedrock source of gold in the area.

The property stratigraphy consists of a series of quartzite schists, a gneissic sequence, and surficial alluvial sediments. The quartzite schists are composed of quartzite, quartz-mica schist, and meta-sediments such as garnet-biotite schist. The gneissic sequence is divided into paragneiss (biotite gneiss), orthogneiss (granite gneiss and pegmatoidal gneiss), and undifferentiated gneiss. The stratigraphy trends north-northeast and generally dips steeply towards the west.

Drilling results demonstrate that gold mineralisation occurs in fractured pale to dark grey coloured smoky quartz veining, sheared pegmatite, and silica/chlorite/carbonate alteration. Mineralisation is dominantly hosted in steeply dipping vein sets or lodes. The lodes form an elongate mineralised zone striking 010° and dipping 60° to 70° towards the west within a shear zone, primarily in biotite gneiss. The currently drilled mineralised zone is approximately 2,000 m in strike length, between 70 m and 200 m in depth, and between 2 m and 18 m in true thickness.

The lodes lie within an overturned sequence of metamorphosed, strongly foliated quartz sediments (quartzites/quartz biotite schist) at the boundary between the basement biotite gneiss (hanging wall) and calc silicate and mylonitic biotite-garnet schists (footwall). A unit of massive to foliated granodiorite conformably intrudes the sequence between the quartzites and basement gneisses. Pegmatitic veins, which are mostly conformable to schistosity, permeate the quartzite and footwall rocks. Gold mineralisation is associated with late stage weakly foliated to undeformed 'pegmatitic' veins and is restricted to the quartzite unit. The depth of weathering varies from one metre to two metres in the west to five metres to 10 m in the mineralised shear zone.

The Segilola deposit Mineral Resource (Table 1-2) comprises an Indicated Mineral Resource of 4.06 Mt at a grade of 4.66 g/t Au for 608,000 oz Au and an Inferred Mineral Resource of 0.44 Mt at a grade of 4.8 g/t Au for 68,000 oz Au.

All classified resource blocks located between the surface and the designed pit with grades greater than 0.30 g/t Au were included in the reported open pit Mineral Resources. Mineralisation located below the pit shell is considered potentially amenable to underground mining methods when constrained by strings representing continuous mining blocks and reported above a 2.5 g/t Au cut-off grade.

Table 1-2: Summary of Mineral Resources – 4 January 2021
Thor Explorations Ltd – Segilola Gold Project

Category	Open Pit (> 0.30 g/t)			Potential Underground (> 2.5 g/t)			Total		
	Tonnes (kt)	Grade (g/t Au)	Gold (koz)	Tonnes (kt)	Grade (g/t Au)	Gold (koz)	Tonnes (kt)	Grade (g/t Au)	Gold (koz)
Indicated	3,674	4.51	532	386	6.1	76	4,060	4.66	608
Inferred	32	2.5	3	411	5.0	65	443	4.8	68

Notes:

1. Mr I Taylor, MAusIMM (CP), Principal Geologist of Mining Associates, is responsible for this Mineral Resource statement and is an "Independent Qualified Person" as defined in NI43-101.
2. This statement uses the terminology, definitions, and guidelines set out in CIM (2014) definitions as incorporated by reference into NI 43-101.
3. The Mineral Resource is considered to have reasonable prospects for eventual economic extraction by open pit mining methods above a 0.30 g/t Au cut-off grade and within a designed pit wireframe. Mineral Resources below the pit shell are considered to have reasonable prospects for eventual economic extraction at a cut-off grade of 2.5 g/t Au where mineralisation is continuous.
4. Mineral Resources are reported inclusive of Mineral Reserves.
5. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
6. Totals may not add due to rounding.

To the best of the Competent Person's (CP) knowledge, there are no environmental, permitting, legal, title, tax, socio-economic, market, political or other relevant factors that would affect the Mineral Resource Estimate presented in this Technical Report.

1.3.2.2 Douta

The geology of the Douta permit area is dominated to the east by the Dialé sedimentary formations and to the west by the mafic and volcanoclastic formations of the Mako super-group, offering a favourable geological environment for mineralisation.

From south to north, the main feature of the exploration licence is the north-northeast to northeast striking Main Transcurrent Shear Zone (MTSZ). One of the parallel structures located 2.5 km to the west of the MTSZ hosts the nearby deposits of Massawa and its satellites.

The permit area is covered by colluvium, alluvium together with extensive lateritic cover which is thought to be transported material. The rare outcrops are sometimes in the form of hills.

Five separate gold prospects have been identified using surface geochemical sampling at Douta. These include the more advanced Makosa prospect, where first-pass RC and diamond drilling has defined mineralisation over approximately 2.7 km strike length, and the earlier exploration stage Maka, Mansa, Samba and Makosa Tail prospects.

In late 2020, a 10,000 m RC drilling programme was completed across three prospects at Makosa: Makosa North, Makosa Tail, and Maka. The results indicate up to four parallel, steep northwesterly dipping, mineralised horizons that are developed within a shale/greywacke sequence. The most significant discovery includes several higher grade zones towards the southern end of the drilled area where the drill coverage is wide spaced.

To date, insufficient exploration has been completed on the property to allow Mineral Resources to be declared for the Douta Project.

1.3.3 Mining and Mineral Reserves

The Segilola deposit area is located approximately 500 m south of a prominent series of east-west trending hilltops within undulating terrain and relief of up to 100 m in the local area. The deposit is amenable to extraction using conventional drill, blast and haul open pit mining methods using a fleet of conventional open pit mining equipment.

A single relatively long and narrow final open pit is proposed (approximately 1,900 m long and up to 450 m wide), which strikes parallel to the noted hilltops.

A total of 71.0 Mt of material is planned to be mined over 47 months (approximately four years) of ROM operations. Processing operations continue for an additional 14 months once ROM operations are complete, with feed supplied from ore stockpiles developed during the open pit operations. ROM rates range from 0.7 million tonnes per month (Mtpm) to 2.4 Mtpm, peaking in month 27.

LOM ore production will be 4.0 Mt at an average grade of 4.0 g/t Au. The processing plant is designed for a throughput of 715,000 tpa and gold recovery is projected to be 97%. The projected total gold contained over the LOM is 517,000 oz Au, at an annual average rate of 86,000 oz Au.

Three Waste Material Storage Areas (WMSA) for storage of waste generated during ROM operations are located outside of the final pit on the northwest, east and ROM pad; opportunity also exists for in pit waste material storage.

Several main arterial haul roads will be utilised to access the ROM pad and waste dumps from the main pit.

The proposed area of the final pit drains from west to east. The river drainage is located between the final pit and the Eastern WMSA to the east of the final pit. Numerous water management structures are developed as part of the mine plan to divert or collect contact water during the construction, operations, and closure periods.

Initial waste rock stripping and dumping activities will focus on early completion of the ROM pad to its full size.

As of the time of the site visit in early April 2021, the clearing and grubbing for the footprint of the ROM pad area was nearing its final stages. Following this the haul road and pad construction will commence. The initial ROM pad design is estimated to require approximately 300,000 bank cubic metres (BCM) of fill material. This material will be sourced from overburden stripped from the open pit.

The Mining Associates CP undertook a visit to the Project site during April 2021. During the CP visited the locations of the final pit, WMSAs, ROM pad, processing area, and TMF area and observed and discussed the progress of the Project construction with the site team.

Probable Mineral Reserves are reported as the Indicated Mineral Resource within the final pit design, including modifying factors, and above the cut-off grade. There are no Measured Mineral Resources estimated for potential conversion to Proven Mineral Reserves. Probable Mineral Reserves total approximately 4.0 Mt at 4.0 g/t Au, for 517,000 ounces of contained gold.

The Mineral Reserves are contained within the Mineral Resources stated in Section 4 of this report and are presented on a 100% basis.

Table 1-3 presents the Mineral Reserve estimate with an effective date of 31 March 2021.

Table 1-3: Mineral Reserve Estimate – 31 March 2021
Thor Explorations Ltd. – Segilola Gold Project

	Tonnes (Mt)	Grade (g/t Au)	Contained Metal (koz Au)
Proven			
Probable	4.0	4.00	517
Total	**4.0**	**4.00**	**517**

Notes:

1. CIM (2014) definitions were followed for Mineral Reserves.
2. Mineral Reserves are presented on a 100% basis.
3. Mineral Reserves are estimated using a gold price of US$1,600/oz.
4. Mineral Reserves are estimated at a cut-off grade of 0.30 g/t Au for all ore types.
5. Mineral Reserves are estimated as mined and delivered to the processing facilities.
6. Numbers may not add due to rounding.

The CP has verified that the Mineral Reserves have positive economics at the stated Mineral Reserve metal price and is of the opinion that the classification of the estimated Probable Mineral Reserves meets the CIM (2014) definition of Probable Mineral Reserves.

1.3.4 Mineral Processing

The process flow sheet consists of crushing, milling, gravity circuit, leach and CIL, elution and regeneration, electrowinning and smelting, cyanide detox and tailings deposition. The ore is of medium hardness.

Gold mineralisation is non-refractory free milling. High gold recovery (97%) is achievable using a combination of gravity recovery and conventional CIL.

The processing plant is designed for a throughput of 715,000 tpa and has been designed by Yantai Orient Metallurgical Design and Research Institute, in Yantai, Shandong Province, China.

The plant is fed by ore delivered from the ROM stockpiles, by a front-end-loader (FEL) or direct tipped by 30 t trucks, through a 600 mm grizzly. A jaw crusher rated at 150 tonnes per hour (tph), feeds the crushed ore stockpile with a 160 mm product. From here the milling circuit consisting of a semi-autogenous grinding (SAG) and ball mill grinds the product to 80% passing (P_{80}) 106 microns.

A gravity recovery circuit recovers coarse gold from the mill circulating load. The gravity circuit consists of a centrifugal gravity concentrator (Knelson) followed by an intensive leach reactor (Acacia) and electrowinning cell. Fine gold is recovered by cyanide leach and carbon adsorption/desorption circuit. The final product, gold bullion bars will be dispatched to a refinery. Final tailings will be processed through a cyanide detoxification circuit and deposited as wet tailings into a TMF.

1.3.5 Project Infrastructure

The Project is located close to the bituminised road that connects the town of Ilesha to the north and the village of Iperindo to the south.

SROL maintains an office, accommodation camp, and core logging and sample preparation facility, which are all housed within a single secured compound on the outskirts of the town of Ilesha, located approximately 25 km north of the Project area.

The Project will be provided with all the necessary onsite infrastructure required to maintain and operate the proposed mine and gold processing operations. The facilities include:

- Internal access and mine haulage roads
- Camp accommodation
- Office blocks
- Workshops
- Explosives storage
- Power generator station and on-site distribution
- Communications system
- Process facility
- Water supply
- Water storage dam
- Sewerage treatment
- TMF
- WMSAs

Knight Piésold Limited (Knight Piésold) has provided the detailed design for the TMF. The design of the TMF is based on a LOM plan of five years, with an estimated total tailings production of 4.04 Mt.

The TMF will undergo a total of five stage raises using the downstream construction methodology where the crest moves farther downstream for each consecutive raise. The final dam geometry has a minimum crest elevation of 353 metres above sea level (masl) and a crest width of 12 m. The upstream and downstream slopes will be raised from the starter dam at an angle of 1V:3H.

At the time of writing this Report, it is understood (based on Thor's public reports and the site visit by the Mining Associates CP) that the following infrastructure is complete or under construction at Segilola:

- Camp construction at an advanced stage.
- Additional office block construction at an advanced stage.
- Workshop (clearing and grubbing commenced, concrete pad poured).
- Process facility
    - Foundations, structural concrete, and steel work ongoing.
    - Generator farm concrete foundations complete.
    - Construction of crusher pocket and retaining walls in process, with the mill feed stockpile conveyor structural steelwork in an advanced state of installation.
    - Mill feed stockpile base, feeder draw-down points and conveyor tunnel complete.
    - Mill feed conveyor structure plinths complete, but structural steel still to be installed.
    - Concrete and structural steel for mill train complete, with SAG mill shell installed.
    - Leach tanks are complete, but no piping and wiring completed.
    - Electrowinning and gold plant foundations excavated.

- Water storage dam completed.
- TMF clearing and grubbing completed.

SROL currently projects full commissioning and first gold pour in Q3 2021.

1.3.6 Environmental, Permitting and Social Impacts

The Project site is located in a modified environment that has been disturbed by human activities over many decades. These activities are still ongoing; e.g., the area has been logged for over 100 years; hunting for bushmeat still occurs; the site contains the remnants of gold mining activity from the 1950s; and current land use mostly consists of exploiting trees of economic value which provides income for communities in Iperindo, Imogbara and Odo Ijesha, located to the north and south of the mining lease area.

An EIA was carried out for the Project by independent consultants, in compliance with the EIA Act No. 86 of 1992. The Federal Ministry of Environment (FMENV) issued an EIA Certificate for "...exploration and mining of gold deposits at Iperindo/Odo, Osun State" on 22 March 2013. The EIA is a nationally approved document, and the certificate includes specific and general conditions requirements for Thor/SROL.

The Project area has predominantly secondary rain forest vegetation with high density and composition. The habitat is interspersed with trees of economic value and cash crops which provide income for village residents surrounding the proposed mine site. Most of the grasses, shrubs, lianas, and trees in the area are typical of the rain forest zones in Nigeria.

Vegetation in the area is dense, largely due to the influence of rainfall. Although the impact of rainfall supports the herbaceous flora most effectively, woody flora survives throughout the dry season. The composition and population of the animal communities depend on the vegetation which provides shelter, security, and food for these animals. The latest baseline ecology survey (Q1 2021) results on flora were consistent with the survey results obtained during the EIA process, in that the natural habitat has been modified by human activity including subsistence agriculture, logging, and hunting.

Monitoring of baseline environment factors has been ongoing since 2017 commencing with surface water then expanding to include groundwater, air quality and dust, noise, and soil quality. The findings mirror those outlined in the EIA and broadly conform to Nigerian standards.

Thor has obtained all required permits to conduct the proposed work on the property. SLR is not aware of any other significant factors and risks that may affect access, title, or the right or ability to perform the proposed work programme on the property.

Surface rights are locally held under a cultural governance system acknowledged in the Land Use Act 1978. Permission to access the licence area has been obtained from the village chiefs. This is a requirement when lodging a licence application.

Cultural heritage assessment was undertaken as part of the EIA. This information was validated as part of the socio-economic and asset surveys undertaken with conjunction with the Livelihood Restoration Plan in June 2019 to March 2021. No tangible or intangible cultural heritage has been impacted by the project footprint.

Management plans under the umbrella of an Environment and Social Management System (ESMS) and Environmental Management Plan (EMP) have been prepared, or are in the process of being prepared, to address environment and/or social impacts during the remaining exploration, construction, operation, and closure phases.

CDAs providing project benefits to the local community (as required by the Mining and Mineral Regulations 2011 and EIA Certificate) have been completed and signed for the three communities closest to the proposed mine. SROL has regular meetings with the community leaders so that they are made aware of the project activities and impacts and encouraged them to make inputs in appropriate mitigation measures.

Stakeholder consultation occurred during the EIA process and then intermittently until 2017 when Thor recommenced consultation meetings with communities. A step-up in consultation and public participation has occurred as part of the exploration phase and in the development of the CDAs. CDA committees with representations from each village have been established to aid in managing the CDA process.

The nearest communities' dwellings and other permanent structures are not directly impacted by the proposed mine, its infrastructure or buffer zones (i.e., no physical resettlement is required). However, economic impacts have been identified and compensation for the loss of agricultural crops and trees has been outlined in a LRP in conformance with IFC PS 5 and fully acknowledging relevant Nigerian laws and regulations for fair compensation.

Although a closure fund or bond has not been requested by the MMSD, SROL has, in line in with good international industry practice, allocated funds for closure in the Project's budget process. This budget ($4.2 million) includes monitoring of the environmental rehabilitation programme for five years post gold production. Some aspects of rehabilitation will be covered by the operations budget, however, the closure budget will be reviewed annually, or in the case that unforeseen changes occur during the LOM.

1.3.7 Capital and Operating Costs

1.3.7.1 Capital Costs

The Project initial capital cost estimate is US$92.4 million. which is planned to be spent over an approximate 18 month period. Work commenced on the EPC Contract in February 2020 and is scheduled to achieve EPC Handover in August 2021.

The initial capital cost estimate for the Project is summarised in Table 1-4.

Table 1-4: Initial Capital Summary
Thor Explorations Ltd – Segilola Gold Project

Description	US$000s
EPC Turnkey	67,952
First Fills	1,900
Owner Cost	10,501
VAT & Duties	3,995
Subtotal - Initial Capital	84,349
Mining pre-production and pre-strip cost	5,833
Upfront Working Capital	2,240
Total Initial Development Capital Cost	**92,422**

All capital and operating costs are in 2021 US dollars (US$) unless otherwise noted.

The capital costs presented are primarily based on the EPC Contract with Norinco International, with input from Knight Piésold on the TMF and Thor on the Owner's costs and General and Administrative (G&A) costs.

Sustaining capital costs of US$7.9 million are estimated for the period from commencement of commercial operations through to Q1 2027.

Project sustaining capital costs include TMF stage raises over the LOM, plant annual capital expenditures, and contingency.

The mine closure cost is estimated to be US$4.2 million.

1.3.7.2 Operating Costs

Total operating costs are estimated to be US$78.46/t milled.

A summary of the LOM unit operating costs is presented in Table 1-5.

Table 1-5: Operating Cost
Thor Explorations Ltd – Segilola Gold Project

Description	Total LOM Operating Costs	US$/t milled
Contractor Mining (3.02/t moved)		53.48
Process (Thor)		17.18
G&A		7.81
Total		**78.46**

The estimated operating costs are based upon contractor mining and Owner operated production equipment and site facilities, as well as the Owner employing and directing all non-mining operating, maintenance, and support personnel.

The estimated operating costs are based on the schedule of rates in the Mining Contract signed with SINIC, a sub-contractor in charge of load and haul operations.

1.3.8 Valuation of Reserves

A post-tax discounted cash flow model is used as the valuation basis.

The valuation of Mineral Reserves is based on the discounted cash flow (DCF) approach. This method of valuation requires projecting yearly cash inflows, or revenues, and subtracting yearly cash outflows such as operating costs, capital costs, royalties, value-added-tax (VAT), taxes, etc. Cash flows are discounted on an end of year basis and totalled to determine net present values (NPV) at the selected discount rates. The internal rate of return (IRR) is calculated as the discount rate that yields a zero NPV. The payback period is calculated as the time needed to recover the initial capital spent from the commencement of commercial operations.

The cash flow model was constructed on a 100% equity basis. The data inputs and schedule are in a monthly format, while the results are presented on an annual basis using the mid-year point.

In accordance with the AIM Note, the valuation of the Mineral Reserves has been undertaken using a discount rate of 10%.

SLR has relied upon Thor for guidance on applicable mining and income taxes to revenue or income.

Other inputs include:

- Total gold recovery rate of 97%.
- Doré transportation and refining costs.
- A constant LOM gold price of US$1,600/oz.

- Government royalty of Naira 5,400 per ounce of gold
- Private total royalty of 3.0% of gross revenue to a maximum of $7.5M.
- Discount rate of 10%.

All costs are in constant US$ with no provision for inflation escalation, and financial results are reported on both a post-tax and pre-tax basis.

The results of the economic analysis represent forward-looking information and are subject to a number of known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those presented in this Report.

Table 1-6 summarises both the post-tax results of the valuation for the Project. SLR notes that in this particular case, the pre-tax and post-tax sensitivities are the same due to the LOM tax holiday assumption in the economic model.

The DCF valuation for the Project gives post-tax NPV of US$264,654 million based on an average ROM production rate of 84,000 oz Au per year at a LOM All-in Sustaining Cost (AISC) of US$685/oz Au, which generates approximately US$61.5 million of post-tax free cash flow annually for the six years of commercial operation.

The Project has a post-tax IRR of 88.4% and undiscounted payback period of 1.1 years from start of commercial operations.

Table 1-6: Valuation Summary
Thor Explorations Ltd – Segilola Gold Project

Item	Value (US$000)
Recovered Gold (oz)	502,000
Gold Price (US$/oz)	1,600
Gross Revenue	802,886
Operating Cash Costs	**332,772**
Operating Margin	470,114
Income Taxes (includes tax holiday)	0
Operating Cash Flow	**470,114**
Initial Capital	88,282
Sustaining Capital	6,746
Closure Cost	4,153
Free Cash Flow	**368,693**
Post-tax NPV @ 10%	**264,654**
Post-tax IRR	**88.4**
Post-tax Payback Period	**1.1**

1.3.9 Sensitivities

Project risks can be identified in both economic and non-economic terms. Key economic risks were examined by running cash flow sensitivities:

- Head grade
- Gold recovery
- Gold price
- Operating costs
- Capital costs

Post-tax NPV and IRR sensitivities over the base case valuation have been calculated for -20% to +20% variations for head grade, recovery, gold price, operating costs, and capital costs.

The post-tax sensitivities are shown in Table 1-7.

Table 1-7: Post-tax Sensitivity Analysis
Thor Explorations Ltd – Segilola Gold Project

Modifier	Head Grade	NPV @ 10%	IRR
0.80	3.22	$138,812	50.7%
0.90	3.62	$201,733	69.5%
1.00	**4.02**	**$264,654**	**88.4%**
1.10	4.42	$327,632	107.7%
1.20	4.82	$390,614	127.3%

Modifier	Recovery	NPV @ 10%	IRR
0.80	77.60	$138,822	50.7%
0.90	87.30	$201,738	69.5%
1.00	**97.00**	**$264,654**	**88.4%**
1.10	106.70	$327,627	107.7%
1.20	116.40	$390,604	127.3%

Modifier	Au Price	NPV @ 10%	IRR
0.80	$1,280	$137,098	50.2%
0.90	$1,440	$200,876	69.2%
1.00	**$1,600**	**$264,654**	**88.4%**
1.10	$1,760	$328,489	107.9%
1.20	$1,920	$392,328	127.8%

Modifier	Operating Cost	NPV @ 10%	IRR
0.80	$251,548	$316,639	107.1%
0.90	$282,992	$290,647	97.7%
1.00	**$314,436**	**$264,654**	**88.4%**
1.10	$345,879	$238,661	79.3%
1.20	$377,323	$212,668	70.5%

Modifier	Capital Cost	NPV @ 10%	IRR
0.80	$83,764	$282,310	111.1%
0.90	$92,592	$273,482	98.5%
1.00	**$101,420**	**$264,654**	**88.4%**
1.10	$110,249	$255,826	79.9%
1.20	$119,077	$246,997	72.8%

The analysis shows that the Project is most sensitive to gold grade, price, and (downside) recovery. Capital and operating costs have less effect than the metal-related categories mainly due to the small size and short life of the operation.

Exchange rates have very little impact with most costs and all revenue expressed in US dollars.

1.3.10 Risks

Mining is carried out in an environment where not all events are predictable.

Whilst no material risks have been identified by SLR, there is still the possibility for unexpected and unpredictable events to occur. It is therefore not totally possible to remove all risks or state with certainty that an event that may have a material impact on the operation of a mine will not occur.

SLR has identified the following risks to the Project.

1.3.10.1 Mineral Resources

- There may be additional unidentified cross-cutting dykes in the south of the deposit that impact the resource and pit design in that area.
- The offset (fault) between Lodes 100 and 200 will need better definition during grade control drilling and pit mapping.
- The hanging wall lodes (Lodes 400, 500) are less continuous than the main lodes within the Segilola mineralised zone.

1.3.10.2 Mining and Mineral Reserves

- Minor design aspects relating to slope stability, bench height, and pit dewatering during the rainy season may pose a low operational risk.
- Due to the narrow mining width of some of the lodes, there is a risk that dilution in excess of the assumption of 12% dilution may occur with a reduction in head grade to the plant.
- The mining contract structure requires strict adherence to planned volumes. If these are not achieved, unit rates will increase resulting in an increase in operating costs.
- Based on the ore lode dimensions, dilution will remain a risk and achieving 12% or less dilution will require appropriate control and supervision over the ore mining operations.
- High rainfall periods in the wet season (April to October) can lead to materials handling difficulties at ROM pad, and coarse ore stockpile. This will require particularly close attention during the commissioning period and first few months of operations.

1.3.10.3 Infrastructure

- The TMF has been designed with a capacity for a LOM of five years. Additional capacity will be required if the LOM is extended.

1.3.10.4 Environmental and Social

- The proximity of communities, and some public infrastructure close to the mining activities, to the southern part of south pit will have an impact on the local communities with regard to safety, health, environment, and infrastructure. Close and regular liaison with local communities will be essential.

1.3.10.5 Project Schedule

- There is a possibility that the process plant commissioning and production ramp up to full nameplate capacity could be delayed beyond the end of Q3 2021.

2.0 INTRODUCTION

SLR Consulting Ltd (SLR) was retained by Thor Explorations Ltd. (Thor) to prepare an independent Competent Person's Report (CPR or the Report) on the two primary assets owned by Thor, namely the advanced stage Segilola Gold Project (Segilola or the Project) located in Nigeria and the exploration stage Douta Gold Project (Douta) in Senegal. As the most advanced of the two assets, Segilola is the principal focus of this CPR.

This Report, which summarises the findings of SLR's independent review of the Projects, has been prepared in order to satisfy the requirements of a CPR as set out in the Note for Mining, Oil and Gas Companies, dated June 2009, published by the London Stock Exchange (the AIM Note), which forms part of the AIM Rules for Companies (the AIM Rules) published by the London Stock Exchange.

All currency in the Report is in United States dollars (US$ or $) unless otherwise stated.

2.1 Description of Assets

Thor owns the following assets in Nigeria and Senegal:

1. Segilola Gold Project in Nigeria
2. Exploration licences in Nigeria
3. Douta Gold Project in Senegal

Table 2-1 provides a summary of the status of the above assets.

Table 2-1: Thor Assets
Thor Explorations Ltd – Segilola Gold Project

Asset	Holder	Interest (%)	Status	Licence	Expiry Date	Licence Area (km^2)	Comments
Nigeria, Exploration licence	Segilola Resources Operating Ltd.	100	Exploration	EL19066	24 September 2021	27	Re-application for EL19066 is reported by Thor to be underway.
Nigeria, Segilola Gold Project	Segilola Resources Operating Ltd. (SROL)	100	Development/in construction	ML41 Mining Licence	28 September 2040	16.2	The Mining Licence (ML41) is contained within the Exploration Licence (EL19066).
Nigeria, Exploration licences	Segilola Gold Ltd. (SGL)	100	Exploration	EL26355 EL26356 EL26357 EL26358 EL28801 EL28802 EL29977 EL29978	22 November 2022 22 November 2022 22 November 2022 22 November 2022 31 March 2022 31 March 2022 1 October 2022 2 October 2022	77.6 120 39.2 97 124.8 17.6 173.6 170	Licences are granted for two years and renewable twice.
Senegal, Douta Gold Project	African Star Resources BVI.	70 (contractual interest)	Early stage Exploration		Expired	58	Thor holds a contractual interest through African Star. Re-application for the licence is in progress. No Mineral Resources have been estimated or declared for the asset.

For this report, SLR has relied on ownership information for Segilola and Douta provided by Thor. SLR has not researched property title or mineral rights for either asset and expresses no opinion as to the ownership status of the assets.

Table 2-2 provides a summary of the estimated Mineral Reserves and Mineral Resources for Segilola.

No Mineral Resources or Mineral Reserves have been estimated for the Douta asset to date.

Table 2-2: Summary of Reserves and Resources
Thor Explorations Ltd – Segilola Gold Project

Category	Gross			Net Attributable			Operator
	(Tonnes)	Grade (g/t)	Contained Gold (oz)	(Tonnes)	Grade (g/t)	Contained Gold (oz)	
Segilola Mineral Reserves							
Proven							
Probable	4.00	4.02	517,000	4.00	4.02	517,000	SROL
Sub-total	**4.00**	**4.02**	**517,000**	**4.00**	**4.02**	**517,000**	
Segilola Mineral Resources							
Measured							
Indicated	4.06	4.66	608,000	4.06	4.66	608,000	SROL
Inferred	0.443	4.80	68,000	0.443	4.80	68,000	
Sub-Total	**4.503**	**4.67**	**676,000**	**4.503**	**4.67**	**676,000**	

2.1.1 Segilola Gold Project

Segilola is Thor's most advanced project, located in Osun State Nigeria, approximately 120 km northeast of the city of Lagos and 18 km south of the regional centre of Ilesha (Figure 4 1). The site is situated between the town of Iperindo and Odo Ijesha village. The Project is centred on 700,987 mE, 832,281 mN (WGS84 UTM Zone 31N).

SROL Explorations Ltd acquired the Project (100% interest) in August 2016 through the acquisition of Segilola Resources Operating Limited (SROL) and its joint venture partner Segilola Gold Limited (SGL) from Ratel Group Limited (RGL or Ratel), a wholly owned subsidiary of RTG Mining Inc. Thor's rights to the property are through its 100% ownership of SROL and SGL.

The Segilola deposit comprises a system of stacked, steeply-dipping, parallel quartz-pegmatite veins which are characterised by wide-spread high-grade, sometimes visible, free-milling gold. The deposit is located in the crystalline Basement Complex rocks of southwestern Nigeria within the Ilesha Schist Belt (ISB).

As of January 2021, Mineral Resources for Segilola comprise Indicated Resources of 4.06 Mt at a grade of 4.66 g/t Au for 608,000 oz Au, and Inferred Resources of 0.443 Mt at a grade of 4.8 g/t Au for 68,000 oz Au. Total Probable open pit Mineral Reserves as of March 2021 total 4.0 Mt at a grade of 4.02 g/t Au for a total gold content of 517,000 oz Au.

The Project is currently under construction and is scheduled to have the first gold pour in Q3 2021.

2.1.2 Douta Gold Project

The Douta Gold Project is a gold exploration permit that covers an area of 103 km^2, located within the Kéniéba inlier, eastern Senegal. The Douta licence area is located between the Massawa and Sabodala deposits to the west and the Makabingui deposit to the east.

Thor, through its wholly owned subsidiary African Star Resources BVI (African Star), holds a 70% contractual interest in the licence from International Mining Company SARL (IMC). IMC has a 30% free carry interest until Thor announces a Probable Reserve, after which IMC will have to contribute or sell its interest to African Star.

Five separate gold prospects have been identified within the licence area using surface geochemical sampling. These comprise the most advanced Makosa prospect, where first-pass reverse circulation (RC) and diamond drilling has defined mineralisation over a 2.7 km strike length, and the earlier exploration stage Maka, Mansa, Samba, and Makosa Tail prospects.

During 2020, Thor completed a 10,000 m RC drilling programme across three of the prospects (Makosa North, Makosa Tail and Maka), which confirmed the continuity of mineralisation of the Makosa North prospect for an additional one kilometre along strike.

2.2 Sources of Information

Site visits were carried out by personnel from Roscoe Postle Associates Inc. (RPA), now part of SLR, between 19 September 2018 and 21 September 2018 and between 9 and 10 February 2019.

Mr Burger (CP) of Mining Associates Pty Ltd (Mining Associates) visited the site between 8 April and 10 April 2021.

Thor employed a number of independent consultants who provided input for the CPR:

- SLR – Preparation of the CPR and property valuation.
- Mining Associates – preparation of, and CP responsibility, for the 4 January 2021 Mineral Resource and 31 March 2021 Mineral Reserve estimates for Segilola.
- Norinco International Corporation Ltd (Norinco International)/CMGE Yantai Orient Metallurgical Design and Research Institute (Yantai) - mineral processing and infrastructure;
- Knight Piésold Limited (Knight Piésold) - tailings management facility;
- SRK Consulting Ltd (SRK) and Peter Clifton and Associates – hydrogeological assessment;
- Peter O'Bryan & Associates – geotechnical assessment for the open pit;
- GR Engineering Services Ltd. (GRE) – metallurgical and processing consulting services; and
- Independent Metallurgical Operations Pty Ltd (IMO) – metallurgical test work.

The documentation reviewed, and other sources of information, are listed at the end of this report in Appendix 3.

2.3 Site Visits

Site visits were carried out to the Segilola property between 19 September 2018 and 21 September 2018 by David JF Smith, CEng, SLR Principal Mining Engineer; and between 9 February and 10 February 2019, by Jack Lunnon, CGeol, formerly SLR Senior Geologist, and Marion Thomas, CEnv., Environmental and Social Consultant.

While at site, Mr Smith visited the historical open pit, and the proposed locations of the open pit, processing plant site, and tailings disposal facility. During the 2019 site visit, the same mine components were visited by the SLR team; and the social/environmental consultant also met the three communities.

Mining Associates (Mr Burger) visited the Segilola site between 8 April and 10 April 2021.

While at site, Mr Burger reviewed the geological setting, examined rock specimens and field locations of interest, reviewed geological procedures, databases, and general geological practices. Mr Burger also reviewed all current and future mining areas, related infrastructure, and site controlling conditions.

SLR has not visited the Douta asset.

3.0 PROPERTY DESCRIPTION AND LOCATION

3.1 Segilola

3.1.1 Nigerian Mining Sector

Nigeria is Africa's most populous country and the largest economy in Africa with a Gross Domestic Product (GDP) of $469 billion. The county's economy has a very large dependency on the Oil and Gas sector, which contributes 32.43% of GDP.

Nigeria's is endowed with a wide range of hard mineral resources, including precious metals, base metals, industrial and energy minerals as well as gemstones and dimension stone.

Despite the abundance and range of hard mineral resources, the mining sector has significantly declined since the 1980's and currently accounts for 0.3% of national employment, 0.02% of exports and about $1.40 billion to the Nigerian GDP.

These figures are very low when to the sectors of other African countries such as Ghana, Cote D'Ivoire, South Africa and the Democratic Republic of Congo.

The current government has committed to the diversification of the Nigerian economy, and to making the development of the mining and agricultural sectors a priority of his administration.

Nigeria has a well-defined and established regulatory structure for the industry. Exploitation and exploration of solid minerals are governed by the Nigerian Minerals and Mining Act 2008 (the Act), and the Nigerian Minerals and Mining Regulation 2011.

This is supported by active professional bodies and national agencies such as the Mining Cadastre Office (MCO) that is responsible for the management of mineral rights.

The main federal institution that oversees mining activity in Nigeria is the Ministry of Mines and Steel Development (MMSD). The ministry is structured as several technical directorates and agencies, namely: Mines Inspectorate, Mines Environmental Compliance, Artisanal & Small Scale Mining, Mining Cadastre Office, Metallurgical Inspectorate and Raw Material Development, and Steel & Non-Ferrous Metals.

Nigeria does not currently have any of the majors active in the country due largely to the perception that the policy and investment climate is hostile to the mining industry and poor infrastructure in the mining regions. The Annual Survey of the Frasier Institute ranks Nigeria as one of the ten least attractive jurisdictions in the world for mining investment.

There are a small number of mid-tier and junior mining companies actively engaged in the sector, mostly from Australia, UK, China, Ukraine, and India and focused primarily on exploration and mining of gold, iron ore, lead-zinc, and coal. There are also some indigenous small companies involved in small-scale mining activities. Presently, the most active participants in the sector are the quarry operators for construction stones (mostly aggregates), cement companies for limestone, artisanal miners and mineral traders.

Large deposits of gold have been found in the north-west and south-west of Nigeria and other parts of the country, mainly as a result of exploratory activities and activities of artisanal miners.

Thor's Segilola project is expected to be a leader in changing the perception of the Nigerian industry.

Recently, the Nigerian government has licensed gold refineries to produce the metal for export and for the Central Bank of Nigeria to become an off-taker, buying at international prices.

The government has introduced taxation and other regulatory incentives to encourage inward investment in the sector. These include exemption from customs duty for imported mining equipment, and tax relief over a period of three years with a possible extension for another two years if certain criteria are met.

The Mining Sector is designated a Pioneer Industry approved by the Federal Executive Council. Pioneer status is a fiscal incentive provided under the Industrial Development (Income Tax Relief) Act (IDITRA), Laws of the Federation of Nigeria.

Eligible companies operating in designated pioneer industries, which apply for and are granted pioneer status, are entitled to income tax holiday for up to five years – three years in the first instance, renewable for two additional periods of one year. In addition to income tax holiday, pioneer companies enjoy other benefits, such as the exemption of dividends paid out of pioneer profits from withholding tax. This incentive scheme has been in place and functional for over 14 years.

Thor reports that the Company has applied for pioneer status and fully expects to be designated as a pioneer company and, as a result, will be able to benefit from the foregoing tax shield. Thor also expects that following the five-year tax exemption, the company will be granted (under the Nigerian Minerals and Mining Act) a capital allowance equating to 95% of qualifying project capital expenditure.

Thor's Segilola project is being seen as a leader in changing the perception of the Nigerian mining industry.

3.1.2 Location

The Segilola Project is located in the state of Osun, Nigeria, approximately 120 km northeast of the section capital city of Lagos and 18 km south of the regional centre of Ilesha (Figure 3-1). Lagos has direct flights to the United Kingdom, Europe, South Africa, and the Middle East via regularly scheduled international commercial carriers.

The site is situated between the town of Iperindo to the south and the villages of Odo Ijesha and Imogbara to the north, in the Atakunmosa East Local Government constituency.

The Universal Transverse Mercator (UTM) co-ordinates for the approximate centre of the Project are 700987 mE, 832281 mN (UTM Zone 31N). The surrounding settlements are inhabited by approximately 11,000 people. The village inhabitants are mainly farmers with family holdings which are linked by minor roads and footpaths.

June 2021

Source: Map Resources, 2019.

Figure 3-1

Thor Exploration Ltd.

Segilola Project

Osun State, Nigeria

Location Map

3.1.3 History

The area is well known for its gold production from eluvial placers. Modern mining of the alluvial and eluvial deposits began in 1942 and official records state an annual historic production of approximately 23,000 oz Au. The Segilola deposit, formerly known as the Iperindo Reef, was first discovered during the working of the eluvial deposits in 1945.

The ownership and exploration history prior to Thor's acquisition of the Project in 2016 is summarised as follows:

- 1947: Limited underground development was initiated comprising a shaft and an adit by the Odutola brothers.
- 1950s: The prospect was sold to a Mr Gomra, an Abadan-based Lebanese expatriate who began surface mining operations.
- 1953: Investigation of the district by the Geological Survey of Nigeria.
- 1965-1966: The llesha S. E. (Sheet 243 S.E.) of the Nigeria 1:50,000 Series was compiled from aerial photography and ground control by the Government of Canada as part of an aid programme with the Government of Nigeria. The map sheet has a contour interval of 50 ft. This appears to have been the topographic control later used by Nigerian Mining Corporation (NMC) and ljesa GeoMin Mining Development Corporation Limited (IGMDC) in their exploration work.
- 1970: Property acquired by Obokun Minerals Developments Limited (OMDC) which rehabilitated the plant, however, operations ceased due to internal company problems.
- 1976: Bureau de Recherches Géologiques et Minières (BRGM) completed mapping and geochemical surveys over the property.
- 1981: Polservice (Polish geologists and engineers) undertook a geological review, petrographic and metallurgical studies.
- 1982: NMC acquired the Project from OMDC and completed an eluvial drilling programme.
- 1983: NMC carried out geological mapping, surveying, and soil geochemistry. Old trenches were cleared, additional trenches excavated, and six holes drilled.
- 1984: NMC carried out additional exploration work and drilled 13 holes.
- 1986: NMC issued a new Exclusive Prospecting Licence (EPL).
- 1987: NMC drilled a further 15 holes.
- 1992: Pineridge Nigeria Ltd (PNL) carried out a detailed pre-investment study and compiled all the data.
- 1994: PNL entered into a joint venture with NMC.
- 1995: Tropical Mines Ltd (TML) was incorporated as a joint venture company (owned 20% by NMC and 80% by PNL). NMC was issued with Temporary Mining Licence TMiL 19706.
- 1995: A preliminary assessment report was prepared for NMC and PNL by Neil Cole of N.H. Cole and Associates Private Limited, in October 1995.
- 1996: TMiL 19706 was assigned to TML and approved for 21 years and a three-year temporary title.
- 1997: TML signed a joint venture agreement with Hansa. Hansa operated through its consultancy company Hansa GeoMin Consult and results were reported in the name of the joint venture company IGMDC. IGMDC re-surveyed the licence; rehabilitated, extended, mapped, and sampled the underground crosscut; rehabilitated several old trenches and dug new trenches; mapped and sampled all trenches; completed ground geophysical and

geochemical surveys; and carried out drilling. IGMDC also completed a statistical study of the assay results, sampled the tailings, completed petrographic and fluid inclusion studies.

- 1999: TML-Hansa joint venture was terminated.
- 2007: SGL, then a wholly owned subsidiary of CGA Mining Limited (CGA), acquired the right to earn up to 51% undivided interest in the tenements. Detailed drilling of the known mineralised zone commenced.
- 2009: CGA declared a maiden Mineral Resource estimate prepared by Odessa Resources Pty. SGL was transferred by CGA to its affiliate, RGL, a Toronto Stock Exchange (TSX) listed entity. The same CGA management team remained as overseers of the Project.
- 2010: RGL completed a Feasibility Study (FS) for internal purposes.
- 2011 to 2012: SGL, now a wholly owned subsidiary of RGL, initiated a 4,200 m drilling programme to test the southern and northern strike extensions of the already delineated mineralisation. In 2012, a Revised Bankable Feasibility Study was completed but not published. Development of the Project was delayed due to a dispute between TML and RGL regarding earned interest in the Project.
- Thor acquired a 100% interest in the Project in August 2016 through the acquisition of SROL and its joint venture partner SGL from RGL, a wholly owned subsidiary of RTG Mining Inc.

3.1.4 Previous Resource Estimates for Segilola

Table 3-1 shows the historical mineral resource estimates prepared by previous owners prior to Thor's acquisition in 2016 and the current 2021 estimate.

Table 3-1: Historical Mineral Resource Estimates
Thor Explorations Ltd – Segilola Gold Project

Company	Owner-ship	Date	Code	Indicated Mineral Resources			Inferred Mineral Resources		
				Tonnes (Mt)	Grade (g/t Au)	Contained Gold (oz)	Tonnes (Mt)	Grade (g/t Au)	Contained Gold (oz)
Pineridge Ltd	NMC	1992					1.06	10.1	347,000
Hansa	NMC	1991					1.4	6.0	270,000
Odessa Resources Pty Ltd	CGA	2009	CIM (2014)	3.66	4.4	522,000	0.82	4.1	106,000
RPA open pit	Thor	2019	CIM (2014)	3.03	4.5	441,000	0.33	6.8	73,000
RPA underground	Thor	2019	CIM (2014)	0.1	9.4	28,000	0.35	7.9	90,000

3.1.5 Project Ownership and Land Tenure

Thor acquired a 100% interest in the Project in August 2016 through the acquisition of SROL and its joint venture partner SGL from RGL, a wholly owned subsidiary of RTG Mining Inc. Thor's rights to the property are through its 100% ownership of both SROL and SGL.

The property comprises a mining licence (ML41), which covers an area of 1,720 ha (17.2 km^2)/81 cadastral units) and is contained within the larger exploration licence (EL19066), which measures 2,700 ha (27.0 km^2)/135 cadastral units). The location of the licences is shown in Figure 3-2.

Annual fees are payable in respect of all mineral titles. In addition, the holder of a mining lease is required to pay surface rent at a yearly rate to be determined by the Minister with respect to lands used by it for mining operations.

The mining licence (ML41) was renewed in September 2016 and is valid for a period of 25 years until 2041. Obligations required to maintain the mining licence include:

- Meet the prescribed reporting requirements in line with Schedule 5 of the Nigerian Minerals and Mining Regulations 2011, comprising a half yearly report on mining activities.
- Annual service fee of N100,000 per cadastral unit (approximately $275 per cadastral unit) which amounts to N8,100,000 (approximately $22,300).

Exploration Licence (EL19066) was originally granted on 25 September 2014. The exploration licence is renewable twice for a period of two years each, with the first renewal application granted with effect from 25 September 2017. The licence completely underlies ML41., i.e., the ML is not excised from the EL.

Obligations required to maintain the exploration licence include:

- Meet the prescribed reporting requirements in line with Schedule 5 of the Nigerian Minerals and Mining Regulations 2011.
- Annual service fee of N2,000 per cadastral unit (approximately $5.50 per cadastral unit) which amounts to N270,000 (approximately $745).

As of the date of this Report, licence EL19066, belonging to SROL, is in good standing with the above statutory obligations and all fees fully paid. Licence EL19066 is valid until September 2021 and Thor has commenced the process required to re-stake this claim.

Subsequent to acquiring M41 and EL19066, Thor was granted a further eight exploration licences bringing the total certified land holding to 863 km^2 (Table 3-2 and Figure 3-2).

Table 3-2: Thor Explorations Ltd Tenement Package at Segilola
Thor Explorations Ltd – Segilola Gold Project

Tenement	Certified Area (km^2)
ML41	16.2
EL19066	27.0
EL28801	124.8
EL28802	17.6
EL26355	77.6
EL26356	120.0
EL26357	39.2
EL26358	97.0
EL29978	170.0
EL29977	173.6
Total	**863.0**

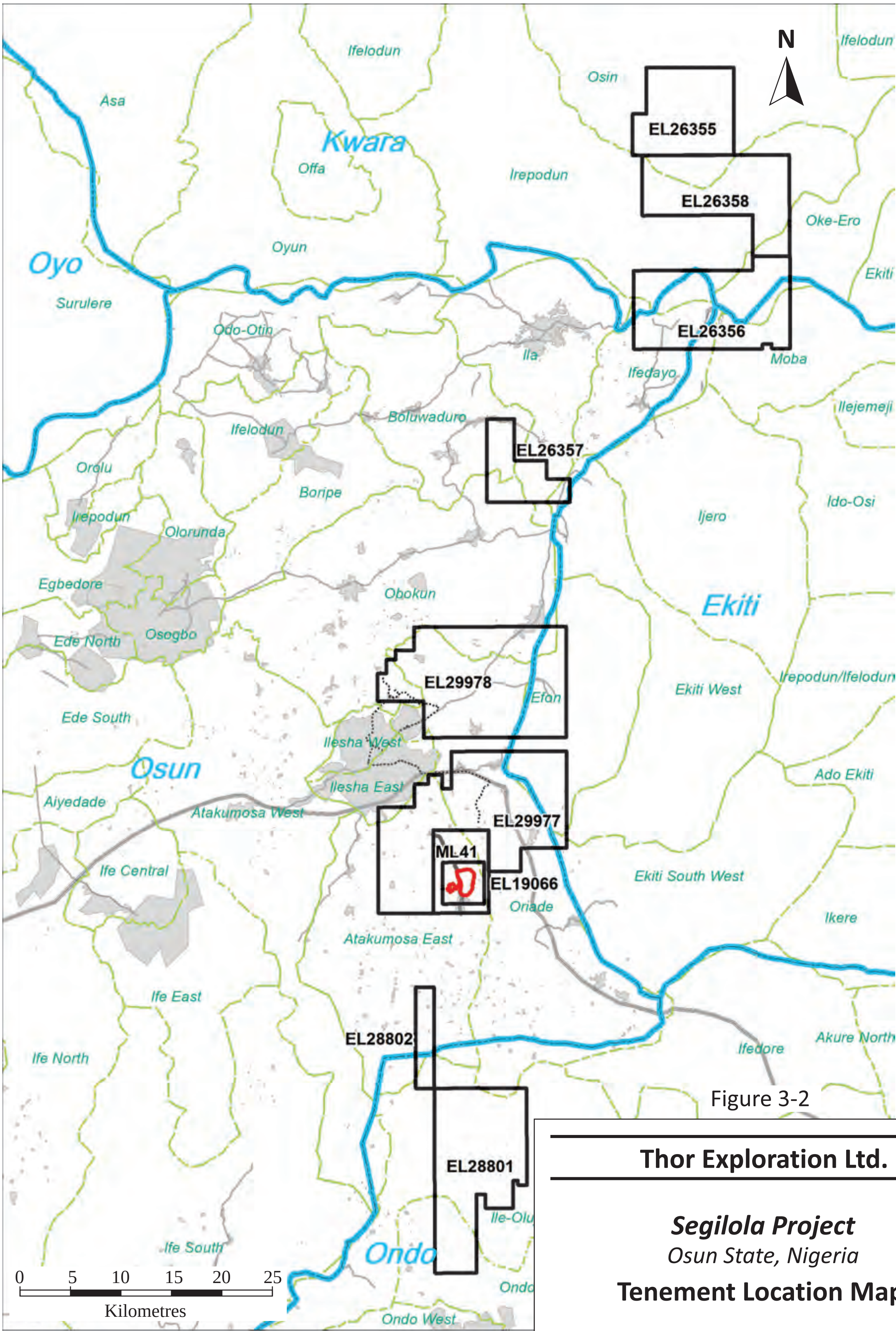


Figure 3-2

Thor Exploration Ltd.

Segilola Project

Osun State, Nigeria

Tenement Location Map

June 2021 ***Source: Thor, 2021.***

3.1.6 Access

Access from Lagos to the Project takes approximately five hours by road. A paved public road connects the large town of Ilesha to the north and Iperindo to the south and passes through the Project area, and provides year-round access to the site.

The historical mine site is approximately 600 m from the paved road and can be reached by foot or by four-wheel drive vehicles throughout the year.

3.1.7 Infrastructure

The Project is located close to the bituminised road that connects the town of Ilesha to the north and the village of Iperindo to the south.

SROL maintains an office, accommodation camp, and core logging and sample preparation facility, which are all housed within a single secured compound on the outskirts of the town of llesha, located approximately 25 km north of the Project area.

The Project will be provided with all the necessary onsite infrastructure required to maintain and operate the mine and processing plant.

The processing plant is being constructed over three terraced levels, with each terrace containing a number of processing areas. The ROM pad and crusher will be located at the southeast end of the processing plant. Mining waste and other earthworks are required for these terraces.

The main plant is being built on a single level. The gold room will be located adjacent to the mill to facilitate the installation of a gravity circuit. Reagent mixing will be located to the north of the carbon in leach (CIL) section. The warehouse, workshop, and reagent storage facility will be located to the southeast of the CIL section.

A plant workshop and warehouse will provide a maintenance area, material storage area, activated carbon storage, and an office for employees.

A number of administration offices will be built adjacent to the plant. Additional site facilities including combined change room/ablution block, warehouse/stores, and a kitchen will be located adjacent to the administration offices. An assay laboratory will be provided on the southeastern side of the processing plant.

The mining contractor area is located to the southeast of processing plant. It is separately fenced and consists of a workshop and warehouse, first aid rooms, and dining rooms.

The camp is on the northwest of the processing plant, including two accommodation blocks with 13 single or double rooms with en-suite bathrooms and 13 blocks that can be configured as two, three or four single or double rooms, each room with en-suite bathrooms, dining room, laundry, fitness centre, recreation room, football pitch, swimming pool, and security gate. The construction camp will be located next to the camp and the company may retain some construction camp buildings as provisional overflow accommodation.

The explosive materials will be stored in a magazine located in a remote area to the north of the plant and the pits, well away from the local population and mine activities. The magazine will be secured within a high security fenced compound and surrounded by embankments.

The emulsion storage will be located west of the plant to allow ease of access to the power and water service supply. Two 50 m^3 emulsion tanks are provided with a supply of approximately eight days.

The processing plant fuel storage tanks are designed to serve the daily needs of crushing, milling, leaching, elution heaters, carbon regeneration kiln, gold smelting, and auxiliary facilities. Fuel will be pumped from the fuel storage tanks in the Main Site Area (MSA) and reticulated to the power station, plant day tank, and MSA day tank.

A liquified natural gas (LNG) supply station will be set up to serve the eight 1.2 MW compressed natural gas (CNG generator) sets operated on a six duty, two standby basis and one emergency power 0.8 MW diesel genset. Five 100 m^3 LNG storage tanks (approximately 10 days' supply), one gasification unit, and one 20 m^3 diesel storage tank are proposed.

Construction of the mine camp, plant, water storage dam, tailings management facility (TMF) and other pre-mining infrastructure is well advanced ahead of the expected commencement of operations in Q3 2021.

At the time of writing this Report, it is understood (based on Thor's public reports and the site visit by the Mining Associates' Competent Person) that the following infrastructure is complete or under construction.

- Camp construction at an advanced stage.
- Additional office block construction at an advanced stage.
- Workshop (clearing and grubbing commenced, concrete pad poured).
- Process facility
  - Foundations, structural concrete, and steel work ongoing.
  - Generator farm concrete foundations complete.
  - Construction of crusher pocket and retaining walls in process, with the mill feed stockpile conveyor structural steelwork in an advanced state of installation.
  - Mill feed stockpile base, feeder draw-down points and conveyor tunnel complete.
  - Mill feed conveyor structure plinths complete, but structural steel still to be installed.
  - Concrete and structural steel for mill train complete, with semi-autogenous grinding (SAG) mill shell installed.
  - Leach tanks are complete, but no piping and wiring completed.
  - Electrowinning and gold plant foundations excavated.
- Water storage dam completed.
- TMF clearing and grubbing completed.

SROL currently projects full commissioning and first gold pour in Q3 2021.

3.1.8 Climate

The area has humid tropical climate, with an average annual rainfall of approximately 2,500 mm, concentrated in the wet season from May to October. The two season regimes (dry and wet) are influenced by two dominant wind currents prevailing in the Project area.

More than 80% of the total annual rainfall is received between the months of May and October with the mean annual total in excess of 2,500 mm. The mean maximum and minimum temperatures across the Project region are over 32°C (in the month of March) and 24°C (in the month of August) respectively. The highest relative humidity range within the Project area is between 81% and 91% corresponding to the wettest months (June through August).

Operations are possible year-round.

3.1.9 Physiography

The topography of the local area is undulating with elevations ranging from 300 m above sea level (masl) to 580 masl. Locally, north-northeasterly striking steep valley incisions are developed. Within the exploration permit area, the topography shows a general slope towards the south. The lowest levels within the permits are within the area of the village of Iperindo. In the immediate vicinity of the Project area, the topography is gently undulating with variations in elevation of approximately 30 m.

Although situated in a zone of tropical rain forest, the vegetation is mainly moderate to dense secondary forest and bush re-growth, due to intensive farming. Vegetation in the area comprises crops such as kola nuts, cocoa, banana and plantain, as well as secondary forest and bush fallow.

There are few perennial rivers but there is a dense network of smaller seasonal tributaries. The drainage system of the Project area flows north into the Osun River and south towards the Oni River. The watershed cuts across in the northern parts of the tenements. Recoverable groundwater often occurs in the weathered mantle covering the basement.

Weathering is typically tropical and penetrates down to 15 m depending on the parent rock types and the morphology. Where exposed, the rocks are reddish brown and are decomposed to clay minerals with quartz relics. Fresh rocks are found in the steep north-south striking valleys whereas the heavily weathered meta-sediments occur at higher levels. In general, saprolite can be reached within less than one metre from the alluvial terraces or other sedimentary cover.

3.2 Douta

The Douta Gold Project is a gold exploration project located in the same region as the Massawa and Sabodala deposits, owned by Endeavour Mining Corporation, to the west and the Makabingui deposit, owned by Bassari Resources Ltd., to the east.

Douta is in the southeastern part of the Republic of Senegal and can be accessed by road from Dakar, approximately 700 km to the northeast.

Five separate gold prospects have been identified within the licence area. These comprise the most advanced Makosa prospect and the earlier exploration stage Maka, Mansa, Samba, and Makosa Tail prospects.

The Republic of Senegal has a Code Minière (Mining Code) which is based on French law. Tenure of the Douta Permit was granted most recently to African Star Resources Incorporated (African Star). For a two year period from 11 November 2018, renewable indefinitely, subject to compliance with the terms of the permit. The permit has expired, and Thor is currently in the process of renewing it.

Thor owns a 70% interest in the permit through its wholly owned subsidiary African Star. International Mining Company SARL (IMC) has a 30% free carry interest until Thor announces a Probable Reserve, after which IMC will have to contribute or sell its interest to African Star.

Figure 3-3 shows the location of the Douta Project and the prospects identified within the permit area.

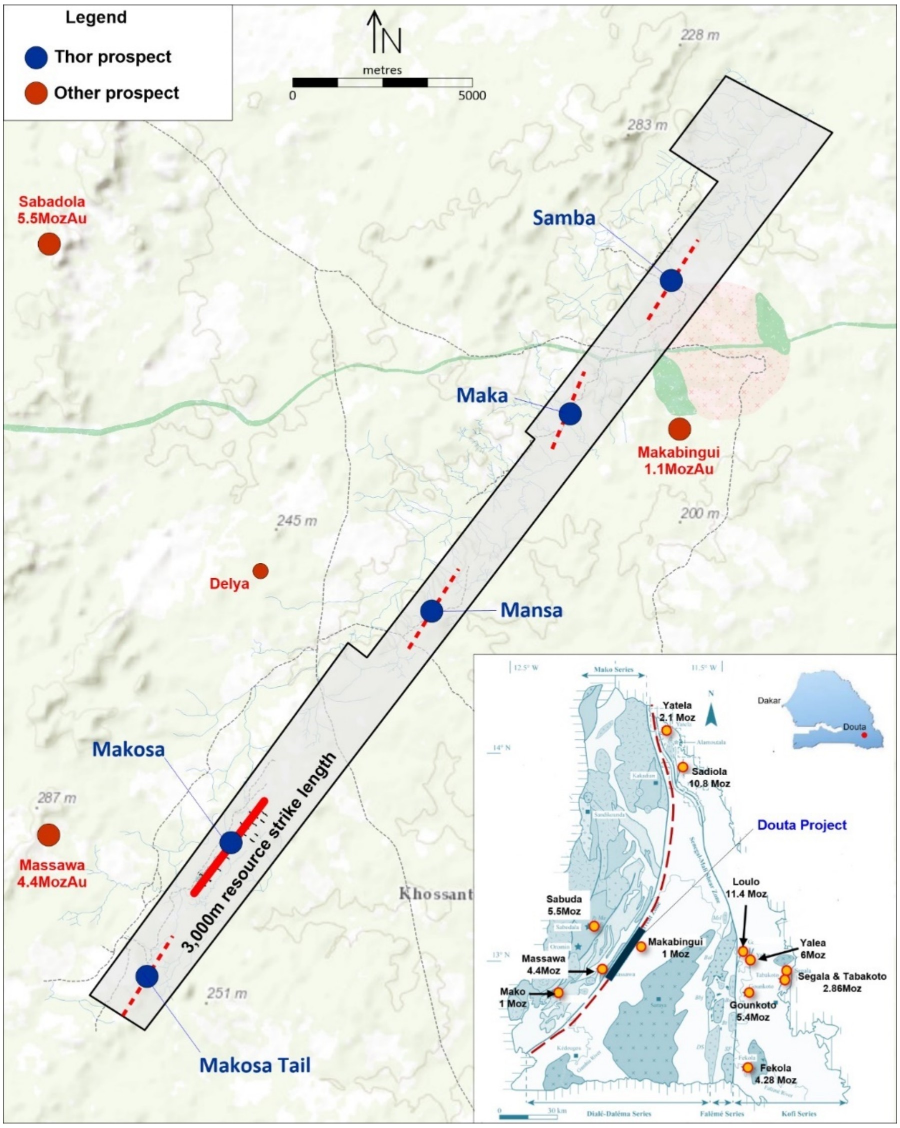


Figure 3-3: Douta Location Map and Licence Area

4.0 GEOLOGY AND MINERAL RESOURCES

4.1 Segilola Geology

4.1.1 Regional Geology

The Project is located in the crystalline Basement Complex rocks of southwestern Nigeria within the Ilesha Schist Belt (ISB) (Figures 4-1 and 4-2). Schist belts in Nigeria occur as north-south trending domains of Upper Proterozoic (Eburnean 2,000 Ma) meta-sedimentary, meta-volcanic, and intrusive sequences that are oriented parallel to the boundary between the West African Craton and the Pan African Province. These schist belts are deeply infolded into a migmatite-gneiss-granite basement of Archean to Lower Proterozoic age and have been intruded by granitoids of the Pan African (600 Ma) orogenic suite. Primary gold mineralisation in the schist belts commonly occurs in quartz veins within several lithologies.

The ISB has a north-south strike extent of over 200 km and a maximum width of 60 km in the south. It is followed for much of its length by the regional Ifewara-Zungeru, or Ifewara Shear Zone (ISZ). This is a dextral strike-slip structure, which may have been active for a lengthy period, from the Proterozoic to the Mesozoic. There is a marked structural contrast between rocks to the east of the ISZ, where the Project is located, and the rocks to the west.

The Pan-African metamorphic event in northwest Africa is generally a high temperature and medium- to low-pressure event. Lower temperature assemblages are commonly preserved in synformal schist belts, whereas amphibolite-granulite facies assemblages occur in adjacent antiforms. The extent of partial melting within the banded grey gneisses, which are interpreted as Archaean, in the ISB area implies temperatures ≥700°C. For the interpreted metasedimentary sequence, assemblages of quartz – muscovite – biotite - (± staurolite ± garnet ± sillimanite) suggest maximum metamorphic temperatures of 550°C to 620°C and pressures of 4.5 kbar to 5.0 kbar.

The ISB has accounted for a significant proportion of Nigeria's limited gold production. Significant alluvial-eluvial occurrences are known in the amphibolite belt to the west of the ISZ, particularly around Itagunmodi, which is located 15 km to 20 km west of the Project. However, Segilola is the largest known bedrock source of gold in the area. The placer material has been derived from quartz veins and stringers particularly from contacts between biotite-rich rocks and amphibolites and talc-tremolite schists.

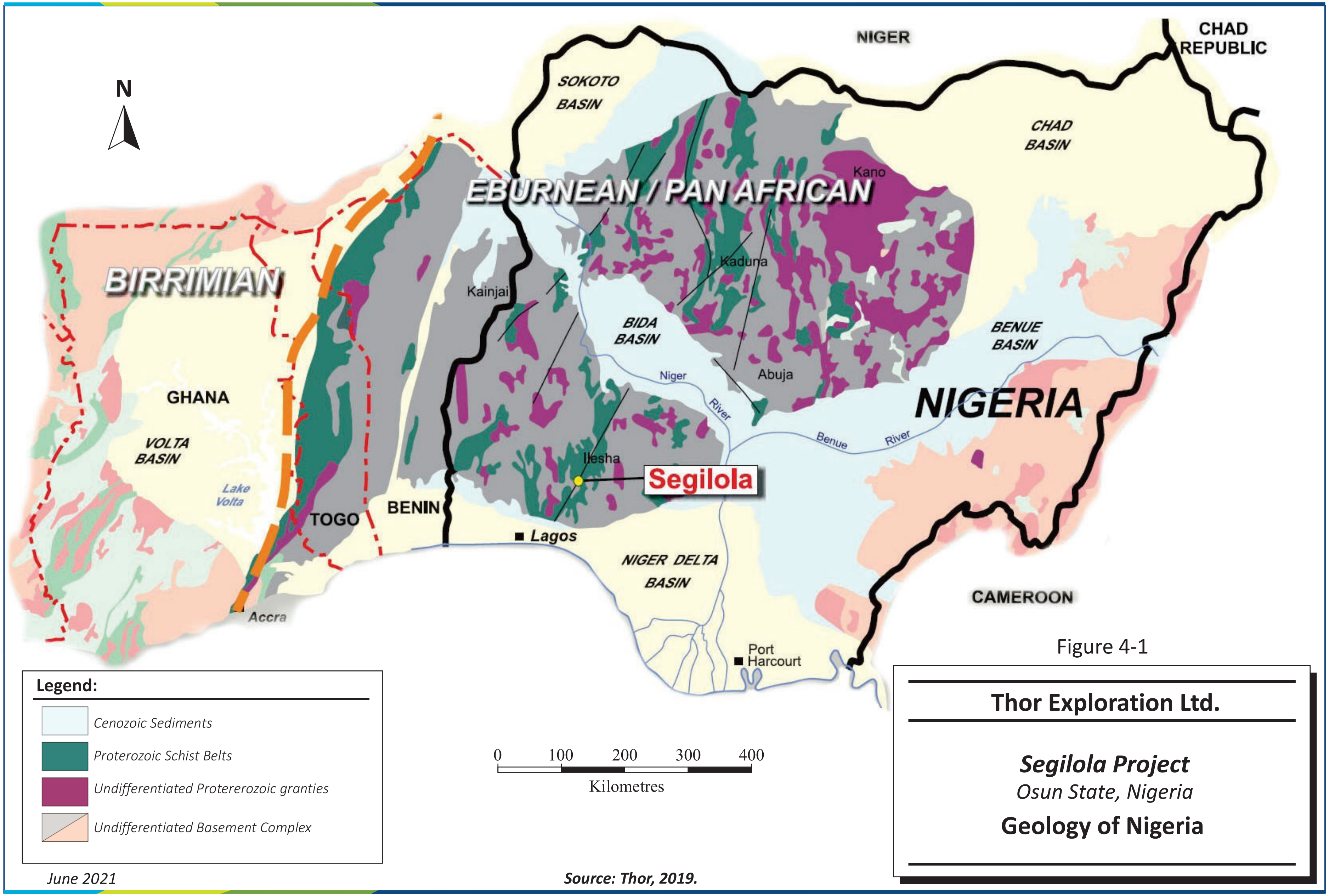


Figure 4-1

Thor Exploration Ltd.

Segilola Project

Osun State, Nigeria

Geology of Nigeria

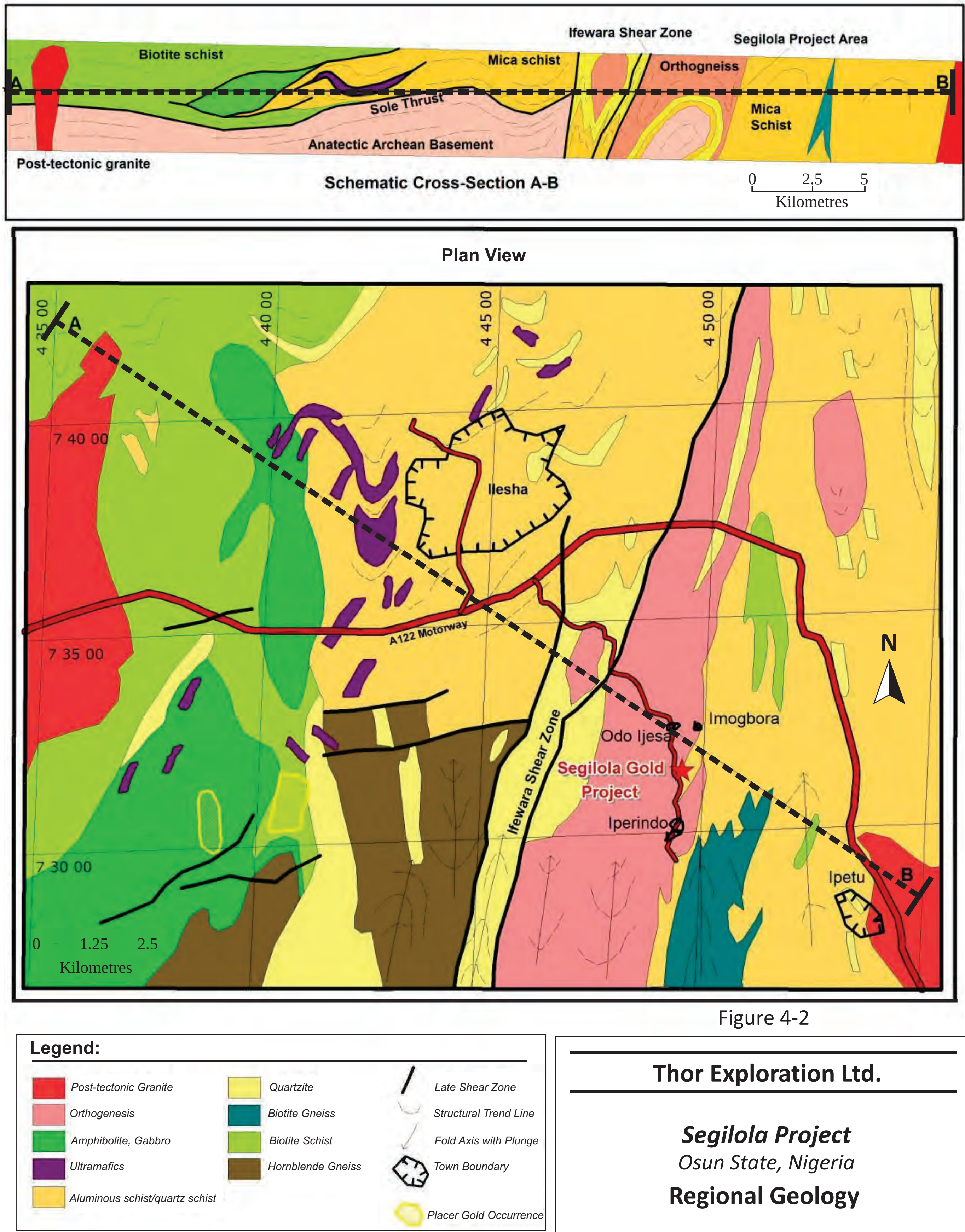


Figure 4-2

Thor Exploration Ltd.

Segilola Project

Osun State, Nigeria

Regional Geology

June 2021 ***Source: Thor, 2021.***

4.1.2 Local Geology

4.1.2.1 Lithology

An Archaean basement outcrops to the west of the area, typically comprising grey gneiss with lenses of orthogneiss of tonalitic-granodioritic composition together with lenses of amphibolite. It is extensively intruded by probable Pan-African granodiorite sheets.

The extensive series of aluminous schists, quartz schists, and quartzites present in the Project are interpreted to be Proterozoic sediments. They frequently display preserved sedimentary bedding. The broader sedimentary unit may be interlayered with syn-kinematic orthogneiss after felsic intrusives. Metavolcanics and meta-porphyries of dacitic composition are also recognisable within this broad grouping. A large belt of mafic and ultramafic rocks, known as the Mokuro Massif, occurs to the west of the ISZ. The massif is interpreted to be a large, strongly boudinaged, differentiated mafic sill, emplaced within the schists and quartzite prior to regional metamorphism; the outliers are interpreted as similarly boudinaged bodies. The Mokuro Massif contacts are tectonic, and it is interpreted as a largely flat-lying lens, underlain by schists.

Late-kinematic Pan-African granitic to granodioritic intrusives also occur.

4.1.2.2 Structure

Two main deformation events; D1 and D2, both of Pan-African age are recognised within the area. D1 generally produced recumbent (flat-lying) high temperature foliations with fold axes typically trending from 120º to 150º. The recumbent attitudes are extensively preserved to the west of the ISZ and are interpreted as a thrust stack, developed above an Archaean basement. Associated stretching lineations trend 040º to 080º, which is interpreted as the overall sense of tectonic movement. To the east of the ISZ, the D2 event produced upright refolding of the D1 foliation at various scales, with sub-horizontal fold-axes trending 010º to 030º. Steep, ductile, north-northeast trending shear zones were also formed during this event and host a range of mylonitic rock types and Pan-African pegmatites. To the west of the ISZ, the D2 event is represented by large basin and dome structures deforming the D1 foliation. Mylonites within the ISZ exhibit a consistent flat dextral sense of shear indicators.

It is possible that although it may have been initiated as a lateral ramp during the D1 thrusting event, the shear zone was mainly active during the D2 event, under conditions of decreasing temperature, from sillimanite to greenschist (retrogressive) facies metamorphic conditions. It is locally cut by Phanerozoic east-northeast trending brittle faults, with minor dextral offsets.

4.1.3 Property Geology

4.1.3.1 Lithology

The property stratigraphy consists of a series of quartzite schists, a gneissic sequence, and surficial alluvial sediments (Figure 4-3 and Figure 4-4). The quartzite schists are composed of quartzite, quartz-mica schist, and meta-sediments such as garnet-biotite schist. The gneissic sequence is divided into paragneiss (biotite gneiss), orthogneiss (granite gneiss and pegmatoidal gneiss), and undifferentiated gneiss (those that cannot be differentiated into the above groups). The stratigraphy trends north-northeast and generally dips steeply towards the west.

The orthogneisses underlay topographic highs with rounded tops which are often poor in vegetation. These orthogneisses dominate the western parts of the exploration licence, but are also found in the Kajola Ridge at the eastern margin of the licence. The orthogneisses, which are considered to be the basement rocks, are located stratigraphically below the quartzite schists and meta-sediments. The sequence appears to be overturned with the younging direction towards the east which places the older basement gneissic rocks above or in the hanging wall to the younger footwall rocks. The northernmost outcrops of this unit have been found at the lower eastern side of the Kajola Ridge. In the area of Kajola, the orthogneisses are building up the whole eastern flank of the ridge.

Within the orthogneisses, different degrees of metamorphosis can be observed. The orthogneisses located within the permit are intersected by quartz-feldspar pegmatoids of different size, and the foliation ranges from weak to medium intensity. The texture of the orthogneisses north of Ijimo is a more granitic one, whereas a metamorphic overprint caused a weakly developed foliation.

East of Iperindo, the quartzite schists are restricted to the western flank of the ridge. These could be interpreted as contact metamorphism from the intrusion of the orthogneiss. Another outcrop of garnet-bearing schists/gneisses is located in the steep valley of the Arafa River. This outcrop is isolated and disappears below the adjacent quartzite hills.

The undifferentiated gneisses are often found at the base of steep valleys, which are located between quartzite ridges.

In deeper drill holes, the gneiss sequence passes down through a zone of highly foliated biotitic schist (presumably a high-strain zone) before passing into a calc-silicate sequence (the footwall lithologies). These rocks comprise calc-silicate gneiss, with grey layers of quartz, microcline, and subordinate plagioclase, with green layers of diopside, blue-green amphibole, epidote and minor garnet, perhaps with some magnetite. Zones of massive carbonate (calcite) occur within the sequence and are presumably marble; although it is possible that they are carbonate veins. It is not yet obvious from the drilling whether the calc-silicates are related to a contact metamorphic environment (i.e., are skarns). They are locally sulphide-bearing and so have some potential for gold-(copper) mineralisation, however, the drilling has not identified gold mineralisation in the footwall rocks within the Project area.

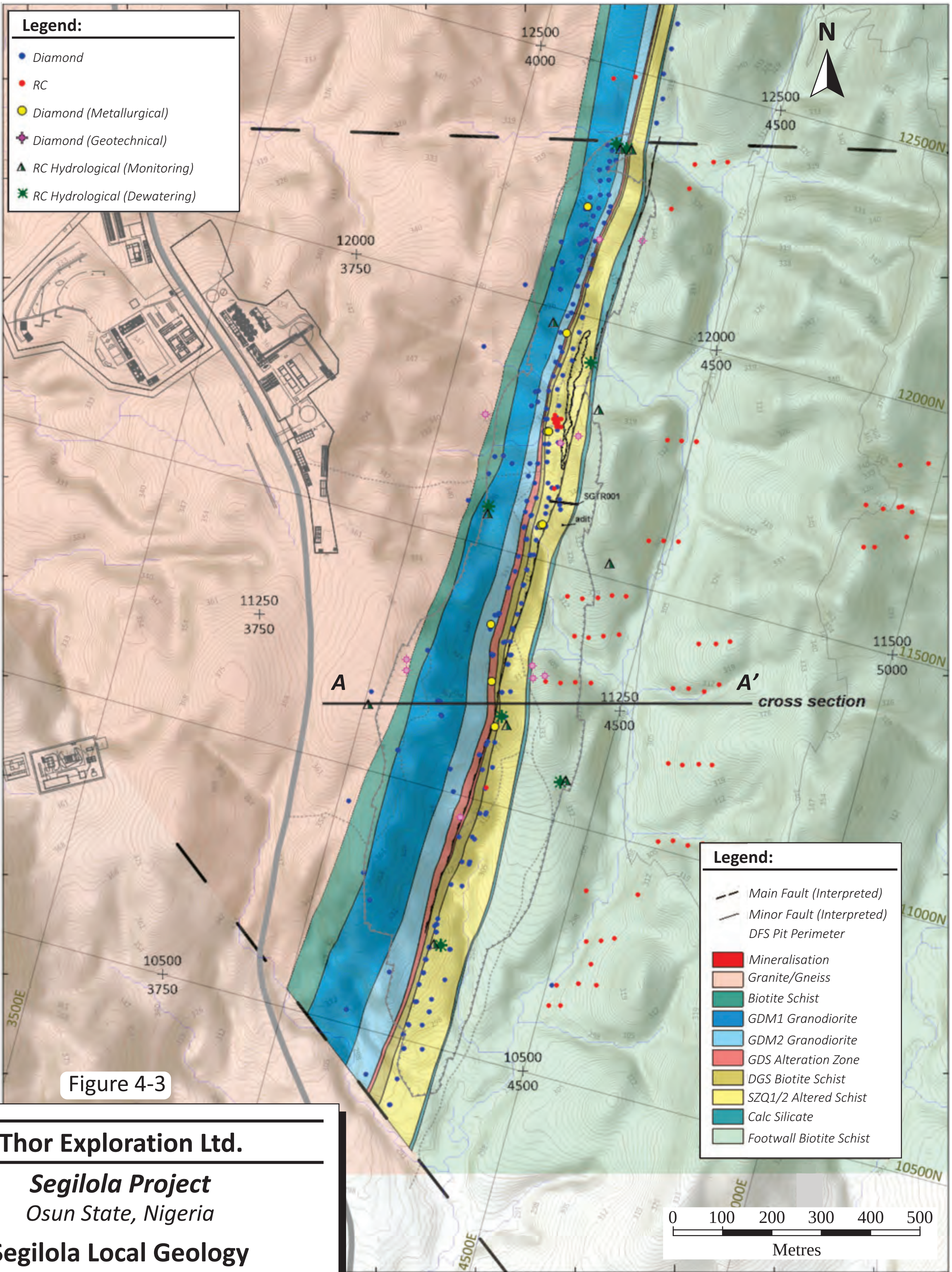


Figure 4-3

Thor Exploration Ltd.

Segilola Project

Osun State, Nigeria

Segilola Local Geology Showing Drill Hole Collars

June 2021

Source: Thor, 2021.

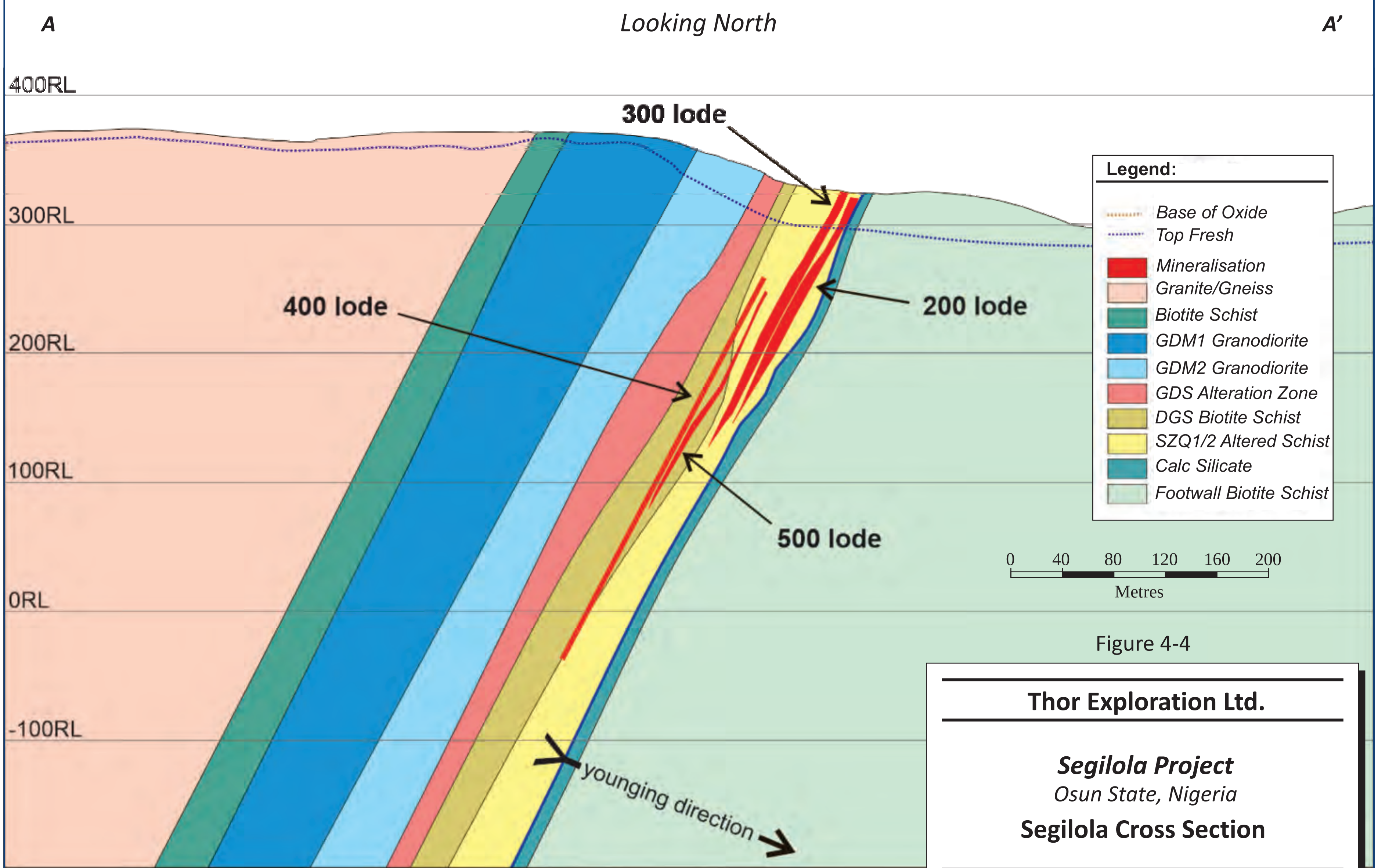


Figure 4-4

Thor Exploration Ltd.

Segilola Project
Osun State, Nigeria
Segilola Cross Section

June 2021

Source: Thor, 2021.

4.1.3.2 Structure

The prevailing strike of metamorphic foliation and banding is to the north-northeast, with dips predominantly steep to the west, but locally steep towards the east. Stereographic projections compiled by Hansa show a preponderance of measured foliations dipping steeply from 270° to 290º or from 090° to 110º. Mapped joints, however, cluster with steep dips towards 005º and 185º. In measurements from the oriented core, there is a preponderance of foliations dipping steeply towards 315º or 135º (20 measurements) and fractures and joints dipping steeply towards 320º and 140º (104 measurements). The former is more to the northwest than would be expected from the regional data and may just reflect the limited number of measurements.

Trends suggesting large scale folding are evident in satellite imagery, although none have been definitively interpreted in the immediate tenement areas. Minor folds of foliation and veins are common. According to Oyinloye and Steed (1996), the axes of these typically plunge to the north, although they do not indicate if this observation is based on a significant number of measurements.

4.1.3.3 Sequences

Based on drilling information, the deposit is divided into the 'Hanging Wall Sequence', 'Mine Sequence', and 'Footwall Sequence' which relate to the sequence of pegmatite-intruded gneissic, schistose, and mylonitic rock types that occur to the east of the ISZ (Figure 4-5). The depth of weathering varies from one metre to two metres in the west to five metres to 10 m in the mineralised shear zone.

The Hanging Wall Sequence consists of a granodiorite unit (GMD1, GDM2, and GDS) that intrudes basement gneisses located to the west and gold-bearing quartzite unit. From west to east, the granodiorite gradually transitions from massive to weakly foliated, and then to strongly foliated as it approaches a sharp transition with the Mine Sequence. Higher gold grades and greater thicknesses are developed adjacent to a five metre to 20 m thick zone of intense silica alteration located at the eastern margin of the Hanging Wall Sequence. It is possible that the alteration zone could be a differentiated portion of the large granodiorite sill-like body.

The Footwall Sequence consists of a calc-silicate unit and biotite schist. This sequence is separated from the Mine Sequence by a high-grade metamorphic suite consisting of pale-grey silicified quartz-sillimanite schist with quartzite veins and generally little or no gold.

The Lode Sequence contains intensely foliated and sheared rocks; DGS and SZQ1. DGS consists of dark grey, quartz-biotite schist with veining parallel to the gneissic fabric and hosts the Hanging Wall Lodes (Lodes 100, 400, 500 and 600). Gold in these lodes is associated with quartz-feldspar-pegmatitic veins and coarse gold particles are typically associated with biotite flecks. SZQ1 consists of pale grey-green, highly altered schist and hosts the Footwall Lodes (Lode 200, 300).

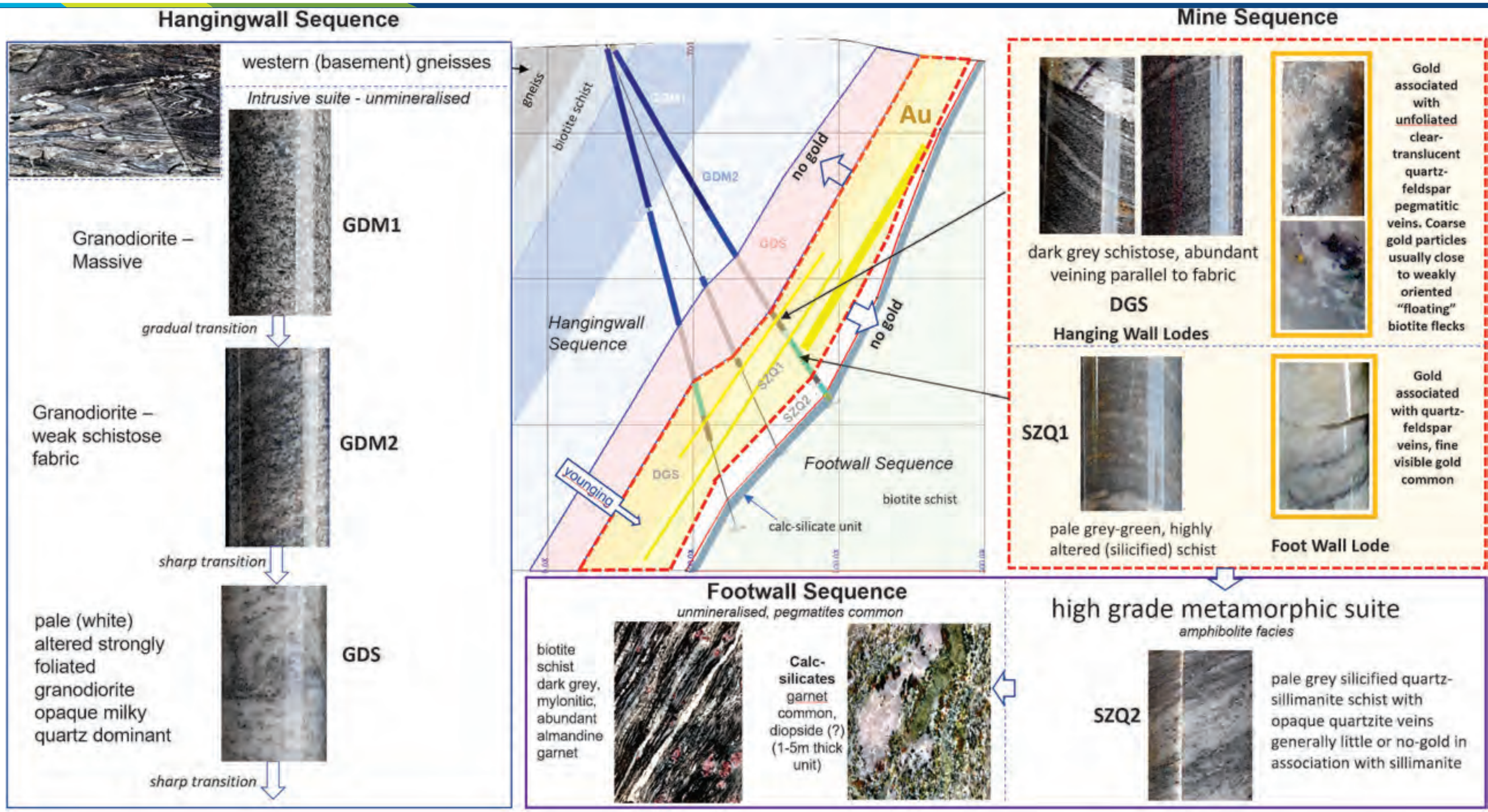


Figure 4-5

Thor Exploration Ltd.

Segilola Project
Osun State, Nigeria

Segilola Mine Sequence

June 2021

Source: Thor, 2019.

4.1.3.4 Mineralisation

The mineralisation is developed within the Lode Sequence. Gold mineralisation is associated with late-stage weakly foliated to undeformed 'pegmatitic' veins and is restricted to the quartzite unit. The mineralisation is hosted in a suite of steeply dipping vein sets or lodes; the Hanging Wall Lodes and the Footwall Lodes. Their character is summarised in Table 4-1. Together these form an elongate mineralised zone striking 010º and dipping 60º to 70º towards the west within a single shear zone, primarily in biotite gneiss. The currently drilled mineralised zone is approximately 2,000 m in strike length, between 70 m and 200 m in depth, and between two metres and 20 m in true thickness.

Table 4-1: Character of Lodes at Segilola
Thor Explorations Ltd – Segilola Gold Project

Lode	Description	Grade Character	Estimated True Width (m)	Interpretation
100	Hanging Wall Lode	~7 g/t Au	2 - 4	Northern continuation of Lode 400
200	Footwall Lode	~3 g/t Au	4 - 5	Developed only east of oblique strike-slip fault
300	Footwall Lode	~2.5 g/t Au	5 -8	Developed only east of oblique strike-slip fault
400	Hanging Wall Lode	~10 g/t Au	1 - 3	Southern equivalent of lode 100
500	Hanging Wall Lode	~2 g/t Au	1 -3	Discontinuous, southern lode
600	Hanging Wall Lode	~1 g/t Au	2 - 3	Minor discontinuous lode

4.1.4 Deposit Type

Segilola is considered to be an orogenic-style lode gold deposit within a regional scale shear zone. Primary gold mineralisation in the schist belts commonly occurs in quartz veins within several lithologies.

Host rocks comprise an overturned sequence of high-grade amphibolite-facies metasediments intruded by a large, possibly differentiated, granodiorite sill-like body. The mineralisation is developed within a series of steeply dipping, tabular, very continuous, late-stage quartz-pegmatite veins that do not exhibit any form of significant deformation such as folding or faulting. The geological and mineralogical characteristics of the mineralised veins are consistent throughout both the strike and down dip extents of the known resource.

4.2 Douta Geology

4.2.1 Geology and Mineralisation

The geology of the Douta permit is dominated to the east by the Dialé sedimentary formations and to the west by the mafic and volcanoclastics formations of the Mako super-group, providing favourable environment for mineralisation.

The geology is dominated by metasediments, which extend throughout the strike length of the permit. These units have been subjected to significant tectonic activity, including the development of a significant shear zone named the Main Transcurrent Shear Zone (MTZ) which runs north-northeast to northeast through the permit area. Numerous second order structures have been found within the permit area which are related to the MTZ.

One of the parallel structures referred to as the Sabodala Shear Zone is located 2.5 km to the west of the MTSZ and carries the Sofia, Sabodala, and Massawa deposits.

Five separate gold prospects have been identified at Douta. These comprise the Makosa prospect, where first-pass RC and diamond drilling has defined mineralisation over an approximately three kilometre strike length, and the earlier exploration stage Maka, Mansa, Samba, and Makosa Tail prospects.

The mineralisation outlined to date (northeast trending with a sub-vertical dip to the west) is located in the ductile to ductile-brittle Makosa shear corridor. The limits of the shear zone are marked by the presence of dolerite dyke.

The mineralisation is related to quartz vein generation with sericite, very fine pyrite and arsenopyrite. Two generations of pyrites have been identified, one massive sometimes spherical prior to mineralisation and the other finer is associated with gold mineralisation.

Drilling results indicate up to four parallel, steep northwesterly dipping, mineralised horizons that are developed within a shale/greywacke sequence. Several higher grade zones towards the southern end of the drilled area have been identified during the latest drilling campaign.

4.2.2 Deposit Type

Mineralogical, structural, and geochemical evidence collected at Makosa suggests a close similarity to the Massawa deposit where the mineralised body (mainly the Central Zone) represents an epizonal-style orogenic gold deposit.

4.3 Resource Database

4.3.1 Drilling Database

The Segilola deposit has been drilled over a strike length of over 2,000 m. The average strike of the lodes is north-northeast (azimuth 010°). The rocks dip to the west t 60° to 70°. In the denser areas of drilling, the holes are located on mostly 25 m to 30 m spaced sections and are generally 25 m or less across strike. In some areas of steep terrain, up to three holes were drilled at different dips from the same drill pad.

Between 2017 and 2021, Thor completed a total of 143 drill holes for 16,821 m in various programmes that encompassed resource definition, resource classification upgrade, exploration, geotechnical, metallurgical, trial grade control, and sterilisation drilling.

A total of 222 diamond holes (26,095 m) and 12 RC holes (382 m), representing CGA/RTG historical drilling and drilling completed by Thor, were used for resource estimation.

A plan view of drill hole collar locations is shown Figure 4-3 and the drilling statistics are shown in Table 4-2 and Table 4-3.

Table 4-2: Total Drilling Summary by Year (includes drilling external to resource)
Thor Explorations Ltd – Segilola Gold Project

Year	NMC		HANSA		CGA/SGL		Thor		Total	
	No. Holes	Metres Drilled	No. Holes	Metres Drilled	No. Holes	Metres Drilled	No. Holes	Metres Drilled	No. Holes	Metres Drilled
1984-87	33	2,979							33	2,979
1997-98			7	878					7	878
2008					34	2,578			34	2,578
2009					89	9,644			89	9,644

Year	NMC		HANSA		CGA/SGL		Thor		Total	
	No. Holes	Metres Drilled	No. Holes	Metres Drilled	No. Holes	Metres Drilled	No. Holes	Metres Drilled	No. Holes	Metres Drilled
2011					36	3,705			36	3,705
2017							16	4,156	16	4,156
2018							55	5,268	55	5,268
2019							9	1,006	9	1,006
2020							63	6,391	63	6,391
Total	33	2,979	7	878	159	15,927	143	16,821	342	36,604

Table 4-3: Drilling Summary by Drill Method
Thor Explorations Ltd – Segilola Gold Project

Company	Year	Hole Type	Count	Total Metres	Start Hole_id	End Hole_id
NMC	1983	Historic	6	579.53	BH01	BH06
NMC	1984	Historic	13	1,193.88	BH07	BH19
NMC	1985	Historic	14	1,205.19	BH20	BH33
Hansa	1998	Historic	7	878.24	NIG13	TIG31
CGA/SGL	2008	DD	34	2,577.92	SGD001	SGD031
CGA/SGL	2009	DD	89	9,643.6	SGD032	SGD119
CGA/SGL	2011	DD	36	3,705.43	SGD120	SGD154
Thor	2017	DD	16	4,156.1	SGD155	SGD170
Thor	2018	GT	9	1,377.3	GTFS17-002	GTFS17-013
Thor	2018	RC	18	1,038	SGGC01-45	SGRC008
Thor	2018	DD	28	2,852.58	SGD171	SGD198
Thor	2019	RC	9	1,006	SGRC009	SGRC017
Thor	2020	RC	36	2,530	SGRC018	SGRC053
Thor	2020	DD	16	3,047.5	SGD199	SGD214
Thor	2020	GC	8	286	GCD01	GCD08
Thor	2020	GT	3	527.2	GTFS17-014	GTFS17-016

Mining Associates was not able to adequately verify data from either the 1984-1987 NMC programme or the 1997-1998 Hansa programme through chemical assays or other means as required under the CIM Best Practices and, as a result, this drilling is not used in the resource estimate (BH01 -BH33).

An additional three geotechnical holes and one exploration hole totalling 648 m were also completed within the design pit shell and in the sterilisation programme for the Eastern Waste Material Storage Area (WMSA), respectively.

The drill holes used to define the resource estimate are summarised in Table 4-4 and Table 4-5.

Table 4-4: Summary of Drill Holes used in Estimate, by Company
Thor Explorations Ltd – Segilola Gold Project

Company	Hole Type	No. Holes	Metres
CGA	Diamond	153	15,547
Total		**153**	**15,547**
Thor	Diamond	69	10,548
	RC	12	382
Total		**81**	**10,930**
Grand Total		**234**	**26,477**

Table 4-5: Summary of Drill Holes used in Estimate, by Hole Type
Thor Explorations Ltd – Segilola Gold Project

Hole Type	Purpose	No. Holes	Metres
Diamond	Exploration/resource definition	203	24,714
	Geotechnical	4	455
	Grade control	8	321
	Metallurgy	7	605
Total		**222**	**26,095**
RC	Grade control	10	225
	Resource definition	2	157
Total		**12**	**382**
Grand Total		**234**	**26,477**

Where possible, the holes were inclined at -60° to the east to intersect perpendicular to the lodes, however, some holes were inclined up to -90°. Gold mineralisation is developed within veins that dip at 65° to 70° towards the west. The vein varies in thickness from three metres to 15 m true width. The dominant sample length is one metre (Figure 4-6). This sample interval is appropriate to define the mineralised envelope.

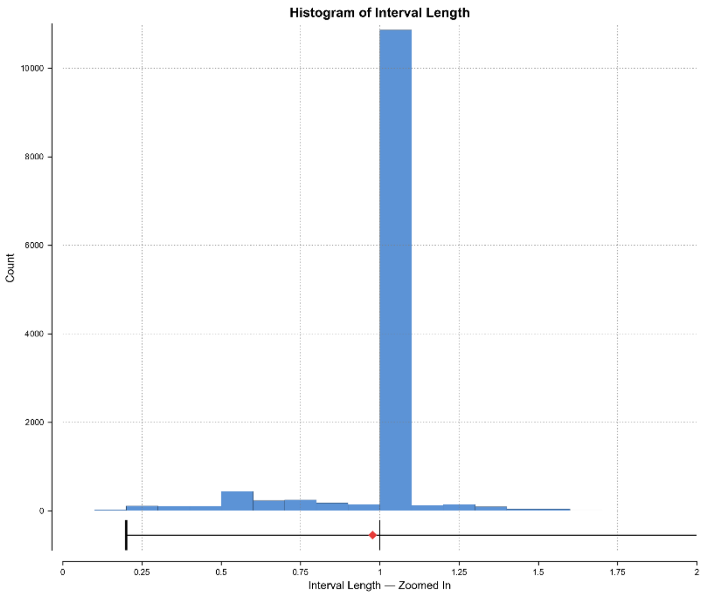


Figure 4-6: Graph of Sample Length Distribution

Mining Associates is of the opinion that Thor's drilling programmes have largely continued with the industry-standard drilling, logging, and QA/QC protocols and procedures established by CGA.

There is insufficient information on the procedures used for the NMC and Hansa drilling, and the data from this drilling has not been used in the current Mineral Resource estimate.

CGA drilling was completed by three different contractors using predominately HQ core (63.25 mm diameter) and NQ (47.6 mm diameter) sized core.

All Thor diamond drilling programmes were carried out by Century Mining Co Ltd (CMC) using Atlas Copco CS14 track-mounted rigs. HQ core was obtained in most cases except when drilling difficulties necessitated the use of NQ core.

4.3.2 Downhole Survey

Drill hole sites were initially located using a hand-held GPS. Once the sites were located, the qualified surveyors accurately positioned the planned drill location using a ProMark 2 GPS and Kolida Digital Total Station DGPS.

For the CGA drilling, downhole surveys were carried out by Spektra Geotek personnel using a Flexit SmartTool Downhole Survey System. Surveys were generally acquired at 25 m spaced intervals downhole on completion of each hole.

For Thor drilling, CMC drillers used a digital Single Shot Reflex camera with shots taken at between 25 m and 30 m intervals.

Drill core was recovered by the drillers and stored in boxes with markers inserted after each run to indicate the depth and any core loss or gain. At the end of the shifts, the boxes were closed and transported to an enclosed storage area at the Ilesha core shed.

4.3.3 Drill Hole Logging Procedures

The following information was recorded from the drill core:

- Geology – Rock type, colour (using a standard colour chart), texture, grain size, weathering (oxide, transition, fresh), alteration, veins, sulphides, mineralogy.
- Structure – Azimuth/dip and dip direction, shear, fracture, joint, infill, colour, thickness, bedding, crenulation, veins, quality of the measurement.
- Sample sheet - Number, weight, mineralogy, and abundance (volume %) of veins and mineralisation.
- Geotechnical - Rock strength, weathering, joint sets with type, count, angle, alteration, infill, roughness.

All data was captured directly onto paper and then transferred to Microsoft Excel spreadsheets. All parameters were logged using codes specific to the Project and these were checked daily by the Senior Geologist for completeness and accuracy. Relevant nongeological data such as Hole ID, declination, azimuth, hole depth, core diameter, date, and water ingress, were also recorded. Most of the core from Thor holes was oriented using the Reflex orientation system.

All core was photographed before being marked and cut for assaying.

4.3.3.1 Recovery and Rock Quality Data

Mining Associates has reviewed the drill core recovery results and found that recovery is good with average recoveries of 94.75% being achieved with the majority of core near 100% recovery (Figure 4-7). The hanging wall offers good recoveries; low recovery is noted to be restricted to areas within the footwall of the lodes or within the upper 20 m of each drill hole. Recovery in mineralisation averages 88.87%. Rock quality data is also recoded as a percentage with the majority of core maintaining greater than 10 cm pieces (Figure 4-8).

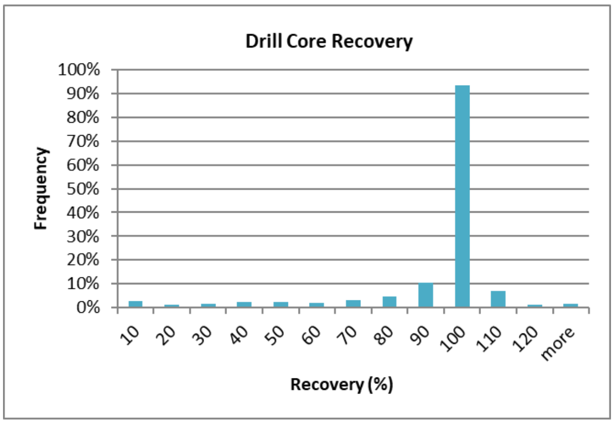


Figure 4-7: Core Recovery Histogram

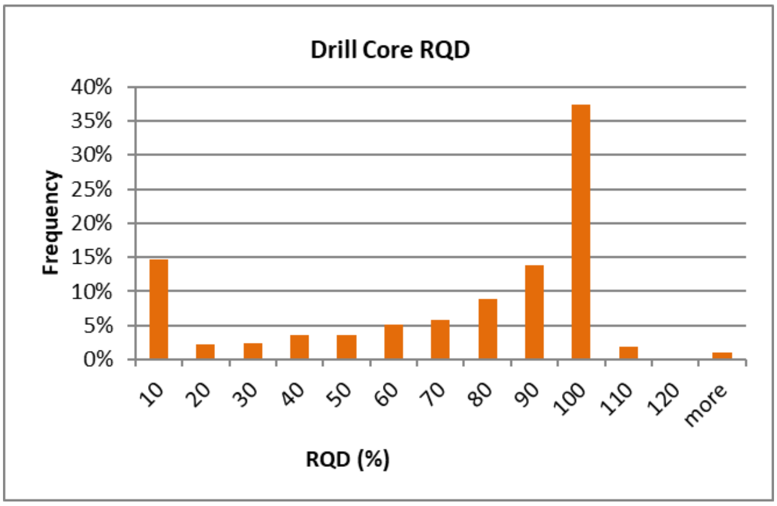


Figure 4-8: RQD Histogram

4.3.3.2 Data Validation

Drilling data is stored off site and an independent database manager (Cube Consulting) manages uploads and validation. Cube Consulting provides extracts of the database for site and third parties as required. The data base was supplied in the form of a Microsoft Access database export. The data verification was undertaken independently by the Mining Associates' CP using in-built validation tools in Surpac and by interrogating the database in Microsoft Access.

Mining Associates found several minor errors within the suppled database, generally in low tenor material outside of the resource area relating to overlapping sample intervals.

4.3.3.3 Assay Verification

All original assay certificates for the data used in the resource estimate are available. A check was made between the gold values in the Microsoft Access export with the assay and values on the assay certificates. A spatially representative selection of drill holes was chosen from all resource zones, covering different years of drilling and assaying.

4.3.3.4 Independent Samples

No independent samples were collected and submitted by the CP as part of this review.

4.3.4 Sample Preparation, Analyses, Security, and QA/QC

4.3.4.1 Sampling Method and Approach

As with the drilling procedures, the sampling procedures introduced by CGA were also followed by Thor. The only exception to this was the introduction of quarter-core sampling by Thor.

Samples were selected using the following principles:

- Sampling commenced at significant geological boundaries that were considered to represent a distinct change in potential grade. Such boundaries could be structural, lithological, or alteration zone contacts. The sample lengths either side of this boundary were a minimum of 0.5 m and no more than 2.0 m, and returned to 1.0 m intervals as soon as it was considered to be geologically justifiable.
- Where barren zones were clearly identified, at the discretion of the Senior Geologist, half core was sampled over 5.0 m on both sides of the ore zone at 1.0 m intervals.

The sample intervals were recorded on the drill log. An aluminium tag (or a core marker) showing the sample number and depth from and to, was then wired or riveted into the core tray at the start of the interval.

Both half-core and quarter-core sampling was carried out. Sampling has predominantly been half-core NQ or quarter core HQ as shown in Table 4-6.

Table 4-6: Drill Core Sampling
Thor Explorations Ltd – Segilola Gold Project

Core Sample	HQ	NQ	Total
Half-core	596	8,686	9,282
Quarter Core	1,613	199	1,812
Total	**2,209**	**8,885**	**11,094**

Sampling procedures involved marking the sample boundary on the core then cutting or breaking the core at that boundary. A diamond saw was used to cut the core lengthways along the core axis of the sample interval. One half was sent for analysis, the other half was retained in the core tray. For quarter-core sampling, the half-core split was re-cut along the core axis.

Before the core was cut, it was turned to ensure that the veins were cut at the optimum angle. If there was more than one vein set and these were at different orientations, then the core was turned to allow cutting of the main auriferous veins at the optimum angle. If the core was relatively soft, friable, or likely to shatter, it was wrapped in masking tape to ensure that the sample did not disintegrate under the core saw. The core was then cut down the orientation line.

Drill samples were submitted to the laboratory as loose pieces of core contained within appropriately numbered plastic bags. The following procedures were followed:

- Samples for one hole were consolidated at site and the sample numbers were entered into a single submission form (i.e., one submission number).
- Weights were recorded for individual samples.
- Bagged samples were put into manageable loads in large polyweave sacks.

4.3.4.2 Sample Preparation

For CGA drilling, the sample preparation was completed at the SGS Laboratory (SGS) in Tarkwa, Ghana.

For Thor drilling, sample preparation was completed in two different locations. Before 2017 the samples were prepared at MS Analytical, LLC (MS Analytical) in Vancouver, British Colombia, Canada. During 2018, MS Analytical established a sample preparation laboratory in Abuja, Nigeria, and thus samples were prepared there for that drilling campaign. After sample preparation, the pulps were air-freighted to Vancouver, British Colombia for analysis.

All Thor samples were weighed upon receipt (method code PWE-100). The core was then dried, crushed to 70% passing 2 mm, split to a 250 g sub-sample, and pulverised to 85% passing 75 µm (method code PRP-910).

Borth laboratories are independent of CGA or Thor.

4.3.4.3 Sample Analysis

4.3.4.3.1 Analytical Laboratories

Table 4-7 summarises the analytical laboratories used by CGA and Thor.

Table 4-7: Analytical Laboratory Summary
Thor Explorations Ltd. – Segilola Gold Project

	Operator	Laboratory Location	Time Period	Sample Type Analysed
CGA	SGS	Tarkwa, Ghana	2008 - 2011	Soil Samples
CGA	SGS	Tarkwa, Ghana	2008 - 2011	Drill Hole Samples
Thor	MS Analytical	Vancouver, BC, Canada	2017 - 2018	Surface Samples
Thor	MS Analytical	Vancouver, BC, Canada	2017 - 2018	Drill Hole Samples

SGS and MS Analytical are both ISO9001:2008 accredited laboratories. The CP has not audited the sample preparation or assaying laboratories.

Both laboratories are independent of CGA or Thor.

4.3.4.3.2 Analytical Methods

Two analytical methods, fire assay and metallic screen fire assay, have been used for gold analysis in drill core and check samples as summarised in Table 4-8.

Table 4-8: Analytical Methods
Thor Explorations Ltd – Segilola Gold Project

Laboratory	Elements	Method	Code	Detection Limit
SGS Tarkwa	Au	Fire Assay	FAA 505	0.01 ppm
SGS Tarkwa	Ag, Cu, Pb, Zn, As, Mo, Sb	Aqua Regia	ARA 155	
MS Analytical	Au	Fire Assay	FAS-221	0.01 ppm
MS Analytical	Total Au	Metallic Screen Fire Assay	MSC-150	0.05 ppm
MS Analytical	Bulk Gravity		SPG-410	

Fire Assay

CGA samples were analysed by SGS for gold by fire assay with an atomic absorption spectrometry (AAS) finish (SGS FAA505 method). This method used a 50 g charge and had a 0.01 ppm Au detection limit. Analysis for Ag, Cu, Pb, Zn, As, Mo, and Sb was also completed using an aqua regia digest on a separate 50 g charge with an AAS finish (SGS ARA155 method).

Thor samples were also analysed by fire assay with an AAS finish (MS Analytical FAS-221 Method). An aliquot of 50 g was weighed, mixed with flux (a blend of litharge, soda ash, borax, silica, silver, and various other essential reagents), and then fused to produce a lead button. The gold-containing lead button was cupelled to remove the lead and yield a bead which contains precious metals. The bead was then digested with nitric and hydrochloric acid. On completion of the digestion, the solution is bulked up to volume with dilute hydrochloric acid. The final solution was analysed by AAS.

The analytical methods used on drill core and check assays from the Project are summarised in Table 4-8.

Table 4-9: Analytical Methods
Thor Explorations Ltd – Segilola Gold Project

Laboratory	Elements	Method	Code	Detection Limit
SGS Tarkwa	Au	Fire Assay	FAA 505	0.01 ppm
SGS Tarkwa	Ag, Cu, Pb, Zn, As, Mo, Sb	Aqua Regia	ARA 155	
MS Analytical	Au	Fire Assay	FAS-221	0.01 ppm
MS Analytical	Total Au	Metallic Screen Fire Assay	MSC-150	0.05 ppm
MS Analytical	Bulk Gravity		SPG-410	

Metallic Screen Fire Assay

During the 2017 and 2018 drilling campaigns, fire assays greater than 10 g/t Au (a total of 48) were re-analysed by metallic screen fire assay (method code MSC-150).

The metallic screen fire assay technique is different from fire assay in that approximately one kilogram of material from the sample is analysed, compared to a 50 g sub-sample analysed by the fire assay technique. The sample size is particularly relevant where the gold is 'nuggety' and the absence or inclusion of individual gold particles can significantly influence the fire assay result.

Comparison of Fire Assay versus Metallic Screen Fire Assay Results

The results of the fire assay and the metallic screen fire assay are compared in Figure 4-9.

- Based on 33 samples, metallic screen fire assay generally returns grades, on average, approximately 10% lower than the original fire assay for values less than approximately 22 g/t Au.
- Based on 12 samples, the metallic screen fire assay returns results, on average, approximately 10% higher than the original fire assay for values between approximately 22 g/t Au and 45 g/t Au.
- Based on three samples, the fire assay method generally returns grades, on average, approximately 19% higher than the metallic screen fire assay for values greater than 45 g/t Au.

Overall, there has been a positive impact on high grades using metallic screen fire assay, although there are insufficient samples to define a Mineral Resource based on the results of this method.

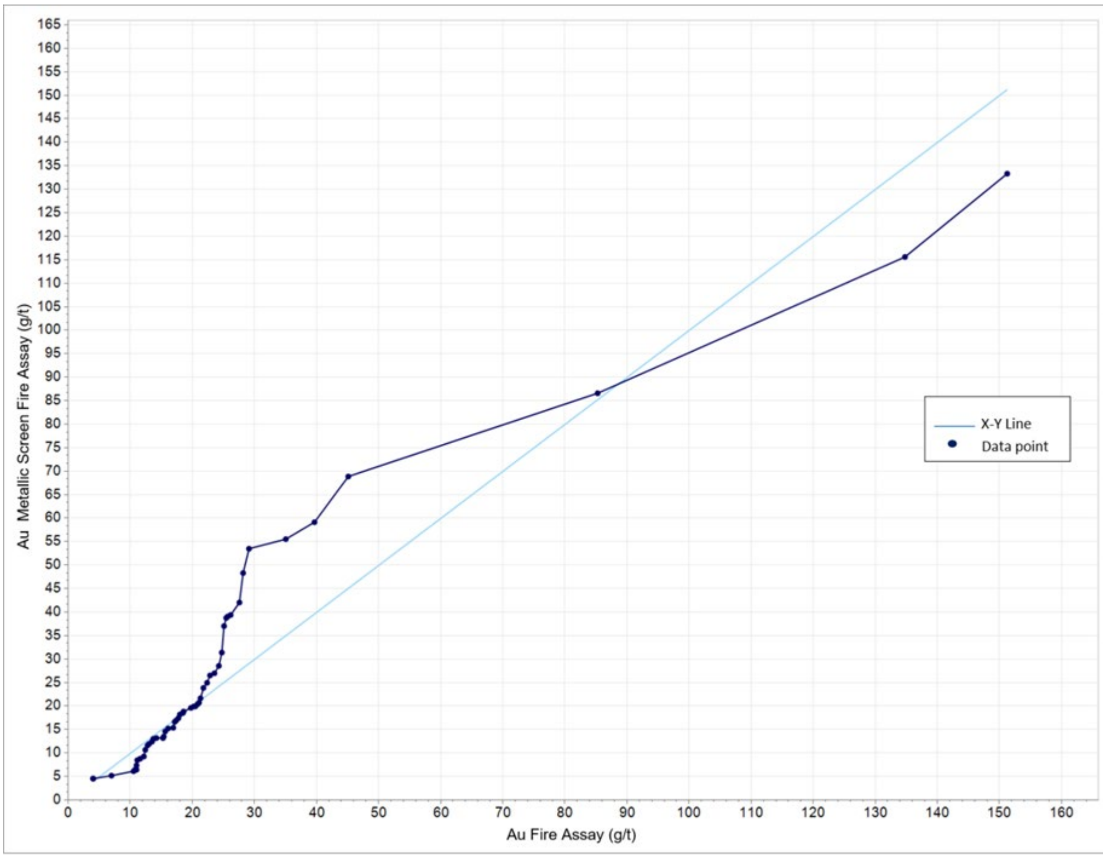


Figure 4-9: Fire Assay and Metallic Screen Fire Assay QQ Plot

Metallic screen fire assay data was not used in the resource estimate because the analyses were only carried out on a small percentage of the total samples. The Mineral Resource estimate relies predominantly on CGA data and metallic screen fire assays were not carried out during the CGA programmes.

In the CP's opinion, metallic screen fire assays should be completed on all samples with grades above 10 g/t Au. When there are enough analyses, these should be reviewed to determine whether the metallic screen fire assays are suitable to be used for future Mineral Resource estimates.

The metallic screen fire assay data indicates the presence of a coarse gold fraction as confirmed by subsequent metallurgical testing.

4.3.4.4 Security

Prior to dispatch, the sample core was stored at the exploration office in Ilesha. The office and sampling facilities are located within a single, walled compound which has a gated entrance manned continuously by a security guard.

Samples were packed onto an independently owned and Company-operated vehicle by senior company technicians under the supervision of senior staff geologists.

Senior company personnel transported the samples to DHL couriers in Lagos for delivery to SGS in Tarkwa, Ghana for the CGA samples and to MS Analytical, Vancouver, British Columbia, Canada via air freight for the Thor samples. For samples that were prepared at the MS Analytical preparation facility in Abuja, the samples were collected and transported from the exploration camp by laboratory staff.

Mining Associates is of the opinion that the sample collection, preparation, analysis, and security used by Thor were generally performed in accordance with exploration best practices and industry standards and are suitable for use in Mineral Resource estimation.

4.3.5 Quality Assurance and Quality Control

Thor has instigated a set of QA/QC procedures to ensure the reliability of the assay data. This section details the QA/QC from Thor's 2017 to 2018 drilling programmes. All previous QA/QC was documented in the PFS completed by Auralia Mining Consultants (2017).

The QA/QC is divided into 'Field' samples submitted by Thor and the 'Laboratory' samples internally submitted by MS Analytical.

4.3.5.1 Field QA/QC

4.3.5.1.1 Standards

To validate the performance of the laboratory, standard samples (also referred to as Certified Reference Materials, or CRMs) were added to each batch of samples, typically after every 25th sample.

Thor used standards supplied by both Geostats Pty Ltd and African Mineral Standards, South Africa (AMS). All the standards were supplied in jars with the exception of AMS 0175, which was supplied in pre-measured 50 g packets. The standards supplied within jars were weighed to 50 g and placed in a small bag by on-site staff.

Table 4-10 and Figure 4-10 show the results of the standards analysis. In general, the variability is within acceptable limits and the results indicate an acceptable level of accuracy for the analytical laboratory and the assay method.

Table 4-10: List of Standards
Thor Explorations Ltd. – Segilola Gold Project

Standard	No of assays	Expected Value (g/t Au)	Expected Value Range (g/t Au)	Minimum (g/t Au)	Maximum (g/t Au)	Mean (g/t Au)	Standard Deviation	% Samples in Expected Value Range	% Bias
AMS 0175	7	0.50	0.45 to 0.55	0.50	0.53	0.52	0.01	100	-3.14
G910-8	9	0.63	0.567 to 0.693	0.55	0.65	0.60	0.03	89	4.41
G912-4	26	1.91	1.719 to 2.101	1.73	2.09	1.91	0.09	100	0.02
G913-2	8	2.40	2.16 to 2.64	2.09	2.40	2.33	0.09	88	3.13
OXG-124	12	0.918	0.826 to 1.01	0.85	0.99	0.90	0.04	100	1.87
OXK-119	9	3.604	3.244 to 3.964	3.24	3.93	3.53	0.18	89	2.09

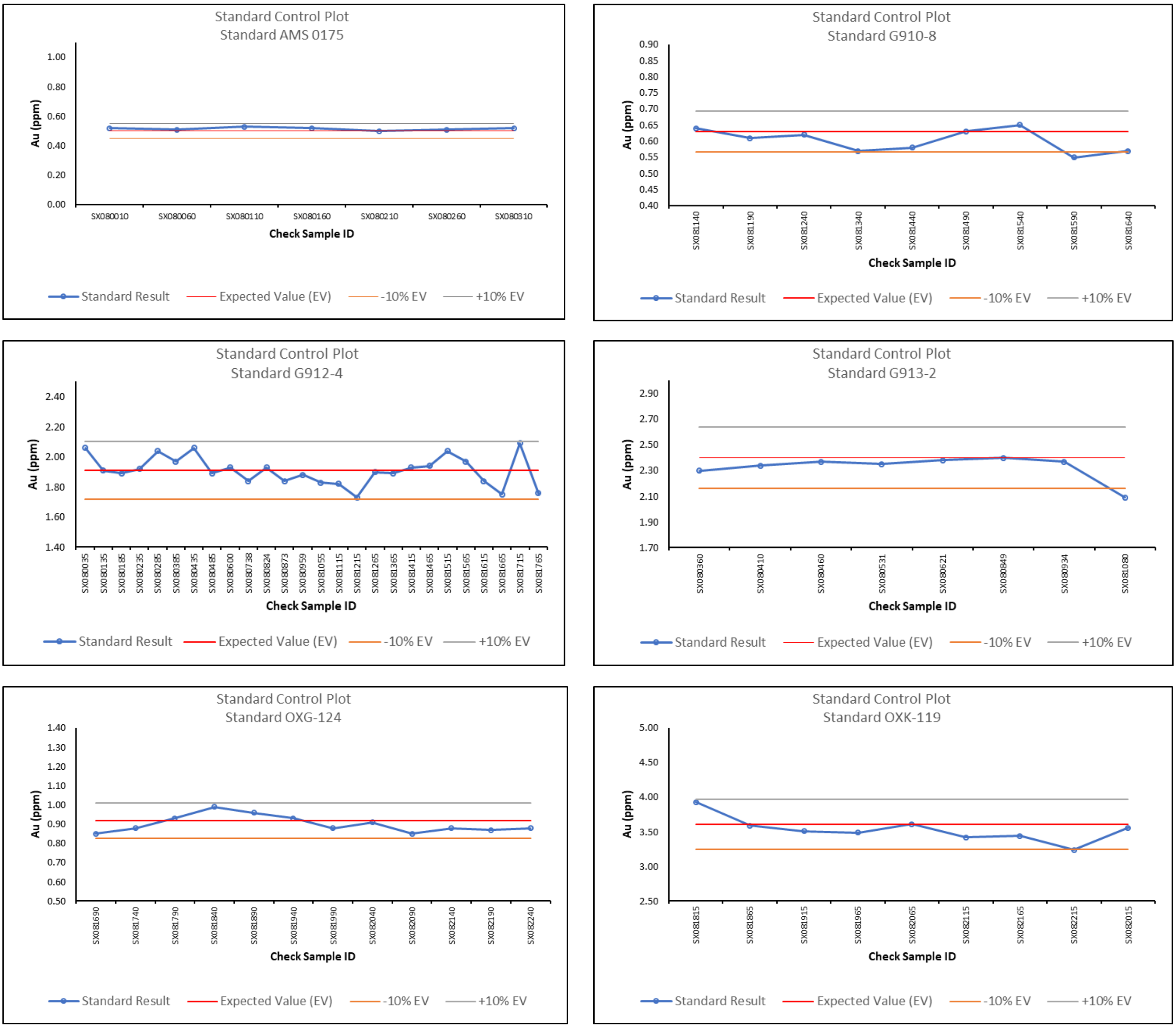


Figure 4-10: Field Standard Control Plots

4.3.5.1.2 Blanks

To check for contamination, blank samples were inserted into batches of samples after every 100th sample.

Certified laboratory blanks supplied by AMS were used. These coarse blanks (Blank No. 0166) were made from homogenised silica quartz and had a gold content of less than 0.001 g/t Au.

Table 4-11 and Figure 4-11 show the results for the blank sample analysis.

Table 4-11: Field Blanks
Thor Explorations Ltd – Segilola Gold Project

Standard	No of Assays	Minimum	Maximum	Mean	Standard Deviation	Pass Rate (%)
Blank 0166	18	0.01	0.07	0.01	0.01	94

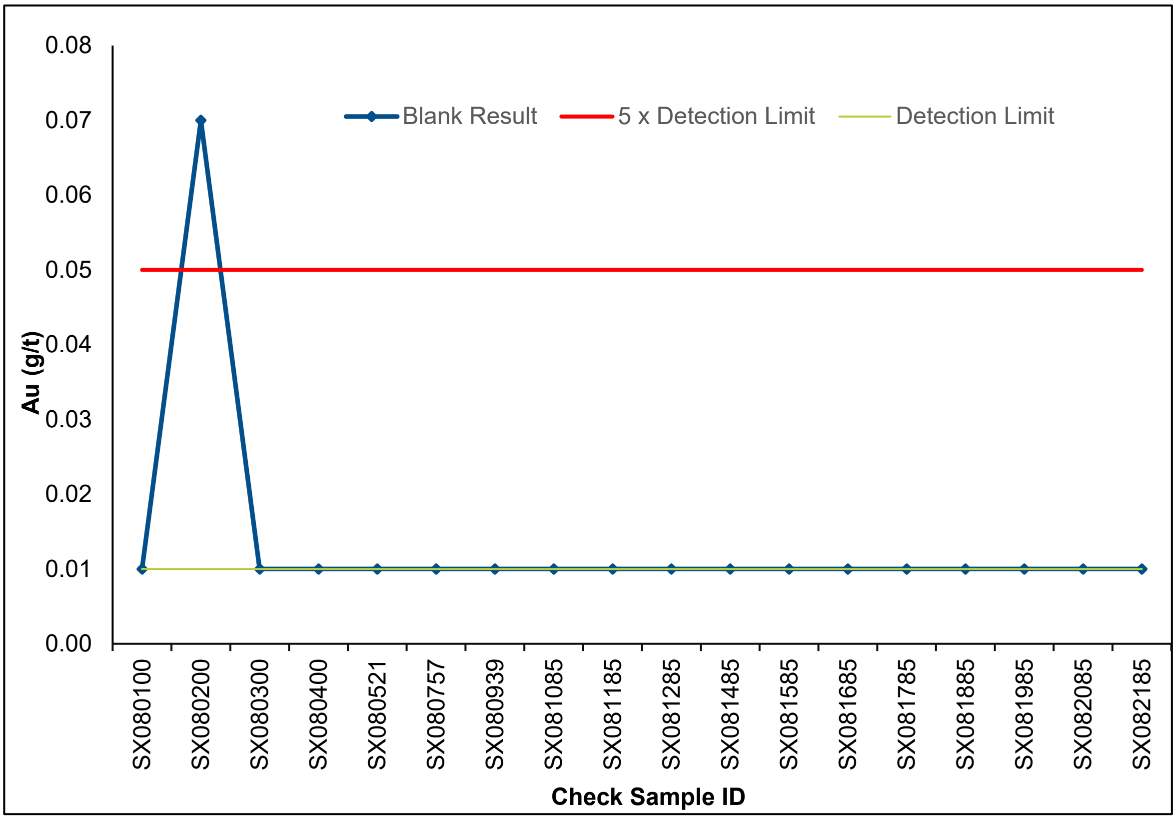


Figure 4-11: Field Blank Control Plot

The CP recommends that the blank insertion rate be increased to the same frequency as the standards and duplicates for future drilling campaigns. Blanks should also be inserted manually into areas of expected high-grade results to better test sample contamination during preparation.

4.3.5.1.3 Duplicates

Field duplicates are used to determine sampling error and also to give an indication of the precision of the data pairs (original versus duplicate). The quality of the data will depend greatly on the quality of the actual duplicate prepared in the field. Representative diamond drill duplicates are difficult to prepare in the field, compared to other drilling methods, as the sample is not coarsely crushed and homogenised. The archived portion of the half core is often used as a field duplicate, however, two halves of a length of core may not be comparable and can produce poorly correlated results.

A total of 68 diamond drill field duplicates were analysed, which represents an insertion rate of approximately 1 in 25 samples. The duplicate samples were produced from both half and quarter core.

Figure 4-12 shows a scatter plot of duplicates versus original values and Figure 4-13 shows the duplicate pair mean versus the half real difference (HRD). The plots show some variability which is consistent with the nuggety nature of the mineralisation. In general, the data indicates reasonable precision for the sampling method given the nuggety nature of the mineralisation.

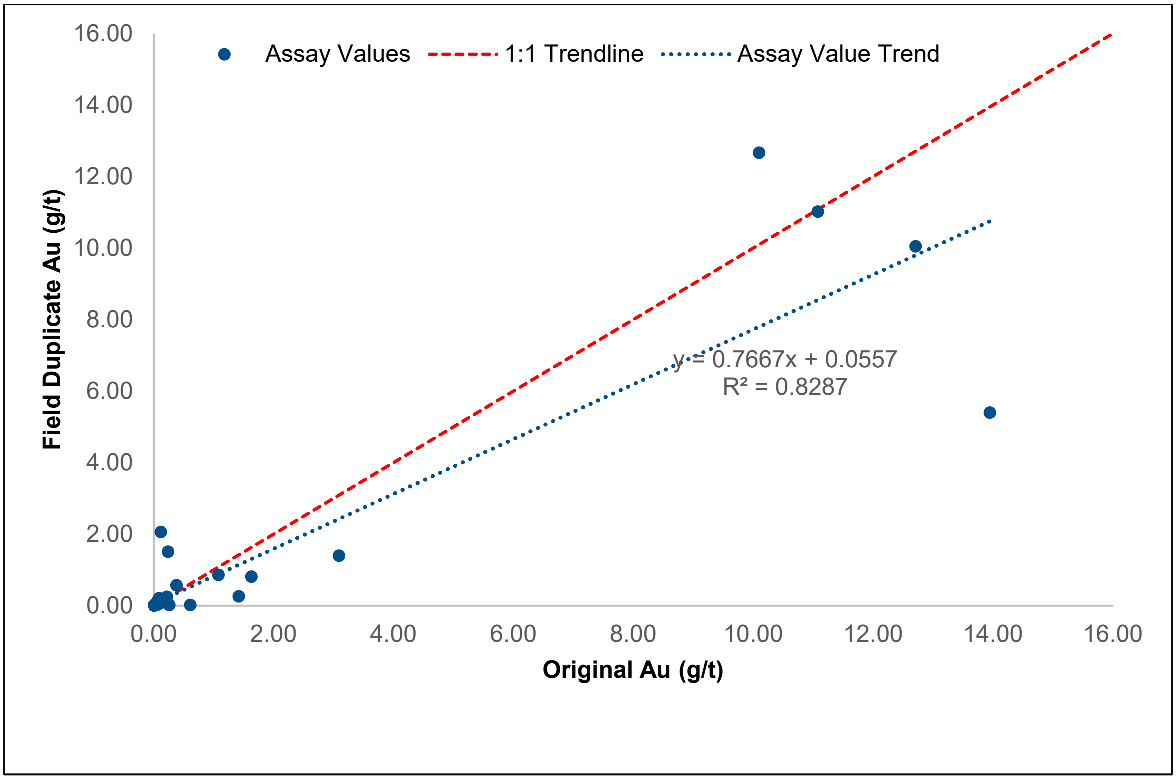


Figure 4-12: Field Duplicate Scatter Plot

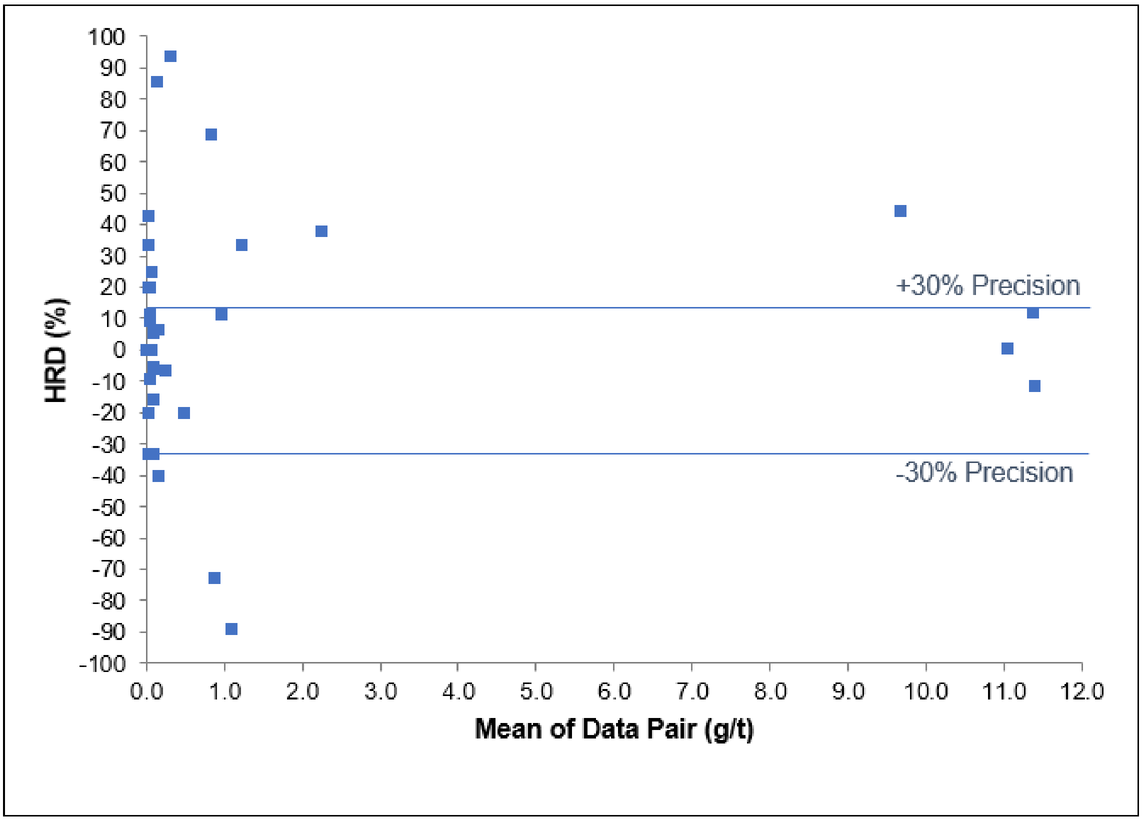


Figure 4-13: Duplicate Mean vs HRD Plot

4.3.5.1.4 Umpire Laboratory Analysis

CGA performed inter-laboratory (umpire analysis) checks on SGS in Ghana by sending 31 sample pulps for analysis at an independent laboratory, Genalysis Laboratories (Johannesburg). The checks indicated no systematic bias in the SGS assays (Figure 4-14).

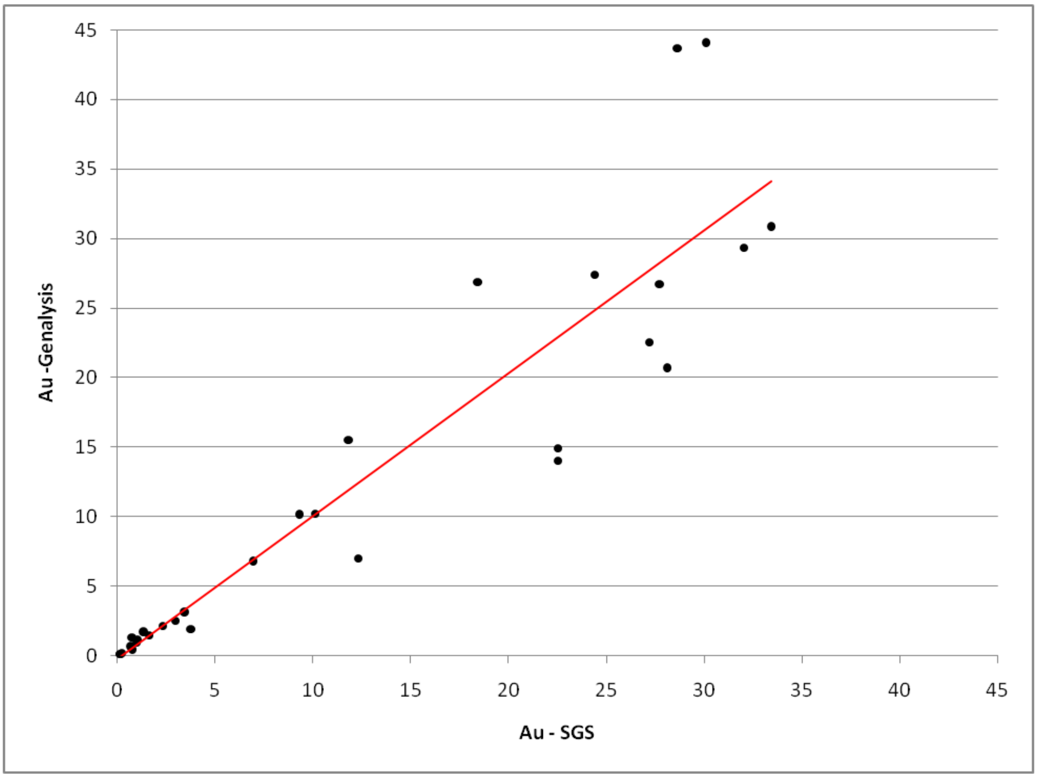


Figure 4-14: Inter-Laboratory Check Assays Scatterplot

The QA/QC procedures and management are consistent with industry standard practice and the assay results within the database are suitable for use in Mineral Resource estimation. The CP has not identified any issues which could materially affect the accuracy, reliability, or representativeness of the results.

The CP is of the opinion that the geological and analytical database quality is of sufficient quality to support Mineral Resource estimation.

4.4 Geological Interpretation

The Segilola deposit geology interpretation has been a focus of detailed study in the past year since the previous Mineral Resource estimate, which had an effective date of 1 December 2018 (RPA, 2019). For detailed descriptions of the geology and the interpretation process, the reader is referred to section 4.1 of this Report.

Thor's Group Exploration Manager, Mr A. Gillman created a lithology and mineralisation model in Leapfrog Geo software with the resulting wireframes provided to Mining Associates for use in the Mineral Resource estimate. The lithology model (Figure 4-15) was used to define the sequence within the block model. The mineralisation wireframes are faithful to mineralisation with appropriate breaks where drilling dictates. The mineralisation wireframes are based on 0.5 g/t Au shells with minimal internal dilution allowed. The minimum modelled lode widths are as narrow as one metre. Six individual mineralisation wireframes were supplied, reviewed by Mining Associates in conjunction with the lithology model. The CP is of the opinion that the wireframes are acceptable for use in resource estimation.

The mineralisation wireframes represent multiple lode structures that trend 010°, dip steeply (80° and 70°) towards the west, and extend over a continuous strike length of 2 km (Figure 4-16 and Figure 4-17).

Lode 100 is 730 m in strike length, has an average thickness of one metre, and on average extends 100 m down dip (maximum of 280 m). Lode 200 (main footwall lode) is 1,460 m in strike length, varies in true width from 1.65 m to 18 m, and has a down-dip extent of 50 m in the north increasing to 420 m at the southern end. Lode 300 covers 1,300 m in strike, has an average thickness of 1.8 m, and extends to a maximum of 300 m down dip at the southern end. Lodes 400 and 500 are in the hanging wall of Lode 300, with Lode 400 having a 1,000 m strike and Lode 500 striking 300 m. Lode 600 is a small lode (100 m strike) in the footwall of the southern end of lode 100 and in the hanging wall of Lode 300.

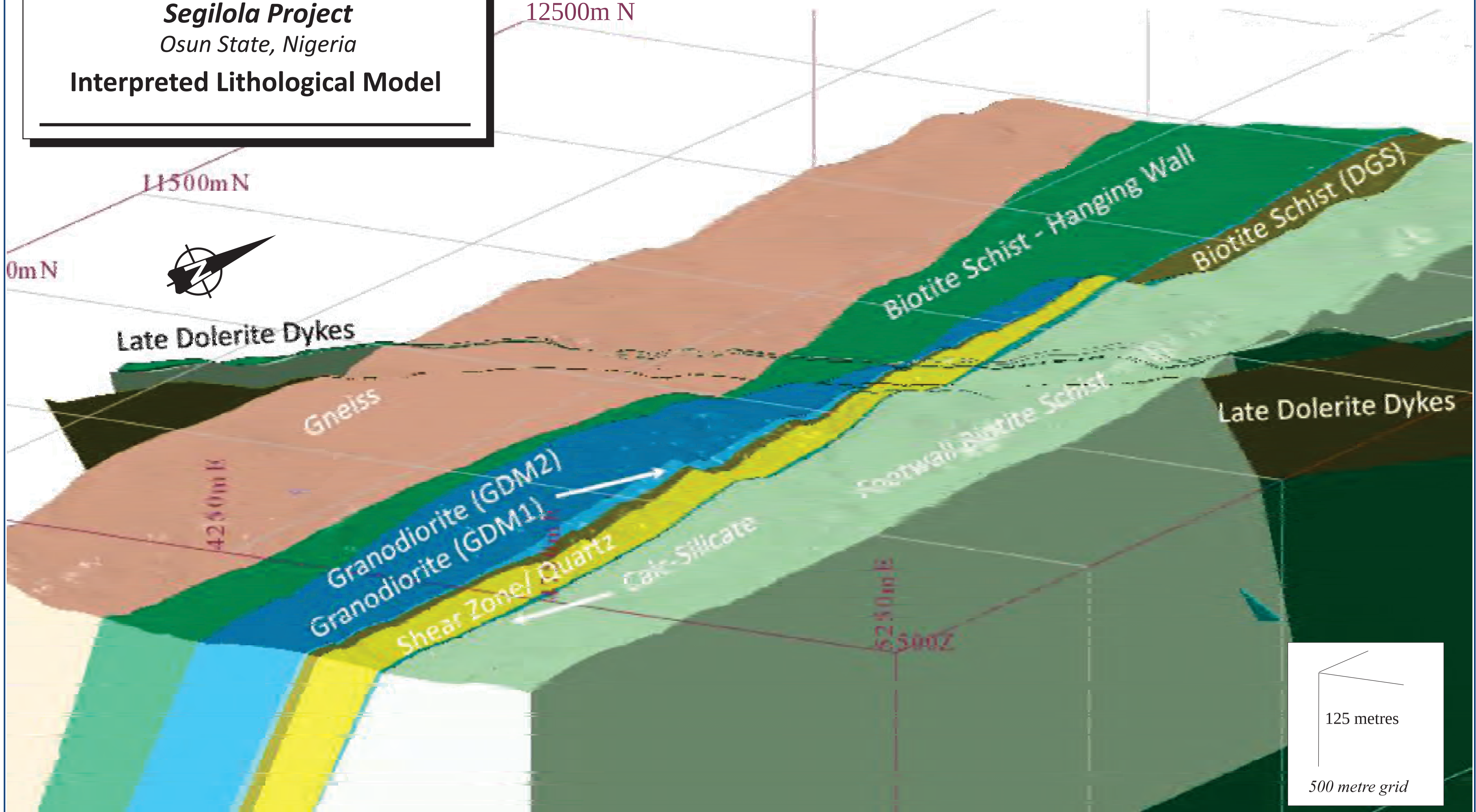
Figure 4-15

Thor Exploration Ltd.

Segilola Project

Osun State, Nigeria

Interpreted Lithological Model



June 2021

Source: Mining Associates Pty Ltd, 2021.

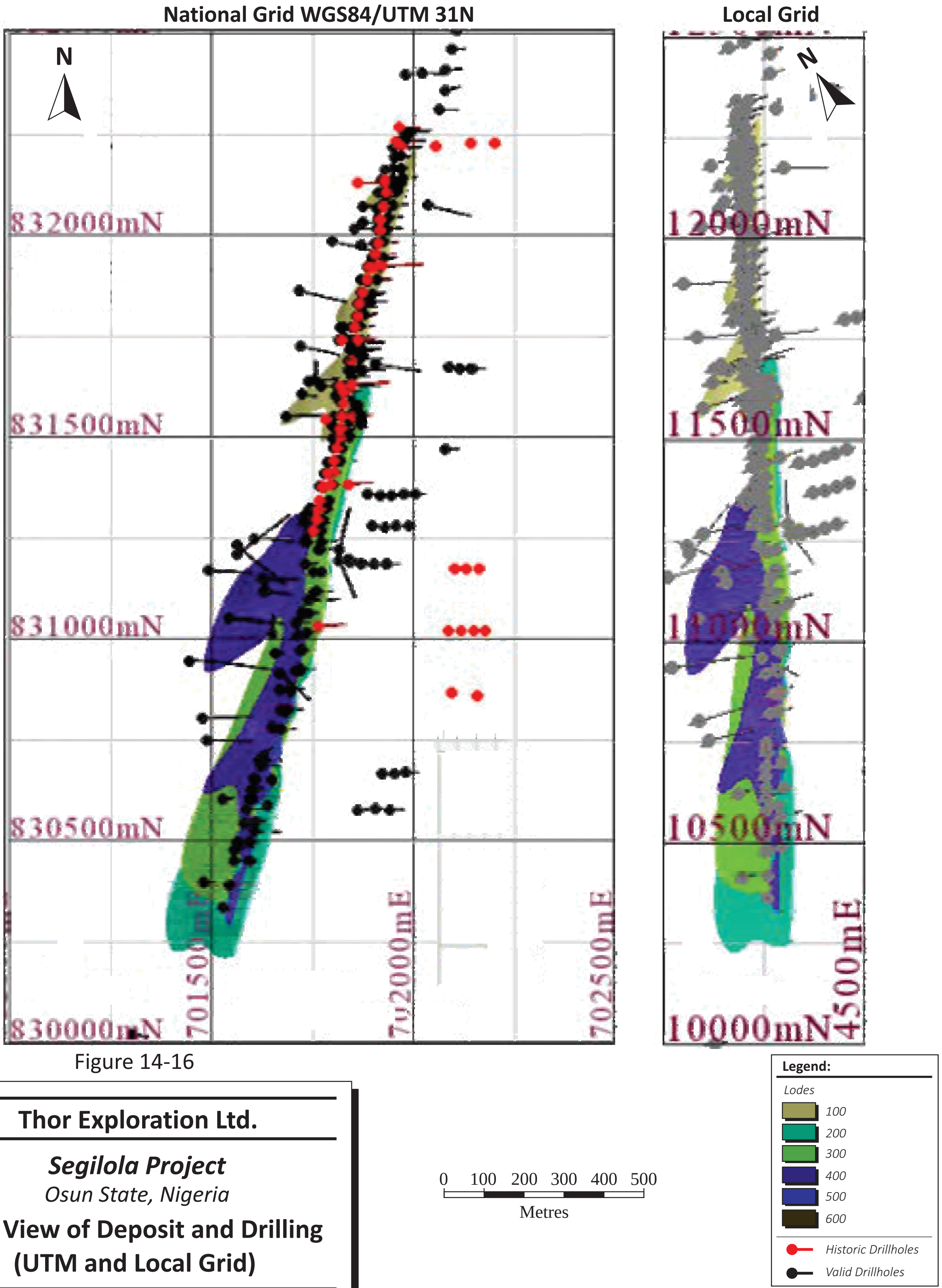


Figure 14-16

Thor Exploration Ltd.

Segilola Project

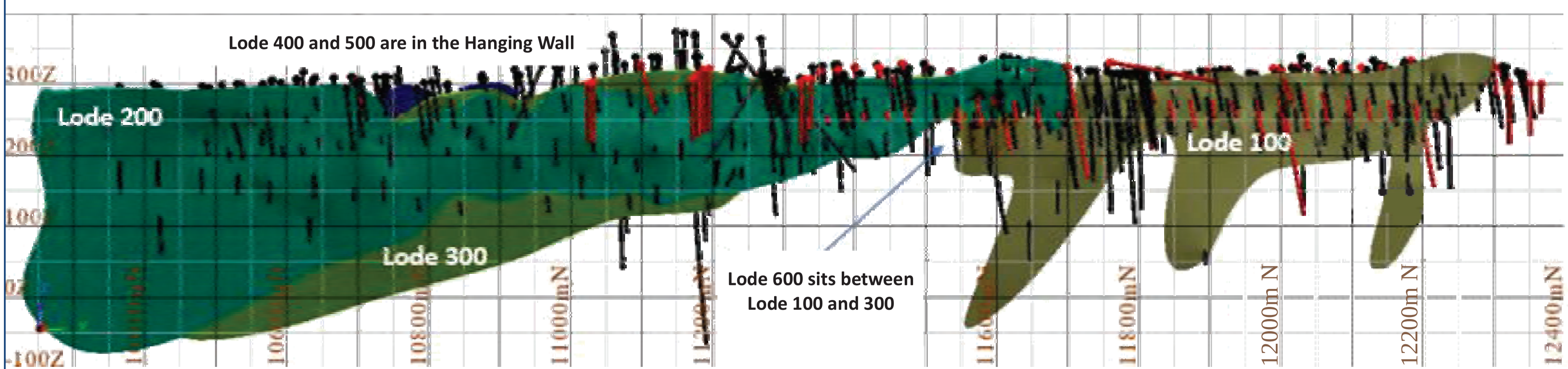
Osun State, Nigeria

Plan View of Deposit and Drilling (UTM and Local Grid)

June 2021

Source: Source: Mining Associates Pty Ltd, 2021.

Looking East



Legend:

Lodes

- *100*
- *200*
- *300*
- *400*
- *500*
- *600*

- *Historic Drillholes*
- *Valid Drillholes*

0 100 200 300 400 500

Metres

Note: This is Projected on the local Grid.

Figure 4-17

Thor Exploration Ltd.

Segilola Project

Osun State, Nigeria

Long Section View

June 2021

Source: Mining Associates Pty Ltd, 2021.

4.4.1 Topography and Excavation Models

Mining Associates was supplied with a high resolution topography file. Points within the file represent gridded spot heights at 2.0 m x 2.5 m intervals. The survey file is based on a 2018 Light Detection and Ranging (Lidar) survey. The Lidar picks up a historic pit (approximately 300 m long, up to 20 m wide, and 7 m deep), which has been excavated further south than the old pit design ("old_pit.dtm") identifies. The old pit exploited the southern extent of Lode 100. The pit extends further south than Lode 100 is interpreted. Lode 600 starts south of the old pit.

4.4.2 Exploratory Data Analysis

Mining Associates has undertaken Exploratory Data Analysis (EDA) by first investigating the statistics of the entire database before assessing each individual lode and comparing their statistics. Details are provided in the following sections.

The entire data set was considered for an appropriate lower boundary cut-off. Initially gold and silver were considered as potentially economic minerals, however, insufficient silver assays exist in the database and the correlation coefficient between gold and silver is too low to draw any inferences. Summary statistics for all samples are shown in Table 4-12.

Table 4-12: Summary Statistics for All Au and Ag Assay Data
Thor Explorations Ltd. – Segilola Gold Project

Variable	Au	Ag
Number of samples	15615	857
Minimum value	0.001	0.11
Maximum value	151.21	85.100001
Mean	0.60	1.85
Median	0.02	0.80
Geometric Mean	0.03	0.88
Variance	15.38	20.48
Standard Deviation	3.92	4.53
Coefficient of variation	6.52	2.45
10.0 Percentile	0.01	0.27
25.0 Percentile	0.01	0.40
50.0 Percentile (median)	0.02	0.80
75.0 Percentile	0.08	1.66
95.0 Percentile	1.90	7.15
97.5 Percentile	5.29	9.75
Correlation Coefficient	0.0128	

Histograms and log probability plots were assessed to confirm that a natural break existed at 0.5 g/t Au, justifying Thor's decision to use a 0.5 g/t Au lower cut-off for the interpretation of lode structures.

4.4.2.1 Bulk Density

The deposit has a shallow weathering profile. The depth of the fresh rock over the mineralised zone is generally 20 m to 25 m below the surface; oxidation reduces to one to two metres either side of the lodes. There are 1,776 density readings for the Project. The data set consists of 1,157 de-surveyed records (SG_Density Master.xlsx), only recording the sample coordinates, density readings, and hole identification (no sample intervals or weight measurements). A further 619 readings are stored in the drill hole database with collar identification, sample intervals, wet and dry weights, and density readings.

Densities are based upon specific gravity measurements completed by CGA and Thor. All sites used the Archimedes Principle (immersion techniques) to determine the density of the core. Table 4-13 shows that the CGA performed most density readings. Thor has sent 149 bulk density samples off site to MS Analytical, which returned a significantly lighter mean density than seen in the data from both the CGA and Thor site laboratories.

Table 4-13: Average Bulk Density by Analysing Site
Thor Explorations Ltd. – Segilola Gold Project

Laboratory	n	Mean (g/cm^3)	CV
CGA (SRL) site laboratory	1,394	2.67	0.05
MS Analytical measurement	149	2.61	0.07
Thor (SROL) site lab	233	2.77	0.09

Densities were plotted (Figure 4-18) to determine if a depth relationship could be established, however, no relationship with depth was found. Figure 4-18 shows that the samples sent to MS Analytical are higher in the profile. SROL density samples have the highest scatter (Figure 4-18 and Table 4-13) with a CV 0.09.

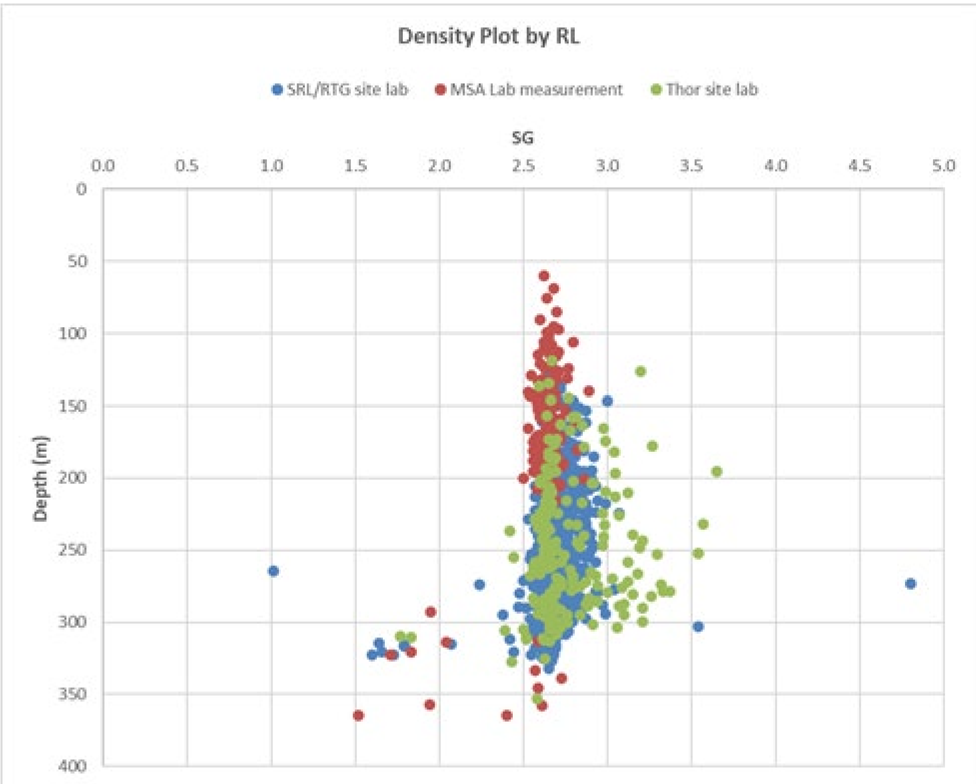


Figure 4-18: Density Measurements by SRL, SROL, and MS Analytical

The maximum density reading of 4.8 g/cm^3 is from a 14 cm interval in hole SGD137 from 34.7 m down hole logged as Fresh Biotite Granite. A density of 4.8 g/cm^3 is equivalent to 90% of the sample being pyrite, with the remaining 10% having the average rock density of 2.68 g/cm^3. The lightest sample with a density reading of 1.01 is from a 15 cm interval in hole SGD130 from 48.1 m down hole, logged as Fresh Biotite Granite.

The histogram plot (Figure 4-19) shows that most samples fall within the 2.65 bin with a significant number falling in the 2.70 bin. Assigning average grades to rock types is a suitable method for assigning bulk density to the Segilola deposit.

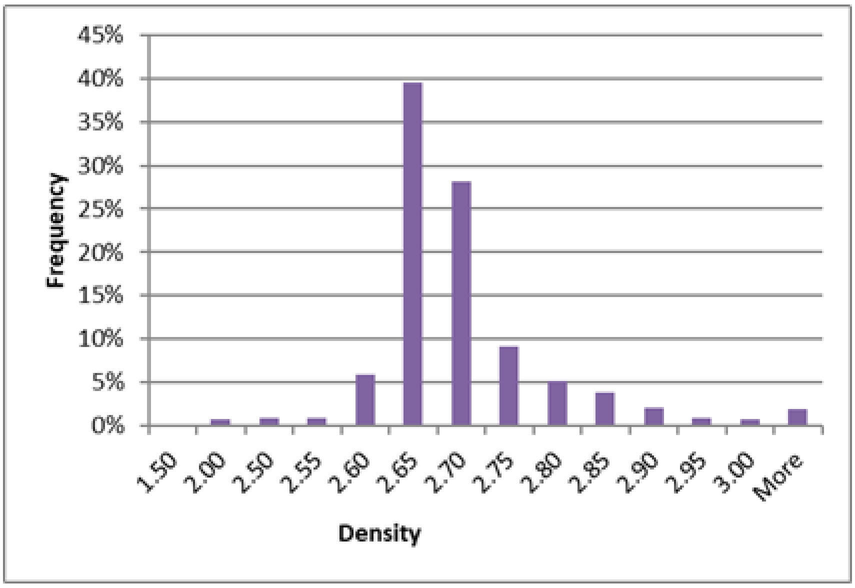


Figure 4-19: Histogram of Density Readings

SROL provided wireframes for top of fresh, base of oxidation. The data was classified into weathered states based on interpreted weathering profiles. The two data sets were statistically summarised (Figure 4-19).

Table 4-14: Summary Density Data
Thor Explorations Ltd – Segilola Gold Project

	Thor		CGA		Total	
All Material	**No. Samples**	**Average Density (g/cm^3)**	**No. Samples**	**Average Density (g/cm^3)**	**No. Samples**	**Average Density (g/cm^3)**
Oxide	19	2.63	61	2.46	80	2.50
Transition	24	2.67	68	2.62	92	2.63
Fresh	591	2.72	1,013	2.67	1,604	2.69
Totals	634		1,142		1,776	

The recent density readings within fresh rock undertaken by Thor are 1.8% heavier than the earlier CGA density readings. Both datasets are used to inform the model.

The density data was further classified into rock types and weathering states (Table 4-15). Although some categories are not statistically valid (n is too small) the average densities (of both data sets) were assigned to the various rock types.

Table 4-15: Summary Density Data by Weathering and Rock Type
Thor Explorations Ltd. – Segilola Gold Project

Lithological Unit	All Material	Thor		CGA		Total	
		n.	BD	n	BD	n	BD
Shear/Quartz Zone	Oxide	16	2.64	30	2.63	46	2.64
	Transition	20	2.68	40	2.63	60	2.65
	Fresh	446	2.72	630	2.65	1076	2.68
Biotite Shear	Oxide	-	-	4	1.87	4	1.87
	Transition	1	2.58	2	2.32	3	2.40
	Fresh	23	2.75	129	2.72	152	2.72
Calc Silicate	Fresh	28	2.79	107	2.72	135	2.74
Dark Grey Schistose	Oxide	1	2.63	5	2.66	6	2.66
	Transition	-	-	5	2.69	5	2.69
	Fresh	57	2.69	66	2.66	123	2.68
Granodiorite Massive	Oxide	-	-	19	2.23	19	2.23
	Transition	2	2.57	13	2.59	15	2.59
	Fresh	5	2.69	58	2.66	63	2.66
Granodiorite schistose	Oxide	2	2.54	3	2.65	5	2.61
	Transition	1	2.72	8	2.62	9	2.63
	Fresh	32	2.66	19	2.67	51	2.66
Dolerite	Fresh	0	0.00	4	2.74	4	2.74
		634		**1,142**		**1,776**	

* n: number of samples, BD: bulk density

CGA density data has not been translated to the local grid accurately. There is a mismatch between the translation of density data compared to the translation of the drill holes. Density samples are within five metres of the projected drill location. Density readings are deemed suitable for determining average density of rock types, but insufficient for direct use in estimating density.

The CP has reviewed SROL's density measuring procedure and considers it appropriate. The MS Analytical returned lighter density readings than either CGA or SROL which may be attributable to the samples generally coming from higher in the profile, though a depth relationship could not be established. The MS Analytical samples have the narrowest spread.

Mining Associates recommends that original sample intervals for the de-surveyed density data be located and added to the drill hole database, and that specific samples should be measured by SROL and cross checked with measurements from alternate methods or by MS Analytical to resolve the differences.

4.5 Mineral Resource Estimate

4.5.1 Summary

The Mineral Resource estimate for the Segilola Gold Project has been prepared with an effective date of 4 January 2021 by Mining Associates. Mining Associates' employee, Mr I. Taylor, MAusIMM (CP) prepared the Mineral Resource Estimate. Mr Taylor takes Competent Person's responsibility for the Mineral Resource estimate.

The estimation process followed the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (CIM, 2019). The Mineral Resource estimate is stated in accordance with CIM Definition Standards for Mineral Resources and Mineral Reserves (CIM (2014) definitions) and Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101).

Compared to the Mineral Resource estimate reported in the March 2019 NI 43-101 report, an additional 90 holes for 8,463 m of infill and depth extension drilling has resulted in a better understanding of the mineralisation by providing greater detail which has been incorporated into the models. As a result, intervening waste material was removed from the southern lode, Lode 200 was divided into two parallel lodes with a consistent and often thin band of waste separating them, and lodes were extended at depth.

The Surpac mining software package v7.2 (Surpac) was used to estimate gold grades into a three dimensional (3D) block model using ordinary kriging (OK). This estimation approach is considered appropriate based on several factors, including the quantity and spacing of available data, the interpreted controls on mineralisation, and the style and geometry of mineralisation. A geology and mineralisation model was created using Leapfrog Geo software. This model was used to constrain the resource estimate.

The Segilola gold deposit Mineral Resource (Table 4-16) comprises an Indicated Resource of 4.06 Mt at a grade of 4.66 g/t Au for 608,000 oz Au, and an Inferred resource of 0.443 Mt at a grade of4.8 g/t Au for 68,000 oz Au. The resource has been reported as Open Pit (0.3 g/t Au cut-off grade within the designed pit [pit_lom_v16.dtm]) and potential Underground (2.5 g/t Au cut-off grade, resources below the pit with sufficient spatial continuity within a potentially mineable shape) categories.

Table 4-16: Summary of Mineral Resources – 4 January, 2021
Thor Explorations Ltd – Segilola Gold Project

Category	Open Pit (> 0.30 g/t)			Potential Underground (> 2.5 g/t)			Total		
	Tonnes (kt)	Grade (g/t Au)	Gold (koz)	Tonnes (kt)	Grade (g/t Au)	Gold (koz)	Tonnes (kt)	Grade (g/t Au)	Gold (koz)
Indicated	3,674	4.51	532	386	6.1	76	4,060	4.66	608
Inferred	32	2.5	3	411	5.0	65	443	4.8	68

Notes:

1. Mr I Taylor, MAusIMM (CP), Principal Geologist of Mining Associates, is responsible for this Mineral Resource statement and is an "Independent Qualified Person" as defined in NI43-101.
2. This statement uses the terminology, definitions, and guidelines set out in CIM (2014) definitions as incorporated by reference into NI43-101.
3. The Mineral Resource is considered to have reasonable prospects for eventual economic extraction by open pit mining methods above a 0.30 g/t Au cut-off grade and within a designed pit wireframe. Mineral Resources below the pit shell are considered to have reasonable prospects for eventual economic extraction at a cut-off grade of 2.5 g/t Au where mineralisation is continuous.
4. Mineral Resources are reported inclusive of Mineral Reserves.

5. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
6. Totals may not add due to rounding.

To the best of the CP's knowledge, there are no environmental, permitting, legal, title, tax, socio-economic, market, political or other relevant factors that would affect the Mineral Resource estimate presented in this Report.

Thor made available all technical and scientific data and interpretations relevant to the Mineral Resource estimate, which have been reviewed and validated by Mining Associates. The CP is satisfied that the technical and scientific data and interpretations are sufficiently reliable to estimate and classify the Mineral Resource.

4.5.2 Assay Interval Compositing

4.5.2.1 Data Flagging

Assays were flagged according to mineralised domain. Each domain was assigned a unique numerical code to allow the application of hard boundary domaining if required during grade estimation. Flagged intercepts were checked to ensure whole samples were included (snapped to drillhole) and that contacts were appropriate (above lower grade boundary).

4.5.2.2 Composite Length

To minimise estimation bias due to differing sample lengths, the drill hole data should be composited to a standard length. This standard length should be chosen with consideration of the original sample length, the size of the selective mining unit, and the downhole thickness of the estimation domains.

The lengths of the samples were statistically assessed prior to selecting an appropriate composite. The majority (83%) of the samples are sampled at 1.0 m (Figure 4-20).

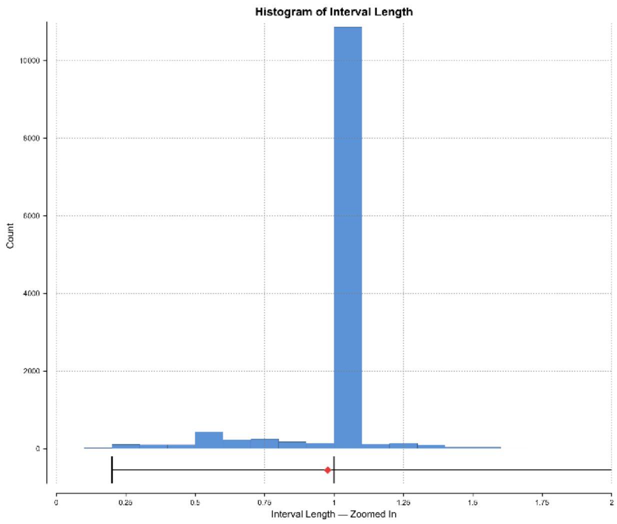


Figure 4-20: Sample Lengths

One metre composites were selected as most of the database is sampled at one metre intervals. Compositing honoured the lithology boundaries, and composite lengths less than 0.75 m were discarded.

Mining Associates considers one metre composites to be appropriate. Mining Associates has checked the statistics of the discarded composites to ensure that the estimate would not be biased by removing the short length sample intervals, and no bias has been identified.

4.5.2.3 Composite Statistics

A domain is a defined volume that delineates the spatial limits of a single grade population. Domains have a single orientation of grade continuity, are geologically homogeneous and have statistical and geostatistical parameters that are applicable throughout the volume (i.e., the principles of stationarity apply). The following charts (Figure 4-21) show generally that the defined wireframes have varying grades and the means shift, particularly in Lodes 200 and 300 where the grade increases to the north. Domains 100, 300, and 400 have extreme outliers. Domains 500 and 600 have limited samples.

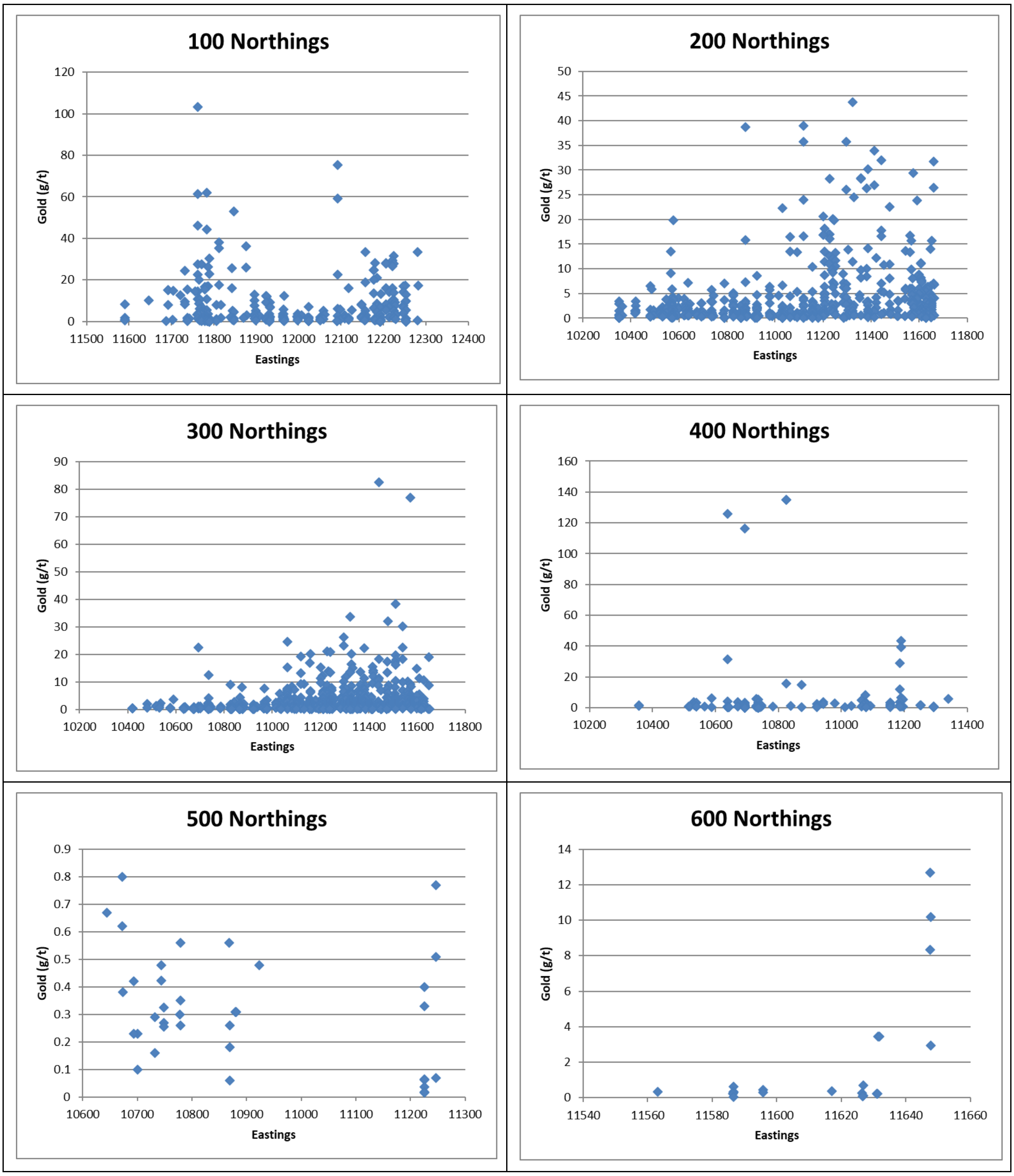


Figure 4-21: Segilola Domain Gold Grades Plotted by Northing

These domains should be determined based on geologic knowledge and supported by statistical analysis (EDA). Estimates are improved by geological constraints that can be confidently correlated between drill holes.

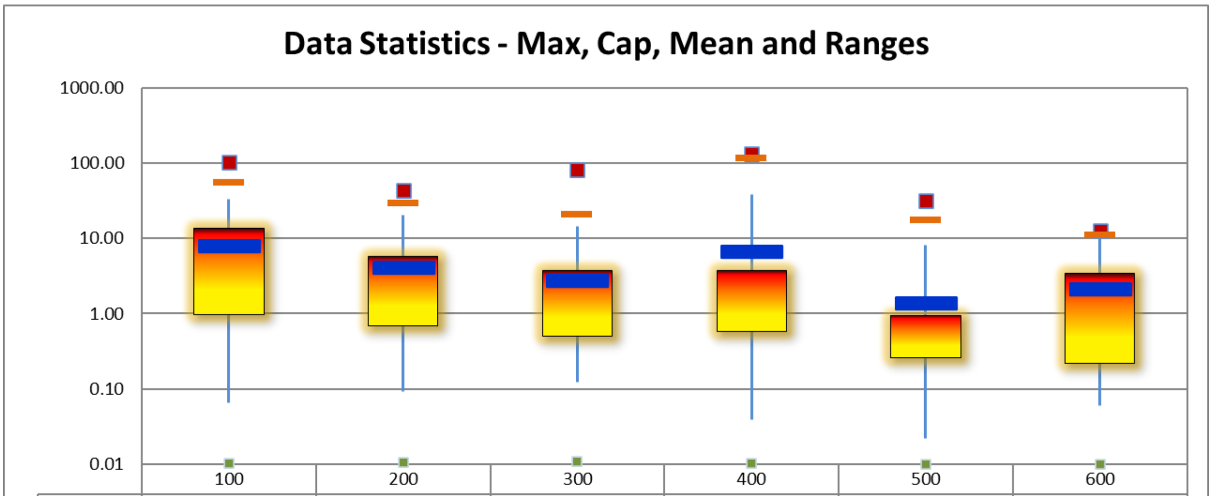
An important part of stationarity is the decision on how to group the geological features. After considering the geological history, the geometry of the units and by iteratively combining various groups of lodes and analysing the resulting statistics, MA has decided the estimation domains should be based on individual lodes, the statistics of the lode composites(uncapped) is summarised in Table 4-17.

Table 4-17: Composite Statistics by Au Estimation Domain
Thor Explorations Ltd. – Segilola Gold Project

Stat	100	200	300	400	500	600
Str statistics	gold	gold	gold	gold	gold	gold
Variable	Gold	Gold	Gold	Gold	Gold	Gold
Number of samples	290	555	797	104	49	21
Minimum value	0.03	0.02	0.02	0.01	0.02	0.03
Maximum value	103.30	43.71	82.63	135.00	32.20	12.67
Mean	**8.17**	**4.18**	**3.01**	**9.41**	**1.73**	**2.17**
Median	3.00	1.58	1.06	1.19	0.38	0.35
Standard Deviation	12.71	6.61	5.98	27.66	5.31	3.58
Coefficient of variation	**1.56**	**1.58**	**1.99**	**2.94**	**3.07**	**1.65**
10.0 Percentile	0.47	0.34	0.24	0.32	0.06	0.10
25.0 Percentile	0.98	0.69	0.49	0.57	0.24	0.22
50.0 Percentile (median)	3.00	1.58	1.06	1.19	0.38	0.35
75.0 Percentile	10.03	4.36	3.03	3.30	0.82	3.20
95.0 Percentile	30.20	17.43	13.25	79.74	13.66	11.42
97.5 Percentile	45.36	26.70	18.19	130.50	26.27	11.42
99.0 Percentile	61.59	33.00	23.82	135.00	32.20	12.67

4.5.3 Assay Capping (Cutting)

The defined domains have average grades (capped) of between 1.38 g/t Au (500 – HW) and 7.91 g/t Au (100 – North). The largest domain (volume and drill intercepts) is 300 – central with an average of 2.78 g/t Au. Capped statistics are shown in Figure 4-22.



	100	200	300	400	500	600
25%	0.98	0.69	0.50	0.57	0.26	0.22
97.5%	33.42	20.59	14.23	38.24	8.06	10.67
2.5%	0.06	0.09	0.12	0.04	0.02	0.06
75%	13.43	5.77	3.70	3.76	0.95	3.44
cap mean	7.91	4.09	2.78	6.80	1.38	2.11
Max	103.3	43.7	82.6	135.0	32.2	12.7
Cap	57.2	30.0	21.2	120.6	17.7	11.4
Count	290	555	797	104	49	21

Figure 4-22: Data Statistics - Box and Whisker Plot

4.5.4 Block Model

The block size used is based on proposed bench heights, geometry of the mineralising controls, and drill hole and sample distribution and the anticipated grade control methodologies being adopted by SROL.

Mining Associates created a preliminary model in Surpac using a block size of 6 m x 24m x 6 m (XYZ) to reflect the intended 6 m working bench (Table 4-18). The model is positioned in line with the 300 m RL being the first complete bench.

Blocks were flagged according to their rock type, lode number, weathering state, etc., and grade estimates and associated meta-data were preserved within the model. Attributes used are shown in Table 4-19.

Table 4-18: Block Model Parameters
Thor Explorations Ltd – Segilola Gold Project

Type	Y	X	Z
Minimum Coordinates	10000	3500	-102
Maximum Coordinates	12424	4520	450
User Block Size	24	6	6
Min. Block Size	1.5	0.375	0.375

Table 4-19: Block Model Attributes
Thor Explorations Ltd – Segilola Gold Project

Attribute Name	Type	Decimals	Background	Description
au_id	Float	2	0	Au, ID2 estimate, top cut applied
au_nn	Float	2	0	Au, nearest neighbour estimate, top cut applied
au_ok	Float	2	0	Au, ordinary krige estimate, top cut applied
density	Float	2	2.7	Density
deposit	Character	-	WS	Deposit Region
lode	Character	-	WS	Mineralisation Domain
lode_id	Integer	-	-99	Lode number (100, 200, 300, 400, 500, 600)
rescat	Integer	-	6	Resource classification (1 measured 2 indicated 3 inferred 4 unclassified 5 mined out 6 rock
rock	Integer	-	1	
wth	Character	-	FR	FR = FRESH ROCK, PO = PARTIALLY OXIDISED ROCK, OX = OXIDISED ROCK
z_ads	Float	2	0	Average distance to samples
z_brg	Float	2	0	Bearing of search ellipse
z_cbs	Float	2	0	Conditional bias slope
z_dh	Integer	-	0	Number of informing drillholes
z_dhid	Character	-	0	Hole_id
z_dip	Float	2	0	Dip of search ellipse
z_dns	Float	2	0	Distance to nearest sample
z_ke	Float	2	0	Krige efficiency
z_kv	Float	2	0	Krige variance
z_ns	Integer	-	0	Number of informing samples
z_ps	Integer	-	0	1 First Pass; 2 Second Pass Estimate

4.5.5 Interpolation Search Parameters and Grade Interpolation

4.5.5.1 Variography

The most important bivariate statistic (spatial correlation between grade and distance) used in geostatistics is the semivariogram. The experimental semivariogram is estimated as half the average of squared differences between data separated exactly by a distance vector ‘h’. Semivariograms models used in grade estimation should incorporate the main spatial characteristics of the underlying grade distribution at the scale at which mining is likely to occur.

Variogram analysis was undertaken in Surpac. Natural 3D experimental variograms could be created for the main lodes (100, 200, and 300). Where variogram maps proved difficult to interpret the line of lode (strike) and dip was set as direction one and two respectively, with the third direction generally selected as shallowly plunging to the south, mimicking the general trend of the shoots (Table 4-20).

Variogram selection also considered the use of an adjacent domain's variogram or variograms borrowed from Lode 300, as for the southern lode domain.

Natural 3D experimental variogram modelling used a nugget (C_0) and two spherical models (C_1, C_2), although occasionally one spherical model was sufficient. The modelled variogram geometry is consistent with the interpreted mineralisation wireframes, incorporating a plunge component where identified and modelled accordingly.

Table 4-20: Variogram Parameters
Thor Explorations Ltd – Segilola Gold Project

Lode	Rotation			Variogram					Anisotropy	
	Bearing	Plunge	Dip	Co	C1	A1	C2	C2	Major/ Semi-Major	Major/ Minor
100	2.12	9.5	74.92	0.18	0.52	35	0.3	72	1.59	2.3
200	21.25	7.43	57.57	0.35	0.37	40	0.28	70	1.92	2.2
300 - 600	8.90	1.58	65.42	0.40	0.60	40			1.49	2.0

4.5.5.2 Informing Sample Selection and Search Distances

A kriging neighbourhood analysis (KNA) was performed to optimise the number of informing samples and search distances. Fourteen blocks were selected (four on Lode 100 and five each on Lode 200 and on Lode 300). The location of the blocks was selected within well and poorly informed areas. Detailed estimation runs were prepared to confirm the proper implementation of the estimation parameters and procedures. Each block was estimated with increasing number of permitted samples, kriging statistics (estimated grade, krige efficiency, conditional bias slope, average distance to samples) were plotted against the number of informing samples to optimise the outcomes. Primary consideration was to avoid local conditional biases (too few samples) and over-smoothing (too many samples) of the estimated grade. The selected estimation parameters and procedures were then applied to the entire domain.

Block estimation uses a three-pass strategy with reducing number of required samples and increasing search distances. The reducing number of required samples limits over-smoothing as search distances are increased.

The maximum number of informing samples varied based on the size of the lode (quantity of data). Lodes 100, 200, and 300 use a maximum of 16 samples, Lodes 400 and 500 use a maximum of 12 samples, and Lode 600 uses a maximum of 10 samples. For subsequent estimation passes, the maximum number of samples was reduced to 75% (12, 9, or 7) during the second pass and further reduced to 50% (8, 6, or 5) for the third pass.

The minimum number of samples were set at eight for all domains; during the second pass, the minimum number of samples required dropped to six and subsequently reduced to two in the final run. The minimum number of required samples was progressively decreased ensuring that additional blocks could be estimated.

Search neighbourhoods were defined as an ellipse with a long axis set to 55 m and anisotropic ratios of 1.5:1 for the major/semi-major axis (37.67 m) and 2:1 for the major/minor axis (27.5 m). Search distances were doubled for the second pass and tripled for the third pass.

Most blocks (approximately 80%) in Lodes 100 and 300 have a sample within 40 m of their centroid (Figure 4-23); Lode); Lode 200 has most blocks (approximately 80%) with a sample within 60 m of their centroid.

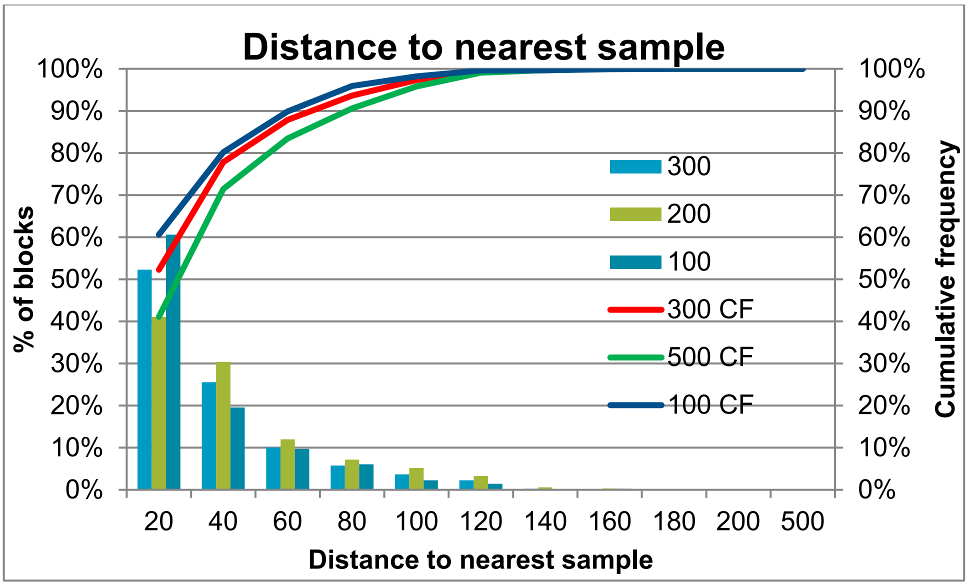


Figure 4-23: Three Selected Lodes Showing Distance to Nearest Sample

4.5.5.3 Grade Estimation

In the opinion of Mining Associates, the Mineral Resource statement reported in this CPR is a reasonable representation of the Segilola deposit based on current sampling data.

Gold is the primary element of concern. Gold domains are considered to have hard boundaries. Dynamic searches were utilised to reflect the local orientation of the lodes. Local undulations in the lodes were determined from the mid-point of mineralised drill hole intercepts. The intercepts were wireframed and sliced in 10 m sections. Wireframe slices were smoothed with points every 10 m providing a 10 m grid reflecting the orientation of the lodes. The grid was wireframed and the dip and strike of each triangle defined a unique local search orientation for each block.

Grade estimation was undertaken using Surpac. OK was used for the grade estimation using the variogram models and sample selection criteria documented above. No additional elements were estimated.

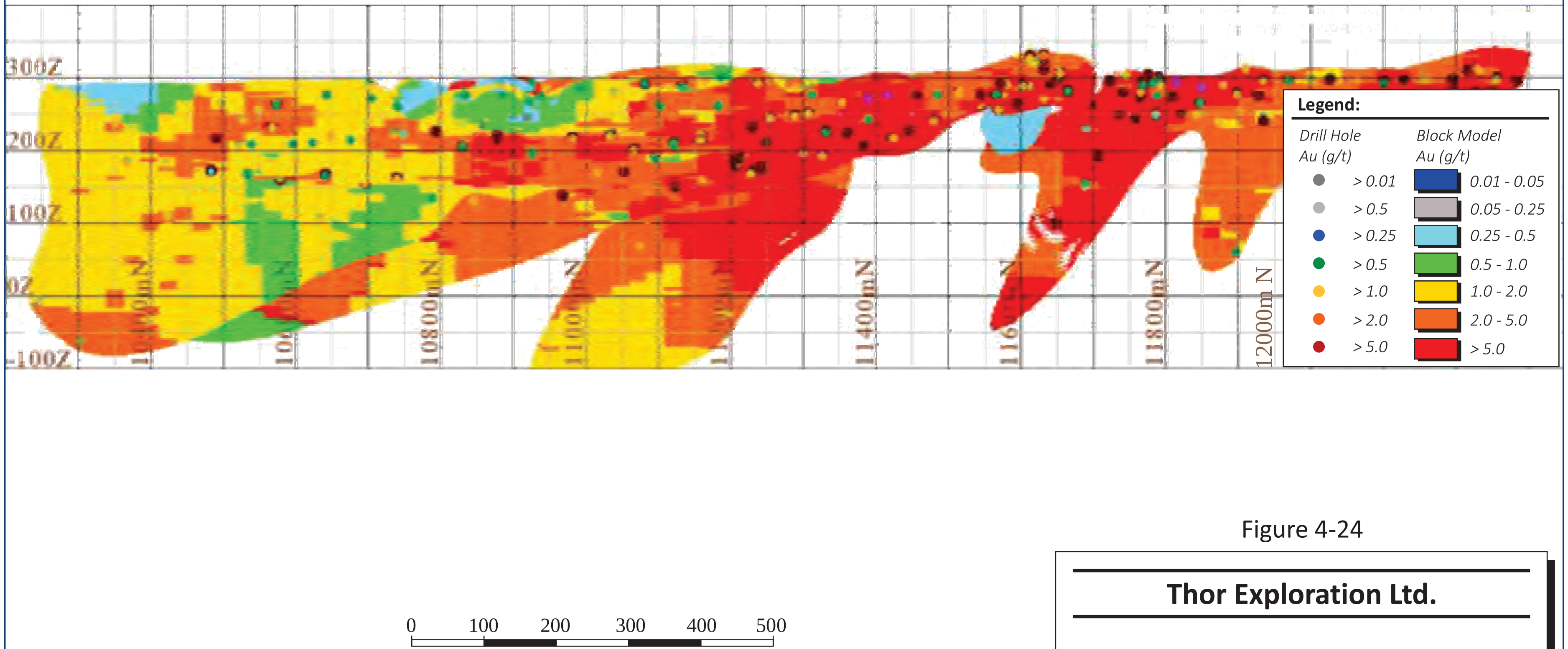
The krige estimate used a 2 x 5 x 2 discretisation (XYZ), with discretisation nodes spaced at 3 m x 4.8 m x 3 m. The distance between nodes approximates three times the sample composite length.

4.5.6 Block Model Validation

4.5.6.1 Validation of Global and Local Estimates and Model Selectivity

The block model was validated by visual and statistical comparison of drill hole and block grades and through grade-tonnage analysis. Initial comparisons occurred visually on screen, using extracted composite samples and block models (Figure 4-24). Further validation used swath plots to compare block estimates with informing sample statistics along parallel sections through the deposits.

Looking East



Note: This is Projected on the local Grid.

Figure 4-24

Thor Exploration Ltd.

Segilola Project
Osun State, Nigeria

Long Section View of Estimated Grades

June 2021

Source: Mining Associates Pty Ltd, 2021.

4.5.6.2 Alternate Estimation Methods

Alternative estimation methods nearest neighbour (NN) and inverse distance squared (ID^2) were utilised to ensure the krige estimate was not reporting a global bias (Figure 4-25). The alternate estimates provided expected correlations. The NN estimate shows less tonnes and higher grade (less contained metal) as it does not employ averaging techniques to assign the block grade; blocks are informed by a single closest sample rather than several weighted samples. The ID^2 estimate is closer to kriging as it does use averaging weighted by distance but cannot assign anisotropy without search ellipse adjustments nor de-cluster the input data nor account for nugget effect. Using the kriging algorithm provides a reliable estimate due to the ability of kriging to de-cluster data and weight the samples based on a variogram (which incorporates the nugget effect and anisotropy). The largest impact is seen at the higher cut off grades where few high grade samples are present compared to the neighbouring assay data. This has been partially controlled by applying a grade cap on the outlier values.

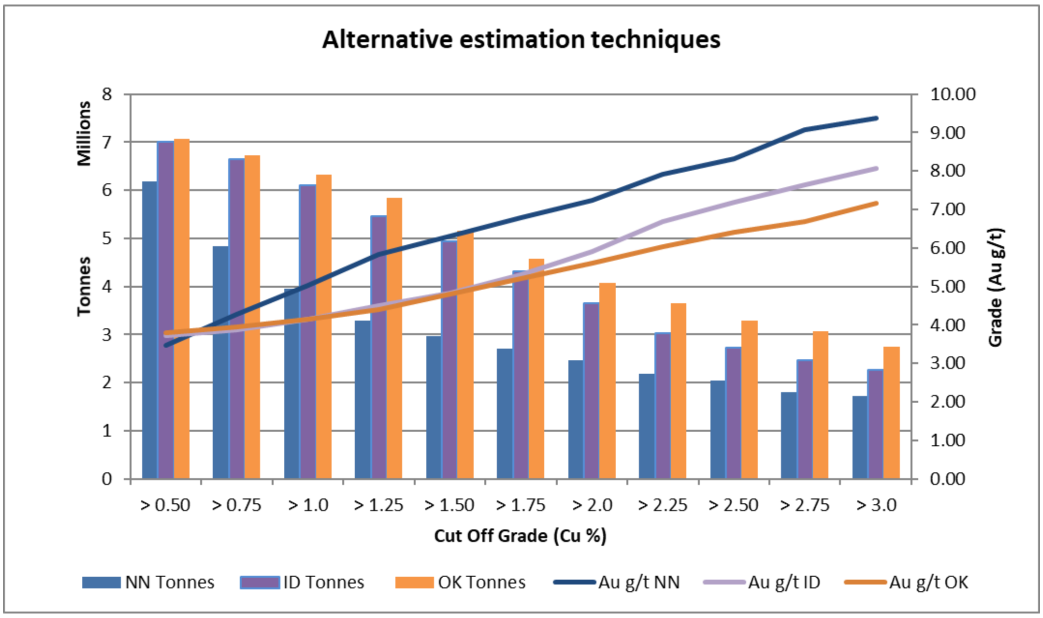


Figure 4-25: Alternative Estimation Results at Nominated Cut-offs (capped grades)

The tonnages and grades provided in Figure 4-25 describe the sensitivity of the block model to the different estimation techniques and should not be interpreted as Mineral Resources.

4.5.6.3 Global Bias Check

A comparison of global mean values within the grade domains shows a reasonably close relationship between composites and block model values (Table 4-21). Lodes 100, 200, and 300 show a good correlation between informing samples and the estimate. Domain 600 shows as a low estimate compared to the informing composite average; the domain has one reasonable grade intercept from hole GCD01, and six intercepts of approximately 0.5 g/t Au (the cut-off). Domain 500 includes SGD129 which intercepts four metres grading 13.40 g/t Au, supported by hole SGD145 with one metre grading 2.25 g/t Au and SGD128 with eight metres grading 1.97 g/t Au. The remainder of the intercepts (11 holes) are below 1 g/t Au.

Table 4-21: Global Gold Validation by Domains
Thor Explorations Ltd. – Segilola Gold Project

Domain		Informing Samples		Model (capped estimates)			% Difference OK vs. Comp grade	% of Total Volume
Lode	Volume	Uncapped	Capped	OK	ID2	NN		
100	198808	8.14	7.88	7.06	7.18	6.51	-10%	10%
200	752648	4.20	4.10	3.65	3.36	3.09	-11%	37%
300	848831	3.04	2.81	2.81	2.53	2.88	0%	42%
400	179407	9.19	8.75	8.73	11.56	5.94	0%	9%
500	31474	2.14	1.69	1.56	1.78	0.79	-7%	2%
600	13358	2.08	2.03	0.87	0.81	0.67	-57%	1%

4.5.6.4 Metal Loss through Grade Capping

The metal loss analysis is a check that the grade capping applied has not had undue impact on the global contained metal, and that the capping has achieved its goal of only locally reducing the influence of outliers. Mining Associates has prepared a summary table by estimation domain which compares the estimates using uncapped grades and capped grades for gold (Table 4-22).

Table 4-22: Capping Metal Loss Summary for Gold by Estimation Domain
Thor Explorations Ltd – Segilola Gold Project

Domain	Quantity Blocks	OK Uncapped	OK Capped	Metal Loss
100	310	6.53	6.42	-1.68%
200	1,196	3.12	3.04	-2.56%
300	1,182	2.83	2.68	-5.30%
400	436	6.78	6.55	-3.39%
500	36	2.03	1.56	-23.15%
600	15	0.87	0.86	-1.15%

The results show insignificant impact on the contained gold for each domain, with the largest impact of 23.15% seen in gold estimation domain 500 with a small quantity of blocks, followed by the metal loss of 5.30% in domain 300 with a significant quantity of blocks. Overall, the metal loss is 3.84%. The CP considers less than 5% metal loss due to grade capping to be acceptable.

4.5.6.5 Estimation Pass Check

The estimation pass check is undertaken to ensure that the majority of blocks have been estimated in the first or second pass, and that only a small proportion of blocks have gone beyond the limits of stationarity within the domain (third pass). This has been checked visually and by reporting grade tonnage and metal by estimation pass from the block model. This calibration was undertaken with consideration for the KNA presented in Section 4.7.2.2. Table 4-23 shows the percentage of blocks filled (tonnes) in each pass, compared to the percentage of contained metal for each domain estimated within the first pass.

Table 4-23: Gold Estimation Pass Summary
Thor Explorations Ltd – Segilola Gold Project

Domain	Pass 1	Pass 2	Pass 3	% contained metal in Pass 1
100	58%	21%	21%	69.2%
200	39%	34%	27%	58.8%
300	58%	25%	17%	66.2%
400	8%	39%	52%	8.0%
500	51%	48%	0%	64.6%
600	42%	56%	2%	72.4%

Most blocks are estimated within the first pass, with the exception of domain 400, and most estimated metal resides within the first pass estimates. Domain 400 is well drilled near surface (50 m) and is modelled to depth based on minimal drill intercepts, requiring extensive search to provide sufficient composites to fill blocks.

The CP considers that the estimation pass check is consistent with expectations and that the results are acceptable.

4.5.6.6 Local Bias Check

Swath plots compare the drill hole composite grades to the estimated block model grades over intervals in the northing (along strike) and elevation (down dip) directions. Swath plots were generated on vertical east-west 25 m wide swaths to assess local bias along strike by comparing the OK estimate with informing composite means of gold. Results show no significant bias between OK estimates and informing samples and the smoothing effects of kriging are apparent. Notable variances occur at 10580 mN and higher grade Lode 100 north of 11650 mN where low tonnes and high grades occur.

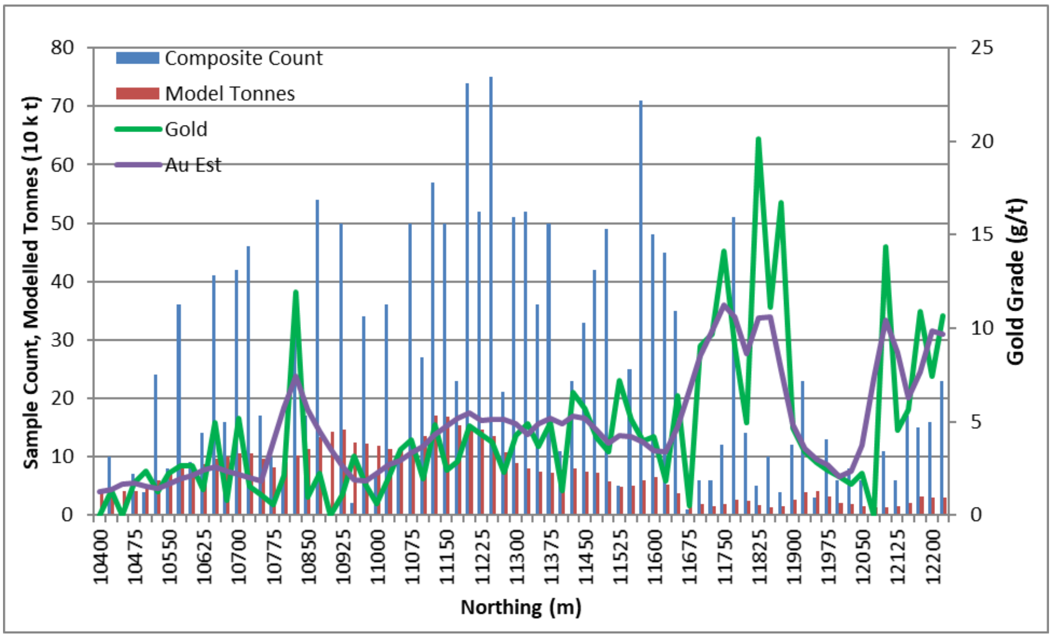


Figure 4-26: Swath Plot – Segilola Deposit by Northing (25m)

A second swath plot was generated on horizontal swaths 12 m wide in the z direction to assess local bias with depth (Figure 4-27). The modelled grades reflect the drill data well; at 270 m RL intercept grades are high at the top of the shoot developing at the northern end of Lodes 200 and 300. Deeper in the shoot the estimate better reflects the informing sample grades. The grade is erratic at depth where exploration drilling becomes sparse and the lodes taper off and only the steeper shoots persist.

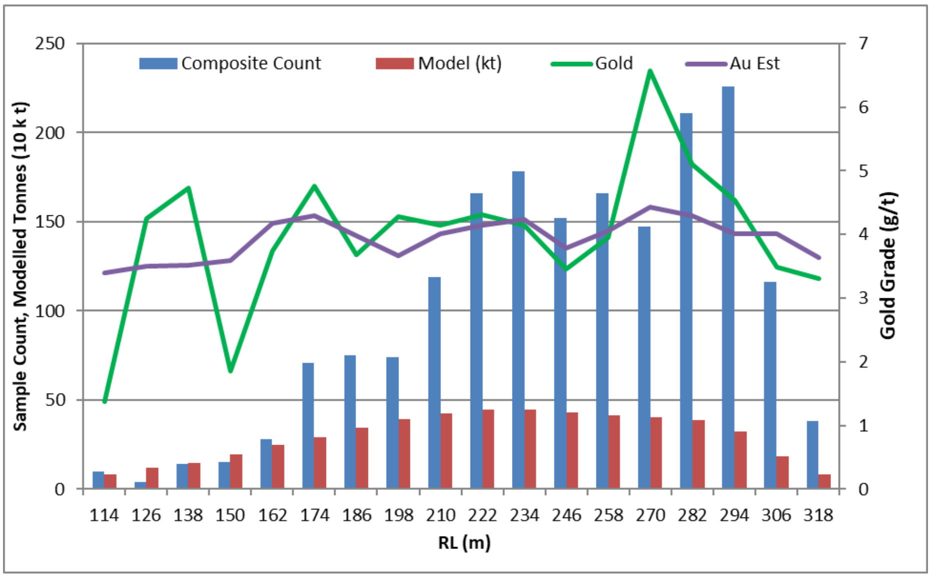


Figure 4-27: Swath Plot – Segilola Deposit by Northing (25m)

4.5.7 Cut-Off Grade

The deposit has demonstrable economic value at a 0.30 g/t Au cut-off grade.

Metal prices used for reserves are based on consensus, long term forecasts from banks, financial institutions, and other sources. For resources, metal prices used are slightly higher than those for reserves.

4.5.8 Classification

Block model tonnage and grade estimates have been classified according to CIM (2014) definitions.

Data quality does not preclude Measured Resources, however, geological confidence and grade continuity are not sufficiently defined to assign Measured Resources to the estimate.

Indicated Resources were classified based on being estimated within the first and second passes, having the nearest sample located within 40 m and an average distance to all samples of less than 60 m, a krige variance of less than 0.6, and a conditional bias slope greater than 0.5.

Inferred Resources are estimated within the second or third passes, with less than 120 m to the nearest sample and an average distance of 180 m, a krige variance of less than 0.3, and a conditional bias slope less than 0.5.

A block-by-block classification can often result in bull's-eye or spotted dog shapes that cannot be mined practically, or the outcomes may generate difficulties when preparing Mineral Reserve estimates. Best practice includes a manual smoothing step to simplify and ensure that the Mineral Resource categories are contiguous. This can be achieved by digitising strings in vertical or plan sections, which are then 'stamped' through the respective lodes.

Mining Associates has completed the following to code the resource classification into the block model and smooth the classification result:

- The average distance to informing samples has been recorded, along with the distance to the nearest sample, kriging variance, and conditional bias slope for each block, considering the four estimation statistics provide a smoother delimitation of boundaries than the distance to the nearest sample.

- Areas of consistent estimation statistics within each lode have been grouped by strings digitised in long section view along the classification boundaries. Individual lodes were assigned Mineral Resource categories defined by strings created in long section view.

Figure 4-28 shows open pit and underground potential resource classification.

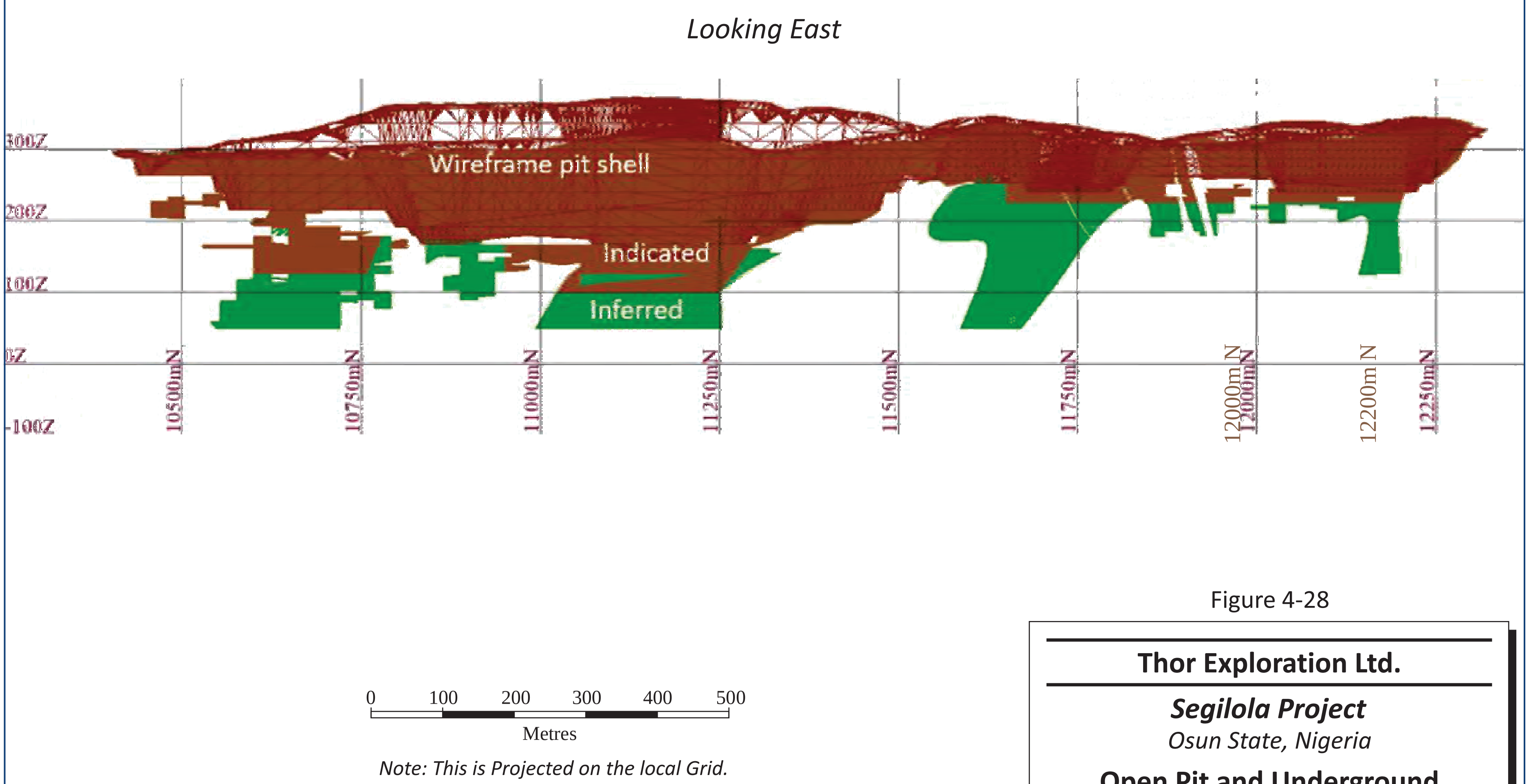


Figure 4-28

Thor Exploration Ltd.

Segilola Project
Osun State, Nigeria

Open Pit and Underground Potential Resource Classification

June 2021

Source: Mining Associates Pty Ltd, 2021.

4.5.8.1 Classified Mineral Resource

All classified resource blocks located between the surface and the designed pit with grades greater than 0.30 g/t Au were included in the reported open pit Mineral Resources. Mineralisation located below the pit shell is considered potentially amenable to underground mining methods when constrained by strings representing continuous mining blocks and reported above the 2.5 g/t cut-off grade. The classified Mineral Resource estimate is shown in Table 4-24.

Table 4-24: Summary of Mineral Resources – December 31, 2020
Thor Explorations Ltd – Segilola Gold Project

Category	Open Pit (> 0.30 g/t)			Potential Underground (> 2.5 g/t)			Total		
	Tonnes (kt)	Grade (g/t Au)	Gold (koz)	Tonnes (kt)	Grade (g/t Au)	Gold (koz)	Tonnes (kt)	Grade (g/t Au)	Gold (koz)
Indicated	3,674	4.51	532	386	6.1	76	4,060	4.66	608
Inferred	32	2.5	3	411	5.0	65	443	4.8	68

Notes:

1. Mr I Taylor, MAusIMM (CP), Principal Geologist of Mining Associates, is responsible for this Mineral Resource statement and is an "Independent Qualified Person" as defined in NI 43-101.
2. This statement uses the terminology, definitions, and guidelines set out in CIM (2014) definitions as incorporated by reference into NI4 3-101.
3. The Mineral Resource is considered to have reasonable prospects for eventual economic extraction by open pit mining methods above a 0.30 g/t Au cut-off grade and within a designed pit wireframe. Mineral Resources below the pit shell are considered to have reasonable prospects for eventual economic extraction at a cut-off grade of 2.5 g/t Au where mineralisation is continuous.
4. Mineral Resources are reported inclusive of Mineral Reserves.
5. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
6. Totals may not add due to rounding.

To the best of Mining Associates' knowledge, there are no environmental, permitting, legal, title, tax, socio-economic, market, political or other relevant factors that would affect the Mineral Resource Estimate presented in this CPR.

Thor made available all technical and scientific data and interpretations relevant to the Mineral Resource estimate, which have been reviewed and validated by Mining Associates. The CP is satisfied that the technical and scientific data and interpretations are sufficiently reliable to estimate and classify the Mineral Resources.

5.0 MINING AND MINERAL RESERVES

5.1 Summary

The deposit area is located approximately 500 m south of a prominent series of east-west trending hilltops within undulating terrain and relief of up to 100 m in the local area. The deposit is amenable to extraction using conventional drill, blast and haul open pit mining methods using a fleet of conventional open pit mining equipment.

A single relatively long and narrow final open pit is proposed (approximately 1,900 m long and up to 450 m wide), which strikes parallel to the noted hilltops.

A total of 71.0 Mt of material is planned to be mined over 47 months (approximately four years) of Run-of-Mine (ROM) operations. Processing operations continue for an additional 14 months once ROM operations are complete, with feed supplied from ore stockpiles developed during the open pit operations. ROM rates range from 0.7 million tonnes per month (Mtpm) to 2.4 Mtpm, peaking in month 27.

LOM ore production will be 4.0 Mt at an average grade of 4.0 g/t Au. The processing plant is designed for a throughput of 715,000 tpa and gold recovery is projected to be 97%. The projected total gold contained over the LOM is 517,000 oz Au, at an annual average rate of 86,000 oz Au.

Three WMSAs for storage of waste generated during ROM operations are located outside of the final pit on the northwest, east, and ROM pad; opportunity also exists for in pit waste material storage.

Several main arterial haul roads will be utilised to access the ROM pad and waste dumps from the main pit.

The proposed area of the final pit drains from west to east. The river drainage is located between the final pit and the Eastern WMSA to the east of the final pit. Numerous water management structures are developed as part of the mine plan to divert or collect contact water during the construction, operations, and closure periods.

Initial waste rock stripping and dumping activities will focus on early completion of the ROM pad to its full size.

As of the time of the site visit in April 2021, the clearing and grubbing for the footprint of the ROM pad area was nearing its final stages. Following this the haul road and pad construction will commence. The initial ROM pad design is estimated to require approximately 300,000 bank cubic metres (BCM) of fill material. This material will be sourced from overburden stripped from the open pit.

Figure 5-1 presents a general site arrangement at the conclusion of mining and processing operations, prior to any reclamation and closure activity.

During the site visit, the Mining Associates CP visited the proposed locations of the final pit, WMSAs, ROM pad, processing area, and TMF area.

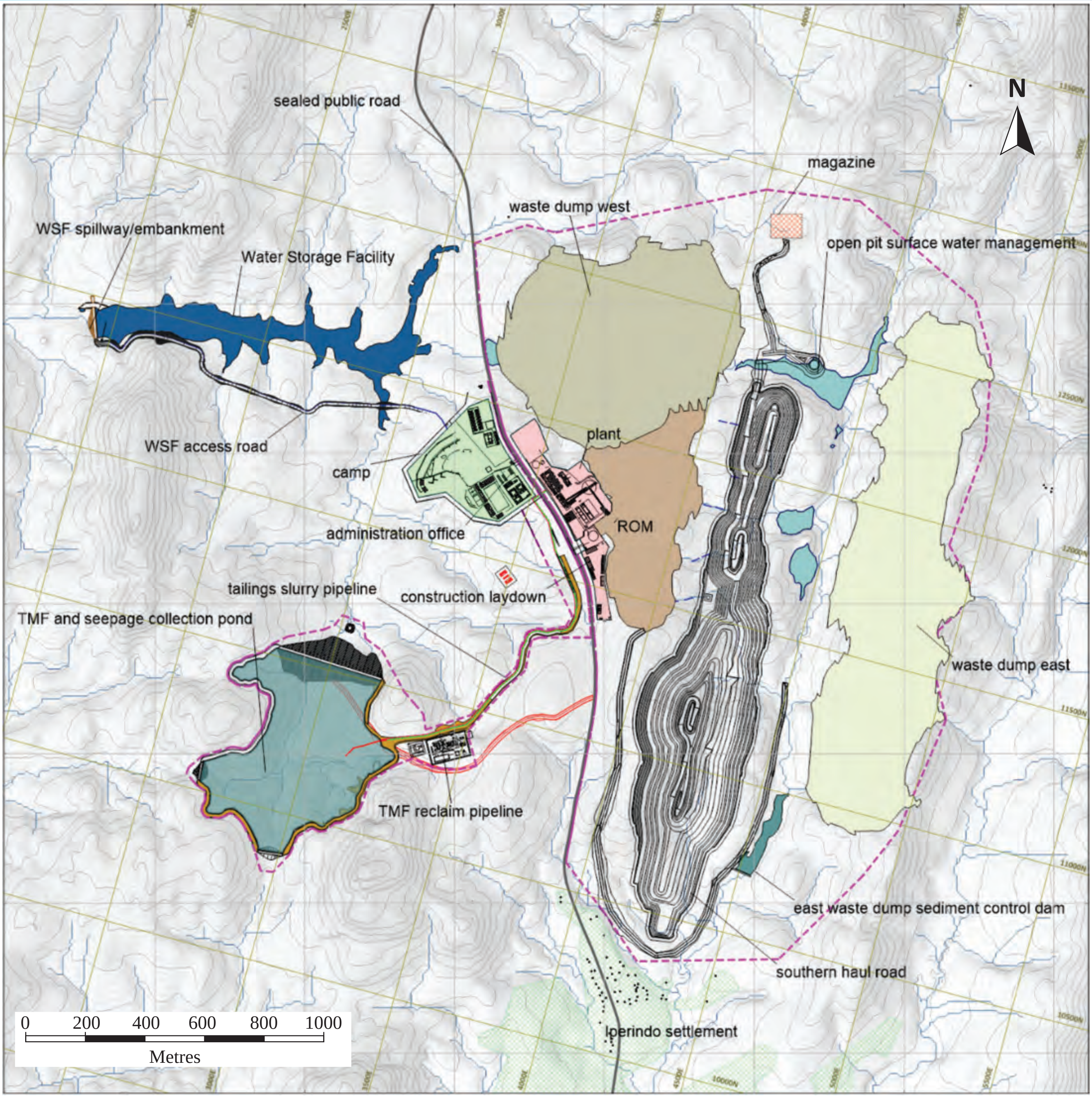


Figure 5-1

Thor Exploration Ltd.

Segilola Project

Osun State, Nigeria

Open Pit and WMSA Final Layout

June 2021

Source: Thor, 2021.

5.2 Mine Method and Design

Segilola is proposed as a conventional open pit mining operation, including drill-blast-load-haul operations. ROM production is planned to supply the processing facility at approximately 0.7 Mtpa ore. Mining operations are to be performed by a mining contractor managed by SROL.

For the purpose of Mineral Reserve estimation, only Indicated Mineral Resources were considered. All Inferred Mineral Resources were treated as waste.

5.2.1 Material Types

Multiple material types exist for the mining operations and ore production. New mining areas, as a result of pit phase advance, require clearing and grubbing followed by overburden removal, which is generally free digging material. Overburden materials suitable for reclamation will be stockpiled for future use.

Once the overburden is stripped, drilling and blasting of the underlying rock is required prior to excavation and loading, with the powder factor and blast design adjusted for the weathering profile, which varies from oxide to transitional and fresh material.

5.2.2 Grade Control

Conventional open pit grade control practices will be used, incorporating RC drilling and sampling on a suitably designed drilling pattern to cover three successive benches. Sampling will employ the use of a rig mounted splitter, with samples collected every metre.

Grade control drilling will be conducted ahead of mining to ensure adequate information to direct short term mine planning and scheduling in reducing dilution and ore loss. The advanced grade control drilling would be performed with RC holes of 123 mm diameter, drilled on a 5 m (across strike) by 8 m (along strike) spacing, angled at 60°.

Industry standard quality control procedures will be followed, based on international CRMs (standards), field duplicates, and blank samples at an insertion ratio of 5%. Routine grade control samples will be collected at one metre intervals using a single pass splitter, providing approximately two kilograms of rock chips.

To assist grade control and better geological understanding, pit floor mapping will be conducted, which in turn will optimise ore block boundary interpretation.

Based on the compilation of grade control results, dig limits for ore will be identified and laid out in the field. The use of blast movement monitors is also proposed for adjusting the dig limits based on modelled movement of the blasted material.

Ore cleaning and mining operations are proposed for daylight operations only under the guidance of ore-spotters.

5.2.3 Mining Dilution and Extraction

The mining dilution and extraction modifying factors have been accounted for in the Mineral Reserve model through reblocking of the Mineral Resource model. The Mineral Resource model's smallest block size (i.e., the sub-block) is 0.375 m by 1.5 m by 0.75 m (XYZ). The sub-block was reblocked to 0.375 m by 3.0 m by 1.5 m (XYZ). The sum weighted average gold grade of the sub-blocks in the reblock is the diluted gold grade used for Mineral Reserve reporting. Extraction losses occur when a reblock contains sub-blocks greater than the cut-off grade, however, the reblock's diluted grade is below the reporting cut-off grade.

The combined effect of the reblocking dilution and extraction modelling is an increase in ore tonnes of approximately 12% with a corresponding decrease in grade, resulting in similar total ounces of gold.

An additional mining extraction factor of 97% is included in the Mineral Reserve estimate (the CP notes that for the open pit optimisation a 95% extraction factor was utilised). This global factor is to account for operational losses such as flyrock, spillage, and misdirected loads.

5.2.4 Geotechnical Considerations

For the Definitive Feasibility Study (DFS), Peter O'Bryan & Associates was commissioned to conduct a review and analysis of wall design parameters for the Project. The DFS mine design and optimisation were based on this geotechnical assessment. The DFS design created three pits: North, Central, and South with small saddles between each.

The main structural fabric of the geological sequence has foliation/schistosity dipping towards the west between approximately 50° and 75°; a shallow dipping set; and two steep to sub-vertical sets; one dipping north-northwest to south-southeast and the other dipping north-northeast to southwest.

The rock mass is more massive and less foliated further west away from the ore zone. The west wall rock mass is rated as being of Good rock mass quality.

Closer to the ore zone, increasing levels of alteration/metamorphism have resulted in Fair to Poor ground conditions in the lower west and east walls of the southern pit and within the southern and northern end walls of the pit.

The wall design parameters used for the DFS were based on an assessment of likely wall failure modes governed by geological structures (shears, foliation, and joints), and general experience. Empirical, limit equilibrium, and kinematic analysis tools were applied to assess potential instability for the proposed design.

Limit equilibrium analysis indicated both the west and east walls of the southern pit were considered stable, with a factor of safety greater than 1.3.

The DFS pit design was based on a southern pit floor RL of 200 mRL. The central and northern pits were shallower at approximately 240 mRL (<100 m depth).

For the updated pit design, Northwind Enterprises Pty Ltd was commissioned to review the revised pit design including recommendations for additional geotechnical drill holes.

Three additional oriented diamond cored holes were drilled and logged in 2019, one each on the east wall of the southern, central, and northern pits. The drill coverage in the east wall of the southern pit is illustrated in Figure 5-2.

The current pit design extends the southern pit floor to 144 mRL (approximately 230 m depth from the crest of the southern pit west wall). This results in extension of the pit wall to the east and west. For the west wall (hanging wall), comprising fresh granodiorite gneiss, the existing slope designs are considered adequate.

The pit design angles adopted in the updated design were reviewed by Mining Associates and are considered to be reasonable and consistent with previous design criteria. In general, the revised pit designs meet the basic slope Overall Wall Angle (OWA) requirements. Modifying the upper portion, above the base of oxidation to single lift benching (12 m high batters) will result in a slightly shallower overall wall angle to meet the recommended criteria.

Geotechnical data collected during early mining in the northern, central, and southern pits will provide additional information to confirm the original analysis results and can be evaluated before progressing deeper.

The overall wall shape and orientation for the southern, central, and northern pits meets the design recommendations, with the exceptions noted above.

Table 5-1 summarises the inter-ramp and overall wall angles for the modified slope configuration, used in the modified pit design, using double stacked 12 m benches, 3 m flitches for combined 24 m high batter walls in the fresh rock. Figure 5-3 shows the slope configuration of the northern pit.

Table 5-1: Pit Design Criteria (12 m bench height)
Thor Explorations Ltd – Segilola Gold Project

Pit Section		IRA				OWA with respect to Surface				
		West		East		West		East		Pit Floor
		Crest RL	IRA	Crest RL	IRA	Crest RL	OWA	Crest RL	OWA	
Southern	11165.5	370	52.2	320	42.0	370	51.0	320	38.0	144.0
Central	11745.5	324	49.0	332	48.0	324	40.0	332	39.0	240.0
Northern	12045	337	44.5	322	49.0	337	49.0	332	43.0	240.0

Segilola is located within a region of Nigeria judged to be at very low risk from future natural seismic events (earthquakes) taking place over the life of the proposed extended mining. This means that there is less than a 2% chance of potentially damaging earthquake at the Project in the next 50 years. Earthquake-induced ground accelerations of this magnitude (if they occurred) would not be expected to have a significant influence on future pit wall stability performance.

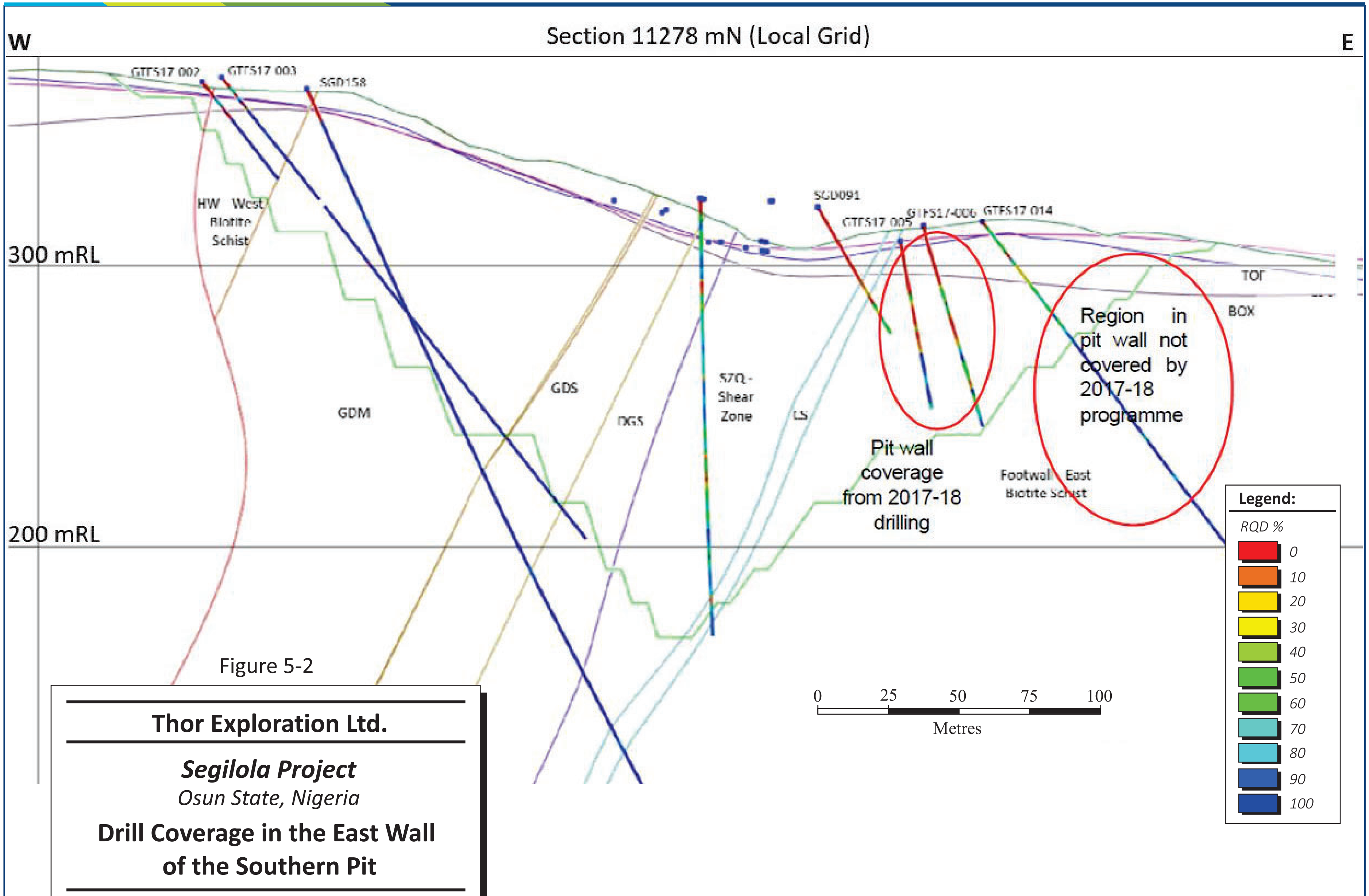


Figure 5-2

Thor Exploration Ltd.

Segilola Project
Osun State, Nigeria

Drill Coverage in the East Wall of the Southern Pit

June 2021

Source: Mining Associates Pty Ltd, 2021.

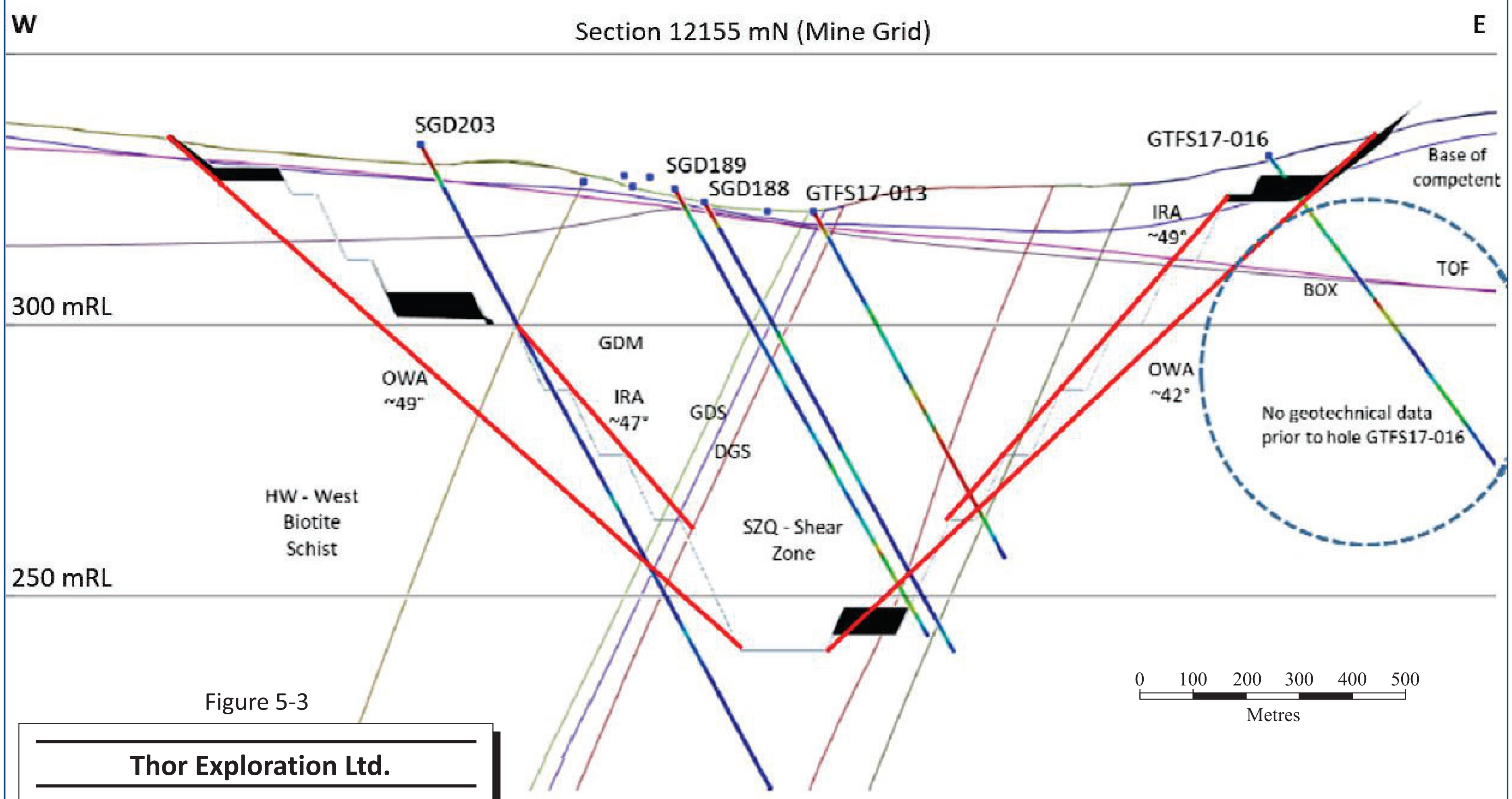


Figure 5-3

Thor Exploration Ltd.

Segilola Project

Osun State, Nigeria

Section 12155 mN showing Batter and Berm Configuration of the Northern Pit

June 2021

Source: Mining Associates Pty Ltd, 2021.

5.2.5 Open Pit Optimisation

Open pit shells were generated using Whittle software based on the parameters listed in Table 5-2.

Table 5-2: Whittle Input Parameters
Thor Explorations Ltd – Segilola Gold Project

Item	Unit	Oxide	Transition	Fresh
Mining costs – waste:				
Direct Cost	$/t (waste)	2.27	2.57	3.02
Mining costs – ore:				
Direct Cost	$/t (ore)	1.67	2.21	3.02
Technical Services (incl. Grade Control Drilling & Lab)	$/t (ore)	2.40	2.40	2.40
Subtotal Ore Mining Cost	$/t (ore)	4.07	4.61	5.42
Overhead costs:				
G&A	$/t (ore)		8.70	
Processing costs:				
Processing Costs	$/t (ore)	12.76	14.46	17.01
Operating factors:				
Production rate	Mtpa (ore)		0.7	
Processing recovery	% Au	98.5	97.5	97.0
Mining dilution	%		Included in Mineral Reserve Model	
Mining recovery	%		95	
Economic factors:				
Total Private Royalties	$/t (ore)		1.24	
Royalty (GoN)	$/t (ore)		1.56	
Freight refining charge	$oz Au		6.71	
Gold Price	$oz Au		1,650	
Geotechnical parameters:				
Overall slope angle	Degrees		See Table 5-3	

The open pit optimisation was run at a base case gold price of $1,650 per ounce. A range of gold prices were reviewed (i.e., Revenue Factors (RF)) to test sensitivity of the pit shell limits to metal price variations and for determining a final pit shell selection and phase pits. Table 5-3 presents the pit shell results of the gold price sensitivity.

Table 5-3: Whittle Open Pit Shell Results
Thor Explorations Ltd – Segilola Gold Project

Pit Shell	**RF**	**Gold Price**	**Ore**	**Grade**	**Ounces**	**Waste**	Strip
		$/oz	**Mt**	**g/t Au**	**koz Au**	**Mt**	**W:O**
1	0.1	165	0.0	15.1	20	0.5	11.6
2	0.2	330	0.4	7.1	83	3.4	9.5

Pit Shell	RF	Gold Price $/oz	Ore Mt	Grade g/t Au	Ounces koz Au	Waste Mt	Strip W:O
3	0.3	495	0.8	6.1	152	8.3	10.7
4	0.5	825	2.7	4.3	369	34.9	13.0
5	0.6	990	4.0	3.8	498	55.1	13.7
6	0.7	1,155	4.5	3.7	530	60.8	13.6
7	0.8	1,320	4.9	3.5	553	65.5	13.5
8	0.9	1,485	5.1	3.4	563	67.4	13.2
9	1.0	1,650	5.5	3.3	580	71.7	13.2

The optimum pit shell is pit shell No. 9, however, the preferred and selected pit shell used initially for design was No.6 due to the lower volume of waste required to be mined.

Following finalisation of the pit design, the final design sits between shell No. 8 and shell No. 9 with an RF of between 0.8 and 0.9, respectively. This equates to a shell selected at a gold price between $1,320 oz and $1,440 oz Au, which is considerably below the current price forecast to 2025.

5.2.6 Pit Design

Final and pushback pit shells were reviewed and evaluated with respect to minimum mining widths and development access.

Slope sector specific bench designs were incorporated along with inclusion of haulage ramps. The overall width of the haulage ramp allows for two-way traffic a maximum gradient of 10%. Starter pit and intermediate pit phases follow the same general design guidelines.

Table 5-4 summarises the final design pit parameters.

Table 5-4: Pit Design Parameters
Thor Explorations Ltd – Segilola Gold Project

Parameter	Unit	Pit Design Parameter
Ramp Width	Metres	16
Ramp Gradient	%	10
Minimum Mining Width (MMW)	Metres	10
Length	Metres	1,885
Width	Metres	140 to 430
Depth	Metres	230
Area	Ha	43

The final pit design consists of a single relatively long and narrow open pit. It is approximately 1,900 m long and up to 450 m wide. The eastern half of the pit has the highest pit rim elevation at approximately 375 masl and the deepest pit bottom at 144 masl with a vertical pit wall of 231 m. The western half of the pit has a pit bottom at 240 masl and is typically between 50 m to 100 m deep.

Figure 5-4 shows a plan view of the design LOM and starter pits and Figures 5-5 and 5-6 present an isometric view of the design final and phase pits.

Figure 5-4

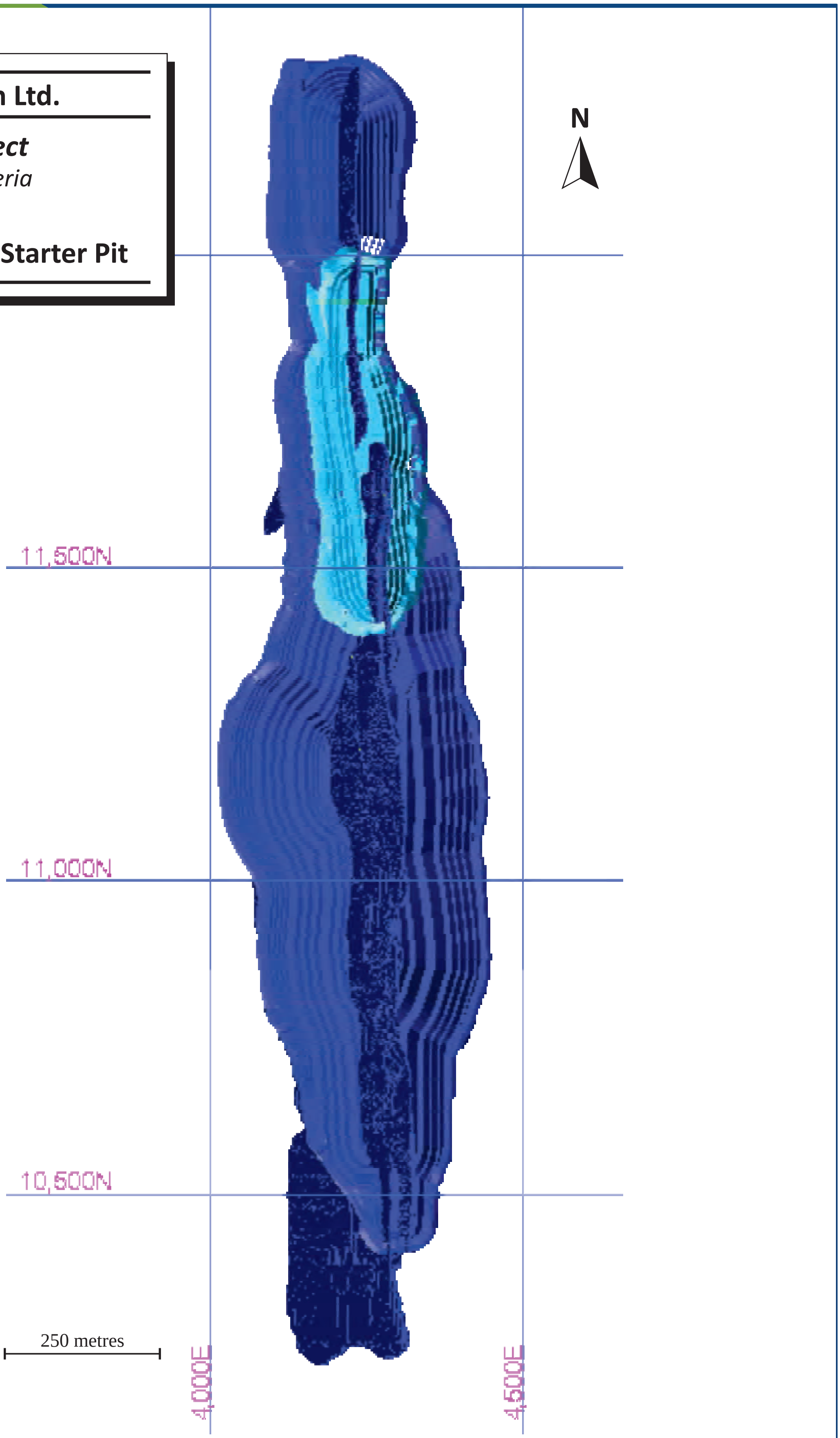
Thor Exploration Ltd.

Segilola Project

Osun State, Nigeria

Plan View -

Detailed LOM Pit and Starter Pit



June 2021

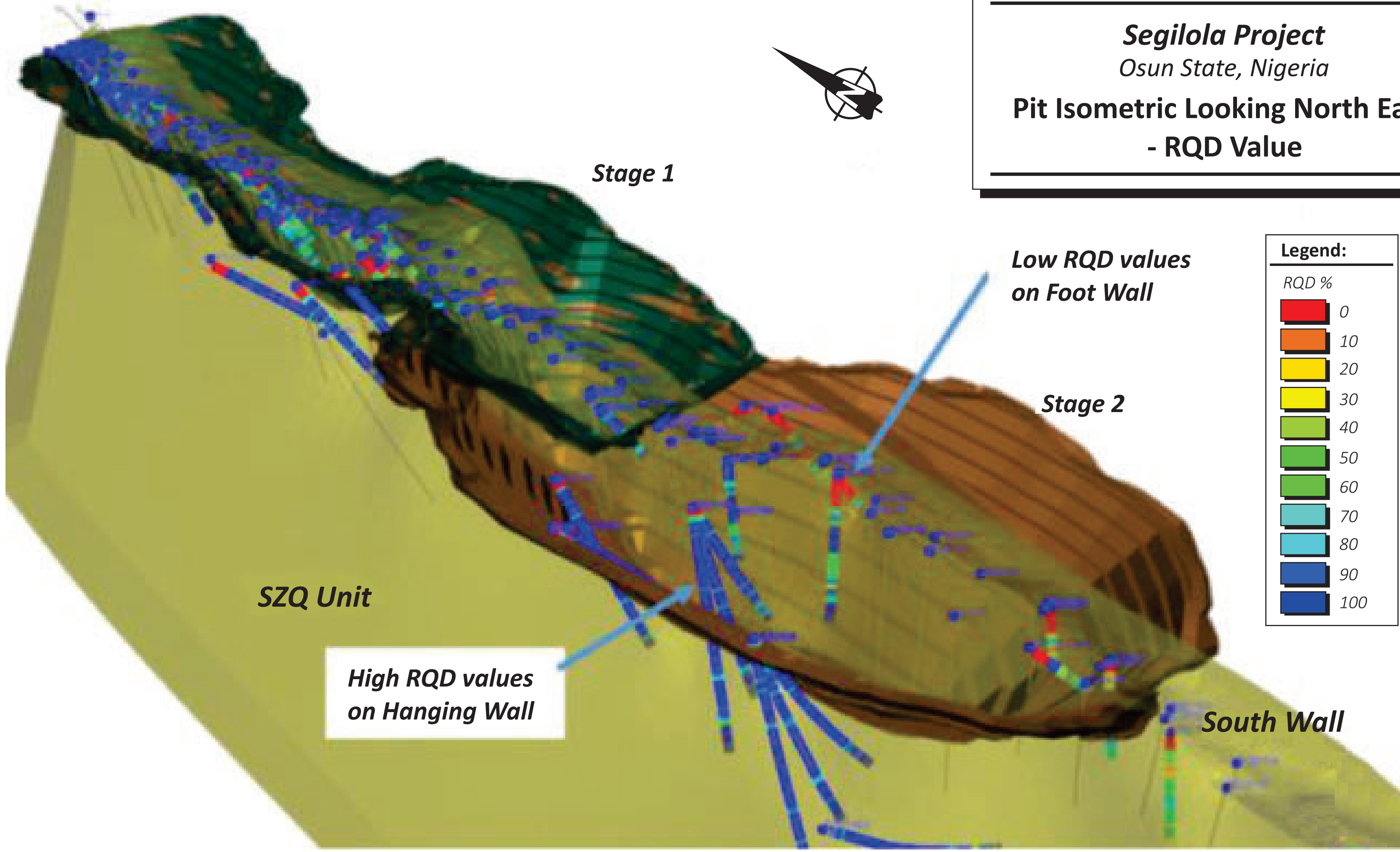
Source: Mining Associates Pty Ltd, 2021.

Figure 5-5

Thor Exploration Ltd.

Segilola Project
Osun State, Nigeria

Pit Isometric Looking North East - RQD Value



June 2021

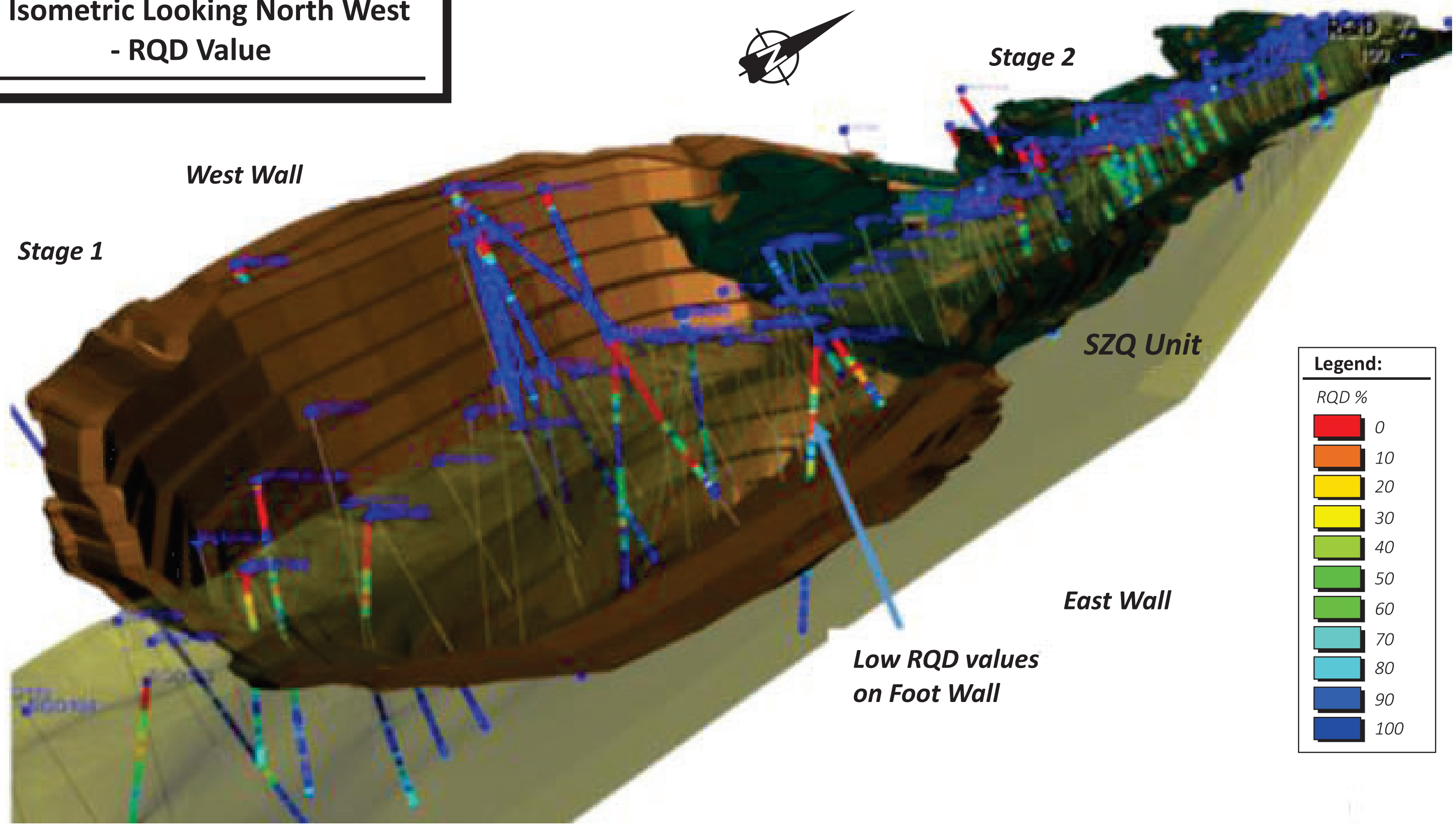
Source: Mining Associates Pty Ltd, 2021.

Figure 5-6

Thor Exploration Ltd.

Segilola Project
Osun State, Nigeria

Pit Isometric Looking North West - RQD Value



June 2021

Source: Mining Associates Pty Ltd, 2021.

5.2.7 Cut-off Grades

An economic cut-off grade was calculated using the open pit optimisation parameters presented in Table 5-2. The estimated cut-off grade for Mineral Reserve reporting is 0.37 g/t Au. This was applied to all material types and pit stages.

The CP is of the opinion that the current cut-off grade is reasonable for Mineral Reserve estimation based on gold price forecasts relative to the LOM, operating costs, and gold recoveries.

5.3 Hydrogeology

5.3.1 Summary

SRK conducted a field investigation in 2018, with a final analysis completed by Peter Clifton and Associates. The hydrogeological work to date has been limited due to various issues in the field, including hole collapse, so there is some uncertainty around the impact of groundwater in mining and the impact of mine dewatering on the local environment. As such, conservative judgements, such as dewatering for the LOM, in pit dewatering sumps, an interception trench at the base of the weathering zone, and horizontal drain holes have been assumed in the mine planning in relation to hydrogeology.

Groundwater depth was measured and packer tests were performed. A number of drill holes collapsed, indicating a high groundwater level. Hydraulic conductivity in the orebody sequence and hanging wall sequence were similar, with a conductivity range of 2.7 x10^{-3} m/day and 5.1 x 10^{-3} m/day. Collapse and abandonment of geotechnical holes indicate potential issues with water.

A relatively small range of groundwater levels were measured given the variation in topography. Groundwater generally occurring within ten metres of ground level; therefore dewatering and groundwater inflows into the open pit will need to be managed from the start of mining.

The slightly weathered, fracture rock in the east, north, and south walls of the proposed pits, to depths of up to 50 m, will likely be water-bearing. Water inflows expected into the pit were not confirmed, however, packer testing in the massive granodiorite indicated a low hydraulic conductivity, with the aquifer largely confined to the shear structure hosting the mineralised zone.

Given the mineralised shear hosting the lodes is a likely aquifer, lack of effective dewatering, and the relatively shallow water table, water management will be a key issue from the start of mining.

Generally, aquifers in the zone of the mine tend to be low yielding with good quality water. The hydrochemistry of deeper groundwater is not known.

Groundwater occurs in the surficial Quaternary, alluvial sedimentary deposits, at the base of the weathered zone immediately above fresh rock and in fractured and faulted sections of the orebody and footwall sequences. The thickness of the friable transitional material ranges from 10 m to 30 m and will pose the major difficulty when dewatering the pit. Large-scale structures in the orebody and footwall are expected to form the main aquifers that require dewatering.

Surface water infiltration would be the main process that recharges the groundwater system at the pit.

Some interaction between shallow groundwater and surface water in drainage channels can be expected during mining. In the ambient setting prior to mining, some of the stream flow during the dry season could be sustained by groundwater seepage, i.e., the streams are gaining groundwater. Mine dewatering may reduce these flows and possibly could cause some streams to cease flowing during the dry season.

Given the uncertainty, partly saturated conditions were assumed for the analysis, and requirements for managing groundwater as part of the mining operations were identified. These included:

- Establishment of effective diversion channels at the base of residual soil slope to manage groundwater flow along this contact aquifer and any potential perched water from structure related aquifers below the fresh interface.
- Use of sumps in the pit floor and identification of a place to pump and store the excess water.
- Allowance for wet blasting conditions and appropriate explosive (emulsions) for wet hole conditions.
- Establishment of a series of horizontal dewatering holes as the pit is developed. This is likely to impact the eastern, southern, and northern walls of the Stage 1 and 2 pits as the relatively impermeable hanging wall sequence is not expected to be difficult to manage. Design recommendations will be provided as part of a mining operations plan.
- Establishment of piezometer holes in the crest of the pit with a series of piezometers at different depths to measure in-wall water pressure and drawdown during mining. All design analyses assumed wet conditions and a water table near surface for the mineralised zone and biotite schist zone and are therefore considered conservative.
- General observation of wall conditions include reference to the presence (or absence) of water in pit walls, and the volume of inflows into, and the effectiveness of, interceptor drains and sumps.
- The humid tropical environment will result in potential accumulation of water in and around the pit, so steps to ensure proper drainage and direction of water away from the pit crest will be required.

5.3.2 Recent Work

5.3.2.1 Dewatering Programme

Following the unsuccessful attempt in drilling dewatering boreholes in 2018, SRK in 2020 redesigned seven large-diameter dewatering boreholes and 10 small diameter piezometers for a total of 2,200 m in and around the Segilola pit (Table 5-5 and Figure 5-7).

The key target for the dewatering was the shear zone and immediate footwall. Initial drill positions were revised and workshopped based on mine plans, geological information, and hole longevity. Given the strike length of the pit and that the shear zone runs through the centre of the pit, at least one sacrificial borehole was planned. Monitoring boreholes were located largely on the pit perimeter and in some cases twinned with dewatering holes to understand dewatering effects.

In July 2020, SRK provided specifications for the drilling of proposed dewatering and monitoring boreholes, based on the 2018 groundwater review by Peter O'Bryan & Associates and the previous drilling in 2018.

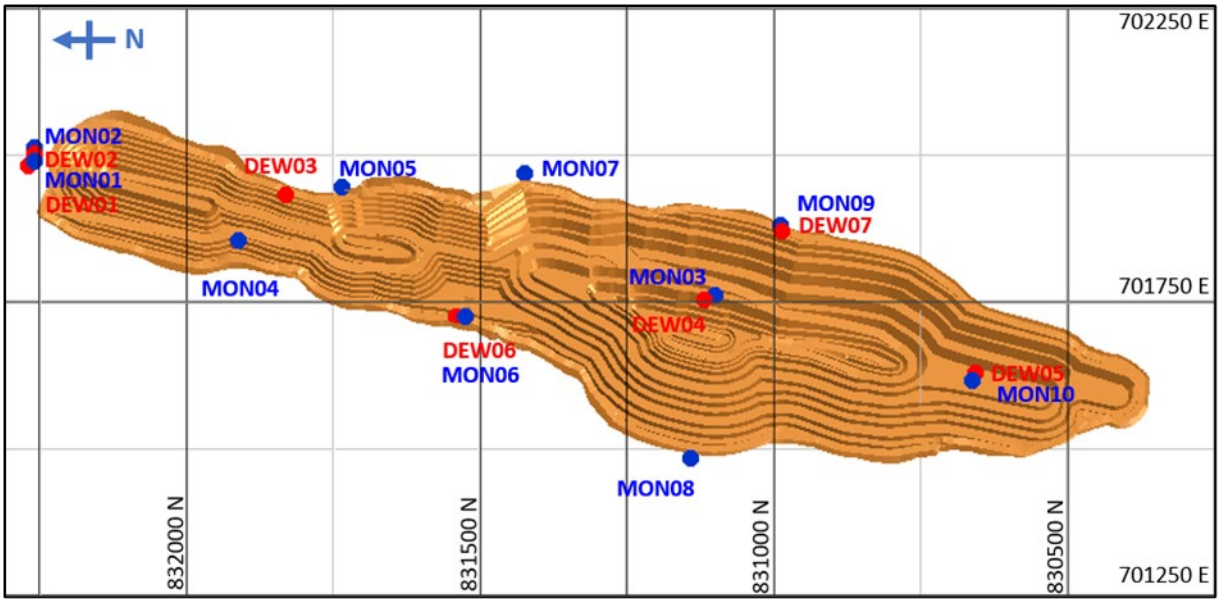
Table 5-5: Completed Boreholes with Coordinates
Thor Explorations Ltd – Segilola Gold Project

hole_id	Purpose	UTM East	UTM North	Elevation	Depth	survey date
DEW01	Dewatering	701982.742	832268.794	312.719	101.2	23/01/2021
DEW02	Dewatering	702003.286	832258.664	315.323	60	23/01/2021
DEW03	Dewatering	701931.764	831829.883	312.269	102	17/12/2020
DEW04	Dewatering	701753.240	831118.001	337.890	140.3	10/02/2021
DEW05	Dewatering	701629.829	830657.956	307.477	142.6	17/12/2020
DEW06	Dewatering	701726.034	831540.680	323.973	101.2	17/12/2020

hole_id	Purpose	UTM East	UTM North	Elevation	Depth	survey date
DEW07	Dewatering	701871.030	830986.116	319.624	138	23/01/2021
MON01	Monitoring	701990.632	832258.895	315.632	50	23/01/2021
MON02	Monitoring	702013.931	832257.585	315.083	101	23/01/2021
MON03	Monitoring	701761.467	831101.086	337.468	140	10/02/2021
MON04	Monitoring	701855.839	831910.575	318.145	120	17/12/2020
MON05	Monitoring	701946.872	831734.853	309.506	142.6	17/12/2020
MON06	Monitoring	701724.795	831526.142	324.124	101.2	10/02/2021
MON07	Monitoring	701968.924	831425.425	322.426	140	17/12/2020
MON08	Monitoring	701484.788	831142.810	372.833	142	17/12/2020
MON09	Monitoring	701881.298	830988.618	319.480	140	17/12/2020
MON10	Monitoring	701616.290	830660.993	309.274	140	17/12/2020

Notes:

1. Borehole DEW04 was drilled dry and not developed.
2. Dewatering holes – 14 inch bit to bottom of weathered oxides, then 10 inch bit to 101 m, and then 8 inch to optimal depth.
3. Monitoring holes – 6 inch drill bit to optimal depth.



Note. DEW – dewatering; MON - piezo

Figure 5-7: Completed Dewatering and Piezo Holes

RC drilling was carried out using an Ashok Leyland DTH drill rig. Hole collars were surveyed using a Differential Global Positioning System (DGPS) and Real Time Kinematic (RTK) positioning to enhance the precision.

5.3.2.2 Pumping Test and Water Quality Sampling

The pumping test programme initiated on 9 January 2021 has been successfully completed. A total of 441 hours of step drawdown and constant discharge pumping tests and subsequent recovery monitoring have been completed on all the dewatering boreholes to determine the behaviour of the aquifers in the area. Neighbouring monitoring holes were also used to collect data during pumping.

The physiochemical parameters of each dewatering borehole were recorded during constant discharge testing. Samples were retrieved from all site boreholes and dispatched to an accredited laboratory for analyses.

Preliminary results indicate compartmentalised aquifers, each with variable hydraulic characteristics and storage capacities. Further analysis is currently being carried out to determine the hydraulic behaviour of the aquifers, determine ideal pumping rates for the boreholes, and complete design of the dewatering system.

In addition, water quality samples were collected from DEW01, 02, 03 05, 06, 07, some streams, and all monitoring boreholes. The samples were sent to the Technology Partners International Nigeria Ltd Laboratory for water quality test. The results for Physico Chemical and Heavy Metals for DEW03, DEW06 and DEW07 obtained have values recorded below their respective World Health Organisation (WHO) thresholds for the regulated parameters.

5.3.2.3 Storm Water Management

Groundwater inflows are anticipated into the Segilola open pit gold mine, which is in a high rainfall area. Previous work identified the footwall and the shear zone to be the principal sources of water to the pit. SRK has been appointed by SLR to develop a water management plan to deal with the anticipated runoff in and around the open pit area and dirty water run-off from the dump areas.

5.3.2.4 Diversion Bunds and Paddock System below WMSAs

Diversion bunds defining paddocks should be constructed around both the WMSA footprint to prevent any surface water runoff from the WMSAs, from flowing into the nearby stream; and the proposed diversion channel sizes to divert the runoff away from the open pit area.

To prevent the dirty water generated from the WMSA entering the stream, bunds need to be constructed defining staging paddocks. Therefore, paddocks are recommended around the WMSA’s footprint to prevent any surface water runoff from the WMSAs, from flowing into the nearby stream. Spillways will be required from each paddock either interlinking the paddocks and discharging at the lowest paddock or providing discharge to the environment at each paddock.

Paddocks should be constructed around both WMSAs’ footprint to prevent any surface water runoff from the WMSA from flowing into the nearby stream. A comprehensive open pit water management was developed by SRK as part of SROL’s mining readiness plan (Figure 5-8).

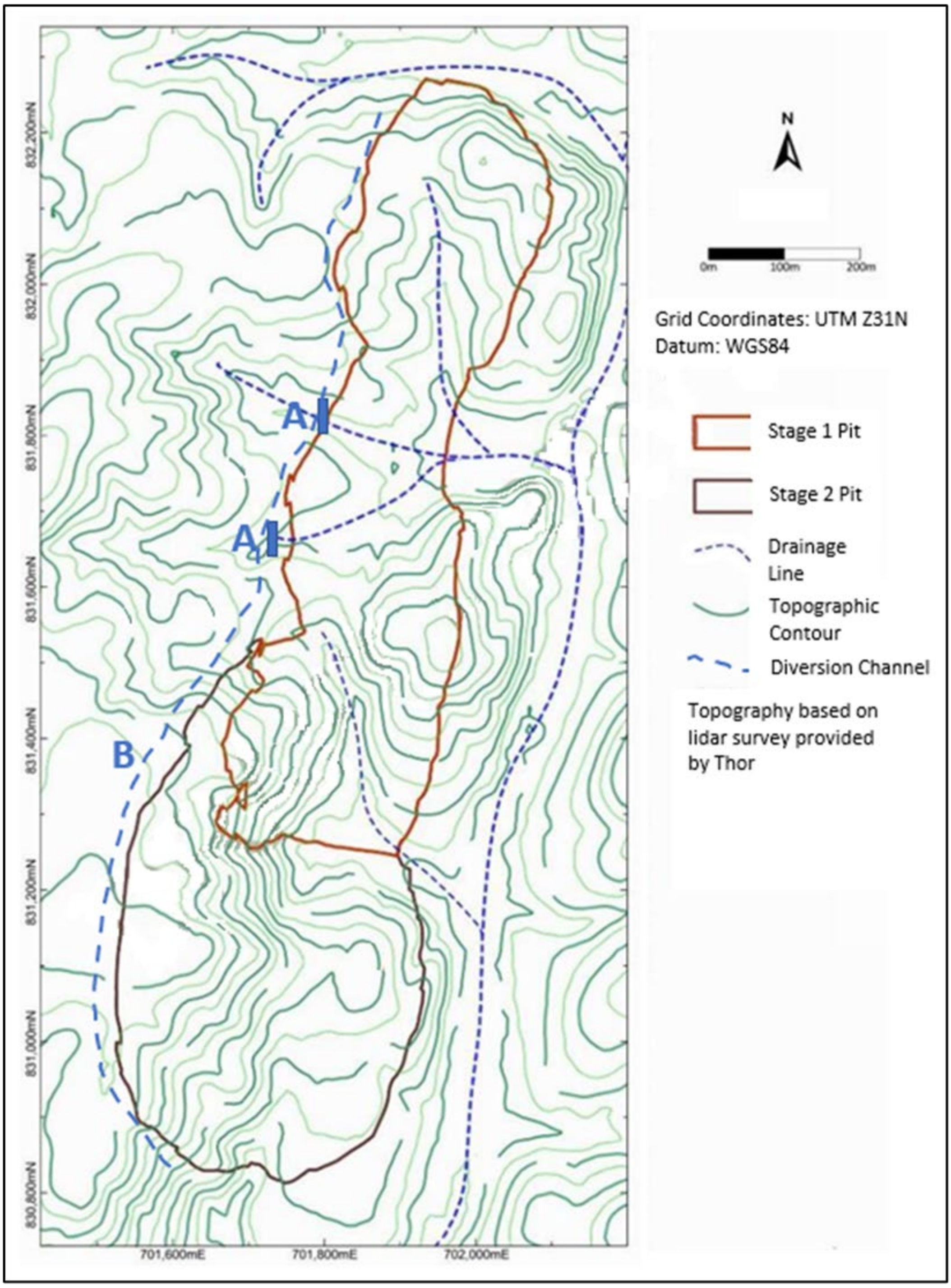


Figure 5-8: Open Pit Water Sources

5.4 Mineral Reserve Estimate

5.4.1 Summary

Probable Mineral Reserves are reported for the Indicated Mineral Resource within the final pit design, applying appropriate modifying factors, and above the cut-off grade. There are no Measured Mineral Resources estimated for potential conversion to Proven Mineral Reserves.

As of 31 March 2021, the estimated Probable Mineral Reserves are 4.0 Mt at 4.0 g/t Au, for 517,000 ounces of contained gold.

The Mineral Reserves are contained within the Mineral Resources stated in Section 4 of this report and are presented on a 100% basis.

Table 5-6 presents the Mineral Reserve estimate with an effective date of 31 March 2021.

Table 5-6: Mineral Reserve Estimate – 31 March 2021
Thor Explorations Ltd. – Segilola Gold Project

	Tonnes (Mt)	Grade (g/t Au)	Contained Metal (koz Au)
Probable	4.0	4.00	517

Notes:

1. CIM (2014) definitions were followed for Mineral Reserves.
2. Mineral Reserves are presented on a 100% basis.
3. Mineral Reserves are estimated using a gold price of US$1,600/oz.
4. Mineral Reserves are estimated at a cut-off grade of 0.30 g/t Au for all ore types.
5. Mineral Reserves are estimated as mined and delivered to the processing facilities.
6. Numbers may not add due to rounding.

The CP has verified that the Mineral Reserves have positive economics at the stated Mineral Reserve metal price and is of the opinion that the classification of Probable Mineral Reserves as estimated in Table 5-6 meets the definitions of Probable Mineral Reserves as defined by the CIM (2014) definitions.

All material infrastructure is in place or accounted for to support the current Mineral Reserve.

All material regulatory authorisations and permits are in place to allow the extraction of the Mineral Reserves as described in this report.

The CP is not aware of any other mining, metallurgical, infrastructure, permitting, or other relevant factors that could materially affect the Mineral Reserve estimate.

5.4.2 Reconciliation

There has been no prior recorded production on the property to reconcile. Historical artisanal mining has taken place on the property and there are remnants of an historical small open pit development within the Mineral Reserve final pit. In the CP's opinion, there is negligible impact to the Mineral Reserve estimate from historic artisanal mining activity.

5.5 LOM Plan

SROL has engaged Norinco International (NORINCO) as the primary contractor to manage the mining contract and complete the LOM plan, which entails conventional drill-blast-load-haul unit operations as summarised:

- Owner – SROL.
- Principal Contractor – NORINCO.

- Sub-Contractors –
  - Sino-Hydro (Load and Haul).
  - Auxin (Drill and Blast).

A total of 71.0 Mt of material is planned to be mined over 47 months of ROM operations. Total material moved tonnages range from 0.7 Mtpm to 2.4 Mtpm over the LOM, peaking in month 27. Table 5-7 presents the annual LOM production schedule.

Table 5-7: ROM Mine Production and Processing Schedule
Thor Explorations Ltd – Segilola Gold Project

Period	Total Material (Mt)	Waste (Mt)	Ore (Mt)	Stripping Ratio (Waste:Ore)	Milled Tonnes (kt)	Milled Grade (g/t Au)	Recovered Ounces (koz Au)
Year -1	8.0	7.5	0.5	14.9	323	4.61	46
Year 1	21.6	21.0	0.6	33.7	715	4.88	109
Year 2	24.0	23.2	0.8	29.8	715	3.45	77
Year 3	14.1	12.7	1.4	9.2	715	5.40	121
Year 4	3.4	2.7	0.7	3.7	715	5.29	118
Year 5					715	1.25	28
Year 6					109	1.09	4
Total	**71.1**	**67.1**	**4.0**		**4,007**		**502**

The LOM production schedule comprises the mining of approximately 18% oxide, 10% transitional, and 72% fresh material.

Figure 5-9 shows the Monthly LOM production schedule for total ore and waste movements.

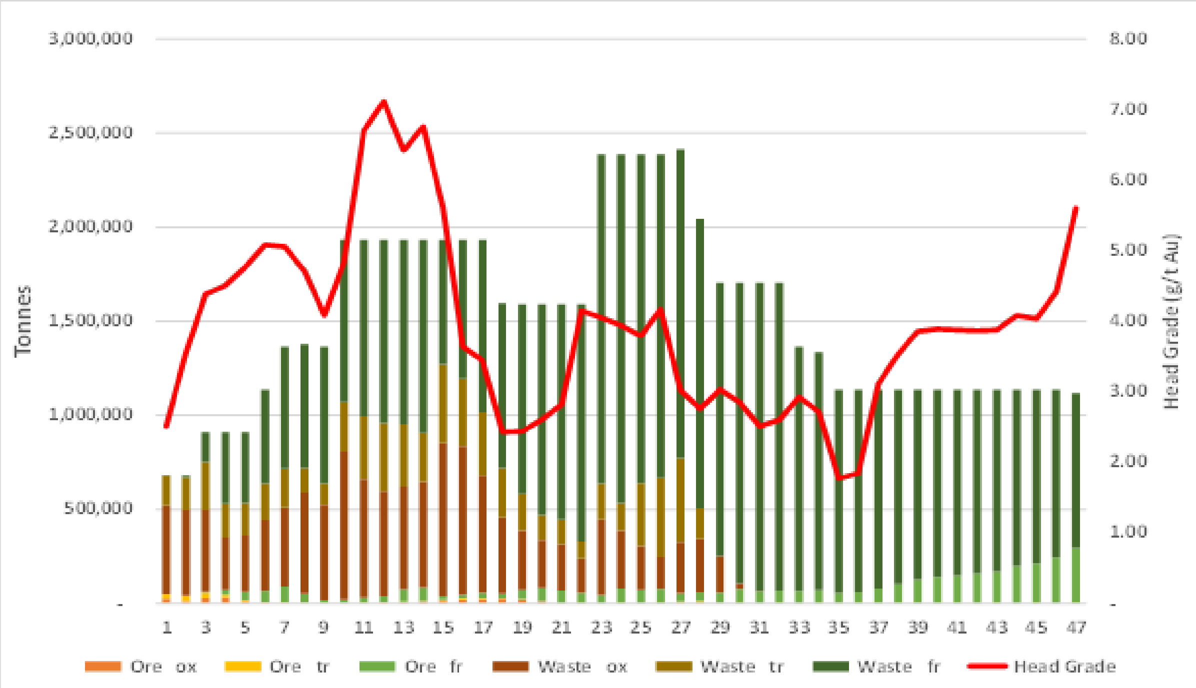


Figure 5-9: Monthly LOM Production Schedule

Figure 5-10Figure 5-10 shows Monthly LOM ore production schedule.

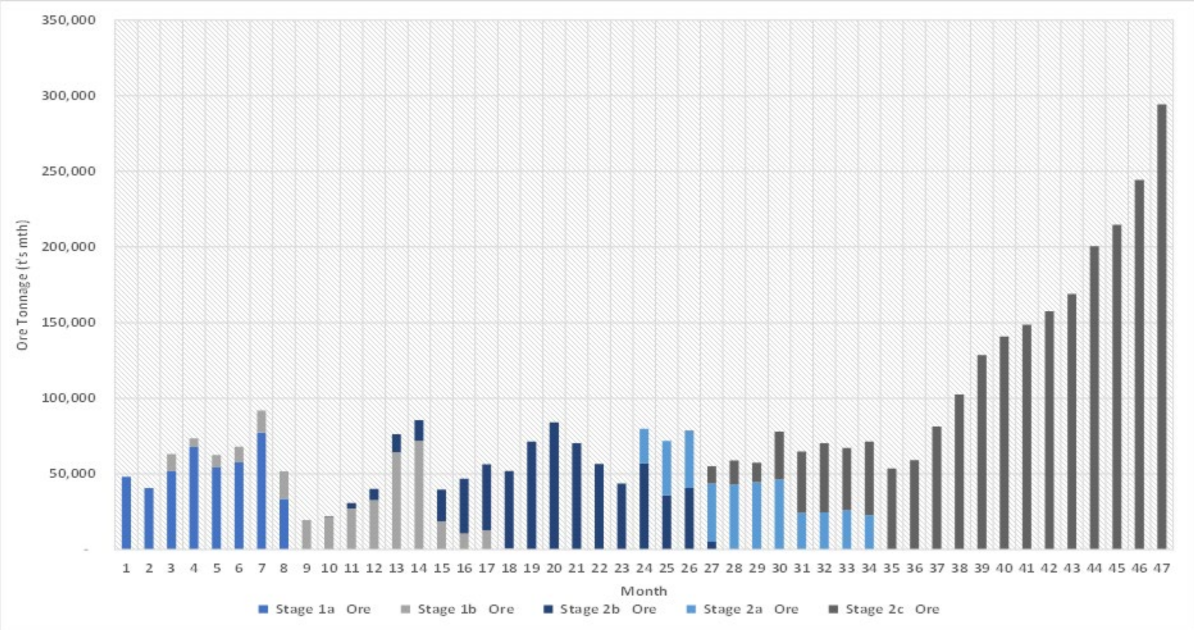


Figure 5-10: Monthly LOM Ore Production

Five pit phases have been designed including the final pit limit.

Stages 1a and b are in the northern end, whilst stages 2a, b, and c are in the southern end of the pit. These areas were defined based on grade and strip-ratio and practical considerations such as proximity to potential ramps and access points.

The initial starter pit is Stage 1a. This stage focusses on the area of historical artisanal workings which offers relatively easy access together with being a relatively well understood high grade zone at a modest strip ratio to defer some of the waste stripping to later years. Each stage represents between six and nine months of mining activities, with the final stage (Stage 2c) representing more than 18 months.

ROM quantities of each pit phase are presented in Table 5-8.

Table 5-8: Pit Phase Quantities
Thor Explorations Ltd – Segilola Gold Project

Pit Phase	Total Material (Mt)	Waste (Mt)	Ore (Mt)	Grade (g/t Au)	Ounces (koz Au)	Stripping Ratio (Waste:Ore)
Stg1a	4.3	3.8	0.4	4.36	61	9.5
Stg1b	9.3	9.0	0.3	6.88	77	30
Stg2a	9.5	9.2	0.4	3.63	43	23
Stg2b	12.2	11.5	0.7	3.13	66	16.4
Stg2c	35.7	33.5	2.2	3.80	274	15.2
TOTAL	71.0	67.0	4.0	4.00	521	16.8

The majority of waste generated over the LOM will be dispatched to one of three WMSAs. During construction, waste will primarily go to the development of the ROM pad at the primary crusher. During operations and once the ROM pad is complete, waste will be dispatched to either the Northwest WMSA or the Eastern WMSA, dependent on which is closer and available at the time. In addition, relatively minor quantities of suitable waste material may be used for road development and maintenance and at the TMF. Opportunities for in-pit waste storage will also be available in the later stages of ROM operations.

Total designed storage volume is at 40 million cubic metres, sufficient to contain the 67.0 Mt of waste estimated in the LOM schedule.

Figure 5-11 shows the plan view of the final three pits, ROM pad, and Eastern WMSA and a cross section through the southern pit and Eastern WMSA.

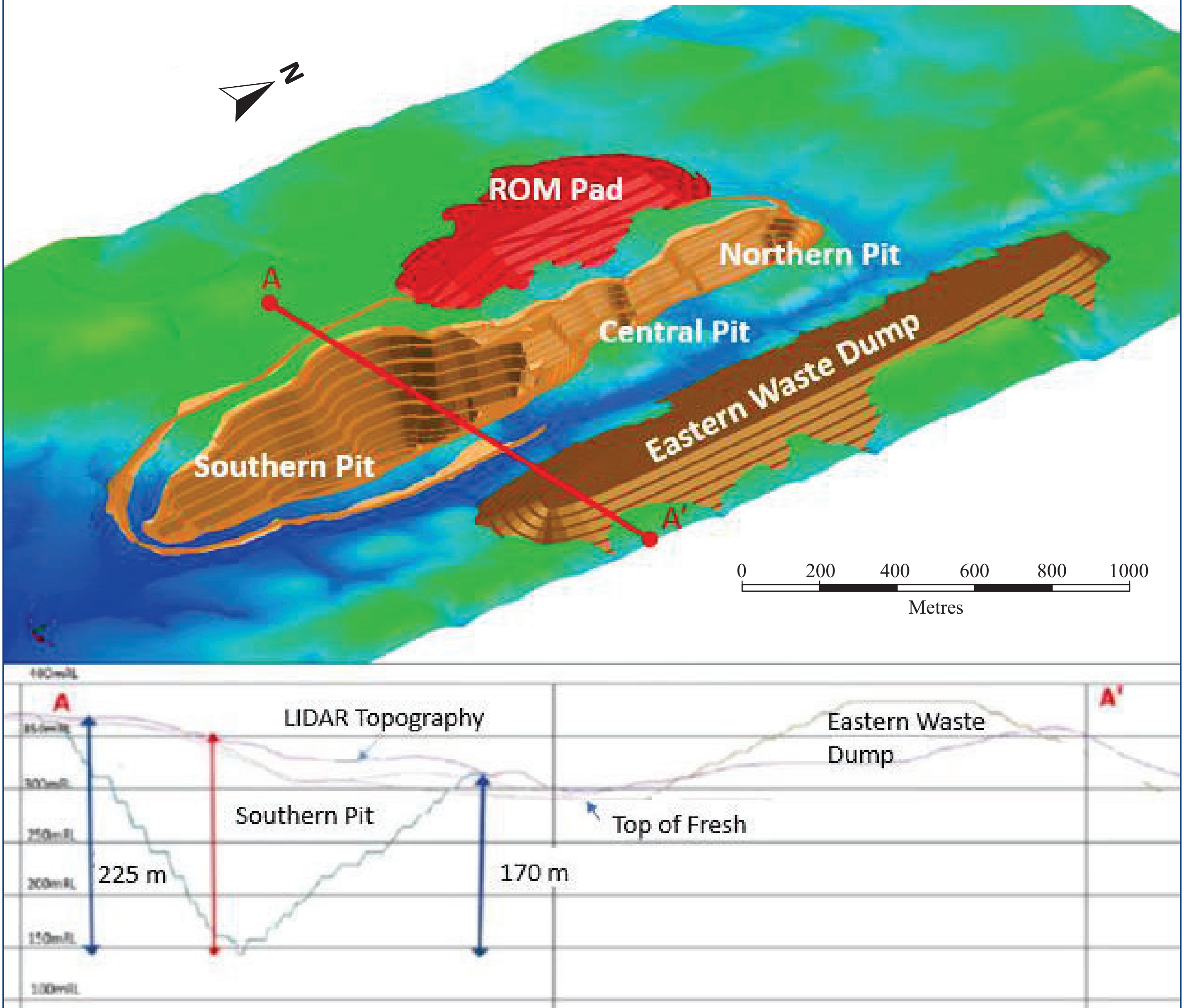


Figure 5-11

Thor Exploration Ltd.

Segilola Project

Osun State, Nigeria

Plan View and Cross Section of the LOM Pits, ROM Pad, and WMSA

June 2021

Source: Mining Associates Pty Ltd, 2021.

5.6 Mine Equipment

The mining equipment fleet will be supplied by the mining contractor.

Ore and waste will be by 85 t and 45 t backhoe excavators, with 5.6 m^3 and 2 m^3 capacity buckets, respectively.

The main haul fleet is comprised of 60 t rigid with an effective capacity of 55 t per load and 32 t haul trucks. The larger excavators will load the 60 t trucks. The 85 t excavators can fill the 60 t rigid body trucks with six passes, and the 45 t excavators will fill smaller 30 t trucks in 11 passes.

The waste mining fleet will consist of eight units of the EC950 Volvo 5.6 m^3 excavator.

Front-end loaders (FEL) will be utilised to support truck loading directly after a blast while the excavators are brought into the working faces. FELs will also be employed as and when required to sustaining ore feed to the plant.

An effective utilisation for excavators of 52% (70% availability and 75% utilisation) has been assumed. Track dozers will be used to ensure loading areas are kept level and free of boulders and large rocks. An effective utilisation for haul trucks is planned at 52% (70% availability and 75% utilisation).

The primary mining fleet is supported by a fleet of ancillary equipment including water trucks, fuel trucks, service vehicles, cranes, and light vehicles for personnel transport.

In the CP’s opinion, the equipment selection and fleet sizing is reasonable and appropriate to achieve the ROM production schedule as presented.

6.0 MINERAL PROCESSING

The process flow sheet consists of crushing, milling, gravity circuit, leach and CIL, elution and regeneration, electrowinning and smelting, cyanide detox and tailings deposition. The ore is of medium hardness. Gold mineralisation is non-refractory free milling. High gold recovery (97%) is achievable using a combination of gravity recovery and conventional CIL.

6.1 Process Design Criteria

The plant has been designed to operate at the process design criteria as shown in Table 6-1.

Table 6-1: Process Design Criteria
Thor Explorations Ltd – Segilola Gold Project

	Units	Value
Plant Capacity	tpa	715,000
Design Gold Head Grade	g/t Au	4.02
Gravity gold recovery	%	43
Overall gold recovery (gravity + leach)	%	97.0
Crushing Plant Utilisation	%	54.4
Crushing Design Throughput	tph	150
Plant Utilisation	%	91.3
Nominal Throughput	tph	89.3
Design Throughput	tph	90
Crushing Work Index (CWi)	kWh/t	13.8
Bond Ball Mill Work Index (BWi)	kWh/t	19.3
SAG Mill A*b		55.3
Crusher feed top Size	mm	600
Crusher product size	mm	160
SAG mill feed size (F80)	mm	112
SAG mill transfer size (T80)	mm	6
Grin d product size (P80)	µm	106
Leach Circuit Residence Time	h	48
Leach Slurry Solids Content	% w/w	40
Sodium Cyanide Consumption	kg/t	0.24
Hydrated Lime Consumption	kg/t	0.19
Frequency of Elution	strips / week	8

6.2 Processing Plant Description

6.2.1 Summary Description

The processing plant is rated at 715 000 tpa and has been designed by Yantai Orient Metallurgical Design and Research Institute, in Yantai, Shandong Province, China. The plant is fed by ore delivered from the ROM stockpiles, by a FEL or direct tipped by 30 t trucks, through a 600 mm grizzly. A jaw crusher rated at 150 tonnes per hour (tph), feeds the crushed ore stockpile with a 160 mm product. From here the milling circuit consisting of a SAG and ball mill grinds the product to 80% passing (P_{80}) 106 micron. A gravity recovery circuit recovers coarse gold from the mill circulating load. The gravity circuit consists of a centrifugal gravity concentrator (Knelson) followed by an intensive leach reactor (Acacia) and electrowinning cell. Fine gold is recovered by cyanide leach and carbon adsorption desorption circuit. The final product, gold bullion bars, will be dispatched to a refinery. Final tailings will be processed through a cyanide detox circuit and deposited as wet tailings into a TMF.

Figure 6-1 presents a proposed process flow sheet.

6.2.2 Processing Plant Facilities

The processing plant consists of the following process areas:

- ROM Pad;
- Crushing;
- Crushed Ore Stockpile;
- Milling;
- Gravity Gold Recovery;
- Gold Leaching and Adsorption;
- Gold Elution Circuit;
- Gold Room with electrowinning, sludge filtration, drying and smelting;
- Reagents and Services: and
- Cyanide Destruction and Tailings Disposal.

The facility has been designed to process ore to recover gold, whilst rejecting waste material to the TMF. The infrastructure required is to ensure the facility can operate at the nominated capacity of 715,000 tpa.

6.2.3 Processing Plant Description

- ROM delivery system:- including ROM Retaining Wall, ROM Grizzly and ROM Bin, ROM Safety Rails, ROM tipping control system, and ROM fill and stockpiles;
- Crushing circuit:- including coarse ore bin and jaw crusher, suitable for feed via 30 t mining trucks and FEL;
- Coarse Ore Stockpile:- The crushed ore will be stored in a coarse ore stockpile ahead of the milling circuit;
- Milling circuit:- consists of a primary SAG mill (5.5 m x 3 m) and a secondary ball mill (4 m x 8 m) with cyclone classification;
- Gravity recovery circuit:- consists of a centrifugal gravity concentrator followed by an intensive leach reactor to process the gravity concentrate and finally a separate electro-winning cell to recover the gold bullion;

- Main control room:- Installed in the processing plant area. Two computer terminals stations, each with two screens, for use by the operations team. A separate sealed and air-conditioned room that will house all of the main process control computers;
- The leach and adsorption circuit is sized with five leach and five adsorption tanks (as based on metallurgical test-work results);
- The elution circuit sized based on the estimated feed grade to the circuit; consist of acid wash and elution columns, elution heater, electrowinning cells and a regeneration kiln;
- A gold room, highly secured, drying ovens, gold furnace strong room, safe and overhead crane;
- Water and air services for the processing plant;
- Fire water pumps and ring main system fitted with fire hydrants and hire hoses;
- Reagent storage, mixing and distribution systems; and
- Process Control Systems for proper operations control.

6.2.4 Infrastructure Facilities

The following plant site installations and services:

- Power Generation Facility (Diesel and CNG) complete with a high (10Kv) voltage switch room and full isolation for supply to the plant and the medium voltage motors (mill installations). In addition, the power distribution to the processing plant for the low voltage motor control centres (MCC). The power station is located as close as is practical to the major electrical loads (SAG/Ball Mill/s);
- Power is supplied to all buildings, main gates and security points including, *inter alia*, the mining contractor area, administration area, camp, sewage treatment facility, Water Storage Dam (WSD), TMF, perimeter fence and pump stations.
- Power factor correction is applied;
- A Liquid resistance starter (LRS) for SAG mill and Ball mill operation;
- SAG and Ball Mill isolation by air clutch;
- Fuel farm, including sufficient storage for 7 days of diesel supply;
- Area and facilities for 12 CNG delivery vehicles;
- CNG and Diesel distribution to both the Power Generation Facility and the processing plant storage tank and distribution;
- Site and lease perimeter and internal walls, fencing and access gates;
- Site roads;
- Site buildings, stores and workshop inclusive of waste water treatment, site buildings will include the following:
    - Main administration building;
    - Laboratory;
    - Plant workshop;
    - Plant warehouses;
    - Plant Office and Crib room;
    - Security offices located at the main gate of the Site, including a parking area with security checking and registering, and a dispatcher with two-way radio(walkie-talkie) and phone communication;

- Control rooms;
  - Ablution buildings;
  - Shower and change rooms;
  - Mining Contractor workshop, warehouse and administration building;
  - First aid room;
  - Sewage treatment facility.
- Camp accommodation including camp administration office, kitchen, dining room and leisure facilities;
- Emulsion storage facilities; and
- Explosives facility.
- Radio and communications system Integrated Security System;
- Buildings:
  - furniture, office equipment, computers, telephones and communications systems;
  - shelving, fixed tools and equipment for workshops and stores;
  - air conditioning units;
  - bathroom and washroom equipment.
- Laboratory Tailings Dam and all related infrastructure including power supply line;
- Tailings pumping and pipeline to the TMF;
- Decant return water pump and pipeline from the TMF to the plant process tank; and
- The WSD and all related infrastructure including power supply line;
- Water supply pumps and pipeline from the WSD to the Raw and Process water tanks.

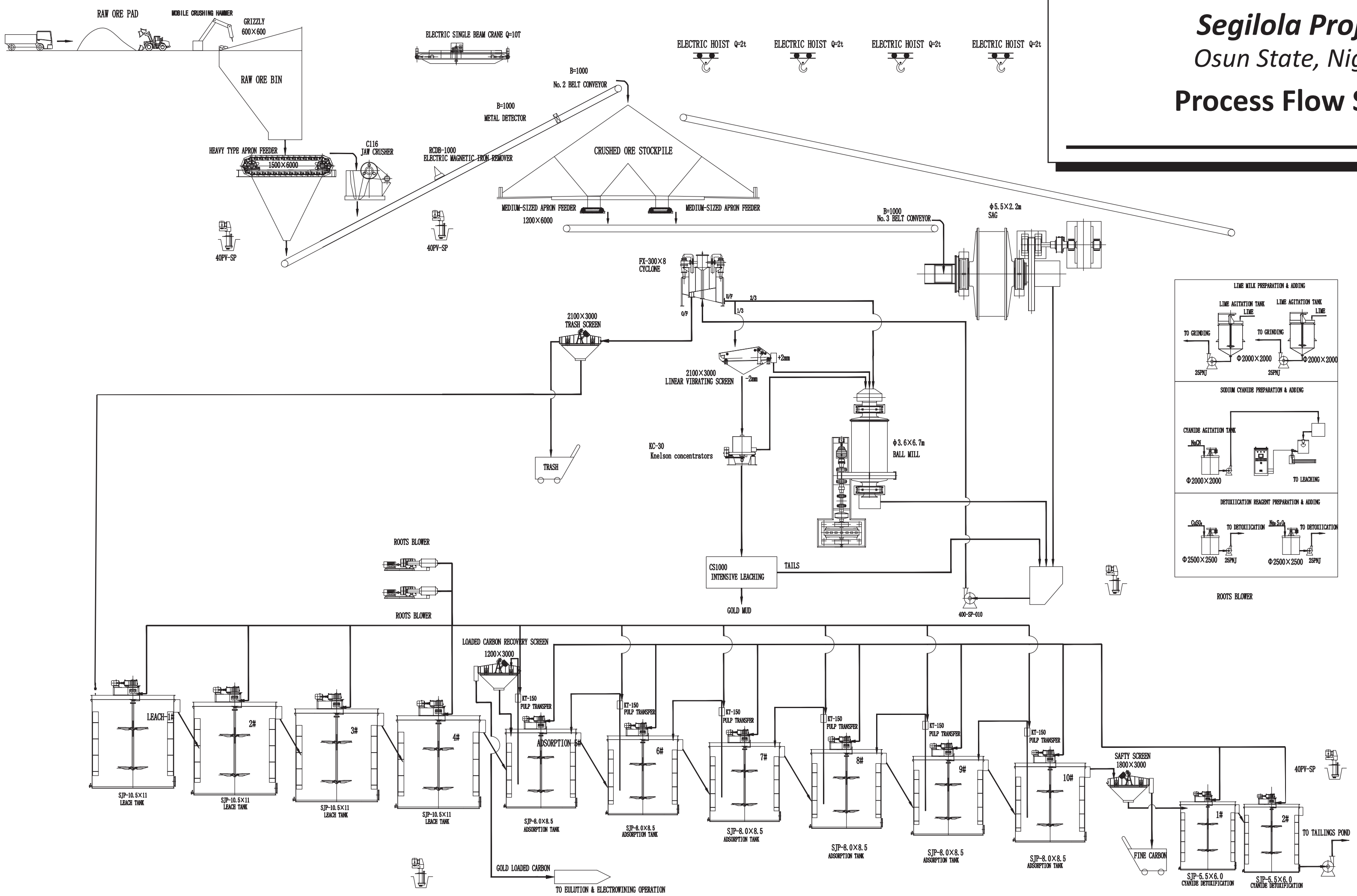
Figure 6-1

Thor Exploration Ltd.

Segilola Project

Osun State, Nigeria

Process Flow Sheet



June 2021

Source: Modified from Norinco, 2019.

6.3 Processing Plant Facilities and Services

6.3.1 Crushing, Stockpiling and Reclaim

ROM ore will be delivered by haul trucks from an open pit mining operation and will be either dumped into a ROM bin or to the ROM pad and then will be stockpiled. FELs will re-claim the ROM pad ore and feed into ROM bin. The ROM bin will be able to accommodate feed by a FEL and direct tipping by trucks.

The ROM pad contents should be adequate to enable campaign processing and also provide an adequate buffer between the mine and the processing plant.

The ROM pad has been designed with the following parameters and assumptions:

- Minimum ROM pad capacity of 120,000 t; (two months' mill feed);
- ROM pad height approximately 16 m above natural surface;
- Stockpile finger height 4 m above the ROM pad level;
- ROM pad heavy vehicle ramps 1:10 gradient; and
- Loader and truck turning circles and minimum working areas have been taken into consideration with regard to the proximity of the stockpiles to the crusher bin.

A square aperture grizzly of 600 mm will be mounted on the top of the ROM bin and will scalp off the oversize material to prevent oversize material entering and thus minimising downstream blockages, which can be broken down to the right size using the mobile rock breaker. The design of the grizzly will be such that it can be assembled at site, from high grade steel bar.

The selected jaw crusher will accommodate the grizzly screened feed size without significant and frequent blockages. Excess use of the rock breaker indicates that mining is producing off-specification feed in terms of size.

The jaw crusher will discharge onto the jaw crusher discharge conveyor, which will take the crushed product to a coarse ore stockpile.

The crushing circuit will comprise single-stage crushing. The crushing plant will operate at a crushing rate of 150 tph, treating feed ore from a maximum lump size of 600 mm to a product size of 160 mm, which is suitable for SAG milling. The crusher will be operated on two eight-hour shifts. Crushing runtime factor (availability x utilisation) will be 55% to 66%, that is, 4,820 hours per year (hpy) to 5,770 hpy as required.

An apron feeder has been included in the design to withdraw ore form the ROM bin. Ore will be reclaimed from the ROM bin using a variable speed apron feeder and delivered directly to the primary jaw crusher. The apron feeder dribbling will report to the apron feeder dribbling conveyor (CV0). The jaw crusher discharge and the apron feeder dribbling will report to the crusher discharge conveyor (CV1).

The crusher circuit product will be transferred to the crushed ore stockpile, which is designed for 1,000 t (live) capacity. From the stockpile, the material will be withdrawn using any of the two apron feeders; each with a variable speed drive to ensure that a controlled mill feed rate is achieved. The feeders will discharge the material onto the mill feed conveyor (CV2), which will transfer the ore to the mill feed hopper.

A FEL will be used to reclaim and tram ore from the stockpiles to the mill feed conveyor if the crusher is under maintenance.

One hoist will be installed for use on the jaw crusher, apron feeder, and general crushing area, and will facilitate maintenance and dislodging of chokes in the event of oversized rocks reporting to the crusher.

Conveyors in the crushing area will be covered to protect the material from the heavy annual rainfall.

Coarse spillage in the crusher area will be cleaned up by operator and transported to the crusher feed conveyor to the primary crusher. Coarse spillage in the reclaim tunnel will be cleaned up and then transferred to the SAG feed conveyor to the SAG mill.

Dust containment will be affected by the use of skirting, dust enclosures, and dust suppression systems, which will use fine water sprays at the main dust-generating points: ROM bin tipping point, ROM bin discharge, jaw crusher discharge, and stockpile area.

The use of skirting and dust suppression systems will assist with the containment and control of dust underneath the stockpile.

The FEL driver will ensure feed is maintained to the crushing circuit and will communicate with the operator using a walkie-talkie to supply information on crusher feed operation. A stop-go system with simple red and green lights will be installed.

A magnet mounted above the conveyor will remove the tramp steel grinding media. Any tramp metal not removed will be detected by a metal detector located above the conveyor prior to the stockpile.

6.3.2 Grinding and Classification Circuit

The grinding circuit will use the SAG mill as the primary mill and a ball mill for regrinding. The milling circuit is capable of handling 91 tph of ore and will have a runtime factor of 90%, 8,000 hpy.

Crushed ore is withdrawn from the stockpile at a controlled feed rate by variable speed apron feeders and fed via the mill feed conveyor directly to the SAG mill. A weightometer will indicate the instantaneous and totalised mill feed tonnage.

The fresh ore will mix with feed water in the mill feed hopper to achieve the required 75% solids concentration for optimum milling efficiency. Hydrated lime, used for pH control, will be added directly onto the mill feed conveyor.

The 5.50 m inner diameter and 3.00 m long, 1,400 kW SAG mill will have a grate discharge with 60 mm apertures.

The SAG mill discharge will flow through the SAG mill trommel screen. The screen will have polyurethane panels to protect the pumps and cyclones from oversize scats. The screen oversize will be collected in a bunker. The screen undersize will gravitate to the mill discharge sump where it will mix with the discharge from the ball mill and dilution water before being fed to the cyclone cluster by one of the two cyclone feed pumps. The slurry pumps will be fitted with variable speed drives and a gland seal water supply system.

Only 70% of the available cyclones in the cluster will be utilised at normal operating conditions. The cyclone underflow will be collected in the underflow launder; a portion of underflow (66% by mass) will be reported to the feed chute of the ball mill for further grinding and another portion (33% by mass) of underflow, to the gravity circuit for coarse gold recovery.

Cyclone overflow, at 40% solids by weight and a grind of P_{80}=106 µm, will gravitate to the vibrating trash screen. The milling area will be bunded to contain spillage, which will gravitate to the spillage pumps, one on the mill feed side and one on the discharge side, from where it will be pumped to the mill discharge sump.

A 25 t mobile crane will be used to assist with maintenance, addition of grinding media to the mill, and the lifting of Interstage screens in the CIL area. Balls will be loaded into the ball loading hopper and lifted by the crane to the mill feed chute. They will then be discharged into the mill by lowering the hopper to its rest position.

6.3.3 Intensive Cyanidation Reactor (Acacia Concentrator)

A portion of the cyclone underflow will gravitate to the Knelson concentrator feed screen. The screen will scalp off +3 mm material and return it to the mill circuit. The –3 mm material will enter the Knelson concentrator. The Knelson concentrator will produce high grade gold concentrate which will gravitate to a concentrate storage cone located below the Knelson concentrator. Treatment of the gravity concentrate will be carried out in the Acacia Concentrator, an Intensive Cyanidation Reactor (ICR). Cyanide, sodium hydroxide, and leach aid (if required) will be mixed in the heated ICR leach solution storage tank before being pumped to the ICR. The leach solution will be used to fluidise the concentrate bed to ensure good contact between the solids and the circulating leach solution.

Pregnant solution from the reaction vessel will be transferred to the pregnant solution tank and the gold will be recovered by a dedicated gravity gold electrowinning circuit. Barren solution will be pumped to the CIL tanks while the leached solids will be washed to remove residual cyanide and returned to the mill circuit.

The gravity concentrator and ICR will be enclosed in a meshed security area. CCTV surveillance will be used to monitor the secure area.

6.3.4 Trash Screening

The trash screen will remove misplaced oversize particles and any trash material (such as vegetal debris, plastic fragments, fuses and copper wires) from the overflow stream prior to downstream processing. Organic trash must be removed from the CIL feed since it has the potential for preg-robbing for gold. The feed slurry will be distributed over the screen and will drain through into the under pan, from where it will gravitate to the leach feed splitter box. An automatic cross stream sampler will extract leach feed metal accounting sample prior to entering the leach.

Leach and CIL Section

The plant design has excluded a surge and density control pre-leach thickener due to the relatively short life of the Project and need to reduce capital intensity. The pulp density delivered to the leach will be controlled by judicious operation of the mill circuit classifying cyclones. The target pulp density feed to leach is 1.40 t/m^3.

The leaching circuit will consist of five leach tanks, and five CIL adsorption tanks, giving a total residence time of 48 hours to ensure complete dissolution of the gold and its subsequent adsorption onto activated carbon. The slurry and carbon particles in the CIL tanks will be maintained in suspension and agitated by the action of dual impeller mixers.

The tanks will be interconnected with launders and slurry will flow by gravity through the tank train. Each CIL tank will be fitted with a motor driven vertical stirring fixed interstage screen to retain the carbon. This type of screen does not need auxiliary equipment or air to clean the screen surface. All tanks will be fitted with bypass facilities to allow any tank to be removed from service for agitator or screen maintenance.

Flow of slurry from one CIL tank to another will be through an interconnecting launder system. As the CIL process will be continuous in nature, provision will be made in the design for easy isolation and bypassing of each tank in the event of major equipment breakdown (e.g., agitator, interstage screen, and tank sanding).

Each tank outlet launder will be fitted with two dart valves. The first dart valve feeding the next tank in line will normally be open and the second dart valve will connect to the bypass launder and will normally be in a closed position.

Air, as the source of oxygen for cyanide dissolution of gold, will be fed through lances into the bottom section of the tanks and dispensed into the slurry ensuring maximum dispersion throughout the pulp. All ten tanks will be equipped with air addition lances that can be used when required.

Cyanide solution will be pumped through a ring main, from which it will be dosed into the leach feed splitter box. In the event that the determined concentrations are low, addition to downstream tanks will also be done.

Lime slurry will be added from the ring main to the leach feed splitter box for pH adjustment. Provision will be made to add lime slurry to the first four tanks in the event that the pH values in tank 1, determined by the pH meter, are low.

One batch of loaded carbon will be removed from the lead CIL tank on a daily basis for gold recovery. Similarly, one batch of eluted regenerated carbon will be added back to the tail CIL tank on a daily basis.

Loaded carbon will be transferred by air lift from CIL tank 1 or tank 2 onto the loaded carbon screen. The vibrating screen underflow slurry will return back to the originating tank. Screen overflow carbon particles will be washed with spray water and discharged into the loaded carbon make up tank in preparation for elution.

Regenerated carbon will be returned to CIL tank 5 and will be advanced counter current to the slurry flow by intermittent air lift transfer upstream from tank to tank.

Slurry exiting the last CIL tank (CIL tails) will gravitate to the vibrating carbon safety screen to recover any fugitive carbon escaping from the last CIL tank via worn screens or a process upset of any kind.

Screen underflow will gravitate to the cyanide detoxification tank. Screen oversize (recovered carbon) will be collected in the fine carbon bin for potential return to the circuit or alternative processing.

Barren carbon returning to the adsorption circuit from the carbon reactivation kiln, as well as fresh make up carbon, will be screened on the carbon sizing screen to remove fine carbon. The sized and reactivated carbon will report directly to CIL tank 5.

Spillage in the CIL area will be contained in a bund that will have one spillage pump returning spillage to the leach feed splitter box.

Two safety showers will be installed for any emergency situations that may arise.

6.3.5 Elution and Electrowinning

The daily batch of loaded carbon will be transferred to the acid wash tank and washed with dilute (3%) hydrochloric acid, followed by water wash, and then transferred into the elution column. The carbon will be eluted with a solution containing 5.0% sodium hydroxide at 110°C to 150°C to desorb the contained gold into the solution. Elution solution (eluate) containing dissolved precious metals will be passed through an electrowinning cell to plate out the contained gold. The cell will be stripped on a weekly basis where the electroplated gold is washed off the cathodes and collected for drying and smelting. The elution process can complete seven times elution every week, for a total carbon mass movement of 21 t per week.

6.3.6 Gold Room

The electrowinning sludge will be filtered and dried then mixed with a range of fluxes and smelted at 1,100°C to produce gold bars. Gold bars will be stored in a gold room safe prior to transport and refining off site.

6.3.7 Carbon Reactivation

Eluted carbon will be transferred to the regeneration kiln feed vessel. Excess water will be drained off and carbon will be screw fed into the kiln at a controlled rate to maintain a bed temperature of 700°C to 750°C in an oxygen free environment for a period of at least 15 minutes to remove any entrained organic material. The carbon will then be quenched in water and sized to remove undersized particles. Regenerated carbon will be returned to the last adsorption tank.

6.3.8 Cyanide Detoxification

CIL slurry tails will gravitate to the carbon safety screen for the recovery of any escaped carbon from the CIL due to damaged interstage screen wedge wire. The carbon safety screen oversize will gravitate into the tails oversize carbon basket. Periodically, the carbon basket will be lifted and its contents will either be emptied into the last CIL tank by opening the trapdoor or be bagged and removed from site.

Dilution water will be added to the screen to dilute the slurry from a density of approximately 40% solids by weight. The carbon safety screen underflow will gravitate into the detoxification tank.

The free cyanide and/or weakly bound metal cyanide complexes present in the tailing slurry will be oxidised to cyanide (CN) by the addition of sulphur dioxide and oxygen according to the following reaction:

$$CN^- + SO_2 + O_2 + H_2O = OCN^- + H_2SO_4$$

Sulphur dioxide will be supplied in liquid form as sodium metabisulphite and oxygen via air sparging. The reaction will result in the formation of sulphur acid; hence lime slurry will be added to maintain an optimal pH range of 8 to 10. The detoxification reaction using this method requires the presence of a copper catalyst at concentrations of approximately 50 mg/L, which will be added to the circuit as copper sulphate solution.

The detoxification circuit will give a total residence time of two hours. The pulp will then gravitate via an automated sampler (for process accounting and control) and will be transferred to the TMF. A safety shower will be installed for any emergency situations that may arise.

6.3.9 Tailings Disposal and Return Water

Tailings slurry will be transferred from the tailings tank to the TMF. Return water from the TMF will be pumped into the reclaim water tank and then back into the processing plant.

6.3.10 Reagents

A range of reagents will be used at the Segilola plant. The major reagents are:

- Hydrated Lime
- Sodium Cyanide
- Sodium Hydroxide
- Hydrochloric Acid
- Sodium Metabisulphite (SMBS)
- Copper Sulphate

- Air
- Diesel Fuel
- Activated Carbon
- Grinding Media

In connection with the use of the reagents by the contractor, Material Safety Data Sheets shall be supplied to the employer and shall be displayed prominently in compliance with the contractor's health and safety procedures.

6.4 Test Work

6.4.1 Introduction

Metallurgical testing was completed by AMMTEC Ltd (AMMTEC) in April 2010. Test work was performed on six composites of drill core from zones within the orebody identified as North, Central, and South. Testing completed included:

- Head assays
- Grinding parameter determination
- Gravity testing
- Leach testing
- Cyanide detoxification testing
- Settling test (by Outotec)

Gold assays for the composites ranged from 2.5 g/t to 9.7 g/t, and are shown in Table 6-2, together with the SAG mill comminution (SMC) testing results.

Table 6-2: SMC and Bond Mill Work Index Test Results Summary
Thor Explorations Ltd – Segilola Gold Project

Sample	Au g/t	Au g/t	Ai	t_a	DWi	A	b	A x b	BWi kWh/t
North	7.28	6.25	0.3865	0.56	4.59	75.8	0.76	57.6	18.0
Central	9.29	6.90	0.3588	0.66	3.90	77.3	0.87	67.2	18.1
South	9.67	8.78	0.3319	0.69	3.74	70.3	1.02	71.7	18.8
Blend	4.93	8.36							
Composite 1+2	2.47		0.3511	0.64	4.02	71.4	0.91	64.9	17.5
Composite 3+4	3.32	2.54	0.3031	0.61	4.22	69.6	0.90	62.6	14.1

Source: Ammtec Ltd, 2010

Cyanide leaching test work was completed at three different grind sizes (K_{80} of 150 µm, 106 µm, and 75 µm) for the North, Central, and South composites to evaluate the effect on gold recovery. Average gold recoveries after 48 hours were 96.9%, 98.2%, and 99.2% at 150 µm, 106 µm, and 75 µm, respectively.

Gravity test work was completed on the North, Central, and South composites. This consisted of Knelson centrifugal concentration, followed by hand-panning. Gold recoveries to the pan concentrates were 35.4%, 69.5%, and 33.1% for the three composites, respectively.

Samples of detoxified gold tailings slurry and un-detoxified damp solids were provided to Outotec for settling test work. The samples were combined and slurried using Perth tap water. Efforts to produce a thickened slurry were unsuccessful due the coarse particles packing together and preventing their being pumped out of the test equipment and properly sampled, and the fine particles remaining in the overflow.

Metallurgical testing was completed by IMO in July 2018. This study involved the generation of a master composite sample, and 10 variability composites to undergo the proposed test work. Testing undertaken included:

- Head assays
- Comminution test work
- Gravity recoverable gold test work and modelling
- Cyanide leach test work
- Settling test work

Thor provided IMO with interval samples from a recent drilling campaign conducted at Segilola. The intervals from each hole were utilised to generate the master and variability composites for metallurgical test work.

The drilling campaign undertaken by Thor consisted of nine drill holes, labelled MET01 through to MET07, including two twinned holes MET03B and MET04B. Intervals were provided as half HQ drill core, pre-composited in assay intervals. The twinned holes were provided by Thor as whole core with no interval assays.

The drill hole long section plan undertaken by Thor is shown in Figure 6-2.

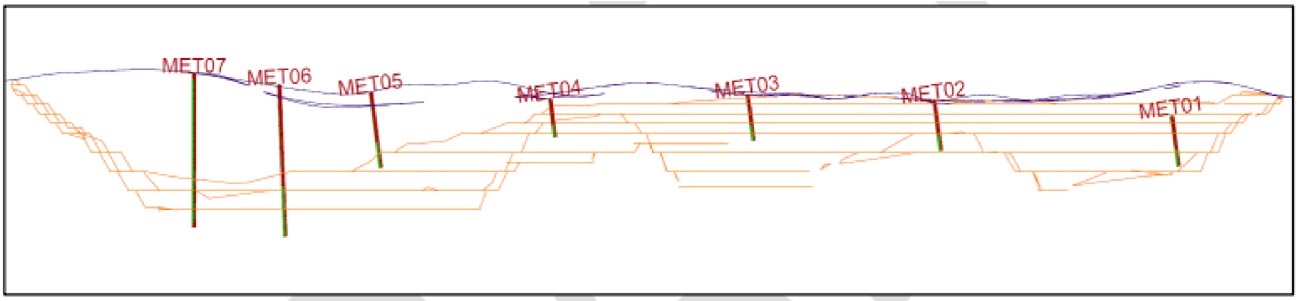


Figure 6-2: Thor Drill Hole Long Section

All nine drill holes were selected for use during compositing with their individual interval details summarised in Table 6-3.

Table 6-3: Drill Hole Interval Summary
Thor Explorations Ltd – Segilola Gold Project

Drill Hole	#	From (m)	To (m)	Interval (m)	Au (ppm)
MET01	SGD171	69.0	83.0	14.0	6.66
MET02	SGD172	40.0	47.0	7.0	1.20
MET03	SGD173	30.0	45.0	15.0	9.31
MET03B	SGD176	34.0	42.0	8.0	-
MET04	SGD174	18.0	42.0	24.0	6.68
MET04B	SGD175	23.0	35.5	12.5	-

Drill Hole	#	From (m)	To (m)	Interval (m)	Au (ppm)
MET05	SGD177	71.0	95.0	24.0	2.19
MET06	SGD178	83.0	112.0	29.0	2.94
MET07	SGD179	88.0	128.0	40.0	1.82

The variability composite make-up is detailed in Table 6-4. All of the composites, except composite 11, underwent variability test work.

Table 6-4: Thor Composite Interval Summary
Thor Explorations Ltd – Segilola Gold Project

Composite	Drill Hole	From (m)	To (m)	Interval (m)	Au (ppm)
Composite 1	MET01	69.0	83.0	14.0	6.66
Composite 2	MET03	30.0	45.0	15.0	9.3
Composite 3	MET03B	34.0	42.0	8.0	
Composite 4	MET04	18.0	42.0	24.0	6.7
Composite 5	MET04B	23.0	35.5	12.5	
Composite 6	MET05	71.0	95.0	24.0	2.2
Composite 7	MET06	83.0	100.0	17.0	2.6
Composite 8	MET06	100.0	112.0	12.0	3.4
Composite 9	MET07	88.0	107.7	19.7	1.2
Composite 10	MET07	107.7	128.0	20.3	2.4
Composite 11	MET02	40.0	47.0	7.0	1.2

Select composites were utilised to generate the master composite, detailed in Table 6-5. The mass ratios of the individual intervals within the composite samples were determined based on their respective presence within the deposit and are equal to the distribution of the interval meterage ratios, indicating no bias to any of the variability composites.

Table 6-5: Master Composite Interval Summary
Thor Explorations Ltd – Segilola Gold Project

Composite	Drill Hole	From (m)	To (m)	Interval (m)	Au (ppm)	Mass Ratio (%)	Meterage Ratio (%)
Composite 1	MET01	69	83	14	6.66	23.2	23.2
Composite 2	MET03	30	45	15	9.31	24.7	25.0
Composite 4	MET04	18	42	24	6.68	40.0	40.0
Composite 11	MET02	40	47	7	1.20	12.1	11.7
Master Composite				60	6.68	100.0	100.0

The master composite is representative of approximately the first three years of mine life with weighting towards the payback period (1.0-1.5 years). In the current model, most of the ore is from the Stage 3 pit in about month 30 (2.5 years). The samples location diagram is shown in Figure 6-3, and there is very little variation throughout the deposit.

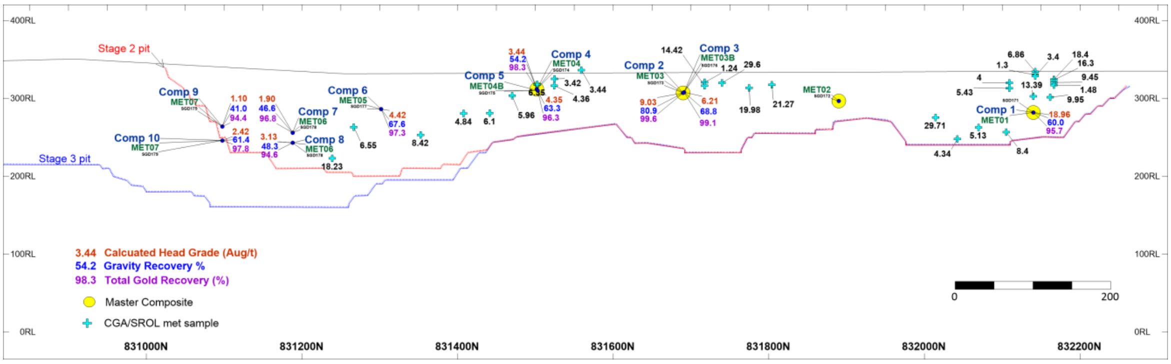


Figure 6-3: Sample Locations

6.4.2 Comminution Test Work

6.4.2.1 Samples

Eight core samples were selected by IMO in agreement with Thor to undergo uniaxial compressive strength (UCS) test work. The samples were selected from varying depths across drill holes MET01 to MET05.

Two groups of samples were selected to undergo Crusher Work Index (CWi) testing with group 1 representing drill holes MET01 to MET03, and group 2 representing MET04 to MET05.

Samples representing each of the variability composites and the master composite were selected and submitted to JKTech for SMC testing.

6.4.2.2 Test Results

Comminution testing was conducted on the samples, including the following:

- UCS testing;
- CWi testing;
- SMC testing; and
- Bond ball mill work index (BWi) testing.

Summarised comminution test results are presented in Table 6-6 to Table 6-8 indicating:

- UCS test values ranging from 71.7 MPa to 190.6 MPa.
- CWi testing conducted on group 1 samples indicating an average work index of 16.0 kWh/t.
- CWi testing conducted on group 2 samples indicating an average work index value of 11.6 kWh/t.
- SMC results indicate A x b values ranging from 45.5 to 87.0, characterising the ore as medium to soft resistance to impact breakage.
- SAG Circuit Specific Energy (SCSE) values for each of the composites agree with the A x b values, categorising the ore as medium to soft with values ranging from 7.2 kWh/t to 9.3 kWh/t.
- The t_a values for each of the composites ranged from 0.4 to 0.9, with the ore varying from medium to soft resistance to abrasion grinding.
- BWi testing utilised a closing screen size of 106 µm, resulting in BWi ranging from 17.9 kWh/t to 20.3 kWh/t, categorising all composites as very hard.

Table 6-6: UCS Results Summary
Thor Explorations Ltd – Segilola Gold Project

Drill Hole	Hole ID	From (m)	To (m)	UCS (MPa)
MET01	SGD171	73.5	73.8	90.73
MET01	SGD171	74.3	74.6	134.37
MET02	SGD172	41.2	41.6	138.14
MET02	SGD172	40	40.4	114.74
MET03	SGD173	35.6	35.9	86.60
MET03	SGD173	33.6	33.85	71.68
MET04	SGD174	32.9	33.3	157.86
MET05	SGD177	76.8	77.2	190.57

Table 6-7: CWi Results Summary
Thor Explorations Ltd – Segilola Gold Project

Variable	Units	Group 1	Group 2
Average Work Index	kWh/tonne	16.00	11.60
Maximum Work Index	kWh/tonne	23.80	25.20
Minimum Work Index	kWh/tonne	7.50	6.80
Median Work Index	kWh/tonne	17.35	10.80
75th Percentile	kWh/tonne	19.03	12.83
85th Percentile	kWh/tonne	20.02	15.02
95th Percentile	kWh/tonne	22.76	20.17
Average Impact Energy	Joules	43.52	31.16
Maximum Impact Energy	Joules	60.80	67.90
Minimum Impact Energy	Joules	20.50	16.30
Average SG of Specimens	SG	2.59	2.62

Table 6-8: SMC and Bond Mill Work Index Test Results Summary
Thor Explorations Ltd – Segilola Gold Project

	A x b	t_a	SCSE	SMC Parameters(kWh/t)				BWi
			(kWh/t)	Mi_a	Mi_b	Mi_h	Mi_c	kWh/t
Composite 1	47.8	0.47	9.04	17.00	25.55	12.10	6.20	18.68
Composite 2	47.2	0.46	9.08	17.30	25.93	12.40	6.40	18.86
Composite 3	56.0	0.55	8.44	15.10	26.71	10.40	5.40	19.36
Composite 4	75.0	0.74	7.54	11.90	27.71	7.70	4.00	19.81
Composite 5	87.0	0.85	7.15	10.60	28.38	6.70	3.40	20.27
Composite 6	45.5	0.44	9.26	17.60	26.11	12.70	6.60	19.00
Composite 7	48.4	0.47	9.01	16.90	28.00	12.10	6.20	20.16

	A x b	t_a	SCSE (kWh/t)	SMC Parameters(kWh/t) Mi_a	Mi_b	Mi_h	Mi_c	BWi kWh/t
Composite 8	51.6	0.50	8.77	16.10	24.67	11.30	5.80	17.87
Composite 9	47.7	0.47	9.04	17.10	26.89	12.20	6.30	19.58
Composite 10	58.1	0.56	8.37	14.60	27.18	10.00	5.20	19.85
Master Composite	54.1	0.53	8.57	15.4	26.30	10.7	5.5	19.10
Maximum	87.00	0.85	9.26	17.60	28.38	12.70	6.60	20.27
Minimum	45.50	0.44	7.15	10.60	24.67	6.70	3.40	17.87
Average	56.22	0.55	8.57	15.42	26.67	10.75	5.55	19.32
Median	51.60	0.50	8.77	16.10	26.71	11.30	5.80	19.36
75th Percentile	57.05	0.56	9.04	17.05	27.44	12.15	6.25	19.83
85th Percentile	66.55	0.65	9.06	17.20	27.85	12.30	6.35	20.01
95th Percentile	81.00	0.80	9.17	17.45	28.19	12.55	6.50	20.22

6.4.3 Master Composite Test Work

6.4.3.1 Head Assay

Summarised master composite head assay results are presented in Table 6-9 indicating an average gold grade of 12.61 g/t, significantly greater than the calculated 6.66 g/t Au based on the interval assays. Results indicated low concentrations of potentially deleterious elements such as Sb and organic carbon.

Table 6-9: Master Composite Head Assay Results Reported in the IMO Report
Thor Explorations Ltd – Segilola Gold Project

Element	Unit	LDL	Master Composite
Forecast Au	g/t		6.66
Au Average	g/t	0.005	12.61
Au	g/t	0.005	10.405
Au	g/t	0.005	14.815
Ag	ppm	2	2
As	ppm	20	<20
Cu	ppm	5	368
Sb	ppm	0.5	<0.5
Te	ppm	0.5	<0.5
S	%	0.01	0.46
Sulphide	%	0.01	0.46
Sulphate	%	0.01	<0.01
Total Carbon	%	0.01	0.03
Non-Carbonate Carbon	%	0.01	0.03

Element	Unit	LDL	Master Composite
Fe	%	0.01	1.47
Mg	%	0.01	0.26
Pb	ppm	20	80
Zn	ppm	5	43

6.4.3.2 Gravity Recovery

Gravity recovery test work was conducted on a bulk master composite sample to allow:

- a consistent feed to the leach optimisation tests;
- determine cyanide leach kinetics of a gravity tailings, as would be expected in a processing plant; and
- determine a gravity recovery from a single Knelson concentration step (the Knelson concentrate was not panned to reduce the mass of the gravity concentrate).

Gravity gold recovery presented in Table 6-10 was back-calculated from the intensive leach solution assays and average calculated head grades from the gravity tailings leach tests. Summarised results indicate a mass recovery of 0.48% and high gravity recoverable gold of 77.6%.

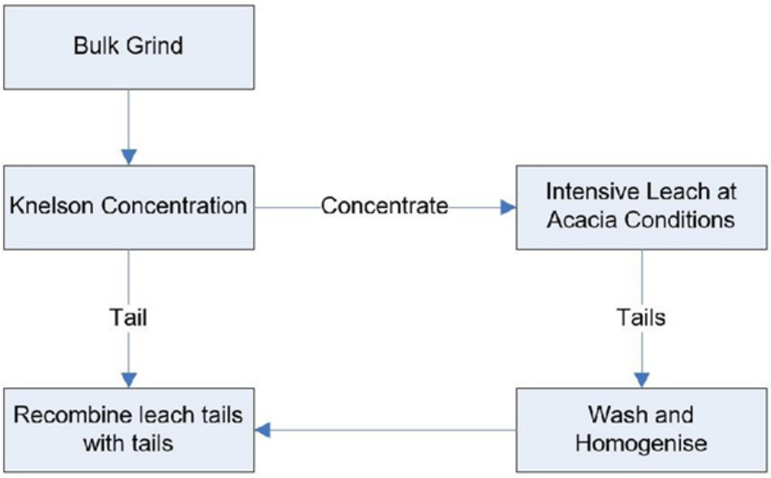


Figure 6-4: Gravity Recovery

Table 6-10: Master Composite Gravity Recovery Results Summary
Thor Explorations Ltd – Segilola Gold Project

	Units	Master Composite
Concentrate Mass Recovery	%	0.48
Calculated Head Grade	g/t	8.9
Gravity Gold Recovery	%	77.6%
Gravity Gold Recovery	g/t	6.9
Leach Feed Grade	g/t	1.99

6.4.3.3 Master Composite Gravity Recoverable Gold Modelling

A comprehensive gravity recoverable gold (GRG) test was conducted on a bulk 20 kg master composite sample, with the test work results submitted to Consep Pty Ltd (Consep) for GRG modelling. Gravity test work block flow diagram is shown in Figure 6-5.

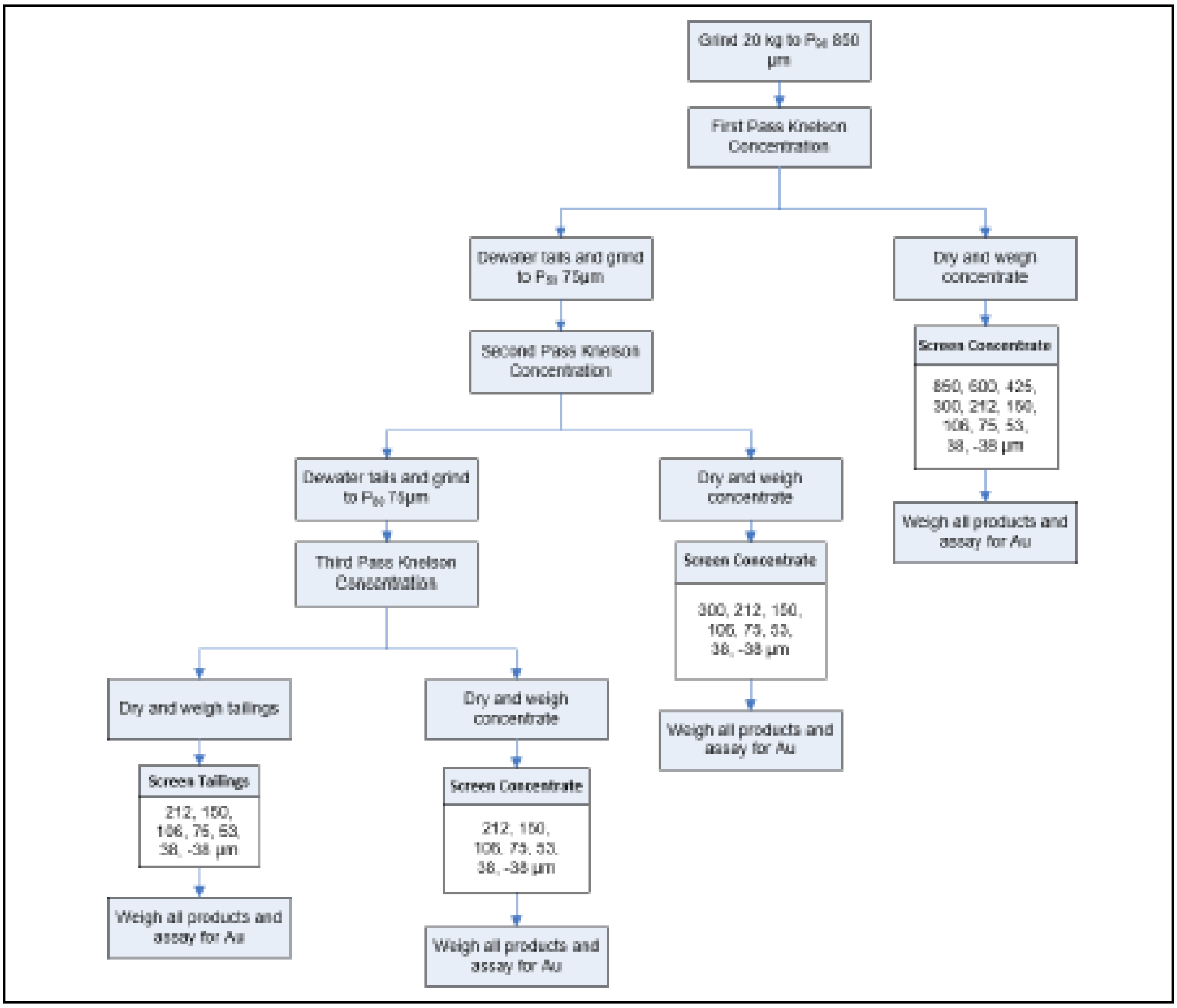


Figure 6-5: Gravity Test Work Block Flow Diagram

The GRG modelling conducted by Consep indicated the following results:

- 49.7% of the feed Au is recovered in the first stage of Knelson concentration.
- Modelled processing gravity recovery of 43.0%, equating to approximately 55.7% of the total GRG.
- Final expected gravity concentrate grade of approximately 7,461 g/t Au.
- It was necessary to linearly extrapolate values for two assays for the size by size analysis of the second stage concentrate as there was insufficient sample to assay; this introduces some uncertainty to the modelling results.

6.4.3.4 Cyanide Leaching

Cyanide leaching of the master composite was conducted on one kilogram sub-samples of the recombined gravity concentration tailings. Three stages of leach tests were conducted on the samples, targeting:

- optimisation of the leach feed grind size;
- cyanide concentrations; and
- dissolved oxygen concentrations.

Each stage of master composite leach optimisation is discussed in the following sections.

6.4.3.4.1 Grind Size Optimisation

Grind size optimisation of the master composite involved three cyanide leach tests conducted at P_{80} of 75 µm, 106 µm, and 150 µm. Conditions utilised throughout the leach tests were as follows:

- 500 ppm NaCN initial, maintained at 300 ppm;
- Dissolved oxygen maintained between 6 mg/L to 8 mg/L by air addition;
- 40% solids in Perth tap water;
- pH maintained at 9.8 with lime;
- Kinetic points at 2, 4, 8, 24 and 48 hours.

Results for the grind size optimisation leach tests indicate overall gold recoveries ranging from 98.3% to 99.5%. Summarised results and kinetic leach curves are presented in Table 6-11 indicating the following:

- Gravity recoveries average 77.4%.
- Overall gold recoveries of 98.4%, 99.3% and 99.5% for LT1 (150 µm), LT2 (106 µm), and LT3 (75 µm) respectively, indicating increasing recoveries with reducing grind size.
- Reduced leach kinetics at 150 µm (90.2%, 8-hour recovery), whilst 106 µm resulted in the fastest leach kinetics (95.6%, 8-hour recovery).
- Increased residue grades of 0.15 g/t for 150 µm compared to 0.06 g/t and 0.05 g/t for 106 µm and 75 µm grinds, respectively.

Table 6-11: Grind Size Optimisation Leach Test Results Summary
Thor Explorations Ltd – Segilola Gold Project

	Units	LT1	LT2	LT3
Grind Size P_{80}	µm	150	106	75
Gravity Recovery	%	77.12	78.44	76.74
Overall 8 Hour Recovery	%	90.20	95.55	93.33
Overall 24-Hour Recovery	%	97.32	99.49	99.19
Overall 48 Hour Recovery	%	98.35	99.32	99.47
Gravity Recovery	g/t	6.84	6.86	6.79
Leach Recovery	g/t	1.88	1.83	2.01
Total Recovery	g/t	8.73	8.69	8.8
Calculated Head Grade	g/t	8.87	8.75	8.84
Assayed Head Grade	g/t	12.61	12.61	12.61
Residue Grade	g/t	0.15	0.06	0.05
24 Hour Cyanide Cons	kg/t	0.04	0.08	0.08
48 Hour Cyanide Cons	kg/t	0.11	0.12	0.15
24-hour Lime Cons	kg/t	0.51	0.29	0.3

Cyanide consumptions were low, ranging from 0.11 kg/t to 0.15 kg/t for a 48-hour duration. A trend of increased cyanide consumption with reducing grind size can be observed indicating the liberation of cyanide consumers such as sulphide and copper from the finer grind size.

Lime consumption was very low, ranging from 0.29 kg/t to 0.51 kg/t for 24 hours, with no increase for 48 hours. Further testing should be conducted in site water to determine any buffering effects.

6.4.3.4.2 Cyanide Optimisation

Following completion of the leach grind size optimisation, two leach tests were conducted on the master composite samples to determine the effect of cyanide concentration on the leach kinetics and overall recovery. The cyanide dosages used for the two tests were as follows:

- LT4 - 300 ppm initial, 150 ppm maintained;
- LT5 - 750 ppm initial, 400 ppm maintained.

The conditions maintained throughout the two tests were as follows:

- Dissolved oxygen maintained between 6 mg/L to 8 mg/L;
- 40% solids in Perth tap water;
- pH maintained at 9.8 with lime;
- Grind size P_{80} 106 µm;
- Kinetic points at 2, 4, 8, 24, and 48 hours.

Cyanide optimisation leach tests resulted in gold recoveries ranging from 98.9% to 99.4%. Summarised results and kinetic leach curves are shown in Table 6-12 with the inclusion of LT2 (CN 500 – 300 ppm) as a comparison, indicating the following:

- Gravity recoveries averaging 78.3%.
- Overall 48-hour recoveries of 98.9%, 99.3% and 99.4% for LT4 (300 ppm), LT2 (500 ppm) and LT5 (750 ppm) respectively, indicating decreased recovery at a reduced CN concentration.
- Slower leach kinetics at a reduced CN concentration of 300 ppm, with a 6.5% reduction in 8-hour leach recovery compared to 500 ppm initial cyanide concentration.
- Increased residue grade by 0.04 g/t due to the reduced CN concentrations from 0.06 g/t to 0.10 g/t.

Calculated head grades for the leach tests ranged from 8.73 g/t to 8.93 g/t, consistent with those reported in the first round of grind size optimisation leaching.

Table 6-12: Cyanide Optimisation Leach Test Results Summary
Thor Explorations Ltd – Segilola Gold Project

	Units	LT2	LT4	LT5
CN Concentration	ppm	500-300	300-150	750-400
Gravity Recovery	%	78.44	77.2	79.3
Overall 8 Hour Recovery	%	99.55	89.08	94.54
Overall 24-Hour Recovery	%	99.49	97.02	99.23
Overall 48-Hour Recovery	%	99.32	98.89	99.35
Gravity Recovery	g/t	6.86	6.89	6.92
Leach Recovery	g/t	1.83	1.94	1.75
Total Recovery	g/t	8.69	8.83	8.67

	Units	LT2	LT4	LT5
Calculated Head Grade	g/t	8.75	8.93	8.73
Assayed Head Grade	g/t	12.61	12.61	12.61
Residue Grade	g/t	0.06	0.1	0.06
24 Hour Cyanide Cons’	kg/t	0.08	0.1	0.21
48 Hour Cyanide Cons’	kg/t	0.12	0.16	0.34
24 Hour Lime Cons’	kg/t	0.29	0.3	0.3

Cyanide consumptions were low, ranging from 0.12 kg/t to 0.34 kg/t for a 48-hour duration, increasing as expected with increased cyanide tenor. Lime consumptions were low, ranging from 0.29 kg/t to 0.30 kg/t for 24 hours with no increase for 48 hours. Further testing should be conducted in site water to determine any buffering effects.

The overall results discussed above led to the selection of an initial CN concentration of 300 ppm, maintained at 150 ppm to be utilised throughout the remainder of the test work programme.

6.4.3.4.3 Carbon-In-Leach Optimisation

One CIL test was conducted on the master composite following determination of the optimum conditions as follows:

- Dissolved oxygen maintained between 6 mg/L to 8 mg/L;
- 300 ppm initial, 150 ppm maintained;
- 40% solids in Perth tap water;
- pH maintained at 9.8;
- Grind size P_{80} 106 µm; and
- 20 g/L carbon.

Summarised results for the master composite CIL test are presented in Table 6-13, including results from LT4 (optimum conditions) indicating the following:

- Gravity recoveries of 77.2% to 80.0% for LT4 and LT8 respectively;
- Minor 0.1% variation in overall Au recovery; and
- Residue grades of 0.10 g/t and 0.11 g/t for LT4 and LT8 respectively indicating constant recovery for the two tests.

Table 6-13: Carbon-in-Leach Test Results Summary
Thor Explorations Ltd – Segilola Gold Project

	Units	LT4 Optimum	LT8 CIL
Gravity Recovery	%	77.20%	80.80%
Overall 48 Hour Recovery	%	98.90%	98.80%
Gravity Recovery	g/t	6.89	6.93
Leach Recovery	g/t	1.94	1.54
Total Recovery	g/t	8.83	8.47
Calculated Head Grade	g/t	8.93	8.58

	Units	LT4 Optimum	LT8 CIL
Assayed Head Grade	g/t	12.61	12.61
Residue Grade	g/t	0.1	0.11
24 Hour Cyanide Cons	kg/t	0.1	0.28
48 Hour Cyanide Cons	kg/t	0.16	0.39
24 hour Lime Con	kg/t	0.3	0.15

6.4.4 Variability Composites Test Work

6.4.4.1 Head Assay

Summarised variability composite head assay results are presented in Table 6-14 revealing average gold grades ranging from 1.2 g/t to 18.6 g/t. In general, the composites indicate a close correlation between the calculated and assay feed grades with the exception of composites 1, 2, and 4.

Table 6-14: Variability Composite Head Assay Results
Thor Explorations Ltd – Segilola Gold Project

Element	Unit	LDL	Variability Composite									
			1	2	3	4	5	6	7	8	9	10
Forecast Au	g/t		6.66	9.31		6.68		2.19	2.62	3.39	1.23	2.4
Au Average	g/t		18.56	5.04	2.32	3.22	4.48	2.54	1.61	2.33	1.17	1.85
Au	g/t	0.005	16.35	4.77	2.05	3	4.53	2.78	1.44	2.77	1.15	1.53
Au (dup)	g/t	0.005	20.77	5.32	2.6	3.44	4.42	2.3	1.78	1.9	1.2	2.18
Ag	ppm	2	<2	<2	<2	<2	<2	<2	<2	4	<2	<2
As	ppm	20	<20	<20	<20	<20	<20	<20	<20	<20	<20	<20
Cu	ppm	5	63	73	56	73	61	180	84	131	96	122
Sb	ppm	0.5	<0.5	<0.5	<0.5	<0.5	<0.5	<0.5	<0.5	0.8	<0.5	<0.5
Te	ppm	1	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1
S	%	0.01	0.55	0.54	0.34	0.31	0.22	0.46	0.23	0.5	0.3	0.35
Sulphide	%	0.01	0.55	0.52	0.34	0.31	0.22	0.46	0.23	0.5	0.3	0.35
Sulphate	%	0.01	<0.01	0.02	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01	<0.01
Total Carbon	%	0.01	0.08	0.05	0.05	0.04	0.02	0.09	0.06	0.08	0.07	0.08
Non-Carbonate Carbon	%	0.01	0.03	0.02	0.03	0.03	0.03	0.03	0.02	0.03	0.03	0.03

6.4.4.2 Gravity Recovery

GRG of the ten variability composites was assessed by grinding a 5 kg charge to P_{80} 300 µm to mimic a cyclone underflow recycle stream and passed through a laboratory scale 3" Knelson concentrator. The Knelson concentrate was then panned to remove approximately 70% of the mass with the concentrate subsequently leached for 20 hours at 10% solids with a standard assay tab. The leach residue was thoroughly washed and blended back together with the Knelson tailings.

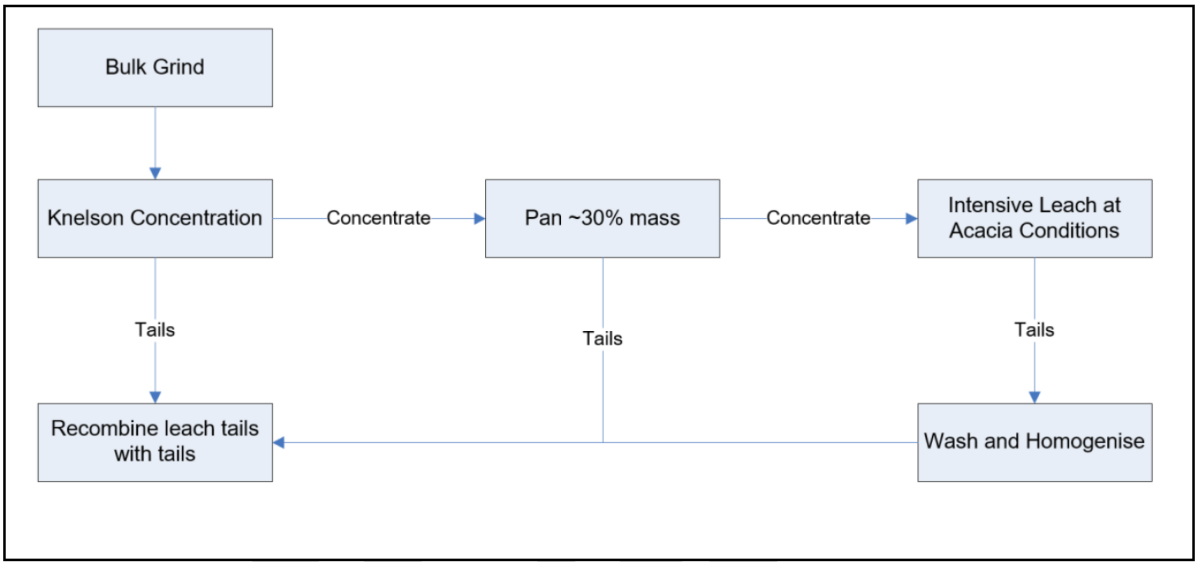


Figure 6-6: Variability Composite Gravity Test Work Block Flow Diagram

GRG of the variability composites presented in Table 6-15 and Table 6-16 was back-calculated from the intensive leach solution assays and averages of the calculated head grades from the gravity tailings leach tests.

Summarised results indicate mass recoveries ranging from 0.12% to 0.25% and high gravity recoverable gold ranging from 40.97% (0.45 g/t) to 80.88% (7.30 g/t), compared to 77.6% (6.9 g/t) for the master composite.

Table 6-15: Variability Composite 1 - 5 Gravity Recovery Results Summaries Thor Explorations Ltd – Segilola Gold Project

	Units	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Concentrate Mass Recovery	%	0.22	0.17	0.12	0.2	0.16
Calculated Head Grade	g/t	18.96	9.03	6.21	3.44	4.42
Gravity Gold Recovery	%	59.99	80.88	68.8	54.17	63.27
Gravity Gold Recovery	g/t	11.37	7.3	4.27	1.86	2.75
Leach Feed Grade	g/t	7.58	1.73	1.94	1.58	1.6

Table 6-16: Variability Composite 6-10 Gravity Recovery Results Summaries Thor Explorations Ltd – Segilola Gold Project

	Units	Comp 6	Comp 7	Comp 8	Comp 9	Comp 10
Concentrate Mass Recovery	%	0.17	0.22	0.25	0.14	0.24
Calculated Head Grade	g/t	4.42	1.9	3.13	1.1	2.42
Gravity Gold Recovery	%	67.58	46.57	48.29	40.97	61.43
Gravity Gold Recovery	g/t	2.98	0.88	1.51	0.45	1.49
Leach Feed Grade	g/t	1.43	1.01	1.62	0.65	0.93

6.4.4.3 Cyanide Leaching

Cyanide leaching of the ten variability composites was conducted on one kilogram sub-samples of the recombined gravity concentration tailings.

Two stages of leach tests were conducted on the samples, the first utilising optimum conditions determined from the master composite test work, and the second to optimise the leach recoveries based on the response from the first round of leaches.

6.4.4.3.1 Variability Leaching - Round 1

The first round of leach tests conducted on the variability composites utilised the optimum conditions determined from the master composite test work and is as follows:

- Air sparging, targeting a dissolved oxygen concentration of 6 ppm to 8 ppm;
- Cyanide concentrations of 300 ppm initial, 150 ppm maintained;
- 80% passing grind size of 106 µm;
- 40% solids in Perth tap water; and
- pH maintained at 9.8 with lime.

Variability leach test kinetic curves are presented in Table 9-16 and Table 9-17. These results indicate the following:

- Gravity gold recoveries ranging from 41.7% to 82.5% (0.45 g/t to 7.32 g/t);
- Overall Au recoveries ranging from 94.4% to 99.6% (1.02 g/t to 18.12 g/t);
- Increased leach kinetics for composites possessing lower gravity recoveries, indicating the presence of coarse gravity gold within the leach feed; and
- Residue grades ranging from 0.04 g/t to 0.8 g/t.

The reduced gravity recovery achieved for composite 1 is potentially a result of its significantly high head grade of 18.9 g/t Au, over-loading the Knelson concentrator and restricting further Au recovery.

Calculated head grades for composites 1 to 10 ranged from 1.08 g/t Au to 18.94 g/t Au, similar to those reported in the head assay results. However, composite 2 and 3 both reported calculated head grades approximately 3.8 g/t higher than the original assays, due to the coarse spotty nature of the ore.

Overall variability leach test results indicate high recoveries across each of the composites with final 48-hour Au recoveries ranging from 94.4% to 99.6%. Leach recovery increases between 24 and 48 hours ranging from 0.7% to 6.8% with an average of 4.0%, markedly increased compared to the 1.9% increase for the master composite.

Table 6-17: Variability Composite 1-5 Round 1 Leach Test Results Summary
Thor Explorations Ltd – Segilola Gold Project

	Units	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Gravity Recovery	%	60.01	82.48	71.27	52.61	64.51
Overall 8 Hour Recovery	%	76.13	93	83.6	75.73	76.85
Overall 24-Hour Recovery	%	90.47	98.87	94.84	92.05	89.51
Overall 48-Hour Recovery	%	95.68	99.58	99.13	98.35	96.26
Gravity Recovery	g/t	11.36	7.32	4.34	1.86	2.76
Leach Recovery	g/t	6.76	1.52	1.69	1.62	1.36

	Units	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Total Recovery	g/t	18.12	8.84	6.03	3.49	4.12
Calculated Head Grade	g/t	18.94	8.88	6.08	3.54	4.28
Assayed Head Grade	g/t	18.56	5.04	2.32	3.22	4.48
Residue Grade	g/t	0.82	0.04	0.05	0.06	0.16
24 Hour Cyanide Cons'	kg/t	0.08	0.08	0.01	0.04	0.02
48 Hour Cyanide Cons'	kg/t	0.12	0.09	0.06	0.08	0.12
24 Hour Lime Cons'	kg/t	0.2	0.25	0.28	0.36	0.27

Table 6-18: Variability Composite 6-10 Round 1 Leach Test Results Summary
Thor Explorations Ltd – Segilola Gold Project

	Units	Comp 6	Comp 7	Comp 8	Comp 9	Comp 10
Gravity Recovery	%	68.23	45.82	46.76	41.69	61.07
Overall 8 Hour Recovery	%	82.7	74.41	69.75	77.98	76.23
Overall 24-Hour Recovery	%	94.15	95.74	89.41	92.54	92.64
Overall 48-Hour Recovery	%	97.26	96.85	94.6	94.37	97.75
Gravity Recovery	g/t	3	0.89	1.53	0.45	1.5
Leach Recovery	g/t	1.28	0.99	1.57	0.57	0.9
Total Recovery	g/t	4.28	1.87	3.1	1.02	2.39
Calculated Head Grade	g/t	4.4	1.93	3.28	1.08	2.45
Assayed Head Grade	g/t	2.54	1.61	2.33	1.17	1.85
Residue Grade	g/t	0.12	0.06	0.18	0.06	0.06
24 Hour Cyanide Cons'	kg/t	0.14	0.08	0.17	0.12	0.13
48 Hour Cyanide Cons'	kg/t	0.26	0.21	0.24	0.23	0.2
24 Hour Lime Cons'	kg/t	0.09	0.11	0.05	0.04	0.09

Cyanide consumptions were low to moderate, ranging from 0.06 kg/t to 0.26 g/t for a 48-hour duration.

Lime consumption was low, ranging from 0.04 kg/t to 0.36 kg/t for 24 hours, with no increase for 48 hours.

Further testing should be conducted in site water to determine any buffering effects.

6.4.4.3.2 Variability Leaching - Round 2

The second round of variability composite leach tests were conducted at an increased cyanide concentration, targeting improved kinetics and reduced residence times noting the 4.0% average increase in gold extraction for phase 1. Conditions maintained throughout the tests were as follows:

- NaCN 500 ppm initial, maintained at 300 ppm;
- Air sparging, targeting a dissolved oxygen concentration of 6 ppm to 8 ppm;
- 80% passing grind size of 106 µm;
- 40% solids in Perth tap water; and
- pH maintained at 9.8 with lime.

Variability leach test kinetic curves are presented in Tables 6-19 to 6-21. These results indicate the following:

- Gravity recoveries ranging from 40.2% to 79.3% (0.45 g/t to 7.27 g/t);
- Overall Au recoveries ranging from 96.5% to 99.6% (1.07 g/t to 18.58 g/t);
- Minor variation in leach recoveries resulting from increased cyanide concentrations; and
- Residue grades ranging from 0.04 g/t to 0.4 g/t.

Calculated head grades for composites 1 to 10 ranged from 1.11 g/t Au to 18.97 g/t Au, similar to those reported in the first round of variability leach testing.

The variation in gold recovery between 24 and 48-hour retention times for the variability composites is summarised in Table 6-19. These results indicate that round 1 leach tests experienced an average increase in recovery of 3.96% between 24 and 48-hour leach residence times. The increased cyanide concentrations utilised in round 2 resulted in an average 24 to 48 hour recovery increase by 3.62%, marginally lower than round 1.

Conducting a CIL test on each of the variability composites may potentially increase the leach kinetics and improve the 24-hour gold recoveries.

Table 6-19: Variability Composite 1-5 Round 2 Leach Test Results Summary
Thor Explorations Ltd – Segilola Gold Project

	Units	Comp 1 LT11	Comp 2 LT12	Comp 3 LT13	Comp 4 LT14	Comp 5 LT15
Gravity Recovery	%	59.98	79.27	66.33	55.73	62.04
Overall 8 Hour Recovery	%	78.97	91.52	82.28	79.31	80.38
Overall 24-Hour Recovery	%	91.47	97.78	94.34	94.17	92.63
Overall 48-Hour Recovery	%	97.9	99.6	99.03	98.23	98.25
Gravity Recovery	g/t	11.38	7.27	4.21	1.86	2.74
Leach Recovery	g/t	7.2	1.86	2.07	1.42	1.6
Total Recovery	g/t	18.58	9.14	6.28	3.28	4.34
Calculated Head Grade	g/t	18.97	9.17	6.34	3.34	4.42
Assayed Head Grade	g/t	18.56	5.04	2.32	3.22	4.48
Residue Grade	g/t	0.4	0.04	0.06	0.06	0.08
24 Hour Cyanide Cons’	kg/t	0.08	0.11	0.09	0.1	0.09
48 Hour Cyanide Cons’	kg/t	0.22	0.28	0.21	0.09	0.22
24 Hour Lime Cons’	kg/t	0.1	0.1	0.11	0.13	0.12

Table 6-20: Variability Composite 6-10 Round 2 Leach Test Results Summary
Thor Explorations Ltd – Segilola Gold Project

	Units	Comp 1 LT11	Comp 2 LT12	Comp 3 LT13	Comp 4 LT14	Comp 5 LT15
Gravity Recovery	%	59.98	79.27	66.33	55.73	62.04
Overall 8 Hour Recovery	%	78.97	91.52	82.28	79.31	80.38
Overall 24-Hour Recovery	%	91.47	97.78	94.34	94.17	92.63

	Units	Comp 1 LT11	Comp 2 LT12	Comp 3 LT13	Comp 4 LT14	Comp 5 LT15
Overall 48-Hour Recovery	%	97.9	99.6	99.03	98.23	98.25
Gravity Recovery	g/t	11.38	7.27	4.21	1.86	2.74
Leach Recovery	g/t	7.2	1.86	2.07	1.42	1.6
Total Recovery	g/t	18.58	9.14	6.28	3.28	4.34
Calculated Head Grade	g/t	18.97	9.17	6.34	3.34	4.42
Assayed Head Grade	g/t	18.56	5.04	2.32	3.22	4.48
Residue Grade	g/t	0.4	0.04	0.06	0.06	0.08
24 Hour Cyanide Cons’	kg/t	0.08	0.11	0.09	0.1	0.09
48 Hour Cyanide Cons’	kg/t	0.22	0.28	0.21	0.09	0.22
24 Hour Lime Cons’	kg/t	0.1	0.1	0.11	0.13	0.12

Table 6-21: Variability Composite Recovery Difference from 24 to 48 Hour Leach Retention Time
Thor Explorations Ltd – Segilola Gold Project

	Round 1	Round 2
Minimum	0.72%	-0.48%
Maximum	6.75%	6.44%
Average	3.96%	3.62%
Median	4.70%	3.82%
Standard Deviation	2.15%	1.94%

6.4.5 Test Evaluation

- Tests completed by IMO include raw ore chemical multi-element analysis, grinding work index determination, gravity concentration test and cyaniding leaching condition test. Test content and depth belongs to small scale laboratory process test; relevant test results can be used as the reference of this process design.
- The test lacks raw ore mineral composition analysis, mineral dissemination characteristics, and mineral paragenesis.
- The test shows that the recovery is acceptable with grind size 106 µm; it also shows that if the grind size is finer with 75 µm, the gold leaching rate can be higher.

7.0 PROJECT INFRASTRUCTURE

7.1 Introduction

The Project has been designed as a stand-alone operation with sufficient facilities provided at the site to support the mining and processing operations.

A number of administration offices will be built adjacent to the processing plant. Additional site facilities including combined change room/ablution block, warehouse/stores, and a kitchen will be located adjacent to the administration offices. An assay laboratory will be provided on the southeastern side of the processing plant.

The mining contractor area is located to the southeast of processing plant. It is separately fenced and consists of a workshop and warehouse, first aid rooms, and dining rooms.

The Owners camp is on the northwest of the processing plant, including two accommodation blocks with 13 single or double rooms with ensuite bathrooms and 13 blocks that can be configured as two, three, or four single or double rooms, each room with ensuite bathrooms, dining room, laundry, fitness centre, recreation room, football pitch, swimming pool, and security gate. The construction camp will be located next to the camp and the company may retain some construction camp buildings as provisional overflow accommodation.

The explosive materials will be stored in a magazine located in a remote area to the north of the plant and the pits, well away from the local population and mine activities. The magazine will be secured within a high security fenced compound and surrounded by embankments.

The operations will maximise the use of existing infrastructure and the natural landforms, to reduce both their visual impact and reduce costs. Buildings are to be of a simple construction utilising locally available materials where possible. To achieve this, a number of concepts have been applied:

- Maintaining a natural vegetation corridor between the major Odo Ijesha – Iperindo public road which passes through the site and the processing plant.
- Damming of a local creek to provide the raw water supply (Water Storage Dam).
- Installing the processing plant and camp into a series of terraced areas.
- Buildings to be constructed from local blockwork.

At the time of this report, it is understood (based on Thor's public reports and the site visit by the Mining Associates CP) that the following infrastructure is complete or under construction.

- Camp construction at an advanced state
- Additional office block construction at an advanced stage
- Workshop (clearing and grubbing commenced, concrete pad poured)
- Process facility
    - Foundations, structural concrete, and steel work ongoing.
    - Generator farm concrete foundations complete.
    - Construction of crusher pocket and retaining walls in process, with the mill feed stockpile conveyor structural steelwork in an advanced state of installation.
    - Mill feed stockpile base, feeder draw-down points, and conveyor tunnel complete.
    - Mill feed conveyor structure plinths complete, but structural steel still to be installed.
    - Concrete and structural steel for mill train complete, with SAG mill shell installed.

- Leach tanks are complete, but no piping and wiring completed.
- Electrowinning and gold plant foundations excavated.

- The WSD completed.
- TMF clearing and grubbing completed.

SROL currently projects full commissioning and first gold pour in Q3 2021.

The general arrangement of the Project facilities is shown in Figure 7-1. Figure 7-2 shows the plant and camp areas layout.

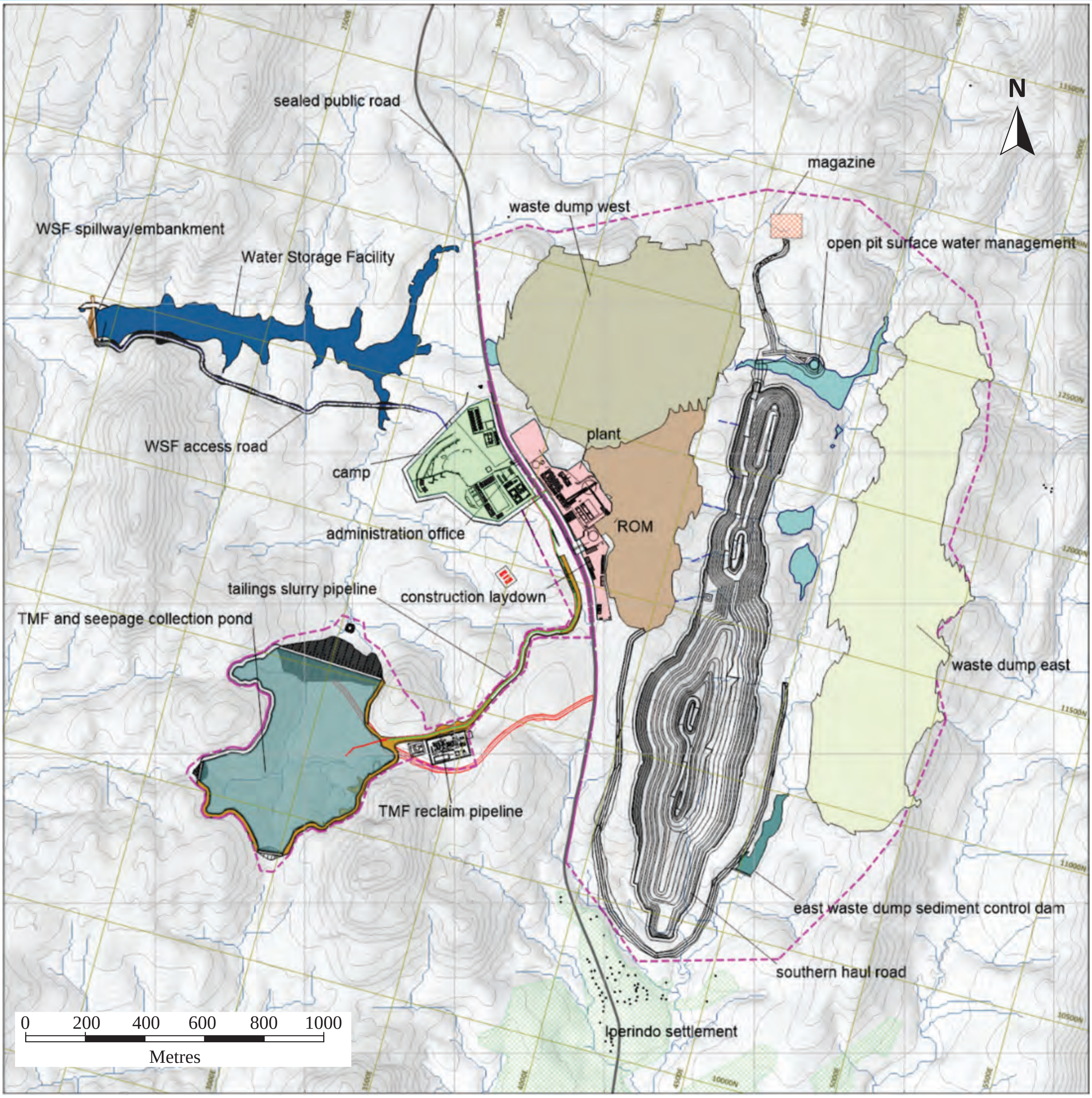


Figure 7-1

Thor Exploration Ltd.

Segilola Project

Osun State, Nigeria

Project Site Plan

June 2021

Source: Thor, 2021.

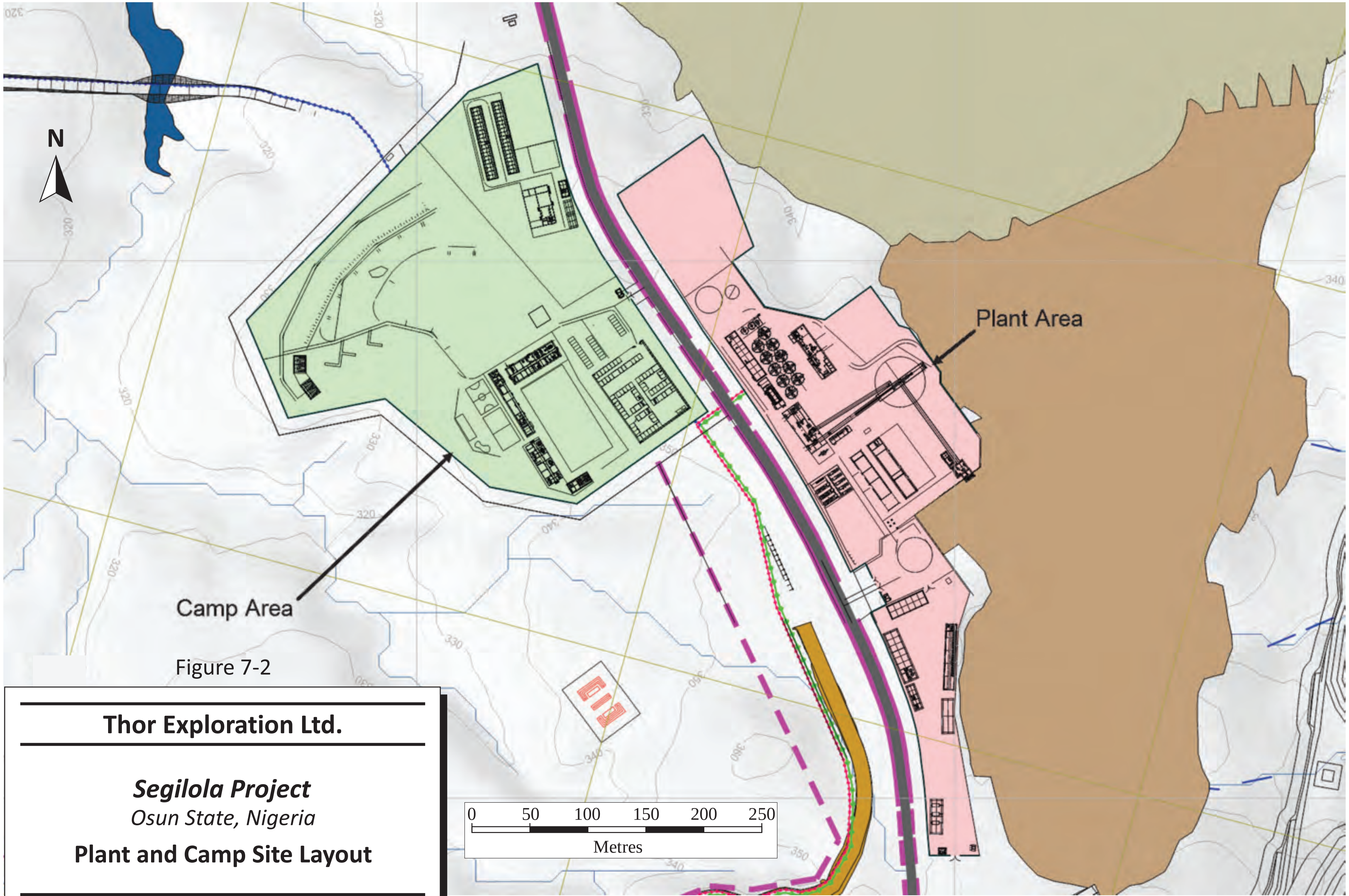


Figure 7-2

Thor Exploration Ltd.

Segilola Project
Osun State, Nigeria
Plant and Camp Site Layout

June 2021

Source: Mining Associates Pty Ltd, 2021.

7.2 Roads

Access to the site will be from Odo Ijesha – Iperindo Road via sealed access roads which will service five primary gates:

- Camp and administration buildings;
- Processing plant/mining compound;
- Mining contractor camp;
- TMF/emulsion storage facility/laboratory; and
- WSD

An off-loading bay will be provided adjacent to the compressed natural gas (CNG)/diesel storage tanks to allow diesel deliveries to take place without the need to enter the fenced processing plant compound. A turn around bay has also been provided to allow trucks to exit the site.

These roads will be between three and six metres wide depending upon traffic type and density and will carry a wide range of vehicles including trucks delivering equipment, fuel and reagents to the site, and light vehicles and buses for personnel movements.

Mine haul roads will be constructed to access the pits and the WMSAs and ROM pad, as well as the mining services facilities.

Two major mining roads will be provided, these being the pit ring road and the ROM access road. The ROM access road will connect the pit ramp to the ROM pad and will be primarily used by the mining fleet. This will be a dirt road and of sufficient width to allow two-way traffic flow.

The pit ring road will be constructed along the pit surface perimeter. This will encircle the pit allowing access to the mining compound, and the waste dumps and explosives magazines located on the north side of the pit. Access to the ring road will be achieved from the mining compound, the ROM access road, or the pit ramp.

Plant site roads are internal roads providing access between the administration area and plant site facilities. These roads will be three metres wide depending upon traffic type and hierarchy. The roads will be constructed flush with the bulk earthworks pad to ensure that storm water sheet flow is achieved across the site, avoiding the need for deep surface drains and culvert crossings within this area.

Vehicular access throughout the processing compound will be via sealed roads. These will connect the varying terraced levels and will be sized such that both crane and delivery truck movements can be facilitated.

7.3 Buildings

A number of administration offices will be built adjacent to the plant. Additional site facilities including combined change room/ablution block, warehouse/stores, and a kitchen will be located adjacent to the administration offices. An assay laboratory will be provided on the southeastern side of the processing plant.

The administration office compound consists of the main administration office and technical office and will be located to the west of the processing plant on the opposite side of the road.

The administration offices will be of cement block construction with timber truss and an iron roof and will provide for 12 offices, a conference room, a coffee area, a server room, a print room, an archives room, an electric distribution room, and male and female washing rooms. The technical centre has five offices and an open plan area for technical planning.

The plant workshop and warehouse will provide a maintenance area, material storage area, activated carbon storage, and an office for employees in workshop.

A plant reagent store will provide storage for lime, NaCN and other reagents.

The laboratory is located away from the processing plant, for security reasons, off the TMF access road.

7.3.1 Camp

The main accommodation camp consists of a guard room, recreation room, dining room, accommodation buildings, swimming pool and football pitch.

The main block will provide kitchen and dining facilities, camp office, camp bar, and male and female ablutions.

The recreation room will provide a reading room, a training room, a fully equipped gym, male and female ablutions, and two male shower rooms and two women shower rooms. A medical centre will have a consultation room, store room, emergency room, and a sick bay.

There will be a number of accommodation blocks that can be configured as two or four rooms. All blocks will be concrete block construction with timber truss and an iron roof.

7.3.2 Mining Contractors Camp, Workshop and Warehouse

The mining contractor camp is located to the north of the main camp. This camp is for the accommodation of mining contract employees.

The contractors workshop and warehouse area is located on the southeast of the processing plant area with a fence, with a gate for employees and vehicles to pass in and out. The area consists of contractor workshop and warehouse and associated infrastructure.

The contractor workshop and warehouse will provide a maintenance area suitable for large haul trucks and material storage area.

There will be a number of contractor offices at the workshop, mainly to house maintenance staff. The operations staff will be located at the construction camp.

7.4 Power Supply and Reticulation

7.4.1 Main Power Supply

The state grid corporation of Nigeria is unable to provide electricity for the Project, and as a result, generating sets will be used for power supply.

A total of three 2.0 MW CNG generating sets and five 1.6 MW diesel generating sets will be installed to meet the power demand of the site.

The site-wide electrical power requirements for mineral processing and infrastructure of the processing plant were calculated on the basis of preliminary equipment sizing.

Emergency power from a standby 800 kW/400 V 50 Hz diesel powered generator will be provided in the processing plant.

The plant site-wide electrical power requirements for mineral processing and infrastructure were calculated on the basis of preliminary equipment sizing. The electric load for the Project is summarised in Table 7-1.

Table 7-1: Electrical Load
Thor Explorations Ltd – Segilola Gold Project

	Load
Installed Power	8,651 kW
Service Power	7,194 kW
Active Power	5,404 kW
Reactive Power (after LV- Reactive compensation)	3,166 kVar
Apparent Power	6,263 kVA

The SAG mill will be started using a variable frequency drive (VFD) and the ball mill will be started using a liquid resistance starter (LRS). The VFD will limit the SAG mill start-up current to 1.6 times full load current (frozen load protection) and the LRS will be designed to limit the ball mill start-up current to 1.6 times full load current.

Table 7-2 lists the power consumption by area.

Table 7-2: Power Consumption
Thor Explorations Ltd – Segilola Gold Project

Area	Total Installed Power (kW)	Maximum Continuous Power (kW)	K-factor	Maximum Load Utilisation Hours (h)	Annual Power Consumption (kW*h)
0.4 kV					
Crushing Section	236	140	0.7	4,368	427,498
Crushed Ore Stockpile	50	31	0.7	5,824	125,484
Milling Section	647	402	0.7	8,000	2,251,917
Leaching and Adsorption	534	346	0.7	8,000	1,938,328
Tailings Handling	289	131	0.7	8,000	735,168
Elution and Electrowinning	315	221	0.7	2,672	412,685
Gold Room	217	152	0.7	1,440	153,327
Reagent Preparation	144	70	0.7	8,000	389,536
Air Services	1,815	641	0.7	8,000	3,586,800
Carbon Regeneration	130	90	0.7	960	60,319
Water Services	349	150	0.7	8,000	840,868
WSD & TMF	254	102	0.7	5,000	308,092
Auxiliary facilities	720	517	0.7	3,200	1,156,960
Subtotal	5,701	2,991			12,386,982
Multiply by Coefficient 0.9		2,692			11,148,283
Transformer loss		57	0.7	8,000	317,583
Equivalent to10 kV total	5,701	2,749			11,465,866
10 kV Ball Mill and SAG Mill	2,950	2,655	0.7	8,000	14,868,000
10 kV Total	8,651	5,404			26,333,866

The power distribution system voltages within the mineral processing plant are listed in Table 7-3.

Table 7-3: Power Distribution System Voltage
Thor Explorations Ltd – Segilola Gold Project

Circuit Type	Voltage
High Voltage System (SAG Mill, Ball Mill, and Transformer)	10 kV, 3-phase
Low Voltage System	220/380 V, 3-phase 4 wire solidly earthed
Uninterruptible Power Supplies	220V single phase, neutral earthed
Contactor Coil	220 VAC
HV Switchgear Trip, Closing	220 VDC
Automatic Control	24 VDC, earthed 0V
Instrumentation	24 VDC, 240VAC (where necessary)

7.4.2 Earthing System and Lighting Protection

Earthing will comply with the International Electrotechnical Commission (IEC) Standard. The earthing system on low voltage distribution systems will generally be classed as TN-C-S. All equipment connected directly to the distribution network will be designed to accept the IT earthing system that will be employed at the power station. A combined earthing system will be used at all substations throughout the plant.

Provision has been made for earth resistivity testing prior to the installation of the earthing. Earth-mats will be installed in the following areas:

- 10 kV distribution station
- MCCs

Lightning protection will be provided for the mineral processing plant 10 kV distribution station/MCCs switch rooms, the SAG and ball mills, fuel farm and explosive facilities. Lightning protection systems will have their own independent earthing electrodes and will be interconnected with the power earthing system.

7.4.3 Lighting

Provision has been made for site area lighting and structure-mounted lighting to ensure safe working conditions. Lighting will also be installed to ensure that visual security monitoring can be conducted at all times in and around the processing plant and associated infrastructure to maintain a safe environment.

7.4.4 Fire Protection

The 10 kV distribution station, MCCs, and control room will be provided with fire detection systems. Signals from the fire detection system will be wired to the respective fire indication panel (FIP) in the 10 kV distribution station and MCCs, and all signals will be monitored by a master fire indication panel (MFIP) in the security/emergency services control room. Each FIP will also be wired to a local siren with beacon to warn staff of the fire detection. The same fire and smoke activation alarm signals detected by the fire detection system will also be monitored in control room.

CO_2 suppression will be provided on the 10 kV distribution station and MCCs.

7.5 Services

7.5.1 Fuel Storage and Distribution

The processing plant fuel storage tanks are designed to serve the daily needs of crushing, milling, leaching, elution heaters, carbon regeneration kiln, gold smelting, and auxiliary facilities. Fuel will be pumped from the fuel storage tanks in the MSA and reticulated to the power station, plant day tank, and MSA day tank.

A liquified natural gas (LNG) supply station will be set up to serve the eight 1.2 MW CNG gensets operated on a six duty, two standby basis and one emergency power 0.8 MW diesel genset. Five 100 m^3 LNG storage tanks (approximately 10 days' supply), one gasification unit, and one 20 m^3 diesel storage tank are proposed.

Diesel and CNG will be delivered to site by road tanker. Diesel storage will be housed in a bunded area to prevent leakage to the surrounding environment in the event of spillage. The fuel facility will be operated by a fuel supplier. Sufficient storage for 500,000 L of diesel is planned.

Off-loading of the road tankers will be performed outside the processing plant compound with truck coupling access being provided on the southern fence line adjacent to the site access road. Sufficient area will be provided for 12 CNG tankers.

7.5.2 Sewage Treatment

Effluent from all water fixtures in the plant, administration office, and the camp will drain to respective gravity sewage systems.

A sewerage treatment plant will be built northwest of the plant site, where effluent from two septic tanks will be collected and treated. The treated effluent will be pumped to the reclaim water pond. Sludge from the treatment plant and the septic tanks will be transferred by truck.

One septic tank will be provided for the processing plant, mining office, and mining contractor and a second one for the camp. Site ablutions and other domestic wastewater will feed into a series of localised septic disposal systems.

7.5.3 Waste Management

Wastes will be sorted and reused or recycled as far as the limited access to recycling facilities allows.

Waste lubricating oils will be returned to the supplier or will be recycled if appropriate for recycling.

General non-hazardous solid wastes will be deposited into a suitable mine waste dump and promptly covered to deter vermin and scavengers.

Dangerous or hazardous waste will be collected and stored briefly before being transferred to a suitable permitted facility, either on-site or off-site depending on the specific materials and requirements.

7.5.4 Security Fencing

Appropriate security fencing (either brick walls or mesh type fencing) will be provided for each section of the Project. The entire site perimeter will be surrounded by wire mesh fence, with all walls and fencing to be topped with razor wire.

The processing plant will be surrounded by double row fencing comprising a four metre high block wall and an external wire mesh fence. This will be illuminated at regular intervals to allow perimeter inspection at night. Access to the processing plant compound will be via a single gatehouse located on the site access road.

The administration office compound will be surrounded by a single brick wall.

The mining contractor compound will be surrounded by a single brick wall.

A three metre brick wall will secure the camp. A fence will run along the road, to provide additional security.

7.6 Water Supply

The total water consumption is estimated to be 3,251 m^3/day, with freshwater consumption at 548 m^3/day and the recovered water consumption at 2,703 m^3/day. Water in the raw water dam will be replenished by rainfall.

The freshwater consumption includes water for processing at 406 m^3/day, water for dust suppression and gland seal water at 40m^3/day, water for greening and spraying roads of 12m^3/day, water for domestic use of 41 m^3/day, and water for unforeseen purposes at 49 m^3/day. The planned ratio of processing water to reused water is 83%.

The firefighting water consumption for a two-hour fire duration is 144 m^3.

7.6.1 Raw Water

Raw water for the plant will primarily be provided to site from the plant feed water dam located to the northwest of the processing plant. Raw water for the plant will be pumped to the raw water pond from the dam. Overflow from the raw water pond will report to the reclaim water pond and provide make-up water for losses in the deposited tailings and evaporation.

7.6.2 Process Water

The processing plant reclaim water will be pumped from the TMF. Due to evaporation losses in the TMF, the process water system will be supplemented from the raw water system. The reclaim water pond will be constructed adjacent to the raw water pond so that the raw water overflows to the reclaim water pond.

Process water will be stored within a dedicated 2,000 m^3 reclaim water pond and will be distributed around the processing plant.

Duty/standby process water pumps will be provided for the plant water supply. The process water from the potable water treatment plant and sewerage treatment plant will be decanted to the reclaim water pond.

7.6.3 Potable Water

Potable water for the processing plant will be produced by treating raw water in the water treatment plant. Water treatment will consist of clarification through flocculants addition, sand filtration, carbon filtration, micro filtration, and reverse osmosis. Potable water will be reticulated to distribution points in the plant as required. Additional ultra-violet sterilisation units will be installed on outgoing potable water distribution headers.

Water will be drawn from the raw water supply to feed the potable water treatment plant. Some of the raw water will be upgraded to potable water standards, with the rest treated for use as non-potable water for wash basins, showers, and toilets. The treatment process is physical filtration which includes sand filtration, carbon filtration, and ozone sterilisation.

The fire water tank will supply fire water directly for the whole area which includes the processing plant, administration office area, mining contractor office area, and the camp.

Fire water for the processing plant will be sourced from a sand filtered.

An electric fire water delivery pump will supply fire water at the required pressure and flow rate. This will start automatically if the main pressure drops to a pre-set pressure. A standby diesel driven fire water pump will start automatically in the event that power is not available or the electric pump fails to maintain pressure in the fire water system.

Fire water will be distributed around the site via a closed circuit, buried ring main with take-off points for both hydrants and hose reels being strategically located within the processing plant. Fire hydrants and hose reels will be placed throughout the processing plant, fuel storage, and plant offices at intervals that ensure complete coverage in areas where flammable materials are present.

Two foam pumps (one duty and one standby) will be provided at the fuel storage area.

7.7 Tailings Management Facility

Knight Piésold has provided the detailed design for the TMF. The design of the TMF is based on the current LOM plan of five years, with an estimated total tailings production of 4.04 Mt. An estimated settled dry density of 1.35 t/m was used for the design based on previous settling tests and a tailings solids specific gravity of 2.61 t/m.

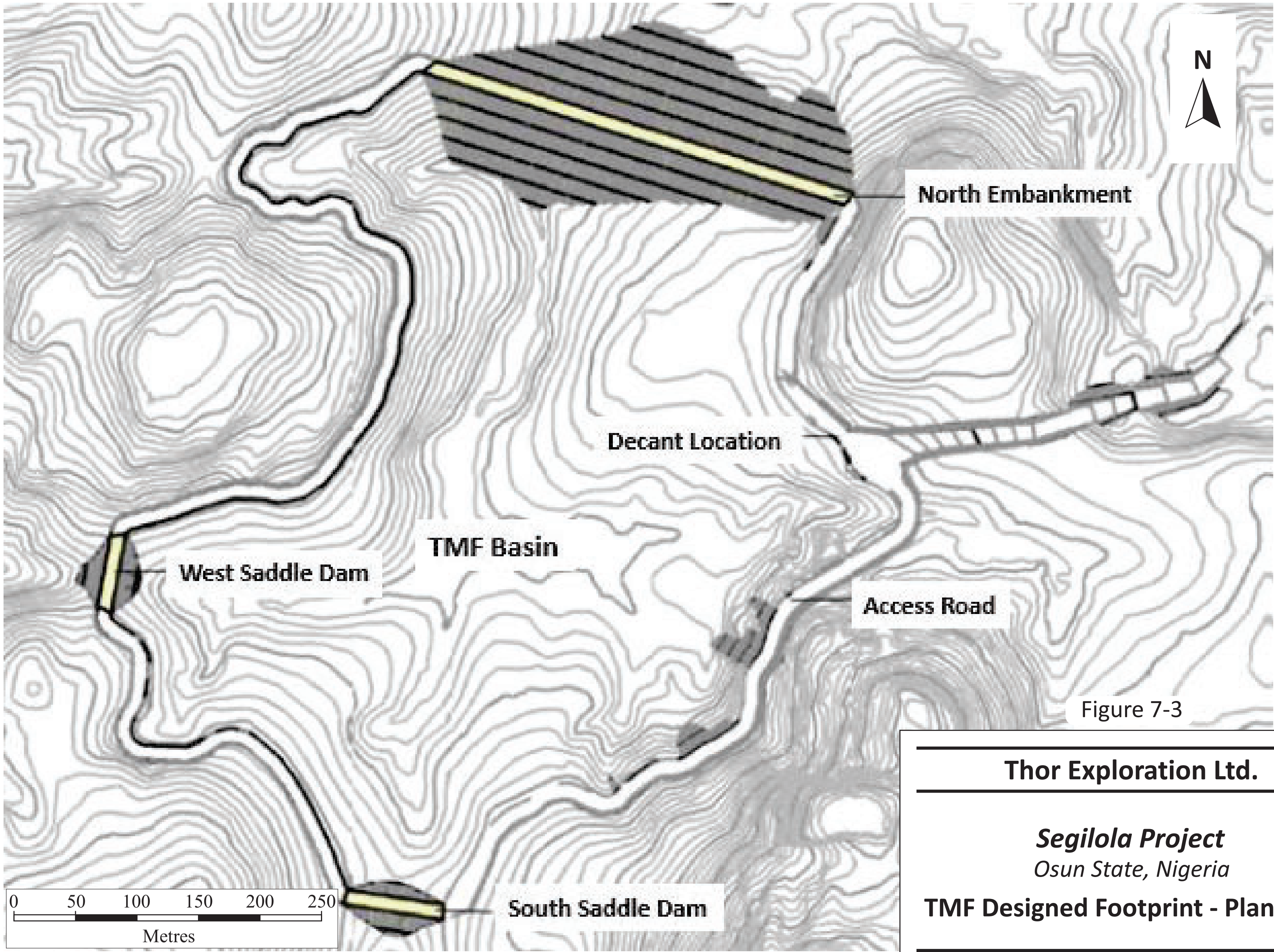


Figure 7-3

Thor Exploration Ltd.

Segilola Project
Osun State, Nigeria

TMF Designed Footprint - Plan View

June 2021

Source: Mining Associates Pty Ltd, 2021.

The TMF will undergo a total of five stage raises using the downstream construction methodology where the crest moves farther downstream for each consecutive raise. The final dam geometry has a minimum crest elevation of 353 masl and a crest width of 12 m. The upstream and downstream slopes will be raised from the starter dam at an angle of 1V:3H.

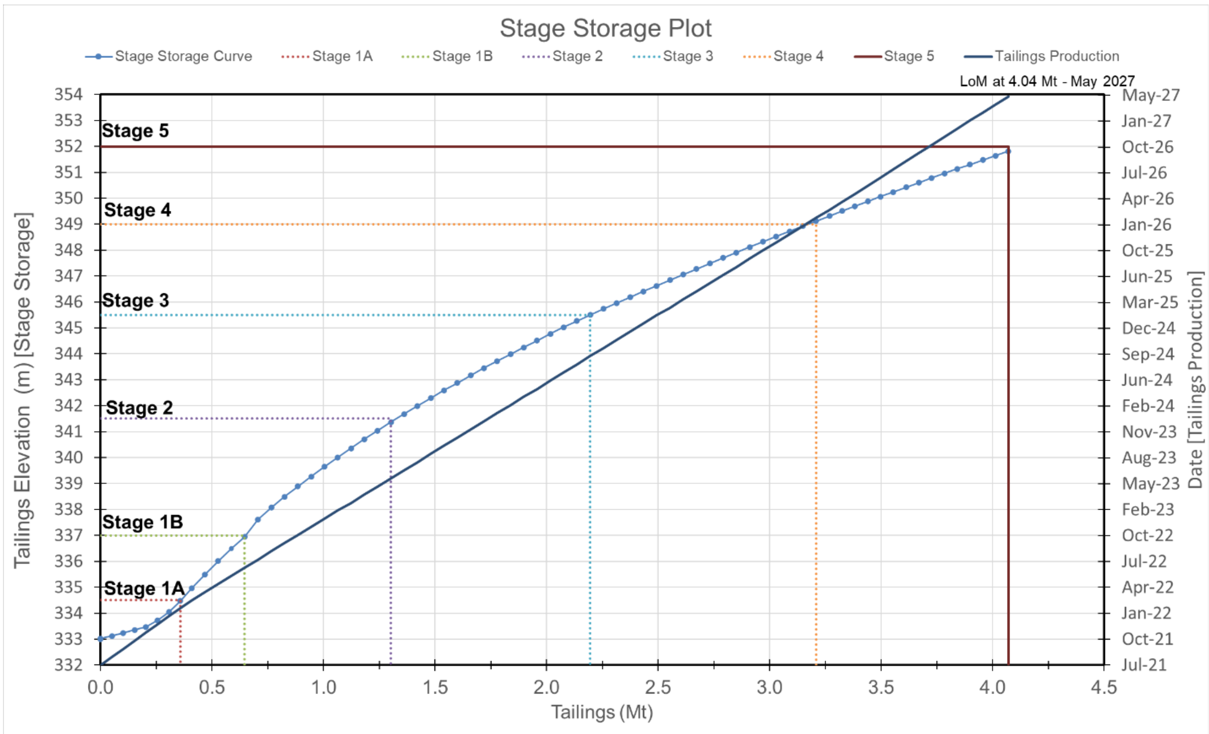


Figure 7-4: TMF Showing Stage Storage Profiles

The starter wall and four TMF raises and elevations are:

- Stage 1a starter facility – 335 masl
- Stage 1b - 337.5 masl
- Stage 2 - 340.0 masl
- Stage 3 - 342.5 masl
- Stage 4 - 345.0 masl
- Stage 5 - 352.0 masl

The Stage 1 North Embankment starter wall is designed to a maximum elevation of 353 masl with a crest width of 12 m and slopes 1V:3H to provide approximately 12 months of tailings storage. This stage will be split into two phases. Phase 1 will give six months initial storage.

The TMF Stage 1 starter wall detailed design is part of the North Embankment. Two small saddle dams labelled as the West and South Embankments will be constructed in subsequent stages to maintain containment up to elevation 352 masl.

Stage 1 is being split into two phases, Phase 1(a) and Phase 1(b). Phase 1(a) is a commissioning phase. Phase 1(b) can begin on the completion of Phase 1 (a) and once the mining fleet is commissioned. The Stage 1(a) facility will provide approximately six months of storage, equal to 0.316 Mt. The LOM capacity analysis indicated that the planned LOM production of 4.00 Mt will be met at a tailings beach elevation of 351.6 masl. Surplus capacity has been provided for storm storage capacity and additional tailings storage.

A site investigation was carried out to confirm borrow areas and material parameters for foundation materials as well as embankment Zones 1 and 2, being low permeability fine soil fill and compacted soil fill respectively.

A tailings dam breach assessment was carried out and the TMF has been classified, according to the Canadian Dam Association (CDA) Dam Safety Guidelines, as a “HIGH” dam class due to the environmental consequences and permanent population at risk in the event of a dam failure. This classification determines certain design criteria including return periods for extreme events as well as the slope stability criteria.

8.0 PERMITTING, ENVIRONMENT, AND SOCIAL/COMMUNITY

8.1 Permitting

Surface rights are locally held under a cultural governance system acknowledged in the Land Use Act 1978. Permission to access the licence area has been obtained from the village chiefs. This is a requirement when lodging a licence application.

Thor has all required permits to conduct the proposed work on the property. SLR is not aware of any other significant factors and risks that may affect access, title, or the right or ability to perform the proposed work programme on the property.

The Nigerian Mines Department of the MMSD is the Federal Government's agency for policy making, implementation of laws and regulations governing solid minerals exploration, exploitation use, or exportation. Licence holders/operators are therefore expected to maintain safety and environmental standards at all times and keep all records required of them in accordance with regulations.

8.1.1 Encumbrances, Royalties, and Taxes

Companies engaged in mining activities in Nigeria are subject to a corporate tax of 30% of their taxable profits. They are also subject to an education tax of 2% on taxable profits. A value-added tax (VAT) of 5% is payable in respect of taxable goods and services. Certain goods and services are, however, exempted from VAT. The most significant of these exemptions applicable to a mining operation applies to goods that are exported.

Minerals obtained during the course of mining or exploration are subject to the payment of royalty for gold. The Minister may, upon the approval of the Federal Executive Council, defer payment of any royalty on any mineral for a specified period.

Royalties are payable to the Nigerian government at a rate of N5,400 per recovered ounce of gold. At an exchange rate of 363 Naira to US$, this equates to $14.89 per ounce.

The property is subject to two additional private royalties as follows:

- 1.5% Net Smelter Return (NSR) royalty payable to Tropical Mines Limited, to a maximum value of $4 million.
- 1.5% NSR royalty payable to Ratel, to a maximum value of $3.5 million.

According to the Nigerian Minerals and Mining Act (the Act), the holder of a mineral title enjoys the following tax incentives:

- a tax exemption for the first three years of operation, which period may be extended for another two years;
- capital allowance of 95% of qualifying capital expenditure incurred in the year of investment;
- annual indexation of the unclaimed balance of capital expenditure by 5% (only applicable to mines that commence production within five years of enactment of the Act);
- carry-over of losses indefinitely;
- deduction of the mine reclamation costs and pension contributions from assessable profits;
- exemption from customs and import duties on approved plants and machinery, equipment, and accessories imported specifically and exclusively for mining operations;

- subject to the prior permission of the Central Bank of Nigeria, retention of a portion of earned profits in an external account for use in acquiring spare parts and other inputs required for its mining operations where such equipment will not be readily available without the use of such earnings;
- expatriate quota and resident permit in respect of the approved expatriate personnel;
- personal remittance quota for expatriate personnel, free from any tax imposed by any enactment for the transfer of external currency out of Nigeria;
- free transferability of dividends or profits, payments in respect of servicing a foreign loan and foreign capital in the event of sale or liquidation of mining operations in any convertible currency;
- freedom from expropriation, nationalisation, or acquisition by any government of the federation unless the act is in the national interest or for a public purpose and under a law that makes provision for payment of fair and adequate compensation and a right of access to the courts for the determination of the investors' interest or right and the amount of compensation to which the investor is entitled; and
- the right to a dispute settlement procedure under United Nations Commission on International Trade Law (UNCITRAL) Rules.

The Mining Sector is designated a Pioneer Industry approved by the Federal Executive Council. Pioneer status is a fiscal incentive provided under the Industrial Development (Income Tax Relief) Act (IDITRA), Laws of the Federation of Nigeria.

Eligible companies operating in designated pioneer industries, which apply for and are granted pioneer status, are entitled to income tax holiday for up to five years – three years in the first instance, renewable for two additional periods of one year. In addition to income tax holiday, pioneer companies enjoy other benefits, such as the exemption of dividends paid out of pioneer profits from withholding tax. This incentive scheme has been in place and functional for over 14 years. Thor reports that the Project will be able to benefit from the foregoing tax shield.

8.2 Environmental Studies

Thor’s ML41, in which the Project site is located, consists of a modified environment that has been disturbed by human activities over many decades. These activities are still ongoing; e.g., the area has been logged for over 100 years; hunting for bushmeat still occurs; the site contains the remnants of gold mining activity from the 1950s; and current land use mostly consists of exploiting trees of economic value which provides income for communities in Iperindo, Imogbara, and Odo Ijesha, located to the north and south of the mining lease area). Refer to Figure 8-1.

The Project environmental baseline was established in 2008/2009 as part of the Environmental Impact Assessment (EIA) study; the full suite of studies that are standard for EIAs was undertaken (i.e., biophysical and socio-economic studies). To verify the validity and quality of the baseline, Thor commissioned ecological baseline studies over two seasons; one was conducted in June 2018 wet season and the other was conducted during the dry season of January 2019. The surveys confirmed the findings of the EIA: continued commercial agriculture and hunting activities have resulted in no rare or endangered species nor critical habitats existing with the mining lease and exploration licence. Seasonal data collection (terrestrial and aquatic) conforms with requirements of international standards.

The area within ML41, which is 17.2 km^2, has not experienced change in terms of development in the past two decades. The existence of exploration licences and mining leases over a 70-year period has not triggered significant development nor waves of influx. In the 1950s, prospecting and exploration activities for gold had been carried out by other operators in the area; evidence of such activity includes a field campsite and exploratory tunnels.

Communities in the villages of Imogbara (population approximately 1,230), Odo Ijesha (population approximately 3,500), and Iperindo (population approximately 6,150) are agriculture/market-based communities with low incomes. Each community has its own cultural governance system via an Oba, which is an appointed position and is not necessarily a hereditary title. The Atakunmosa East Local Government covering the ML is based in Iperindo.

A full EIA was carried out for the Project by independent consultants, in compliance with the EIA Act No. 86 of 1992. In 2012, an EIA report was submitted to the authorities for review and on 22 March 2013. the Federal Ministry of Environment (FMENV) issued an EIA certificate for "...exploration and mining of gold deposits at Iperindo/Odo, Osun State". The EIA is a nationally approved document and the certificate includes specific and general conditions requiring Thor/SROL to:

- Provide a clear-cut approach to management and use of cyanide (Cyanide Management Plan completed in March 2021 and in operation);
- Enable FMENV in collaboration with other relevant regulatory authorities to carry out compliance audits on environmental monitoring (site visits have been undertaken in 2019 and will recommence in Q2 2021 now that national COVID-19 restrictions have been lifted);
- Implement a robust Environmental Management Plan (EMP, completed in September 2019 and in operation); and
- Submit an Environment Protection and Restoration Programme (EPRP), completed and approval attained in August 2017), Community Development Agreements (completed and operational since 2018) and a Mining Plan (approved as part of the ML41 lease renewal in 2018) to the MMSD prior to Project commencement.

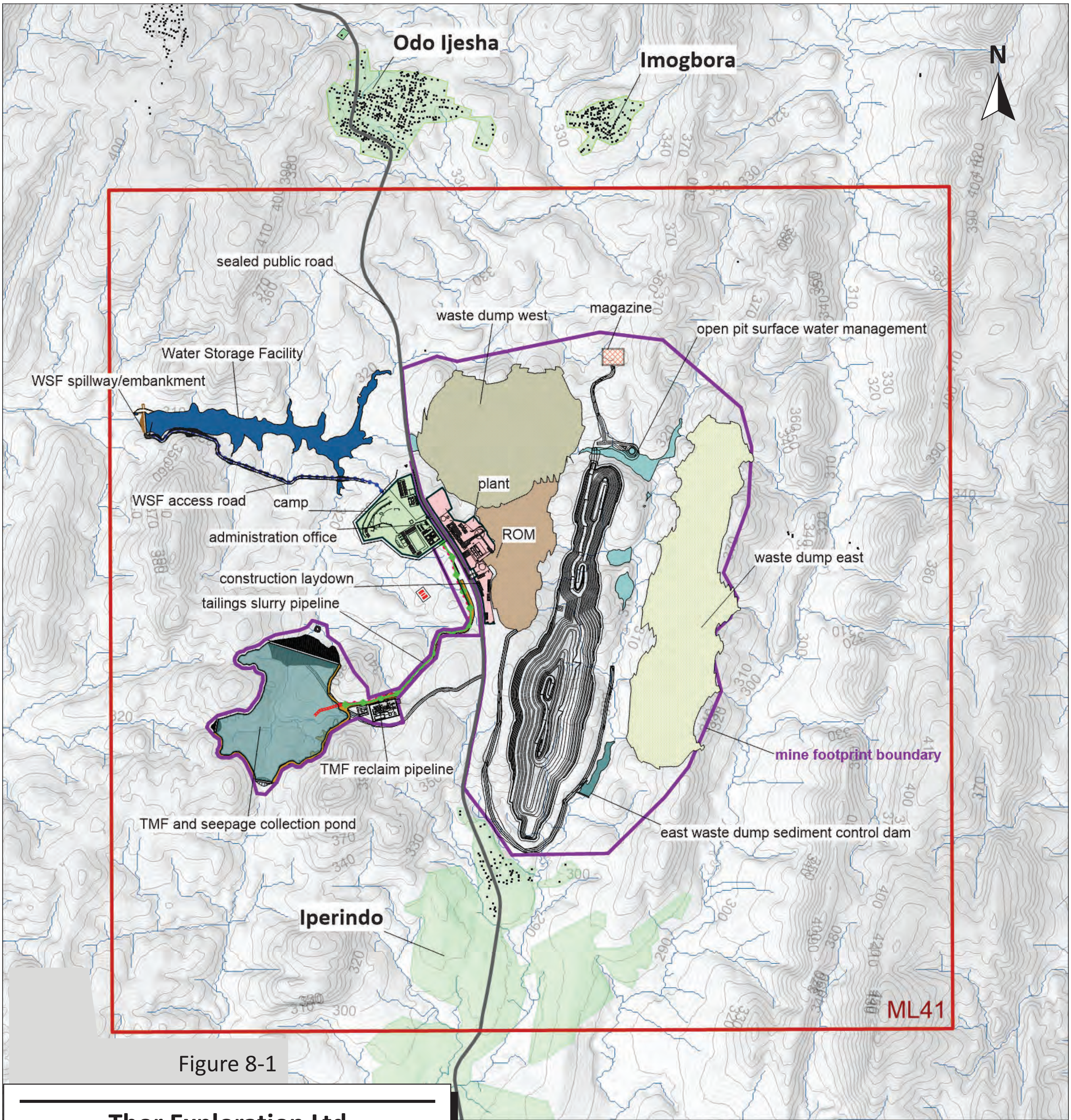


Figure 8-1

Thor Exploration Ltd.

Segilola Project

Osun State, Nigeria

Location of Mine Site and Surrounding Villages

0 200 400 600 800 1000
Metres

June 2021

Source: Thor, 2021.

The EIA approval has been enacted through commencement of exploration activities undertaken by previous owners since 2013, and by SROL since 2017. Work initiated by SROL is in progress to address and fulfil the conditions of the EIA Certificate as the Project moves through its life cycle. SROL has prepared draft environmental and social management plans and has commissioned additional environmental and social baselines and assessments to update existing information/data.

The recent baseline surveys are summarised in Table 8-1.

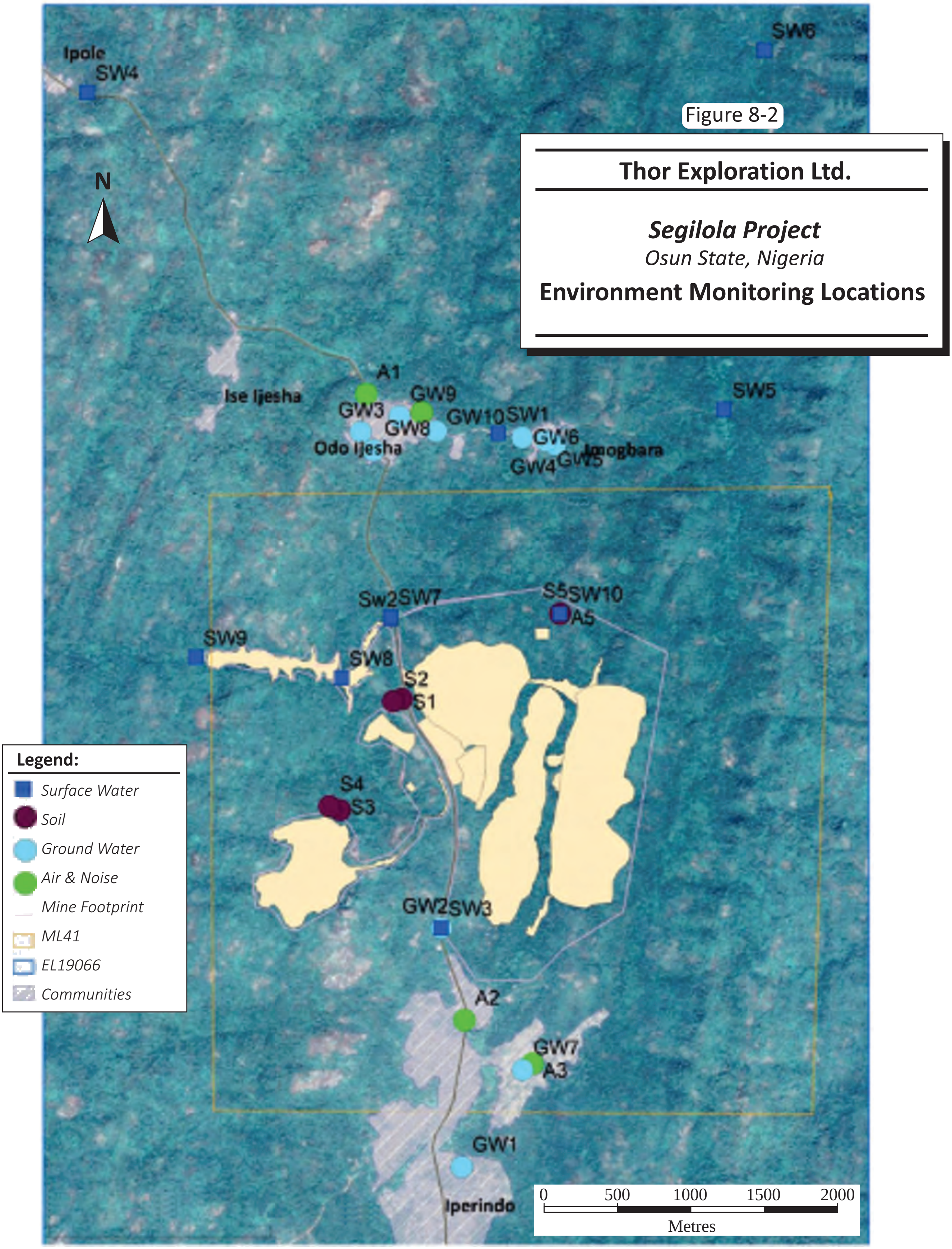
Table 8-1: Environment and Social Baseline Survey Updates Thor Explorations Ltd – Segilola Gold Project

S/N	Surveys Conducted	Date Conducted/To be Conducted	Contractor
1	Environmental Impact Assessment (EIA)	2008/2012	Fugro Nigeria Limited
2	Baseline Ecology Study as part of Biodiversity Management Plan	First (Wet) Season Survey: June 2018 Second (Dry) Season Survey: January 2019	Fundamental Integrated Site Appraisal Services Limited (FISAS, former Fugro Nigeria Limited)
3	Ecology Surveys – Once annually - dry season	Annual Dry Season Survey March 2020 Annual Dry Season Survey February 2021	FISAS (Contract agreed on an annual basis)
3	Water (Surface and Ground Water) Quality undertaken monthly	August 2017 – to date	International Energy Services Limited (IESL)/ SGS/ Biogeochem Associates/ Fundamental Integrated Site Appraisal Services Limited (FISAS)
4	Noise Monitoring undertaken monthly	August 2019 –to date	Internal Fundamental Integrated Site Appraisal Services Limited (FISAS, former Fugro Nigeria Limited)
5	Air/Soil Quality undertaken monthly	Commenced in January 2020	Fundamental Integrated Site Appraisal Services Limited (FISAS, former Fugro Nigeria Limited)
6	Socio-economic conditions in host communities - one-off	Part of Livelihood Restoration Plan (Feb 2020 – December 2021)	Dynasty Global with oversight by DigbyWells Environmental and SROL

Monitoring of baseline environment factors has been ongoing since 2017 commencing with surface water then expanding to include groundwater, air quality and dust, noise and soil quality. The findings mirror those outlined in the EIA and broadly conform with Nigerian standards.

Figure 8-2 outlines the monitoring sites for each environmental baseline component and these locations have been selected based on sampling:

- surface water upstream and downstream (nine sites) of the Project area and mirroring locations from the EIA;
- groundwater from boreholes (ten) in the communities north and south of the Project site;
- noise, air quality, and dust at sensitive receptors (five) including schools in each village and a community clinic; and
- soil quality sites (five) in close proximity to construction sites and mirroring those in the EIA.



June 2021

Source: Thor, 2021.

A detailed cultural heritage assessment was undertaken as part of the EIA. This information was validated as part of the socio-economic and asset surveys undertaken with conjunction with the Livelihood Restoration Plan June 2019 to March 2021. No tangible or intangible cultural heritage has been impacted by the Project footprint. No graves were identified during the detailed asset survey across the entire Project footprint. The suite of studies and management plans have been developed to conform with international standards, particularly the International Finance Corporation's (IFC) Performance Standards (PS) and mining sector-specific Environmental, Health and Safety Guidelines.

The layout of some components described in the EIA have been adjusted and resulted in reducing the footprint from approximately 800 ha to approximately 437.5 ha; this will reduce the area that is directly impacted by the mine development.

Management plans under the umbrella of an Environment and Social Management System (ESMS) and Environmental Management Plan (EMP) have been prepared, or are in the process of being prepared, to address environment and/or social impacts during the remaining exploration, construction, operation, and closure phases. It should be noted that for purposes of aligning with the wording of the EIA Certificate, SROL has entitled the Environmental and Social Management Plan as "Environmental Management Plan". As living documents, the management plans will incorporate changes to, and updates on, the mine project as outlined in the CPR potential impacts will be assessed and mitigation measures developed in conformance with international standards, specifically the IFC Performance Standards (PS). Table 8-2 summarises those management plans mandated by the EIA and those prepared to comply with IFC PS. Those in italics are expected to be completed in Q2 2021 with all others in operation.

Table 8-2: SROL's Environment and Social Management Plans for the Segilola Mine Project
Thor Explorations Ltd – Segilola Gold Project

S/N	SROL Project Management Plans	Corresponding Management Plans Mandated in the EIA and EPRP
1	Biodiversity Management Plan	Terrestrial Fauna Management Plan Wildlife Flora Management Plan
2	Health and Safety Management System1 entitled SROLSafe	Health and Safety Management Plan Occupational Health and Safety Management Plan
3	Grievance Management Plan	Incidents and Complaints Management Plan
4	Stakeholder Engagement Plan Environment Management Plan Community Development Agreements	Social and Community Management Plan Social Impact Management Plan
5	Closure Plan with the EPRP	Aesthetics Management Plan
6	Blasting Management Plan Mine Method Statement	Storage of Explosive and Detonators Management Plan
7	Water Management Plan	Surface Water Management Plan Groundwater Management Plan Water Supply Management Plan

1 SROLSafe has been prepared separately to the ESMS although the two will acknowledge the linkage between Health, Safety, Security, and Environment (HSSE) impacts, their management and mitigation.

S/N	SROL Project Management Plans	Corresponding Management Plans Mandated in the EIA and EPRP
8	Environmental Management Plan and Topic Specific Management and Controls Plans: Air Quality Management and Controls Plan Noise & Vibration Management and Controls Plan Soil Quality Management and Controls Plan	Environmental Management Plan Air Quality/Dust Management Plan Soil Contamination Plan Noise Management Plan
9	Monitoring Plan	Environmental Monitoring Plan
10	Cyanide Management Plan	Cyanide Management Plan
11	Hazardous Chemicals and Reagents Management Plans	Not requested[2]
12	Waste and Hazardous Management Plan	Waste Management Plan
13	Waste Rock Management Plan	Not requested
14	Emergency Response and Evacuation Plan	Emergency Response Plan
15	Cultural Heritage Management Plan	Not Requested
16	Chance Finds Procedure	Not Requested
17	Tailings Management Facility Management Plan	Not requested
18	Security Plan	Not requested
19	Traffic Management Plan	Not Requested
20	Community Health, Safety and Security Plan (CHSSP)	Not Requested
21	Livelihood Restoration Plan	Resettlement Action Plan
22	Human Resources Management Plan	Not requested
23	Environment and Social Management System	Not Requested

8.3 Social or Community Requirements

Community development agreements (CDAs) providing project benefits to the local community (as required by the Mining and Mineral Regulations 2011 and EIA Certificate) have been completed and signed for the three communities closest to the proposed mine. All three CDAs have been endorsed by the MMSD. Benefits to the communities have been operating since 2018 and include the construction of nine new boreholes (with handpumps) in the three villages as well as replacing those boreholes which were moribund, provision of 26 school scholarships annually for enabling children from vulnerable households to stay in school, and provision of local employment during the construction stage. Since construction began in February 2020 to date (March 2021), over 100 workers from the local communities have formed part of the daily construction team. This relates to between 20% and 25% of all employees on site. It is estimated that approximately 200 people have benefitted from work on the Project. Most employment is in low skilled to semi-skilled jobs, although all semi-skilled and skilled jobs are being advertised in the local communities before being advertised elsewhere (in agreement with community leaders). The value of having a local workforce was

2 Not requested – such management plans were not listed in the EIA or EPRP as requiring specific management plans to be prepared. These plans have been proactively prepared by SROL in agreement with Project lenders, African Finance Corporation and to comply with IFC PS.

reinforced during the COVID-19 crisis when SROL (with State Government approval) was able to continue construction uninterrupted.

SROL has regular meetings with the community leaders so that they are made aware of the Project activities and impacts and encouraged them to make inputs in appropriate mitigation measures.

Further SROL supports community development through Corporate Social Responsibilities (CSR) activities. As part of the global COVID-19 pandemic, the Nigerian government instigated lockdown procedures. SROL's approach to helping the local communities deal with the COVID-19 pandemic during the lockdown was threefold: sensitisation (though banners and posters outlining hand washing and social distancing practices), capacity building of community front line workers, and provision of relief items for the economically vulnerable. These approaches were discussed and agreed with the three communities' leaders. The following items were provided:

Table 8-3: Covid Supplies to Local Communities
Thor Explorations Ltd – Segilola Gold Project

S/N	Item	Amount
1	Masks	2000 masks per month for 3 months
2	Sanitisers	300 sanitisers per month for 3 months
3	Infrared Thermometers	1 to each community health centre, Iperindo Police and LGA (one -off)
4	Cleaning agents	Bleach: 1 per community Detergents: 2 bags per community Per month for 3 months
5	Rice (one-off)	Imogbara: 130 bags Odo-ijesa: 245 bags Iperindo: 240 bags Iperindo Police: 10 bags

The nearest communities' dwellings and other permanent structures are not directly impacted by the proposed mine, its infrastructure, or buffer zones (i.e., no physical resettlement is required). However, economic impacts have been identified and compensation for the loss of agricultural crops and trees has been outlined in a Livelihood Restoration Plan (LRP) in conformance with IFC PS 5 and fully acknowledging relevant Nigerian laws and regulations for fair compensation. SROL has crop compensation sheets as documentary evidence of compensation that has previously been paid to affected parties for crop lost or damaged during exploration phase activities. Rates for land and crops and trees has been endorsed by MMSD as well as an inter-ministerial community comprising State and Federal Government Representatives. Compensation is now 98% complete and is expected to conclude in Q2 2021.

A summary of the LRP is outlined in Table 8-4 and Table 8-5.

Table 8-4: Parcels of Land Affected by Project Components within the Mine Footprint
Thor Explorations Ltd – Segilola Gold Project

Project Component Affecting Land Parcels	No. Land Parcels	Area (ha)
Water storage dam	73	22.0
Phase 2	51	164.0
Phase 3	41	144.1

Project Component Affecting Land Parcels	No. Land Parcels	Area (ha)
Camp	17	9.0
Other/ more than 1 component	37	96.6
Total	219	435.7

Table 8-5: Asset Owners within Mine Footprint
Thor Explorations Ltd – Segilola Gold Project

Ownership Status	No. of Valuations
Sharecropper	481
Owned	282
Long-team lease	14
Renter	4
Other/ unspecified	97
Total	878

Stakeholder consultation occurred during the EIA process (EIA report, 2012) and then intermittently until 2017 when Thor recommenced consultation meetings with communities. A step-up in consultation and public participation has occurred as part of the exploration phase and in the development of the CDAs. CDA committees with representations from each village have been established to aid in managing the CDA process. SROL has developed a stakeholder engagement plan, outlining how consultation has and will occur with identified key Project stakeholders for the life of the Project; this includes a grievance management plan. Thor has a team who are managing environmental and social aspects of the Project, the social team, and developing and managing relationships with communities and other stakeholders.

The Project area is predominantly secondary rain forest vegetation with high density and composition. The habitat is interspersed with trees of economic value and cash crops which provide income for village residents surrounding the proposed mine site. Most of the grasses, shrubs, lianas, and trees in the area are typical of the rain forest zones in Nigeria.

Vegetation in the mining lease is dense, largely due to the influence of rainfall. Although the impact of rainfall supports the herbaceous flora most effectively, woody flora survives throughout the dry season. The composition and population of the animal communities depends on the vegetation which provide shelter, security, and food for these animals. The latest baseline ecology survey (Q1 2021) results on flora were consistent with the survey results obtained during the EIA process, in that the natural habitat has been modified by human activity including subsistence agriculture, logging, and hunting.

A socio-economic assessment was undertaken as part of the EIA. This information was updated part of the asset and socio-economic surveys included in the LRP process (Q2 2019 – Q1 2021). The socio-economic surveys component also included surveying households in the three host communities and provided updated data on demography and living conditions. These surveys indicated that wages had increased in the past 10 years and literacy and numeracy levels had also increased. School attendance was reported to be almost universal; of children between 6 and 18 years of age, 98% of girls and 99% of boys were reported as currently attending school.

8.3.1 Recruitment and Employment

Priority has and will be given to employing people from the local community and immediate surroundings, subject to availability at the time of recruitment and applicants meeting the required level of qualification and professional experience. The majority of unskilled positions has and will be filled from the local communities. Additionally, training programmes have and will continue to be provided for some of the semi-skilled positions. These requirements shall be included in contracts where applicable (e.g., for contractors working in the Project).

8.3.2 In-Migration Management

In-migration (influx) management can become a material issue. The SROL Community Relations team has been fully committed and responsible for addressing such issues. The key risks to operation presented by in-migration include:

- Conflict over availability of and selection for jobs.
- Health and social risks that the influx of non-locals might bring with them.
- Pressure on infrastructure.

To date, however, influx has not been an issue as Thor has linked with the three CDA committees to address employment issues (such as employing local people rather than jobseekers from elsewhere) and obtaining information on potential local security issues. The site is located in close proximity to the town of Ilesha (population around 300,000); Ilesha businesses are able to provide a range of services (e.g., couriers, food preparation, and mechanics). Thus, it is known that the Project's demand for services is met by local providers and no demand exists for such services beyond those provided locally. Security checkpoints established by the local police are in the process of being erected on the local public road bisecting the site and this will prevent petty traders setting up on this road.

Thor will continue to:

- Build local capacity through direct and indirect employment.
- Work to prevent employment-linked conflict by liaising on employment with nominated community representatives, maintain the employees' grievance procedure on site and update the database of local residents who would be available for Project employment through SROL's Human Resource Department.
- Regularly liaise with the local community as established through the Stakeholder Engagement Plan.
- Provide basic health and safety awareness course for all personnel as well as specific awareness about COVID-19, Malaria, and HIV/AIDS.
- Ensure that its workers are briefed on the socio-cultural norms and sensitivities of the host communities before commencement of work in the area.

8.3.3 Financial Provision

The main social financial provision relates to compensation for land and assets and support for livelihood restoration programmes as outlined in the LRP.

The breakdown of LRP financial provision is presented in Table 8-6.

Table 8-6: Parameters and Budgets of the LRP Provision
Thor Explorations Ltd – Segilola Gold Project

Parameter	Naira	$USD
Compensation for Surface Land Rental (2 years)	28,715,576	63,812
Compensation for Assets including once off payment	1,036,513,310	2,303,363
Compensation for surface land rentals for remaining areas (est) 3 %	861,467	1,914
Compensation for assets in remaining areas (est) 5%	51,825,666	115,168
Total Cash Compensation	1,117,916,019	2,484,257
Livelihood Restoration Programmes	450,000,000	1,000,000
Monitoring and Evaluation fees – use of external consultants	36,000,000	80,000
Total LRP Budget	1,603,916,019	3,564,257

The other component of social provision is the CDA budgets. SROL manage the budgets for each except for the development fund which is managed by the CDA committee; its use is subject to stipulated criteria. The LRP and CDA budgets all include employment of community selected CLOs from all three communities. Provision of benefits increases during construction and peaks during operation phases. The scheduling of benefits during the Project lifecycle is set out in the CDAs.

8.4 Mine Closure

At the end of the commercial life of the Project, SROL's workers likely will have become an established part of the community in the Project region. At this time, no specific plans or forecasts have been made concerning workforce demobilisation, however, SROL will help its local workforce to transition from an operating Project into the post-closure period, specifically to deal with the impacts of loss of employment. A workforce transition programme will be developed to assist with the loss of employment at mine closure. A schedule for community and employee consultation will be critical in establishing the best adjustment programmes to transition effectively from an operating project to the post closure period, while maintaining local sustainable development.

The EIA and EPRP outline the parameters for mine closure, as shown in Table 8-7.

Table 8-7: Mine Closure Components and Objectives
Thor Explorations Ltd – Segilola Gold Project

Mine Component	Closure Objectives	Start	Finish
Open Pit	Dewatering will cease on closure of the mine and the open pit will be allowed to flood. The pit slopes will be left in a stable condition (based on geotechnical assessment) and groundwater quality will not be compromised. Reassignment to local community for water storage/use. A protection berm/fence will be formed around the pit to discourage entry.	Mine cessation	5 years post-closure
WMSA	Final slopes of the WMSA will be stable and any possible revegetation carried out.	Cessation of operations	2 years post-closure
Tailings Management Facility	Profiling of the dam surface and layering with soil to encourage revegetation with sustainable crops.	Cessation of operations	5 years post-closure

Mine Component	Closure Objectives	Start	Finish
	Closure of the decant and evaporation of supernatant.		
ROM Pad and Processing Plant	Decommissioning of the plant, dismantling of buildings and removal of foundations. Removal of scrap metal and used oils etc. Reprofiling and revegetation of the site.	Cessation of operations	2 years post-closure
Offices and Car Park	Dismantling of buildings and removal of foundations. Removal of office waste. Reprofiling and revegetation of the site.	Cessation of operations -	2 years post-closure
Raw and Process Water Storage tanks	Evaporation of remnant water, removal of contaminated solids to a licensed waste disposal location offsite. Process tanks to be removed to a licensed hazardous waste disposal location offsite.	Cessation of operations	2 years post-closure
Raw Water Dam	Reassignment of responsibility to local community, as agreed in closure plan	Cessation of operations	1 year post-closure

The key mine closure parameters from an environment perspective relate to the preparation and implementation of a habitat rehabilitation plan.

Site contouring after closure and removal of structures site investigations and site activities will include:

- Zoning of fauna, flora population and specific soil conditions and types.
- Soil analysis.
- Development of botanical map of the proxy virgin vegetation areas of the mine site using global positioning system to give the historical topography, landform, presence of vegetation compared to the site`s man made modification features pre/post mine site work.
- Inputs into the site recontouring plan (executed through the Mine Plan).
- Development of the overall habitat restoration plan.
- Nursery development and seed production (3 years prior to closure).
- Vegetation regeneration.
- Ongoing maintenance of planted areas.
- Ongoing monitoring (for 5-year period).

Towards the end of the LOM, the operational objective of the TMF will be to reduce the pond volume as much as possible. Following end of LOM, any remaining water on the TMF should be pumped off, treated, and discharged into the environment (testing will be carried out to make sure water meets the required standards for discharge). The proposed closure concept for the TMF is to:

- Use tailings deposition to shape the final surface in a manner that will facilitate the development of a water shedding structure (i.e., produce a suitable surface gradient profile that allows for gravity drainage).
- Facilitate the shedding of water off the tailings surface, by construction of an excavated drainage channel leading to the west side of the North Embankment (operating spillway location) will be required once the TMF pond is removed. Rainfall runoff will be routed along the excavated channel and off the TMF, using drainage structures that are designed for long term minimisation of erosion.

- In parallel with construction of drainage engineered features, place a suitable cover profile, at this time anticipated to be a layer of topsoil (current consideration of 300 mm) over the entire TMF surface.
- Facilitate the establishment of sustainable vegetation growth on the cover.

The seepage collection pond may require operation for up to five years following end of LOM depending on seepage rates and water quality.

The potential for the oxidation of sulphides in the tailings mass has been initially identified as a low risk with respect to water quality. The risk is being quantified with more detailed technical assessment.

The following further technical work is recommended by SLR to increase the level of confidence of the closure design concept:

- Further evaluation of the tailings by field trials, and modelling assessment will be required to establish the materials requirement to maintain a sustainable vegetated cover (based on vegetation type selected).
- Further technical evaluation of the long-term oxygen ingress rate is required to establish the optimal approach to manage long term risks of seepage water quality from the TMF.

Although a closure fund or bond has not been requested by the MMSD, SROL has, in line in with good international industry practice, allocated funds for closure in the Project's budget process. This budget ($4.2 million) includes the actions outlined in this section including monitoring of the environmental rehabilitation programme for five years post gold production. Some aspects of rehabilitation will be covered by the operations budget, however, the closure budget will be reviewed annually, or in the case that unforeseen changes occur during the LOM.

9.0 CAPITAL AND OPERATING COSTS

9.1 Capital Costs

All capital and operating costs are in 2021 US dollars (US$) unless otherwise noted.

The capital costs presented are primarily based on the Engineering, Procurement and Construction turnkey contract (EPC Contract) with Norinco International, with input from Knight Piésold on the TMF and Thor on the Owner's costs and General and Administrative (G&A) costs.

Total pre-production costs include initial capital for construction of facilities, equipment, and mining pre-production operating costs and are estimated to total US$92.4 million. These costs are summarised in Table 9-1.

Table 9-1: Pre-production Cost
Thor Explorations Ltd – Segilola Gold Project

Description	US$000s
Initial Capital	84,349
Mining pre-production and pre-strip cost and working capital	8,073
Total Development Cost	**92,422**

Based on the level of the Project and engineering definition available the capital cost estimate is in line with a Class 3 estimate defined in the AACE Recommended Practice 47R-11 Cost Estimate Classification System as Applied in the Mining and Mineral Processing Industries. The estimate accuracy is +/-10%.

Work commenced on the EPC Contract in February 2020 and is scheduled to achieve EPC Handover in August 2021.

9.1.1 Initial Capital

The initial capital cost estimate for the Project is summarised in Table 9-2.

Table 9-2: Initial Capital Summary
Thor Explorations Ltd – Segilola Gold Project

Description	US$000s
EPC Turnkey	67,952
First Fills	1,900
Owner Cost	10,501
VAT & Duties	3,995
Subtotal - Initial Capital	84,349
Mining pre-production and pre-strip cost	5,833
Upfront Working Capital	2,240
Total Initial Development Capital Cost	**92,422**

The majority of the initial capital cost is the EPC Contract which is being undertaken by Norinco International on a lump-sum basis.

The open pit operations are contracted out to SINIC, a sub-contractor in charge of load and haul operations. Establishment costs and mobilisation costs have been included as capital expenditure. Costs incurred during mine preparation and pre-stripping until April 2021 have been capitalised.

The first three months of first fills (grinding media, and reagents) are provided on a consignment stock basis by the supplier and payment made for goods consumed.

The capital estimate includes an estimate of all government taxes and duties.

Project insurances are included in the estimate.

No escalation has been applied to the capital costs.

9.1.2 Sustaining Capital

Sustaining capital costs of US$7.9 million are estimated for the period from commencement of commercial operations through to Q1 2027.

Project sustaining capital costs include TMF stage raises over the LOM, plant annual capital expenditures, and contingency. These costs are not included in the pre-production capital cost estimate.

Table 9-3 provides an annual breakdown of the sustaining capital cost estimate for the Project.

Table 9-3: Sustaining Capital (US$000's)
Thor Explorations Ltd – Segilola Gold Project

Area	2021	2022	2023	2024	2025	2026	2027
Plant	67	400	400	400	400	400	67
TMF & WSD	1,033	746	837	996	1,124	117	9
Water Management	44	143	45	45	70	133	72
Contingency	0	13	38	0	76	195	33
Total	**1,143**	**1,301**	**1,320**	**1,441**	**1,670**	**845**	**181**

9.1.3 Reclamation/Closure Costs

The mine closure cost as presented in Table 9-4 is estimated to be US$4.2 million.

Table 9-4: Reclamation / Closure Cost
Thor Explorations Ltd – Segilola Gold Project

Description	US$000s
WMSAs	1,156
TMF	825
Plant and Infrastructure	2,172
Total	**4,153**

9.1.4 Exclusions

The capital costs exclude the following:

- Escalation of prices;
- Project financing costs or interest; and

- Currency exchange rate variations.

9.2 Operating Costs

Total operating costs are estimated to be US$78.46/t milled.

A summary of the LOM unit operating costs is presented in Table 9-5.

Table 9-6: Operating Cost
Thor Explorations Ltd – Segilola Gold Project

Description	Total LOM Operating Costs	US$/t milled
Contractor Mining (3.02/t moved)		53.48
Process (Thor)		17.18
G&A		7.81
Total		**78.46**

The estimated operating costs are based on the schedule of rates in the Mining Contract signed with SINIC.

9.2.1 Cost Estimate Basis

The estimated operating costs are based upon contractor mining and owner operated production equipment and site facilities, as well as the Owner employing and directing all non-mining operating, maintenance, and support personnel.

Owners Costs have been estimated from first principles. Labour costs were estimated using Project specific staffing, salary, wage, and benefit requirements. Unit consumption of materials, supplies, power, water, and delivered supply costs were also estimated.

9.2.2 Consumable Pricing

The Project’s major consumable pricing basis is as follows:

- Diesel – The Project has a pre-production and LOM diesel price of US$0.5X/L delivered to site. Diesel is primarily used in the mining cost estimate and the pre-production phase as well as any back-up power generation.
- Power – CNG power cost was estimated at US$0.09/kWh. Generator set power costs were estimated at US$0.13/kWh, assuming a CNG price of US$0.34/SCM

9.2.3 Mining Costs

The mining contractor submitted a set of bench by bench mining rates, with a weighted average of cost per tonne for waste and for ore. These rates include fuel, labour, equipment maintenance, consumables, and management. Load and haul as well as drill and blast services are included in these rates, along with dewatering.

The total mining cost is estimated at $203 million over the mine life, averaging US$2.86/t.

According to the Nigerian Minerals and Mining Act, all operators in the mining industry are exempted from payment of custom and import duties in respect of plant, machinery, equipment, and accessories imported specifically and exclusively for mining operations. Equipment duties have therefore not been included in the mining costs, however, this cost was estimated by the contractor at $6.2 million over the mine life.

Total mining costs were determined by writing the bench costs directly into the mine design block model, and reporting the average cost per year as determined in the scheduling software.

9.2.4 Processing Plant Costs

The total process operating costs are summarised in Table 9-7.

Table 9-7: Summary of Process Operating Costs
Thor Explorations Ltd – Segilola Gold Project

Description	US$/t milled
Reagents & Consumables	6.86
Maintenance	1.35
Labour	2.77
Power	4.25
Laboratory	1.51
Infrastructure	0.44
Total	**17.18**

9.2.5 Maintenance

The maintenance cost estimated for the processing plant operation totals approximately US$900,000 per year and covers mechanical spares and wear parts, but excludes crushing and grinding wear components, media, and general consumables, which are covered in the consumables cost estimate above. The maintenance cost excludes all payroll maintenance labour (covered below under Labour).

9.2.6 Laboratory

The operating cost for the laboratory is estimated to be approximately US$1,037,000 per year. The laboratory and assay cost allowance provide for plant control samples and grade control costs. Provision has been made for external metallurgical testing.

9.2.7 Infrastructure Operating Costs

The bulk of the infrastructure operating cost is made up of the tailings and water storage facilities and are estimated to be approximately US$310,000 per annum.

9.2.8 G&A Costs

The G&A costs are comprised of office, vehicles, security, personnel, technical, environmental, and social responsibility, and travel.

Table 9-8: Summary of G&A Operating Costs
Thor Explorations Ltd – Segilola Gold Project

Description	Annual Cost US$000s	US$/t milled
Country Office	999	1.50
Site Expenses	1,015	1.52
Vehicles	415	0.62

Description	Annual Cost US$000s	US$/t milled
Security	477	0.71
Personnel	1,385	2.07
Technical	228	0.34
ESR	154	0.23
Travel	540	0.81
Total	**5,213**	**7.81**

9.2.9 Exclusions

The operating costs stated above make no allowance for the following:

- Thor head office/corporate costs.
- Project financing costs.
- Currency exchange rate variations.
- Escalation of prices.
- Tailings storage costs, including future lifts and rehabilitation. This is included in Sustaining Capital.

10.0 VALUATION OF MINERAL RESERVES

10.1 Valuation Methodology

The valuation of Mineral Reserves is based on the discounted cash flow (DCF) approach. This method of valuation requires projecting yearly cash inflows, or revenues, and subtracting yearly cash outflows such as operating costs, capital costs, royalties, VAT, taxes, etc. Cash flows are discounted on an end of year basis and totalled to determine net present values (NPVs) at the selected discount rates. The internal rate of return (IRR) is calculated as the discount rate that yields a zero NPV. The payback period is calculated as the time needed to recover the initial capital spent from the commencement of commercial operations.

The cash flow model was constructed on a 100% equity basis. The data inputs and schedule are in a monthly format, while the results are presented on an annual basis.

In accordance with the AIM Note the valuation of the Mineral Reserves has been undertaken using a discount rate of 10%.

The results of the economic analysis represent forward-looking information and are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented here.

All costs are in constant US$ with no provision for inflation escalation, and financial results are reported on both a post-tax and pre-tax basis.

10.2 Production Plan

The pre-production period starts in Q2 2020 with 18 months of construction, with commissioning starting in June 2021 and commercial production commencing at the end of Q3 2021.

Mine preparation started in March 2021 and mine production continues for 48 months with a maximum rate of 80,000 tpd mined at an average strip ratio of 16.7:1.

Plant commissioning starts in June 2021 and processing continues for 68 months at a target production rate of 715,000 tpa.

Total LOM production is 4.0 Mt at a grade of 4.02 g/t Au, with a constant gold recovery of 97%. The total gold recovered is estimated to be 502,000 oz Au, at an annual LOM average rate of 84,000 oz Au.

10.3 Commodity Prices

The metal price applied in the DCF was $1,600 per troy ounce Au.

Gold price forecasts from 31 analysts were sourced in March 2021 and the consensus average metal price forecast is provided in Table 10-1. The current LOM is five years.

Table 10-1: Consensus Analyst Gold Price Forecast
Thor Explorations Ltd – Segilola Gold Project

$/oz	2021	2022	2023	2024	LT
Average gold price	1,897	1,859	1,764	1,714	1,610

10.4 Costs

The capital and operating costs are as described in Section 9.0.

10.5 Taxation

10.5.1 Corporation Tax

In accordance with the mining industry pioneer status, Thor expects to receive a five-year exemption from customs duties, levies, and taxes including company income tax and tertiary education trust tax.

Thor also expects that following the five-year tax exemption, the company will be granted (under the Nigerian Minerals and Mining Act) a capital allowance equating to 95% of qualifying project capital expenditure.

The Project economic analysis incorporates a five-year statutory income tax holiday from commercial operations date, followed by a return of capital invested, so the Project does not generate tax payable liabilities during the LOM.

SLR has relied on Thor for the tax advice and the understanding that the Project tax liability is zero over the current life of mine.

10.5.2 Value Added Tax

A VAT at a rate of 7.5% is levied on purchases by individuals and corporations on non-exempt goods and services.

It is assumed that services rendered in the production of raw materials (including the mining contract) for the processing plant are exempt from VAT.

10.6 Royalties

10.6.1 Government Royalties

Royalties are payable to the Nigerian government at a rate of N5,000 per recovered ounce of gold. Using an exchange rate of 400 Naira to US$, this equates to $12.50 per ounce.

10.6.2 Other Royalties

The Property is subject to two additional private royalties as follows:

- 1.5% NSR royalty payable to Tropical Mines Limited, to a maximum value of $4 million.
- 1.5% NSR royalty payable to RGL, to a maximum value of $3.5 million.

Royalties and other government payments total $14,972 million, or $3.74/t milled, over the LOM as shown in Table 10-2.

Table 10-2: Royalties and Government Payments
Thor Explorations Ltd – Segilola Gold Project

Description	$000s
Government – $12.50 per payable ounce gold	7,472
Private – 3.0% NSR (capped at $7.5M)	7,500
	14,972

10.7 Valuation of Reserves

The LOM plan for the Project results in an average annual ore production of 715,000 tpa and includes significant variations in the ore and waste mining schedule and head grades over its planned five-year life. The base case includes some stockpiling of higher-grade ore in the early stages of mining, which will be processed later in the mine life. The tonnes of ore mined, the stockpile balance and tonnes milled are shown in Figures 10-1 and 10-2. The resulting impact on the post-tax free cash flow profile is shown in Figure 10-3.

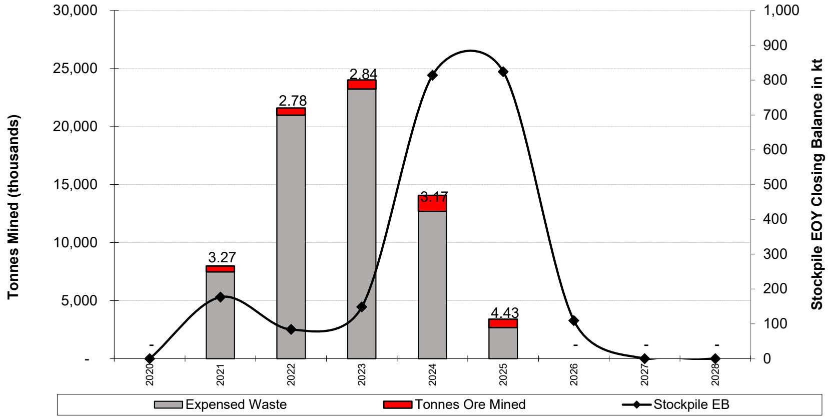


Figure 10-1: Mine Production Profile

Note: Numbers in chart are mining operating costs in US$/t moved.

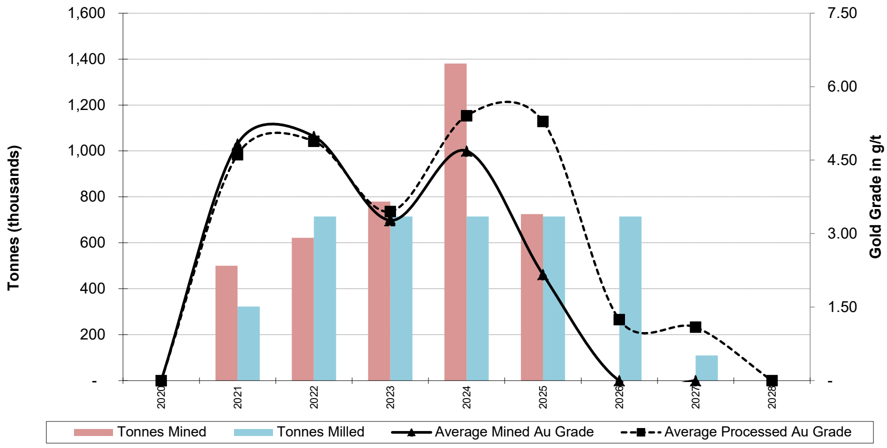


Figure 10-2: Mined Ore Versus Mill Production Profile

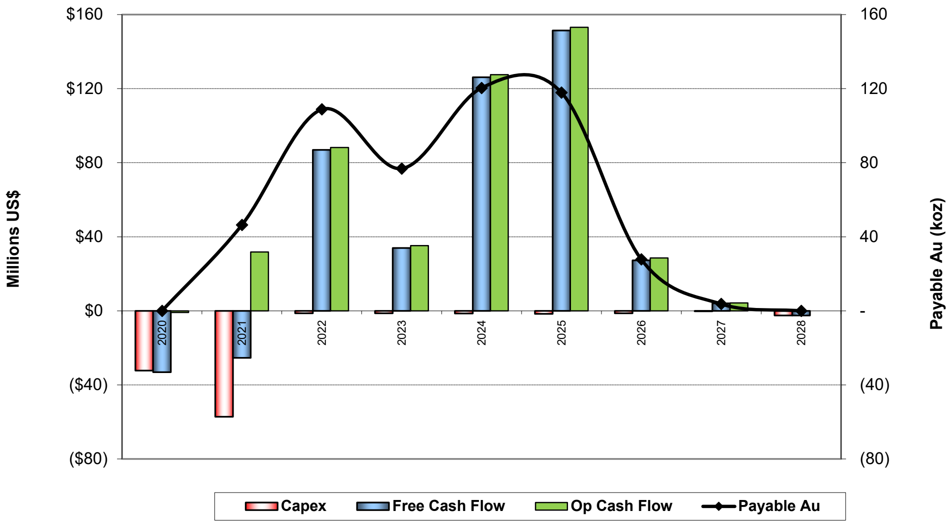


Figure 10-3: Project Post-tax Metrics Summary

The annual life of mine schedule, ore processing schedule, gold recovery, gold revenues, operating costs, initial capital, sustaining capital, taxation, pre- and post-tax calculated NPV and IRR are shown in Table 10-3.

Table 10 3: Pre- and Post-tax Cash Flow Model Annual Summary
Thor Explorations Ltd – Segilola Gold Project

Calendar Year			2020	2021	2022	2023	2024	2025	2026	2027	2028
Commercial Production Timeline in Years			-1	1	2	3	4	5	6	7	8
Time Until Closure In Years	**US$ & Metric Units**	**LOM Avg/Total**	8	7	6	5	4	3	2	1	-1
Market Prices											
Gold	US$/oz	**$1,600**	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Physicals											
Total Ore Mined	kt	4,007	-	500	622	780	1,381	725	-	-	-
Total Waste Mined	kt	67,039	-	7,472	20,981	23,233	12,686	2,666	-	-	-
Total Material Mined	kt	71,046	-	7,972	21,603	24,013	14,067	3,392	-	-	-
Strip Ratio	W:O	16.7	-	14.9	33.7	29.8	9.2	3.7	-	-	-
Total Ore Milled	kt	4,007	-	323	715	715	715	715	715	109	-
Gold Grade, Milled	g/t	4.02	-	4.61	4.88	3.45	5.40	5.29	1.25	1.09	-
Contained Gold, Milled	koz	518	-	47.9	112.3	79.3	124.2	121.6	28.7	3.8	-
Recoverable Gold, Milled	koz	502	-	46.4	108.9	76.9	120.5	118.0	27.8	3.7	-
Average Gold Recovery	%	97.0%	--	97.0%	97.0%	97.0%	97.0%	97.0%	97.0%	97.0%	--
Payable Gold Sold	koz	501.8	-	46.4	108.8	76.9	120.4	117.9	27.8	3.7	-
Cash Flow											
Gold Gross Revenue	**$000s**	**802,886**	**-**	**74,213**	**174,094**	**122,977**	**192,628**	**188,577**	**44,447**	**5,950**	**-**
Mining	$000s	(214,317)	-	(26,047)	(60,142)	(68,085)	(44,582)	(15,038)	(361)	(60)	-
Processing	$000s	(68,837)	-	(6,668)	(12,712)	(12,712)	(12,712)	(12,712)	(10,044)	(1,278)	-
G&A Cost	$000s	(31,282)	-	(5,143)	(5,440)	(5,190)	(5,190)	(5,190)	(4,880)	(251)	-
Infrastructure	$000s	-	-	-	-	-	-	-	-	-	-
Dore Freight/Refining Cost	$000s	(3,365)	-	(311)	(730)	(515)	(807)	(790)	(186)	(25)	-
Royalty	$000s	(14,972)	-	(2,917)	(6,843)	(1,195)	(1,793)	(1,755)	(414)	(55)	-
Total Cash Costs After By-Product Credits	**$000s**	**(332,772)**	**-**	**(41,086)**	**(85,866)**	**(87,697)**	**(65,083)**	**(35,485)**	**(15,885)**	**(1,669)**	**-**
Operating Margin 59%	**$000s**	**470,114**	**-**	**33,127**	**88,227**	**35,280**	**127,545**	**153,092**	**28,562**	**4,281**	**-**
Income Tax Incl. Tax Holiday	$000s	-	-	-	-	-	-	-	-	-	-
Working Capital	$000s	(2,240)	(862)	(1,378)	-	-	-	-	-	-	-
Operating Cash Flow	**$000s**	**467,874**	**(862)**	**31,749**	**88,227**	**35,280**	**127,545**	**153,092**	**28,562**	**4,281**	**-**
Initial Capital	$000s	(88,282)	(32,272)	(56,009)	-	-	-	-	-	-	-
Sustaining Capital	$000s	(6,746)	-	(1,143)	(1,301)	(1,320)	(1,441)	(514)	(845)	(181)	-
Closure/Reclamation Capital	$000s	(4,153)	-	-	-	-	-	(1,156)	(475)	-	(2,522)
Total Capital	**$000s**	**(99,180)**	**(32,272)**	**(57,153)**	**(1,301)**	**(1,320)**	**(1,441)**	**(1,670)**	**(1,320)**	**(181)**	**(2,522)**
Cash Flow Adj./Reimbursements	**$000s**	**-**	-	-	-	-	-	-	-	-	-
LOM Metrics											
Economic Metrics											
Annual Discount Factors	EOP 10%		1.0000	1.0000	0.9091	0.8264	0.7513	0.6830	0.6209	0.5645	0.5132
a) Pre-Tax											
Free Cash Flow	$000s	**368,693**	(33,135)	(25,403)	86,927	33,960	126,104	151,422	27,242	4,100	(2,522)
Cumulative Free Cash Flow	$000s		(33,135)	(58,538)	28,389	62,348	188,452	339,874	367,116	371,215	368,693
NPV @ 10%	$000s	**264,654**	(33,135)	(25,403)	79,024	28,066	94,743	103,423	16,915	2,314	(1,294)
Cumulative NPV	$000s		(33,135)	(58,538)	20,486	48,552	143,295	246,719	263,634	265,948	264,654
IRR	%	**88.4**									
b) Post-Tax											
Free Cash Flow	$000s	**368,693**	(33,135)	(25,403)	86,927	33,960	126,104	151,422	27,242	4,100	(2,522)
Cumulative Free Cash Flow	$000s		(33,135)	(58,538)	28,389	62,348	188,452	339,874	367,116	371,215	368,693
NPV @ 10%	$000s	**264,654**	(33,135)	(25,403)	79,024	28,066	94,743	103,423	16,915	2,314	(1,294)
Cumulative NPV	$000s		(33,135)	(58,538)	20,486	48,552	143,295	246,719	263,634	265,948	264,654
IRR	%	**88.4**									
Operating Metrics During Mining Phase											
Mine Life (Processing)	Years	**6.0**									
Maximum Daily Mining Rate	t/d mined	**65,743**	-	21,695	59,291	65,743	38,469	9,445	-	-	-
Maximum Daily Milling Rate	t/d milled	**59,583**	-	26,912	59,583	59,583	59,583	59,583	59,583	9,119	-
Mining Cost	$ / t moved	**$3.02**	-	3.27	2.78	2.84	3.17	4.43	-	-	-
Mining Cost	$ / t milled	**$53.48**	-	80.66	84.12	95.22	62.35	21.03	0.51	0.55	-
Processing Cost	$ / t milled	**$17.18**	-	20.65	17.78	17.78	17.78	17.78	14.05	11.68	-
G&A Cost	$ / t milled	**$7.81**	-	15.92	7.61	7.26	7.26	7.26	6.82	2.29	-
Infrastructure Cost	$ / t milled	**$0.00**	-	-	-	-	-	-	-	-	-
Offsite Costs	$ / t milled	**$0.84**	-	0.96	1.02	0.72	1.13	1.11	0.26	0.23	-
Royalty/Production Taxes	$ / t milled	**$3.74**	-	9.03	9.57	1.67	2.51	2.45	0.58	0.51	-
Total Cash Costs	$ / t milled	**$83.04**	-	127.23	120.09	122.65	91.03	49.63	22.22	15.25	-
Sales Metrics											
LOM Au Sales	koz	**502**	-	46	109	77	120	118	28	4	-
LOM Cash Cost	$000s	**$332,772**	-	41,086	85,866	87,697	65,083	35,485	15,885	1,669	-
LOM AISC	$000s	**$343,671**	-	42,230	87,167	89,017	66,524	37,155	17,205	1,850	2,522
LOM Cash Cost / oz Au	$ / oz Au	**$663**	-	886	789	1,141	541	301	572	449	-
LOM AISC / oz Au	$ / oz Au	**$685**	-	910	801	1,158	553	315	619	498	-
LOM Avg. Annual Au Sales	koz / yr	**84**									

On a post-tax (or tax holiday shielded) basis, the undiscounted cash flow totals $369 million over the mine life with an NPV at 10% of $265 million and the IRR of 88.4%. The undiscounted payback from start of commercial production is approximately 1.1 years.

Figure 10-4 shows the cumulative NPV curves for the Project at a 10% discount rate at three different gold price points listed below:

- Base Case: $1,600 per ounce;
- Upside: $1,800 per ounce;
- Downside: $1,400 per ounce.

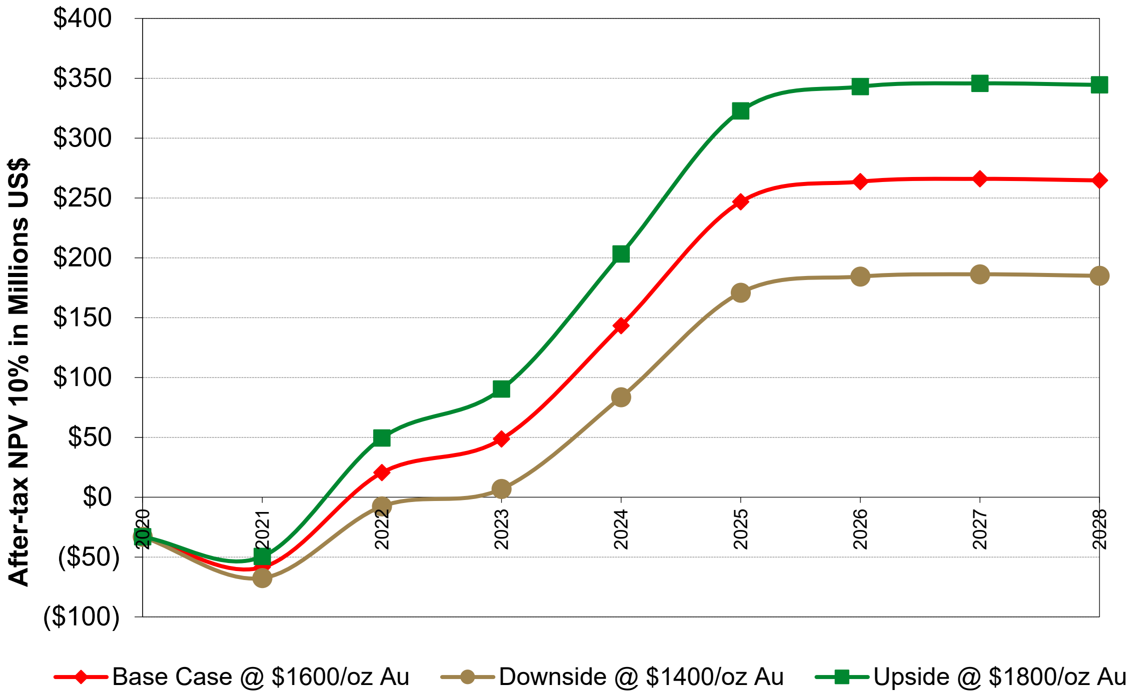


Figure 10-4: Project Post-tax Cumulative NPV Curves

The breakeven post-tax NPV at 10% gold price is estimated at $1,087 per ounce.

With respect to All-in Sustaining Costs (AISC), Table 10-4 shows an average LOM AISC of $685 per ounce with average annual gold sales during the six years of operation of 84,000 oz per year (502,000 oz over LOM).

Table 10-4: All-in Sustaining Costs
Thor Explorations Ltd – Segilola Gold Project

Description	$000s	$/oz Au
Mining	214,317	427
Processing	68,837	137
G&A	31,282	62
Infrastructure	0	0
Subtotal Site Costs	314,436	627
Offsite Treatment Costs	3,365	7

Description	$000s	$/oz Au
Total Operating Costs	317,800	633
Royalty	14,972	30
Total Cash Costs	332,772	663
Sustaining Capital	6,746	13
Closure/Reclamation Capital	4,153	8
Corporate G&A	0	0
Off-Mine Exploration	0	0
Total Sustaining Costs	10,899	22
Total All-in Sustaining Costs	343,671	685
LOM Au Sold (koz)		502
LOM Average Au Sales per Year		84

10.8 Sensitivities

Project risks can be identified in both economic and non-economic terms. Key economic risks were examined by running cash flow sensitivities:

- Head grade.
- Gold recovery.
- Gold price.
- Operating costs.
- Capital costs.

Post-tax NPV and IRR sensitivities over the base case have been calculated for -20% to +20% variations for head grade, recovery, gold price, operating costs, and capital costs.

The sensitivities are listed in Table 10-5 and shown in Figure 10-5 and Figure 10-6, respectively. Note that in this case, the post-tax sensitivities are the same with the LOM tax holiday assumption in the economic model.

The analysis shows that the Project is most sensitive to gold grade, price, and (downside) recovery. Capital and operating costs have less effect than the metal-related categories mainly due to the small size and short life of the operation. Exchange rates have very little impact with most costs and all revenue expended in US dollars.

Table 10-5: Post-tax Sensitivity Analysis
Thor Explorations Ltd – Segilola Gold Project

Modifier	Head Grade	NPV @ 10%	IRR
0.80	3.22	$138,812	50.7%
0.90	3.62	$201,733	69.5%
1.00	**4.02**	**$264,654**	**88.4%**
1.10	4.42	$327,632	107.7%
1.20	4.82	$390,614	127.3%

Modifier	Recovery	NPV @ 10%	IRR
0.80	77.60	$138,822	50.7%
0.90	87.30	$201,738	69.5%
1.00	**97.00**	**$264,654**	**88.4%**
1.10	106.70	$327,627	107.7%
1.20	116.40	$390,604	127.3%

Modifier	Au Price	NPV @ 10%	IRR
0.80	$1,280	$137,098	50.2%
0.90	$1,440	$200,876	69.2%
1.00	**$1,600**	**$264,654**	**88.4%**
1.10	$1,760	$328,489	107.9%
1.20	$1,920	$392,328	127.8%

Modifier	Operating Cost	NPV @ 10%	IRR
0.80	$251,548	$316,639	107.1%
0.90	$282,992	$290,647	97.7%
1.00	**$314,436**	**$264,654**	**88.4%**
1.10	$345,879	$238,661	79.3%
1.20	$377,323	$212,668	70.5%

Modifier	Capital Cost	NPV @ 10%	IRR
0.80	$83,764	$282,310	111.1%
0.90	$92,592	$273,482	98.5%
1.00	**$101,420**	**$264,654**	**88.4%**
1.10	$110,249	$255,826	79.9%
1.20	$119,077	$246,997	72.8%

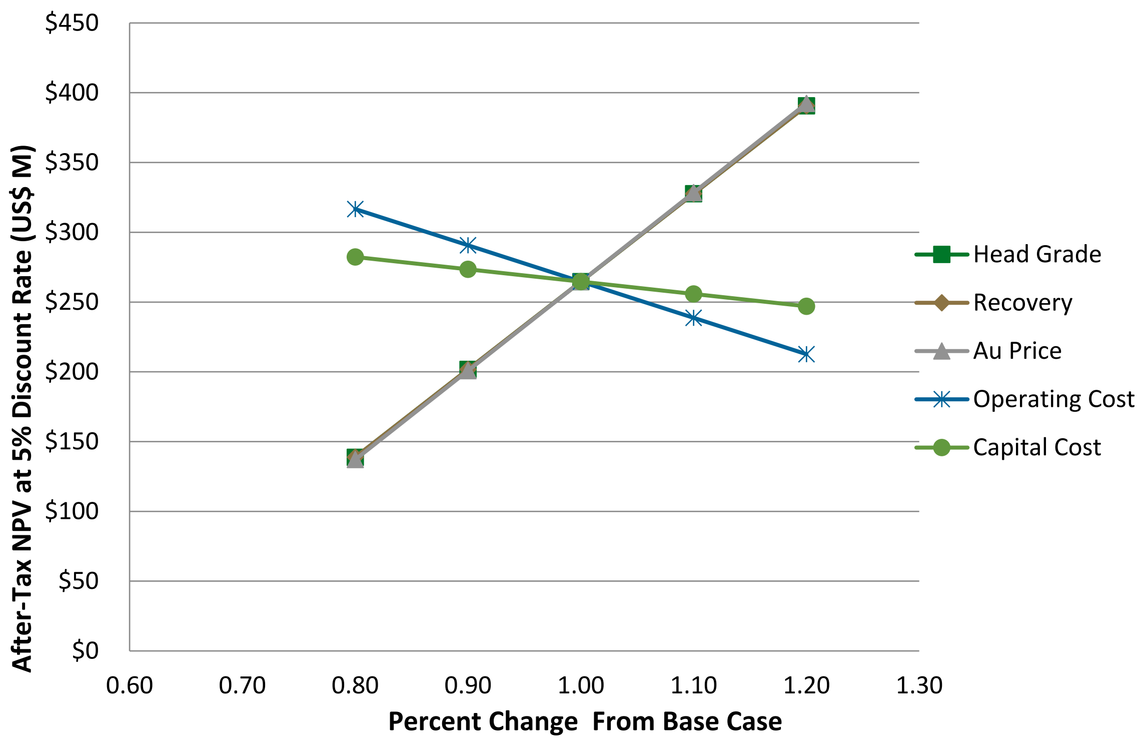


Figure 10-5: Post-tax NPV 10% Sensitivity Analysis

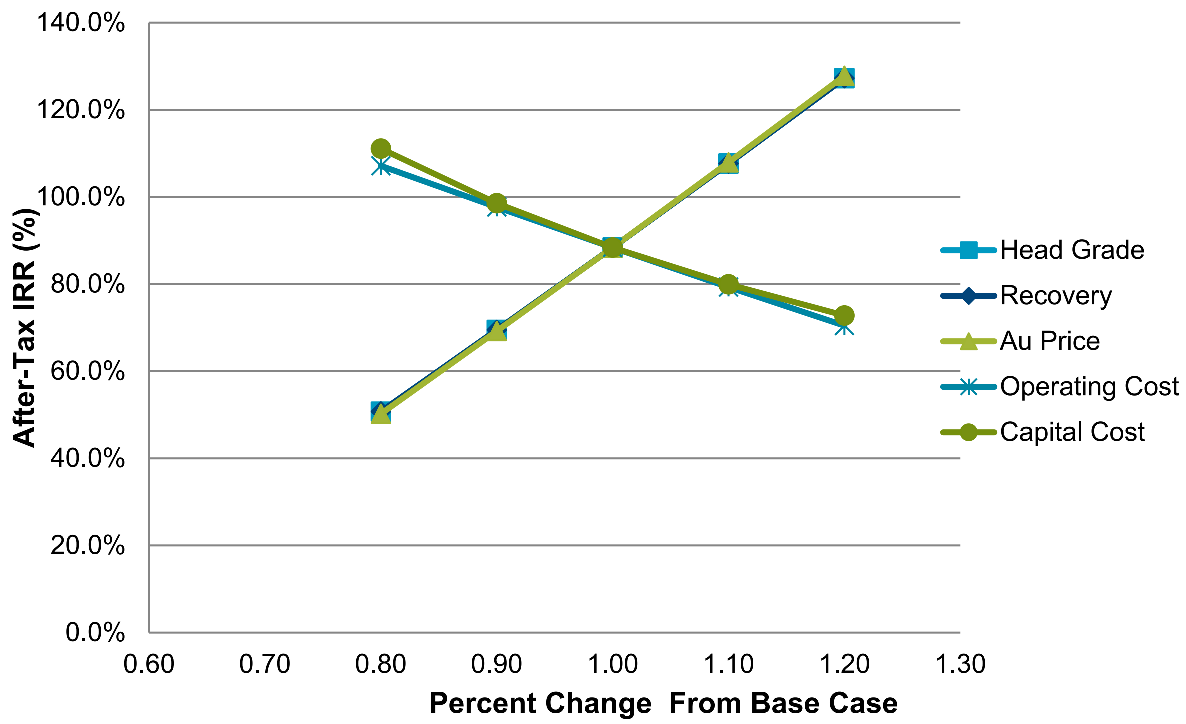


Figure 10-6: Post-tax IRR 10% Sensitivity Analysis

A sensitivity analysis of discount rates is presented in Figure 10-7 which shows that the Project demonstrates robust economics even at a 20% discount rate.

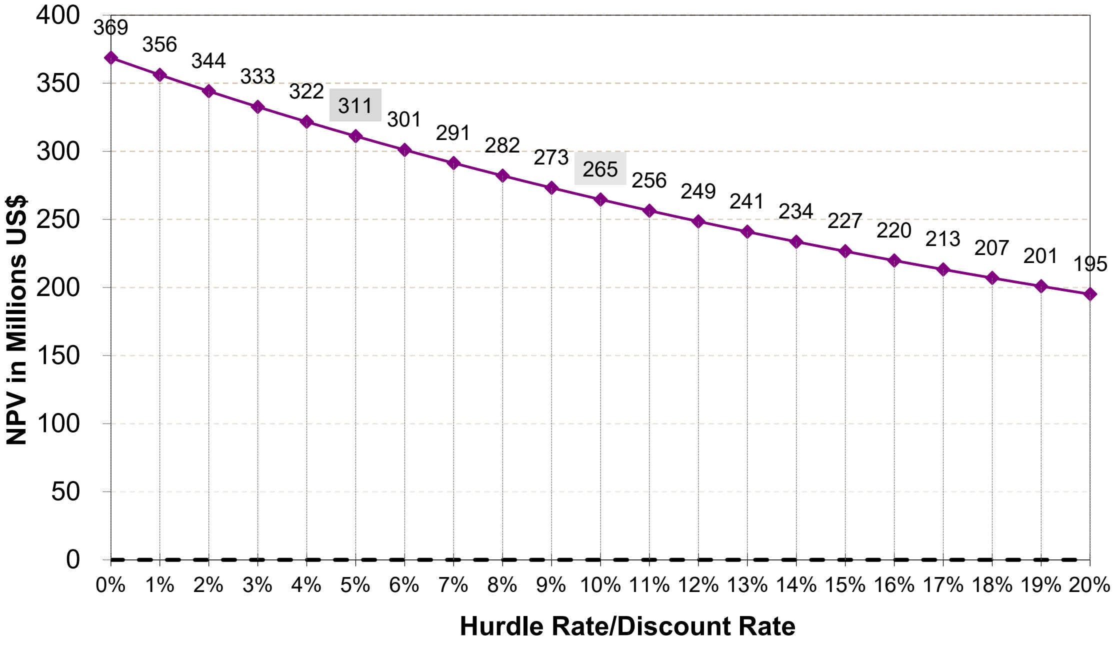


Figure 10-7: Sensitivity of Project Economics to Discount Rate

11.0 RISKS

Mining is carried out in an environment where not all events are predictable.

Whilst no material risks have been identified by SLR, there is still the possibility for unexpected and unpredictable events to occur. It is therefore not totally possible to remove all risks or state with certainty that an event that may have a material impact on the operation of a mine will not occur.

SLR has identified the following risks to the Project.

11.1 Mineral Resources

- There may be additional unidentified cross-cutting dykes in the south of the deposit that impact the resource and pit design in that area.
- The offset (fault) between Lodes 100 and 200 will need better definition during grade control drilling and pit mapping.
- The hanging wall lodes (Lodes 400, 500) are less continuous than the main lodes within the Segilola mineralised zone.

11.2 Mining and Mineral Reserves

- Minor design aspects relating to slope stability, bench height, and pit dewatering during the rainy season may pose a low operational risk.
- Due to the narrow mining width of some of the lodes, there is a risk that dilution in excess of the assumption of 12% dilution may occur with a reduction in head grade to the plant.
- The mining contract structure requires strict adherence to planned volumes. If these are not achieved, unit rates will increase resulting in an increase in operating costs.
- Based on the ore lode dimensions, dilution will remain a risk and achieving 12% or less dilution will require appropriate control and supervision over the ore mining operations.
- High rainfall periods in the wet season (April to October) can lead to materials handling difficulties at ROM pad, and coarse ore stockpile. This will require particularly close attention during the commissioning period and first few months of operations.

11.3 Infrastructure

- The TMF has been designed with a capacity for a LOM of five years. Additional capacity will be required if the LOM is extended.

11.4 Environmental and Social

- The proximity of communities, and some public infrastructure close to the mining activities, to the southern part of south pit will have an impact on the local communities with regard to safety, health, environment, and infrastructure. Close and regular liaison with local communities will be essential.

11.5 Project Schedule

- There is a possibility that the process plant commissioning and production ramp up to full nameplate capacity could be delayed beyond the end of Q3 2021.

12.0 CONCLUSIONS

12.1 Conclusions

SLR offers the following conclusions:

12.1.1 Geology and Mineral Resources

12.1.1.1 Segilola Gold Project

- The Segilola Gold Project is an orogenic-style lode gold deposit which occurs within a regional-scale shear zone. The style of mineralisation is well understood.
- Drilling has delineated three steeply dipping lodes which form an elongate mineralised zone striking 010º and dipping 60º to 70º towards the west within a single robust shear zone, primarily in biotite gneiss. The known mineralised zone is approximately 2,000 m in strike length, between 70 m and 200 m in depth, and between two metres and 20 m in true thickness.
- The drill hole data has been adequately validated with satisfactory quality control analysis. The quantity and quality of the geological, geotechnical, collar, and downhole survey data is sufficient to support Mineral Resource estimation.
- The analytical data is sufficiently reliable to support Mineral Resource estimation.
- The use of OK to estimate the Mineral Resources is considered appropriate based on review of a number of factors, including the quantity and spacing of available data, the interpreted controls on mineralisation, and the style and geometry of mineralisation.
- The resource estimate was constrained with geological and mineralisation interpretations.
- At a cut-off grade of 0.3 g/t Au, the Indicated Mineral Resources for the open pit mine are 3.7 Mt at an average grade of 4.5 g/t Au for 532,000 oz of contained gold. The Inferred Mineral Resources estimated for the proposed open pit mine are 0.3 Mt at an average grade of 2.5 g/t Au containing 3,000 oz of contained gold.
- The Mineral Resource estimate is consistent with the CIM (2014) definitions as incorporated by reference into NI 43-101.
- No significant Mineral Resource risks have been identified by the CP.

12.1.1.2 Douta Gold Project

- Douta is an early stage exploration project located within the Kéniéba inlier in Eastern Senegal.
- A series of drilling programmes have delineated gold mineralisation over a 2.7 km strike length.
- A 10,000 m RC drilling programme in 2020 confirmed the continuity of mineralisation of the deposit along strike for an additional one kilometre.
- To date, insufficient exploration has been completed to allow Mineral Resources to be declared for the Douta Project.

12.1.2 Mining and Mineral Reserves

- The Segilola deposit is amenable to conventional drill, blast and haul open pit mining.
- As of 31 March 2021, the estimated Probable Mineral Reserves are 4.0 Mt at 4.02 g/t Au, for 517,000 oz of contained gold.

- The CP has verified that the Mineral Reserves have positive economics at the applied Mineral gold price of $1,600 per oz gold and is of the opinion that the classification of the estimated Probable Mineral Reserves meets the CIM (2014) definition of Probable Mineral Reserves.
- Approximately 4.0 Mt of ore and 67.0 Mt of waste is planned to be extracted over a period of five years at an average head grade of 4.02 g/t Au.
- Grade control drilling ahead of the mining activities has commenced.
- Mining preparation work has commenced, with site establishment work, road preparation, clearing and grubbing, and initial mining works for the sourcing of suitable material for the run-of-mine (ROM) pad construction.
- All permits for mining operations are in place, all mining equipment has been purchased, and the mining team is preparing for first ore mining.
- The mining contractor is building its mining team.
- SROL has all key technical positions in place.

12.1.3 Mineral Processing

- The process flowsheet and plant are appropriately designed, based on conventional crushing, griding, gravity, and CIL circuits to produce doré gold bars.
- The plant is sized to treat 715,000 tpa of gold bearing ore from the open pit.
- SROL has filled key technical positions and is currently recruiting and training operations and maintenance teams.
- The plant is expected to be commissioned during the Q3 2021. The focus of current activities is on finalising all civil works, installing processing plant equipment, and the start of commissioning.

12.1.4 Project Infrastructure

- The Project is being provided with the necessary infrastructure to mine and process gold ore.
- Based on the observations made during the CP's site visit, and discussion with the Thor site team, the construction of the Project infrastructure is well advanced.
- The camp is being made ready, with teams already occupying office and living space.
- The power generation facility is ready for generator installation. The fuel farm and compressed natural gas (CNG) facilities are being prepared.
- The sample preparation and assay laboratory is being constructed.
- The water storage dam is in place to provide initial processing plant water.
- The tailings management facility (TMF) embankment is at commissioning height and is lined.
- Security Infrastructure is well advanced with the processing plant and camp areas fully walled.
- The mining workshop is under construction.

12.1.5 Environmental, Social and Permitting

- Thor has an in-country and local environmental and social team who are managing environmental and social aspects of the Project.
- The location of the Project is in a modified environment which has been logged for over 100 years and has remnants of gold mining from the 1950s.
- The mine area does not directly impact on the permanent dwellings of the nearest communities.

- The compensation process for the loss of agricultural crops and land has been outlined in the LRP in line with Nigerian legislation and international standards (specifically IFC PS 5 Land Acquisition and Involuntary Resettlement).
- Compensation rates for loss of crops and trees and rental rates for land within the proposed mine footprint have been prepared and endorsed by the MMSD and an inter-ministerial group consisting of State and Federal Government Representatives. Compensation has been paid prior to land clearance and will be completed in Q2 2021.
- Thor has obtained a key environmental permit for the Project, the EIA and the EPRP.
- The EIA has been certified by the Federal Ministry of Environment, subject to standard conditions.
- Management plans have been prepared, or are in the process of preparation, to address environment and/or social impacts during exploration, construction, operation, and closure phases.
- Thor has developed a stakeholder engagement plan for consultation with key project stakeholders over the life of the Project.
- Community Development Agreements (CDAs) provide project benefits to local communities; these have been signed by the three communities near the Project and endorsed by MMSD. Benefits include provision of nine new boreholes; 26 school scholarships to keep vulnerable children in school; and employment opportunities.
- Mine closure is addressed in the EIA and EPRP which identify closure objectives.
- Plans for habitat rehabilitation will be determined in consultation with stakeholders, particularly the local communities.
- A closure fund or bond is a legal requirement however the mechanism has not yet been established in Nigeria. A provision for closure costs has been made in the Project's budget ($4.2 million).

12.1.6 Capital and Operating Costs

- The estimated capital costs are primarily based on the Engineering, Procurement and Construction turnkey contract (EPC Contract) with Norinco International.
- Work commenced on the EPC Contract in February 2020 and is scheduled to achieve EPC Handover in August 2021.
- Total pre-production costs include initial capital for construction of facilities, equipment, and mining pre-production operating costs.
- Based on the status of the Project and engineering definition available the capital cost estimate is in line with a Class 3 estimate defined in the AACE Recommended Practice 47R-11 Cost Estimate Classification System as Applied in the Mining and Mineral Processing Industries. The estimate accuracy is +/-10%.

13.0 DATE AND SIGNATURE PAGE

This report titled 'Competent Person's Report on the Segilola Project, Nigeria' dated 11 June 2021 was prepared and signed by the following authors:

	(Signed and Sealed) ***David J F Smith***
Dated at London, UK 11 June 2021	David J F Smith, CEng, FIMMM Principal Mining Engineer
	(Signed and Sealed) ***Ian Andrew Taylor***
Dated at London, UK 11 June 2021	Ian Andrew Taylor, AusIMM (CP), MAIG] Principal Geologist, Mining Associates Pty Ltd
	(Signed and Sealed) ***Albert Meiring Burger***
Dated at London, UK 11 June 2021	Albert Meiring Burger, SAIMM, SACNASP Principal Consultant, Minexec Pty Ltd
	(Signed and Sealed) ***Charles Patrick Donlon***
Dated at London, UK 11 June 2021	Charles Patrick Donlon, FAusIMM, FSAIMM Associate Principal Metallurgist
	(Signed and Sealed) ***Marion Ann Thomas***
Dated at London, UK 11 June 2021	Marion Ann Thomas, MSc, Pr.Sci.Nat. Associate Principal Environmental and Social Specialist

14.0 APPENDIX 1 – QUALIFICATIONS OF COMPETENT PERSONS

14.1 David J F Smith, CEng, FIMMM

I, David J F Smith, C.Eng., as a Competent Person for this report entitled "Competent Person's Report on the Assets of Thor Explorations Ltd." (the CPR) prepared for Thor Explorations Ltd. and dated 11 June 2021, do hereby certify that:

1. I am Principal Mining Engineer and Technical Director, European Mining Advisory of SLR Consulting Ltd with a business address of Warnford Court, 29 Throgmorton St. London, EC2N 2AT, UK.
2. I am a graduate of the University of Newcastle upon Tyne, United Kingdom in 1978 with a BSc (Eng) in Mining Engineering.
3. I am registered as a Chartered Engineer (Membership #43860) and a Fellow of Institute of Materials, Minerals and Mining (FIMMM). I have worked as a mining engineer for a total of 40 years since my graduation. My relevant experience for the purpose of the Competent Person Report is:
   - Review and report as a mining consultant involved in numerous consulting and engineering assignments including; project technical evaluations, technical report preparation for the purposes of project financing and fund-raisings, regulatory reporting, IPOs, merger and acquisitions, due diligence reviews and engineering studies from scoping to basic engineering.
   - Numerous consulting assignments on gold and base metal mine development projects and operating mines in many countries including several countries in Africa.
   - Senior positions with a leading international mining and tunnelling contractor, managing international mine and tunnel construction projects as well as developing a successful engineering consulting business.
   - Board director for an international mining consulting firm, responsible for leading the UK technical staff, and ensuring the technical quality of the firm's consulting assignments across the consulting division.
4. I have read the definition of Competent Person set out in the AIM Rules of the London Stock Exchange (the AIM Rules) and certify that by reason of my education, affiliation with a professional association and past relevant work experience, I fulfill the requirements of a Competent Person for the purposes of the AIM Rules.
5. I have read CIM (2014) definitions and the AIM Rules, and the CPR has been prepared in compliance with these guidelines.
6. I visited the Segilola Gold Project on 19 to 21 September 2018.
7. I am responsible for overall preparation of the Report, in particular for Sections 1.1, 1.2.4, 1.2.6, 1.3.1, 1.3.5, 1.3.7, 1.3.8, 1.3.9, 2.0, 3.0, 7.0, 9.0, 10.0, 11.3, 12.1.4, and 12.1.6 of the CPR.
8. I am independent of Thor Explorations Ltd.
9. I was an author of a technical report entitled "Technical Report on the Segilola Gold Project Feasibility Study, Osun State, Nigeria" prepared for Thor Explorations Ltd. and dated 18 March 2019.

10. At the effective date of the CPR, to the best of my knowledge, information, and belief, the CPR contains all scientific and technical information that is required to be disclosed to make the CPR not misleading.

(Signed and Sealed) ***David J F Smith***

David JF Smith, CEng, FIMMM
Principal Mining Engineer and
Technical Director, European Mining Advisory
SLR

14.2 Ian Andrew Taylor, B.Sc. (Hons), G.Cert. Geostats, M.AusIMM (CP)

I, Ian Andrew Taylor, B.Sc. (Hons), G.Cert. Geostats, do hereby certify:

1. I am a Principal Geologist with Mining Associates Pty Ltd with a business address at L6 445 Upper Edward Street Spring Hill Queensland 4004.
2. This certificate applies to the Competent Persons Report entitled "Competent Person's Report on the Assets of Thor Explorations Ltd." (the CPR), dated 11 June 2021.
3. I am a graduate of James Cook University (B.Sc. [Hons], 1993) and Edith Cowan University (Graduate Certificate in Geostatistics, 2013).
4. I am a member and chartered professional in good standing of the Australasian Institute of Mining and Metallurgy (#110090). My relevant experience includes more than 25 years in the minerals industry. My work experience includes resource geology, production geology in open pit and underground mines, and exploration roles. I have worked more recently as a consulting geologist and have consulted primarily in relation to gold resource estimates including epithermal gold (high and low sulphur systems), orogenic gold, copper gold and gold-molybdenum (porphyries), skarn, VMS, and unconformity-related uranium resource projects in Australia, Indonesia, Papua New Guinea, Philippines, Fiji, Myanmar, Turkey, and Colombia.
5. I have read the definition of Competent Person set out in the AIM Rules of the London Stock Exchange (the AIM Rules) and certify that by reason of my education, affiliation with a professional association and past relevant work experience, I fulfill the requirements of a Competent Person for the purposes of the AIM Rules.
6. I have read CIM (2014) definitions and the AIM Rules, and the CPR has been prepared in compliance with these guidelines.
7. I have not visited the Segilola Project property.
8. I am responsible for Sections 1.2.1, 1.3.2, 11.1, and 12.1.1 of the CPR.
9. I am independent of Thor Explorations Limited.
10. I have had no prior involvement with the property that is the subject of the CPR.
11. As of the effective date of the CPR, to the best of my knowledge, information, and belief, the sections of the CPR that I am responsible for preparing contain all scientific and technical information that is required to be disclosed to make the CPR not misleading.

Dated this 14th day of May, 2021.

(Signed and Sealed) ***Ian Andrew Taylor***

Ian Andrew Taylor, B.Sc. (Hons), G.Cert. Geostats, M.AusIMM (CP)
Principal Geologist
Mining Associates

14.3 Albert Meiring Burger, MSc (Geology), GDE (Mining Engineering), EIZ, SAIMM, SACNASP

I, Albert Meiring Burger (MSc, GDE), do hereby certify:

1. I am a Principal Consultant with Minexec Pty Ltd with a business address at 8 Plover Road, George, South Africa.
2. This certificate applies to the Competent Persons Report entitled “Competent Person’s Report on the Assets of Thor Explorations Ltd.” (the CPR), dated 11 June 2021.
3. I am a graduate of Free State University (B.Sc. [Hons] 1993), University of Johannesburg previously known as Rand Afrikaans University (M.Sc. (geology) 1995), North West University (B.Sc. (Hons) Environmental Management 1997) and University of the Witwatersrand (GDE Mining Engineering 2001).
4. I am a member and chartered professional in good standing of the Engineering Institute of Zambia (#010802), South African Council for Natural Scientific Professions (#400006/97), South African Institute for Mining and Metallurgy (#707694). My relevant experience includes more than 25 years in the minerals industry. My work experience includes resource geology, production geology in open pit and underground mines, and exploration roles. Mine design, mining review and evaluation, mine planning and production and mine management roles in open pit and underground mines. I have worked more recently as a consulting mine engineer and have consulted primarily in relation to open pit copper and gold reserve estimates, mine valuations and mine due diligence studies in Burkina Faso, Zambia, Democratic Republic of the Congo, Botswana, and Panama.
5. I have read the definition of Competent Person set out in the AIM Rules of the London Stock Exchange (the AIM Rules) and certify that by reason of my education, affiliation with a professional association and past relevant work experience, I fulfill the requirements of a Competent Person for the purposes of the AIM Rules.
6. I have read CIM (2014) definitions and the AIM Rules, and the CPR has been prepared in compliance with these guidelines.
7. I visited the Segilola Project property between 7 and 10 April 2021.
8. I am responsible for Sections 1.2.2, 5.0, 11.2, and 12.1.2 of the CPR.
9. I am independent of Thor Explorations Limited.
10. I have had no prior involvement with the property that is the subject of the CPR.
11. As of the effective date of the CPR, to the best of my knowledge, information, and belief, the sections of the CPR that I am responsible for preparing contain all scientific and technical information that is required to be disclosed to make the CPR not misleading.

Dated this 14th day of May, 2021.

(Signed and Sealed) ***Albert Meiring Burger***

Albert Meiring Burger, MSc, GDE, EIZ, SAIMM, SACNASP
Principal Consultant
Minexec Pty Ltd (on behalf of: Mining Associates)

14.4 Charles Patrick Donlon, FAusIMM, FSAIMM

I, Charles Patrick Donlon, FAusIMM, FSAIMM, as a Competent Person for this report entitled "Competent Person's Report on the Assets of Thor Explorations Ltd." (the CPR) prepared for Thor Explorations Ltd. and dated 11 June 2021, do hereby certify that:

1. I am Associate Principal Metallurgist with SLR Consulting Ltd with a business address of Warnford Court, 29 Throgmorton St. London, EC2N 2AT, UK.
2. I am a graduate of Wits School of Mining, University of Johannesburg, South Africa, in 1986 with a National Diploma and Higher National Diploma in Extractive Metallurgy.
3. I am registered as a Fellow of Australian Institute of Mining and Metallurgy and a Fellow of Southern African Institute of Mining and Metallurgy. I have worked as a mineral processing engineer for a total of 35 years since my graduation. My relevant experience for the purpose of the Competent Person Report is:
    - Numerous engineering and consulting assignments on gold, base metal, PGE, chrome, etc. mine development projects and operating mines in many countries including several countries in Africa.
    - 20 years' experience in technical and operational management roles at gold and gold and uranium operations.
    - 15 years of international consulting experience with resource consulting firms and as an independent consultant.
    - Study manager/lead metallurgical engineer for assignments including Preliminary Economic Assessment, Feasibility Studies, detailed design, value engineering, peer review, operational readiness review, plant commissioning, debottlenecking and process optimisation.
4. I have read the definition of Competent Person set out in the AIM Rules of the London Stock Exchange (the AIM Rules) and certify that by reason of my education, affiliation with a professional association and past relevant work experience, I fulfill the requirements of a Competent Person for the purposes of the AIM Rules.
5. I have read CIM (2014) definitions and the AIM Rules, and the CPR has been prepared in compliance with these guidelines.
6. I did not visit the Segilola Gold Project.
7. I am responsible for preparation of Sections 1.2.3, 1.3.4, 6.0, and 12.1.3 of the CPR.
8. I am independent of Thor Explorations Ltd.
9. I was an author of the Technical Report on the Segilola Gold Project Feasibility Study, Osun State, Nigeria" prepared for Thor Explorations Ltd. and dated 18 March 2019.
10. At the effective date of the CPR, to the best of my knowledge, information, and belief, the CPR contains all scientific and technical information that is required to be disclosed to make the CPR not misleading.

Dated this 14th day of May, 2021.

(Signed and Sealed) ***Albert Meiring Burger***

Charles Patrick Donlon, FAusIMM, FSAIMM
Associate Principal Metallurgist

14.5 Marion Ann Thomas, Pr.Sci.Nat

I, Marion Ann Thomas, MSc, Pr.Sci.Nat., as a Competent Person for this report entitled "Competent Person's Report on the Assets of Thor Explorations Ltd." (the CPR) prepared for Thor Explorations Ltd. and dated 11 June 2021, do hereby certify that:

1. I am an Associate Environmental and Social Consultant with SLR Consulting Ltd with a business address of Warnford Court, 29 Throgmorton St. London, EC2N 2AT, UK.
2. I am a graduate of University of Pretoria in 1991 with a MSc degree.
3. I am a professional natural scientist (Pr.Sci.Nat.: number 120813). I have worked as an environmental and social consultant, and engineering geologist for a total of 35 years since my graduation. My relevant experience for the purpose of the CPR is:
   - Environmental and social due diligence of a gold mine in Mali (placed into care and maintenance) on behalf of potential investors.
   - Environment and social due diligence for two gold mines in Liberia on behalf of investors
   - Environmental and social audits for a gold mine in the Democratic Republic of the Congo as part of legal requirements for operating mines
   - Environmental and social due diligence for a proposed gold mine, Finland on behalf of a consortium of banks
   - ESIA for a proposed gold mine in Liberia; Project Director, technical advisor and client liaison
4. I have read the definition of Competent Person set out in the AIM Rules of the London Stock Exchange (the AIM Rules) and certify that by reason of my education, affiliation with a professional association and past relevant work experience, I fulfill the requirements of a Competent Person for the purposes of the AIM Rules.
5. I visited the Segilola Project on 9 February 2019.
6. I am responsible for Sections 1.2.5, 1.3.6, 8.0, 11.4, and 12.1.5 of the CPR.
7. I am independent of Thor Explorations Ltd.
8. I was an author of a technical report entitled "Technical Report on the Segilola Gold Project Feasibility Study, Osun State, Nigeria" prepared for Thor Explorations Ltd. and dated 18 March 2019.
9. I have read CIM (2014) definitions and the AIM Rules, and the CPR has been prepared in compliance with these guidelines.
10. At the effective date of the CPR, to the best of my knowledge, information, and belief, the sections of the CPR that I am responsible for preparing contain all scientific and technical information that is required to be disclosed to make the CPR not misleading.

Dated 14th day of March 2021

(Signed and Sealed) ***'Marion Ann Thomas'***

Marion Ann Thomas, Pr.Sci.Nat

15.0 APPENDIX 2 – GLOSSARY AND ABBREVIATIONS

15.1 Glossary

Alteration - Any physical or chemical change in a rock or mineral subsequent to its formation. Milder and more localised than metamorphism.

ANFO - Acronym for ammonium nitrate and fuel oil, a mixture used as a blasting agent in many mines.

Assay - A chemical test performed on a sample of ores or minerals to determine the amount of valuable metals contained.

Back - The ceiling or roof of an underground opening.

Backfill - Waste material used to fill the void created by mining an orebody.

Ball Mill - A steel cylinder filled with steel balls into which crushed ore is fed. The ball mill is rotated, causing the balls to cascade and grind the ore.

Basement Rocks - The underlying or older rock mass. Often refers to rocks of Precambrian age which may be covered by younger rocks.

Beneficiate - To concentrate or enrich; often applied to the preparation of iron ore for smelting.

Block Model - a three dimensional mathematical representation of a volume of mineralisation used to estimate tonnage and grade of a deposit.

Breccia - A rock in which angular fragments are surrounded by a mass of fine-grained minerals.

Bulk Mining - Any large-scale, mechanised method of mining involving many thousands of tonnes of ore being brought to surface per day.

Bulk Sample - A large sample of mineralised rock, frequently hundreds of tonnes, selected in such a manner as to be representative of the potential orebody being sampled. Used to determine metallurgical characteristics.

Chip Sample - A method of sampling a rock exposure whereby a regular series of small chips of rock is broken off along a line across the face.

Concentrate - A fine, powdery product of the milling process containing a high percentage of valuable metal.

Contact - A geological term used to describe the line or plane along which two different rock formations meet.

Core - The long cylindrical piece of rock, about an inch in diameter, brought to surface by diamond drilling.

Crosscut - A horizontal opening driven from a shaft and (or near) right angles to the strike of a vein or other orebody.

Cyanidation - A method of extracting exposed gold or silver grains from crushed or ground ore by dissolving it in a weak cyanide solution. May be carried out in tanks inside a mill or in heaps of ore out of doors.

Cyanide - A chemical species containing carbon and nitrogen used to dissolve gold and silver from ore.

Decline - A sloping underground opening for machine access from level to level or from surface; also called a ramp.

Development - Underground work carried out for the purpose of opening up a mineral deposit. Includes shaft sinking, cross-cutting, drifting and raising.

Development Drilling - drilling to establish accurate estimates of mineral reserves.

Diamond Drill - A rotary type of rock drill that cuts a core of rock that is recovered in long cylindrical sections, two cm or more in diameter.

Dilution (mining) - Rock that is, by necessity, removed along with the ore in the mining process, subsequently lowering the grade of the ore.

Dip - The angle at which a vein, structure or rock bed is inclined from the horizontal as measured at right angles to the strike.

Drift - A horizontal underground opening that follows along the length of a vein or rock formation as opposed to a cross-cut which crosses the rock formation.

Exploration - Prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore.

Exploration Target – An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource.

Feasibility Study (FS) – A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.

Flotation - A milling process in which valuable mineral particles are induced to become attached to bubbles and float as others sink.

Footwall - The rock on the underside of a vein or ore structure.

Gangue - The worthless minerals in an ore deposit.

Geochemistry - The study of the chemical properties of rocks.

Geophysical Survey - A scientific method of prospecting that measures the physical properties of rock formations. Common properties investigated include magnetism, specific gravity, electrical conductivity and radioactivity.

Hangingwall - The rock on the upper side of a vein or ore deposit.

Head Grade - The average grade of ore fed into a mill.

Heap Leaching - A process whereby valuable metals, usually gold and silver, are leached from a heap, or pad, of crushed ore by leaching solutions percolating down through the heap and collected from a sloping, impermeable liner below the pad.

Hoist - The machine used for raising and lowering the cage or other conveyance in a shaft.

Host Rock - The rock surrounding an ore deposit.

Hydrothermal - Relating to hot fluids circulating in the earth's crust.

Igneous Rocks - Rocks formed by the solidification of molten material from far below the earth's surface.

Indicated Mineral Resource (CIM 2014 Definition) – An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.

Inferred Mineral Resource (CIM 2014 Definition) –An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

Leaching - A chemical process for the extraction of valuable minerals from ore; also, a natural process by which ground waters dissolve minerals, thus leaving the rock with a smaller proportion of some of the minerals than it contained originally.

Lens - Generally used to describe a body of ore that is thick in the middle and tapers towards the ends.

Lenticular - A deposit having roughly the form of a double convex lens.

Level - The horizontal openings on a working horizon in a mine; it is customary to work mines from a shaft, establishing levels at regular intervals, generally about 50 metres or more apart.

Magnetic Susceptibility - A measure of the degree to which a rock is attracted to a magnet.

Metallurgical coal - Coal used to make steel.

Metallurgy - The study of extracting metals from their ores.

Mill - A plant in which ore is treated and metals are recovered or prepared for smelting; also a revolving drum used for the grinding of ores in preparation for treatment.

Milling ore - Ore that contains sufficient valuable mineral to be treated by milling process.

Mineral - A naturally occurring homogeneous substance having definite physical properties and chemical composition and, if formed under favourable conditions, a definite crystal form.

Mineral Resource (CIM 2014 Definition) – A Mineral Resource is a concentration or occurrence of a solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered.

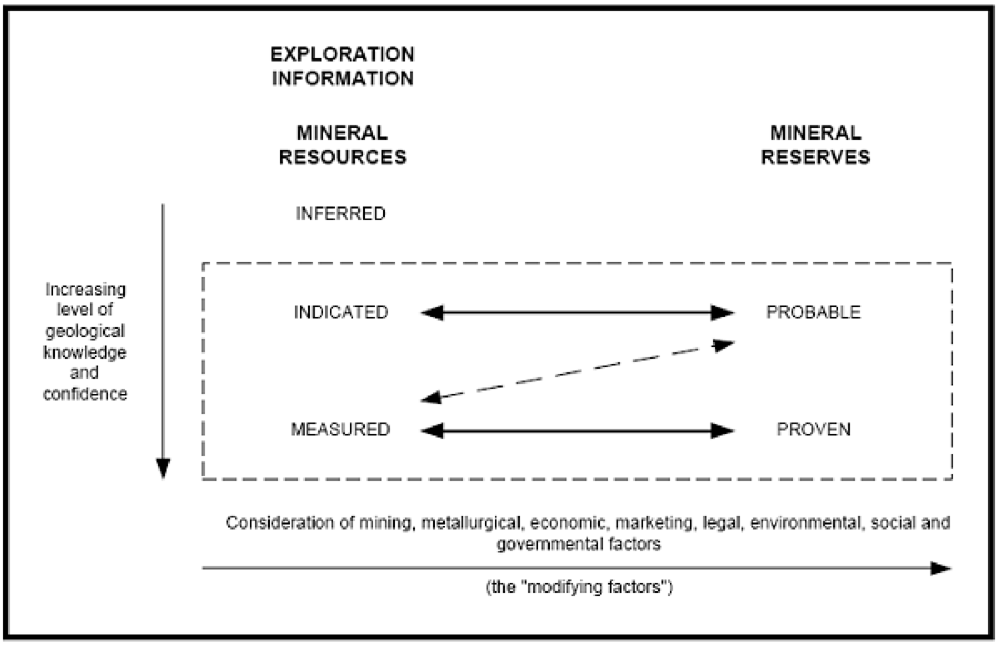
An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Reserve.

Measured Mineral Resource (CIM 2014 Definition) – A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.

Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered.

A Measured Mineral Resource has a higher level of confidence that that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or under certain circumstances to a Probable Mineral Reserve.

Mineral Resource / Reserve Relationship (CIM Definition)



Mineral Reserves – A Mineral Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

The reference point at which Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.

Muck - Ore or rock that has been broken by blasting.

Open Pit - A mine that is entirely on surface. Also referred to as open-cut or open-cast mine.

Ore - A mixture of ore minerals and gangue from which at least one of the metals can be extracted at a profit.

Ore Pass - Vertical or inclined passage for the downward transfer of ore connecting a level with the hoisting shaft or a lower level.

Orebody - A natural concentration of valuable material that can be extracted and sold at a profit.

Oxidation - A chemical reaction caused by exposure to oxygen that results in a change in the chemical composition of a mineral.

Preliminary Feasibility Study (Pre-Feasibility Study) – A Preliminary Feasibility Study (Pre-Feasibility Study) is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a state where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to a Mineral Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

Probable Mineral Reserve (CIM 2014 Definition) –A Probable Ore Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resources. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve.

Proven Mineral Reserve (CIM 2014 Definition) – A Proven Mineral Reserve is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

Pillar - A block of solid ore or other rock left in place to structurally support the shaft, walls or roof of a mine.

Plant - A building or group of buildings in which a process or function is carried out; at a mine site it will include warehouses, hoisting equipment, compressors, maintenance shops, offices and the mill or concentrator.

Porphyry - Any igneous rock in which relatively large crystals, called phenocrysts, are set in a fine-grained groundmass.

Portal - The surface entrance to a tunnel or adit.

Prospect - A mining property, the value of which has not been determined by exploration.

Pulp - Pulverised or ground ore in solution.

Raise - A vertical or inclined underground working that has been excavated from the bottom upward.

Reclamation - The restoration of a site after mining or exploration activity is completed.

Recovery - The percentage of valuable metal in the ore that is recovered by metallurgical treatment.

Refractory Ore - Ore that resists the action of chemical reagents in the normal treatment processes and which may require pressure leaching or other means to effect the full recovery of the valuable minerals.

Rock Mechanics - The study of the mechanical properties of rocks, which includes stress conditions around mine openings and the ability of rocks and underground structures to withstand these stresses.

Sample - A small portion of rock or a mineral deposit taken so that the metal content can be determined by assaying.

Sampling - Selecting a fractional but representative part of a mineral deposit for analysis.

Semi-Autogenous Grinding (SAG) - A method of grinding rock into fine powder whereby the grinding media consist of larger chunks of rocks and steel balls.

Shaft - A vertical or inclined excavation in rock for the purpose of providing access to an orebody. Usually equipped with a hoist at the top, which lowers and raises a conveyance for handling workers and materials.

Shear or Shearing - The deformation of rocks by lateral movement along innumerable parallel planes, generally resulting from pressure and producing such metamorphic structures as cleavage and schistosity.

Shear Zone - A zone in which shearing has occurred on a large scale.

Short ton - 2,000 lbs. avoirdupois.

Sodium Cyanide - A chemical used in the milling of gold ores to dissolve gold and silver.

Solvent Extraction-Electrowinning (SX-EW) - A metallurgical technique, so far applied only to copper ores, in which metal is dissolved from the rock by organic solvents and recovered from solution by electrolysis.

Stockpile - Broken ore heaped on surface, pending treatment or shipment.

Stope - An excavation in a mine from which ore is, or has been, extracted.

Strike - The direction, or bearing from true north, of a vein or rock formation measure on a horizontal surface.

Strip - To remove the overburden or waste rock overlying an orebody in preparation for mining by open pit methods.

Sulphide - A compound of sulphur and some other element.

Sustainable Development - Industrial development that does not detract from the potential of the natural environment to provide benefits to future generations.

Tailings - Material rejected from a mill after most of the recoverable valuable minerals have been extracted.

Tailings Pond - A low-lying depression used to confine tailings, the prime function of which is to allow enough time for heavy metals to settle out or for cyanide to be destroyed before water is discharged into the local watershed.

Thickener - A large, round tank used in milling operations to separate solids from liquids; clear fluid overflows from the tank and rock particles sink to the bottom.

Trench - A long, narrow excavation dug through overburden, or blasted out of rock, to expose a vein or ore structure.

Trend - The direction, in the horizontal plane, of a linear geological feature, such as an ore zone, measured from true north.

Tunnel - A horizontal underground opening, open to the atmosphere at both ends.

Umpire Sample or Assay - An assay made by a third party to provide a basis for settling disputes between buyers and sellers of ore.

Vein - A fissure, fault or crack in a rock filled by minerals that have travelled upwards from some deep source.

Waste - Unmineralised, or sometimes mineralised, rock that is not minable at a profit.

15.2 List of Abbreviations

Units of measurement used in this report conform to the metric system. All currency in this report is US dollars (US$) unless otherwise noted.

m	micron	kVA	kilovolt-amperes
mg	microgram	kW	kilowatt
a	annum	kWh	kilowatt-hour
A	ampere	L	litre
bbl	barrels	lb	pound
Btu	British thermal units	L/s	litres per second
°C	degree Celsius	m	metre
C$	Canadian dollars	M	mega (million); molar
cal	calorie	m^2	square metre
cfm	cubic feet per minute	m^3	cubic metre
cm	centimetre	masl	metres above sea level
cm^2	square centimetre	m^3/h	cubic metres per hour
d	day	mi	mile
dia	diameter	min	minute
dmt	dry metric tonne	mm	micrometre
dwt	dead-weight ton	mm	millimetre
°F	degree Fahrenheit	mph	miles per hour
ft	foot	MVA	megavolt-amperes
ft^2	square foot	MW	megawatt
ft^3	cubic foot	MWh	megawatt-hour
ft/s	foot per second	N	Nigerian naira
g	gram	oz	Troy ounce (31.1035g)
G	giga (billion)	oz/st, opt	ounce per short ton
Gal	Imperial gallon	ppb	part per billion
g/L	gram per litre	ppm	part per million
Gpm	Imperial gallons per minute	psia	pound per square inch absolute
g/t	gram per tonne	psig	pound per square inch gauge
gr/ft^3	grain per cubic foot	RL	relative elevation
gr/m^3	grain per cubic metre	s	second
ha	hectare	st	short ton
hp	horsepower	stpa	short ton per year
hr	hour	stpd	short ton per day
Hz	hertz	t	metric tonne
in.	inch	tpa	metric tonne per year
in^2	square inch	tpd	metric tonne per day
J	joule	US$	United States dollar
k	kilo (thousand)	USg	United States gallon
kcal	kilocalorie	USgpm	US gallon per minute
kg	kilogram	V	volt
km	kilometre	W	watt
km^2	square kilometre	wmt	wet metric tonne
km/h	kilometre per hour	wt%	weight percent
kPa	kilopascal	yd^3	cubic yard
		yr	year

16.0 APPENDIX 3 - REFERENCES

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PART V – HISTORICAL FINANCIAL INFORMATION ON THE GROUP

1. Unaudited interim condensed consolidated financial statements for the three months ended 21 March 2021

THOR EXPLORATIONS LTD

Condensed Consolidated Financial Statements

For the Three Months Ended March 31, 2021, and 2020

(in Canadian Dollars)

THOR EXPLORATIONS LTD.

March 31, 2021
(Unaudited)

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NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed consolidated interim financial statements by an entity's auditor.

THOR EXPLORATIONS LTD.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
In Canadian dollars (unaudited)

	Note	March 31, 2021 $	December 31, 2020 $
ASSETS			
Current			
Cash		**11,070,021**	28,261,552
Restricted cash	6	**4,407,381**	4,460,026
Amounts receivable	7	**3,193,895**	56,705
Prepaid expenses, advances and deposits	8	**648,789**	552,696
Total current assets		**19,320,086**	33,330,979
Deferred income tax assets		**44,099**	46,668
Prepaid expenses, advances and deposits	8	**180,076**	195,284
Right of use assets	9	**71,326**	87,817
Property, plant and equipment	14	**101,513,830**	91,855,883
Exploration and evaluation assets	15	**15,974,793**	15,988,743
Total non-current assets		**117,784,124**	108,174,395
TOTAL ASSETS		**137,104,210**	141,505,374
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	16	**5,411,646**	10,915,964
Lease liabilities	9	**23,805**	38,969
Gold stream liability	10	**10,669,880**	6,068,017
Loans and other borrowings	11	**191,817**	68,279
Total current liabilities		**16,297,148**	17,091,229
Non-current liabilities			
Gold stream liability	10	**22,227,317**	25,348,934
Loans and other borrowings	11	**20,524,641**	20,531,788
Provision for restoration costs	13	**1,266,198**	618,586
Total non-current liabilities		**44,018,156**	46,499,308
SHAREHOLDERS' EQUITY			
Common shares	17	**97,122,584**	97,122,584
Share purchase warrants	17	**533,000**	475,000
Option Reserve	17	**5,846,190**	5,846,190
Currency translation reserve		**(1,810,356)**	(769,689)
Deficit		**(24,902,512)**	(24,759,248)
Total shareholders' equity		**76,788,906**	77,914,837
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**137,104,210**	141,505,374

These consolidated financial statements were approved for issue by the Board of Directors on May 31, 2021, and are signed on its behalf by:

(Signed) "Adrian Coates"
Director

(Signed) "Olusegun Lawson"
Director

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

THOR EXPLORATIONS LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED MARCH 31,
In Canadian dollars (unaudited)

	Note	Three Months Ended March 31, 2021	2020
Continuing operations			
Amortisation and depreciation - owned assets	14	**7,805**	14,318
Amortisation and depreciation - right of use assets	9	**14,346**	14,119
Other administrative expenses	5	**1,401,058**	705,460
Reversal of impairment of receivables		**-**	(70,933)
Impairment of Exploration & Evaluation assets	15	**121,909**	-
Share-based payments		**-**	1,021,271
Loss from operations		**(1,545,118)**	(1,684,235)
Interest expense	9	**(411)**	(1,015)
Foreign exchange gains		**1,460,265**	96,217
Net loss before taxes		**$ (85,264)**	$ (1,589,033)
Tax expense		**-**	-
Net (loss) for the period		**$ (85,264)**	$ (1,589,033)
Other comprehensive income			
Foreign currency translation loss attributed to equity shareholders of the company*		**(1,040,667)**	1,192,294
Total comprehensive (loss) for the period		**$ (1,125,931)**	$ (396,739)
Net loss per share - basic and diluted	18	**$ 0.000**	$ (0.004)
Weighted average number of common shares outstanding - basic and diluted		**621,405,975**	449,352,215

* Items that may be reclassified to profit or loss.

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

THOR EXPLORATIONS LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31,
In Canadian dollars (unaudited)

	Note	Three Months Ended March 31, 2021	2020
Cash flows from (used in):			
Operating activities			
Net loss for the period		**$ (85,264)**	$ (1,589,033)
Adjustments for:			
Foreign exchange gains		**(1,131,070)**	(509,307)
Impairment of receivables		**-**	(70,933)
Impairment of Exploration & Evaluation Assets	15	**121,909**	
Depreciation		**22,152**	28,437
Share based payments			1,021,271
Current income taxes			
Deferred income tax recovery			
Interest expense	9	**411**	1,015
Changes in non-cash working capital items	20	**(3,118,417)**	62,763
Cash utilized in operations		**(4,190,279)**	(1,055,787)
Adjustments to net loss for cash items			
Realized foreign exchange loss / (gain)		**241,754**	(4,964)
Net operating cash flows		**(3,948,525)**	(1,060,751)
Investing activities			
Purchases of property, plant and equipment	14	**(1,260,198)**	(112,387)
Assets under construction expenditures	14	**(11,562,225)**	(5,239,878)
Exploration and evaluation expenditures	15	**(742,364)**	(69,868)
Net investing cash flows		**(13,564,787)**	(5,422,133)
Financing			
Share subscriptions	17	**-**	1,068,805
Borrowing costs paid	11	**(91,556)**	-
Share issue costs	17	**-**	(29,207)
Payment of lease liabilities	9	**(15,471)**	(15,405)
Net financing cash flows		**(107,027)**	1,024,193
Effect of exchange rates on cash		**428,808**	474,309
Net change in cash		**(17,191,531)**	(4,984,382)
Cash, beginning of the period		**28,261,552**	5,402,920
Cash, end of the year		**$ 11,070,021**	$ 418,538

Supplemental cash flow information (Note 20)

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

THOR EXPLORATIONS LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
In Canadian dollars (unaudited)

	Note	Common Shares	Share purchase warrants	Option Reserve	Currency translation reserve	Deficit	Total shareholders' equity
Balance on December 31, 2019		**$ 67,550,111**	**$ 533,000**	**$ 4,902,308**	**$ 559,126**	**$ (20,961,259)**	**$ 52,583,286**
Share issuance costs	17	(9,940)	-	-	-	-	(9,940)
Issue of share options	17	-	-	1,078,000	-	-	1,078,000
Net loss for the period		-	-	-	-	(1,589,033)	(1,589,033)
Comprehensive income		-	-	-	1,192,294	-	1,192,294
Balance on March 31, 2020		**$ 67,540,171**	**$ 533,000**	**$ 5,980,308**	**$ 1,751,420**	**$ (22,550,292)**	**$ 53,254,607**
Private placements	17	30,774,915	-				30,774,915
Share issuance costs	17	(1,234,502)	-	-	-	-	(1,234,502)
Writeback of warrants expired	17	-	(58,000)	-	-	58,000	-
Share based payments	17	-	-	(120,000)	-		(120,000)
Options exercised	17	42,000	-	(14,118)	-	14,118	42,000
Net loss for the period		-	-	-	-	(2,281,074)	(2,281,074)
Comprehensive income (loss)		-	-	-	(2,521,109)	-	(2,521,109)
Balance on December 31, 2020		**$ 97,122,584**	**$ 475,000**	**$ 5,846,190**	**$ (769,689)**	**$ (24,759,248)**	**$ 77,914,837**
Share issuance costs	17	-		-	-	-	-
Issue of share options	17	-	-	-	-	-	-
Reinstatement of warrants	17	-	58,000	-	-	(58,000)	-
Net loss for the period		-	-	-	-	(85,264)	(85,264)
Comprehensive income (loss)		-	-	-	(1,040,667)	-	(1,040,667)
Balance on March 31, 2021		**$ 97,122,584**	**$ 533,000**	**$ 5,846,190**	**$ (1,810,356)**	**$ (24,902,512)**	**$ 76,788,906**

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

1. CORPORATE INFORMATION

Thor Explorations Ltd. N.P.L. was incorporated on September 11, 1968, under certificate number 81705 as a specially limited company pursuant to the Company Act (British Columbia, Canada). On December 4, 2001, Thor Explorations Ltd. N.P.L. changed its name to Thor Explorations Ltd. ("Old Thor"). On March 28, 2006, Old Thor transitioned to the British Columbia Business Corporations Act and on August 24, 2007, Old Thor resolved to remove the pre-existing company provisions applicable to Old Thor. Effective on September 1, 2009, Old Thor amalgamated with Magnate Ventures Inc. The amalgamated entity continued as Thor Explorations Ltd. ("Thor" or the "Company"). Thor trades on the TSX Venture exchange under the symbol "THX-V".

The Company is a natural resources company with no revenue, engaged in the acquisition, exploration and development of mineral properties, and is currently focused on gold projects located in West Africa.

The Company's registered office is located at 550 Burrard Street, Suite 2900, Vancouver, BC, Canada, V6C 0A3.

2. BASIS OF PREPARATION

a) Statement of compliance

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

b) Basis of measurement

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis, and are presented in Canadian dollars, unless otherwise indicated.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. A precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements for a period involves the use of estimates, which have been made using careful judgment. Actual results may differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the unaudited condensed financial statements are discussed in Note 4.

2. BASIS OF PREPARATION (continued)

c) Nature of operations and going concern

As at March 31, 2021, the Company had cash of $11,070,021, restricted cash of $4,407,381 and net working capital excluding Gold Stream repayments which are contingent upon production of $14,191,673. The Company has undrawn debt facilities of $41 million (US$32.5 million) which will provide sufficient funding for the completion of the construction of its Segilola Gold Mine ("Segilola") in Osun state, Nigeria.

The predominant focus of operational activities will be the development of Segilola through to production. The Board has reviewed the Group's cash flow forecasts up until December 2022, having regard to its current financial position and operational objectives. The Board is satisfied that the Group has sufficient financial resources to meet its commitments for at least the next twelve months.

The emergence of the Covid-19 coronavirus pandemic has caused a severe adverse effect on the business environment on a global scale. The Group may be affected by disruptions to its operations in one or more locations, particularly for the foreseeable future in light of government responses to the spread of Covid-19 or other potential pandemics.

The Board is aware of the various risks that the pandemic presents that include but are not limited to financial, operational, staff and community health and safety, logistical challenges and government regulation. At present the Board believes that there should be no significant material disruption to its operations in Nigeria and continues to monitor these risks and the Group's business continuity plans. Management maintains constant dialogue with local the Nigerian government and monitors the situation among the local communities as well as the broader environment.

The Group's operations in Senegal have not been impacted by Covid-19 and exploration activities are continuing.

The Board has considered the operational disruption that could be caused by factors such as delays to commercial production, illness amongst workforce caused by Covid-19, and potential disruptions to supply chains. The Board has conducted sensitivity testing of its cash flow forecasts factoring in these potential impacts and it has considered reasonable mitigating actions to its forecasts and sensitivity scenarios. The major focus on sensitivity testing was on the anticipated production from its soon to be completed Segilola Gold Mine. Scenarios considered included a delay by four months in commissioning of the mine and a fall in the gold price were considered. The forecast cashflows are based on a gold price of US$1,600/oz and the current gold price is circa US$1,900/oz. The life of mine all in sustaining cost at Segilola is US$685/oz providing the Group with a significant margin of safety from any material fall in the gold price. In the event of a material delay in commissioning at Segilola, the Group has mitigating actions available to minimize the impact of the delay including liquidated damages that are payable under the EPC contract (US$1.6m per month), DSU insurance which covers the full interest chargeable under the Secured Senior Debt Facility (US$0.5m per month), and triggering a suspension of mining under the terms of the Mining Contract.

The Board is satisfied that the mitigating actions available should there be a significant delay to commissioning of the Segilola Gold Mine will not jeopardize the Group's ability to continue as a going concern.

In Canadian dollars, except where noted (unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described below have been applied consistently to all periods presented in these unaudited condensed consolidated interim financial statements unless otherwise stated.

a) Consolidation principles

Assets, liabilities, revenues and expenses of the subsidiaries are recognized in accordance with the Company's accounting policies. Intercompany transactions and balances are eliminated upon consolidation.

b) Details of the group

In addition to the Company, these unaudited condensed consolidated interim financial statements include all subsidiaries of the Company. Subsidiaries are all corporations over which the Company has power over the Subsidiary and it is exposed to variable returns from the Subsidiary and it has the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The audited consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity, with Subsidiaries being fully consolidated from the date on which control is acquired by the Company. They are de-consolidated from the date that control by the Company ceases.

The subsidiaries of the Company are as follows:

Company	Location	Incorporated	Interest
Thor Investments (BVI) Ltd. ("Thor BVI")	British Virgin Islands	June 30, 2011	100%
African Star Resources Incorporated ("African Star")	British Virgin Islands	March 31, 2011	100%
Segilola Resources Incorporated ("SR BVI")	British Virgin Islands	March 10, 2020	100%
African Star Resources SARL ("African Star SARL")	Senegal	July 14, 2011	100%
Argento Exploration BF SARL ("Argento BF SARL")	Burkina Faso	September 15, 2010	100%
AFC Constelor Panafrican Resources SARL ("AFC Constelor SARL")	Burkina Faso	December 9, 2011	100%
Segilola Resources Operating Limited ("SROL")	Nigeria	August 18, 2016	100%
Segilola Gold Limited ("SGL")	Nigeria	August 18, 2016	100%

There have been no changes in ownership interest from the previous year.

c) Foreign currency translation

Functional and presentation currency

The Company's presentation currency is the Canadian dollar ("$"). The functional currency for the Company, being the currency of the primary economic environment in which the Company operates, is the Canadian dollar. The individual financial statements of each of the Company's wholly owned subsidiaries are prepared in the currency of the primary economic environment in which it operates (its functional currency).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exchange rates published by the Bank of Canada and Oanda were used to translate the Thor BVI, African Star, SR BVI, African Star SARL, Argento BF SARL, AFC Constelor SARL, SROL and SGL's financial statements into the Canadian dollar in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*. This standard requires, on consolidation, that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e., the average rate for the period). The foreign exchange differences on translation of subsidiaries Thor BVI, African Star, SR BVI, African Star SARL, Argento BF SARL, AFC Constelor SARL, SROL and SGL are recognized in other comprehensive income (loss). Exchange differences arising on the net investment in subsidiaries are recognised in other comprehensive income.

Foreign currency transactions
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. 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 profit and loss.

d) Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset/liability and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts/payments through the expected life of the financial asset/liability or, where appropriate, a shorter period. Costs directly relating to financing facilities are initially recognised against the loan balance, and subsequently released to the income statement over the term of the facility.

Derecognition of financial assets and liabilities

<u>Financial assets</u>
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Financial Assets

Under IFRS 9, the Group classifies its financial assets into the following categories: those to be held at amortised cost, and those to be measured subsequently at fair value through profit and loss.
Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of financial assets at initial recognition. The Group's business model is primarily that of "hold to collect" (where assets are held in order to collect contractual cash flows).

Amortised cost: these assets arise principally from the provision of goods and services to customers, but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Amounts receivables are measured at amortised cost using the effective interest rate method, less impairment.

Cash and cash equivalents

Cash and cash equivalents represent cash balances held at bank and on demand deposits. Cash and cash equivalents are measured at amortised cost.

Restricted cash represent cash balances held in bank accounts that are ring fenced to be applied to the construction costs at the Company's Segilola Gold Mine in Nigeria.

The Group does not hold any financial assets that meet conditions for subsequent recognition at fair value through other comprehensive income.

As at March 31, 2021 the Company had $4.4 million (US$3.5 million) that is accounted for separately from cash and cash equivalents. It is classified as restricted cash as the funds are not freely available for the Company's use. Refer to Note 7.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of Financial Assets

The Group recognizes a loss allowance for expected credit losses ("ECL") on financial assets that are measured at amortised cost which comprise mainly of receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. Impairment provisions for other receivables are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Financial Liabilities

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics.

Financial liabilities are initially recorded on trade date, being the date on which the Group becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Group's financial liabilities approximate to their fair values.

The Group's financial liabilities consist of financial liabilities measured at amortised cost. These comprise Loans and borrowings, accounts payable, accrued liabilities and deferred payment. Loans and borrowings are initially recognized at fair value, net of transaction costs incurred. They are subsequently stated at amortised cost with any difference between the proceeds (net of transaction costs) and the redemption value recognized in the statement of comprehensive loss over the period of the loans and borrowings using the effective interest rate method. If estimates of future payments are revised, the carrying amount of the financial liability is adjusted to reflect actual and revised estimated cash flows.

Where financial liabilities are settled through the issue of shares, the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued, is recognized in profit or loss.

Gold Stream arrangement

On April 29, 2020, the Company announced the completion of financing requirements for the development of the Segilola Gold Project in Nigeria. The financing included a US$21 million gold stream prepayment pursuant to a Gold Stream Arrangement ("GSA") entered in to with the African Finance Corporation ("AFC").

Under the terms of the GSA an advance payment of US$21 million was received. Upon the commencement of production at Segilola the AFC will have the right to receive 10.27% of gold produced from the Group's ML41 mining license. Once the initial liability has been repaid in full any further gold production will be delivered under the terms of the GSA up to the money multiple limit of 2.25 times the initial advance. The total maximum amount payable to the AFC under this agreement is US$47.25m including the repayment of the initial US$21 million advance. The advanced payment has been recorded as a contract liability based on the facts and terms of the arrangement and own use exemptions considerations.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Gold Stream arrangement continued

The maximum US$26.25 million payable after the initial US$21 million has been settled has been identified as a significant financing component. The deemed interest rate is calculated at inception, using the production plan and gold price estimates and released over the term of the arrangement as interest expense in the income statement upon commencement of production. The deemed interest rate will be recalculated at each reporting period and restated based on changes to the expected production profile and gold price estimates.

Revenue from the streaming arrangement will be recognized under IFRS 15 when the customer obtains control of the gold and the Group has satisfied its performance obligations. The revenue recognized reduces the contract liability balance.

Capitalisation of borrowing costs

Interest on borrowings directly relating to the financing of qualifying capital projects under construction is added to the capitalised cost of those projects during the construction phase, until such time as the assets are substantially ready for their intended use or sale which, in the case of mining properties, is when they are capable of commercial production. Where funds have been borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the period.
All other borrowing costs are recognised in the income statement in the period in which they are incurred.

e) Property, plant and equipment

Recognition and Measurement
On initial recognition, property, plant and equipment is valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions. Property, plant and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent Costs
The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment continued

Gains and Losses
Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other income in profit or loss.

Depreciation
Depreciation on property plant & equipment is recognized in profit or loss except where depreciation is directly attributable to mineral properties owned by the Group that are classified as either Exploration & Evaluation of Assets Under Construction. Depreciation in this instance is capitalized to the value of the mineral property asset (refer to Note 15). Depreciation is provided on a straight-line basis over the estimated useful life of the assets as follows:

	Rate
Motor vehicles	20-33%
Plant and machinery	20-25%
Office furniture	20-33%
Software	20-25%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

f) Assets under construction

Assets under construction comprise development projects and assets in the course of construction at both the mine development and production phases.

Development projects comprise interests in mining projects where the ore body is considered commercially recoverable and the development activities are ongoing. Expenditure incurred on a development project is recorded at cost, less applicable accumulated impairment losses. Interest on borrowings, incurred for the purpose of the establishment of mining assets, is capitalised during the construction phase.

The cost of an asset in the course of construction comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use, at which point it is transferred from assets under construction to other relevant categories and depreciation commences.

Assets under construction are not depreciated.

Upon commercial production being achieved assets under construction will be re-categorised as Mining Property, and any costs will be depleted using a units of production method.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Exploration and evaluation expenditures

Acquisition costs
The fair value of all consideration paid to acquire an unproven mineral interest is capitalized, including amounts due under option agreements. Consideration may include cash, loans or other financial liabilities, and equity instruments including common shares and share purchase warrants.

Exploration and evaluation expenditures
All costs incurred prior to legal title are expensed in the consolidated statement of comprehensive loss in the year in which they are incurred. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation assets in respect of that project are deemed to be impaired. As a result, those exploration and evaluation assets, in excess of estimated realisable value, are written off to the statement of comprehensive loss.

At such time as commercial feasibility is established, project finance has been raised, appropriate permits are in place and a development decision is reached, the costs associated with that property will be transferred to and re-categorised as Assets under construction.

Farm-in agreements
As is common practice in the mineral exploration industry, the Company may acquire or dispose of all, or a portion of, an exploration and evaluation asset under a farm-in agreement. Farm-in agreements typically call for the payment of cash, issue of shares and/or incurrence of exploration and evaluation costs over a period of time, often several years, entirely at the discretion of the party farming-in. The Company recognizes amounts payable under a farm-in agreement when the amount is due and when the Company has no contractual rights to avoid making the payment. The Company recognizes amounts receivable under a farm-in agreement only when the party farming-in has irrevocably committed to the transfer of economic resources to the Company, which often occurs only when the amount is received. Amounts received under farm-in agreements reduce the capitalized costs of the optioned unproven mineral interest to nil, and are then recognized as income.

h) Impairment of non-current assets

Impairment tests for non-current assets are performed when there is an indication of impairment. At each reporting date, an assessment is made to determine whether there are any indications of impairment. Prior to carrying out impairment reviews, the significant cash generating units are assessed to determine whether they should be reviewed under the requirements of IAS 36 - Impairment of Assets for property plant and equipment, or IFRS 6 - Exploration for and Evaluation of Mineral Resources.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-current assets (continued)

Impairment reviews performed under IAS 36 are carried out on a periodic basis to ensure that the value recognised on the Statement of Financial Position is not greater than the recoverable amount. Recoverable amount is defined as the higher of an asset's fair value less costs of disposal, and its value in use.

Impairment reviews performed under IFRS 6 are carried out on a project-by-project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise; typically when one of the following circumstances applies:
(i) sufficient data exists that render the resource uneconomic and unlikely to be developed
(ii) title to the asset is compromised
(iii) budgeted or planned expenditure is not expected in the foreseeable future
(iv) insufficient discovery of commercially viable resources leading to the discontinuation of activities

If any indication of impairment exists, an estimate of the non-current asset's recoverable amount is calculated. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value in use. If the carrying value of a non-current asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the statement of comprehensive loss so as to reduce the carrying amount of the non-current asset to its recoverable amount.

i) Income taxes

Income tax expense is comprised of current and deferred income taxes. Current and deferred income taxes are recognized in profit and loss, except for income taxes relating to items recognized directly in equity or other comprehensive income.

Current income tax, if any, is the expected amount payable or receivable on the taxable income or loss for the year, calculated in accordance with applicable taxation laws and regulations, using income tax rates enacted or substantively enacted at the end of the reporting period, and any adjustments to amounts payable or receivable relating to previous years.

Deferred income taxes are provided using the liability method based on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using income tax rates and income tax laws and regulations that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that do not affect accounting or taxable profit
- goodwill
- investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

j) Basic and diluted income or loss per share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of commons shares outstanding during the year. Diluted income per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. Fully diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts for the basic and diluted loss per share.

k) Comprehensive income (loss)

Comprehensive income (loss) is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income (loss) that are excluded from net earnings (loss). The main element of comprehensive income (loss) is the foreign exchange effect of translating the financial statements of the subsidiaries from local functional currencies into Canadian dollars upon consolidation. Movements in the exchange rates of the US Dollar, Pound Sterling, Nigerian Naira and West African Franc to the Canadian dollar will affect the size of the comprehensive income (loss).

l) Share-based payments

Where options are awarded for services the fair value, at the grant date, of equity-settled share awards is either charged to income or loss, or capitalized to assets under construction where the underlying personnel cost is also capitalized, over the period for which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in the Options reserve. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. Where warrants are awarded in connection with the issue of common shares the fair value, at the grant date, is transferred from common shares with the corresponding accrued entitlement recorded in the share purchase warrants reserve. The fair value of options and warrants awards is calculated using the Black-Scholes option pricing model which considers the following factors:

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share based payments (continued)

When equity instruments are modified, if the modification increases the fair value of the award, the additional cost must be recognised over the period from the modification date until the vesting date of the modified award.

m) Decommissioning, site rehabilitation and environmental costs

The Group is required to restore mine and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities and consistent with the Group's environmental policies. The net present value of estimated future rehabilitation costs is provided for in the financial statements and capitalised within property, plant and equipment on initial recognition. The capitalised cost is amortised on a unit of production basis. Unwinding of the discount is recognised as finance cost in the statement of comprehensive income as it occurs. Changes in estimates are dealt with on a prospective basis as they arise. The costs of on-going programmes to prevent and control pollution and to rehabilitate the environment are charged to profit or loss as incurred.

n) Leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- There is an identified asset;
- The Group obtains substantially all the economic benefits from use of the asset; and,
- The Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise from use of the asset. In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and,
- Any penalties payable for terminating the lease, if the term of the lease has been estimated based on termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and,
- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

o) Interest income

Interest income is recognized as earned, provided that collection is assessed as being reasonably assured.

p) Provisions

Provisions are recognised when the Group has a present obligation, legal or constructive, resulting from past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation.

q) Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the Group.

Contingent liabilities also include obligations that are not recognised because their amount cannot be measured reliably or because settlement is not probable. Contingent liabilities do not include provisions for which it is certain that the Group has a present obligation that is more likely than not to lead to an outflow of cash or other economic resources, even though the amount or timing is uncertain.
Unless the possibility of an outflow of economic resources is remote, a contingent liability is disclosed in the notes to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

r) Application of new and revised International Financial Reporting Standards

There were no new standards or interpretations effective for the first time for periods beginning on or after January 1, 2021, that had a significant effect on the Group's financial statements.

s) Future accounting pronouncements

There are no standards issued by IASB, but not yet effective, that are expected to have a material impact of the group.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in net and/or comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

a) Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, relate to, but are not limited to, the following:

(i) *Accounting treatment of Gold Stream Liability*

Determining the appropriate accounting treatment for the Gold Stream Liability is not an accounting policy choice, rather it is an assessment of the specific facts and circumstances and requires judgement. The Company has reviewed the terms of the Gold Sale Agreement and determined that it constitutes a commodity arrangement as it is an arrangement to deliver an amount of the commodity from the Group's own Segilola Gold Project operation, and does not constitute a contract liability under IFRS 15.

The principal accounting estimates in calculating the value of the Gold Stream Liability are production plan, gold price, the implied interest rate and future repayment profile. The buy-out option contained in the Gold Sale Agreement has been estimated at nil. In calculating the deemed interest rate for interest expense that will be released over the term of the Agreement, estimates of both the production plan and gold price will be the key variables. The deemed interest rate will be recalculated at each reporting period and restated based on changes to the expected production profile and gold price estimates, which will result in a revision to estimated future payments. Any change in future payments will result in a revision of the deemed interest rate.

The period-end Gold Stream obligation uses forward curve information based on the period-end gold spot price, which was US$1,925 /oz at March 31, 2021. A 1% change in gold production estimates would result in an impact of less than US$0.023 million on the Gold Stream liability.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

b) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

(i) *Impairment of exploration and evaluation assets*
In accordance with IFRS 6 *Exploration for and Evaluation of Mineral Resources*, management is required to assess impairment in respect of the intangible exploration and evaluation assets. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

Management has determined that it is appropriate to impair fully the value of the Central Houndé Project in Burkina Faso following the unsuccessful attempt by Barrick Gold to dispose of its 51% interest in the license. An impairment charge of $121,909 has been charged to the Consolidated Statement of Comprehensive Loss. There were no impairment indicators present in respect of any of the other exploration and evaluation assets and as such, no additional impairment test was performed.

(ii) *Impairment of property, plant and equipment*
The Company has determined that there were no impairment indicators present in respect of the Segilola Gold Mine in accordance with IAS 36 and determined that no impairment was required to be recognised.

(iii) *Restoration, site rehabilitation and environmental costs*
The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate of the rehabilitation costs in the period in which they are incurred. This estimate includes judgements from management in respect of which costs are expected to be incurred in the future, the timing of these costs and their present value. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision. Such changes could similarly impact the useful lives of assets depreciated on a straight-line-basis, where those lives are limited to the life of mine. A 1% change in the discount rate on the Group's rehabilitation estimates would result in an impact of $0.05 million (2020: $nil) on the provision for environmental and site restoration. The value of the year- end restoration provision is disclosed within note 13.

In Canadian dollars, except where noted (unaudited)

5. OTHER ADMINISTRATIVE EXPENSES

	Note	Three Months Ended March 31, 2021	2020
Audit and legal		$ **121,962**	$ 19,780
Consulting fees		**86,732**	159,628
Directors' fees	20	**111,156**	86,106
Salaries and benefits		**402,149**	233,262
Listing and filing fees		**4,042**	6,350
Investor relations and transfer agent		**62,714**	75,182
Bank charges		**16,416**	6,055
Office and miscellaneous		**75,426**	57,411
Travel		**29,182**	61,686
Equipment hire		**491,279**	-
		$ **1,401,058**	$ 705,460

In Canadian dollars, except where noted (unaudited)

6. RESTRICTED CASH

		March 31, 2021		December 31, 2020
Restricted cash	$	**4,407,381**	$	4,460,026

On December 1, 2020, announced that its subsidiary Segilola Resources Operating Limited ("SROL") had completed the financial closing of a US$54 million project finance senior debt facility ("the Facility") from the Africa Finance Corporation for the construction of the Segilola Gold Project in Nigeria. The Facility can be drawn down at the Group's request in minimum disbursements of US$5 million. Following the closing SROL received a disbursement of US$21.5 million ($27.9 million), representing 40% of the facility. Under the terms of the facility, the Company was required to place a total of US$3.5 million ($4.4 million) into a cost overrun bank account that can only be used for expenditure on the development of the Segilola Gold Project in the event of construction costs exceeding budget. Accordingly, the balance of the cost overrun bank account at the reporting date has been shown separately from Cash on the Statement of Financial Position. Refer to Note 12 for further detail on the facility.

7. AMOUNTS RECEIVABLE

		March 31, 2021		December 31, 2020
GST	$	**2,948**	$	1,414
Advances to third parties		**3,147,830**		-
Other receivables		**43,117**		55,291
	$	**3,193,895**	$	56,705

During the period under review the Company made an advance of US$2.5m ($3.14m) to the EPC contractor to facilitate the continuing construction of the Segilola Gold Mine. The advances are free of interest and will be repaid before the end of June 2021.
The value of receivables recorded on the balance sheet is approximate to their recoverable value and there are no expected material credit losses.

8. PREPAID EXPENSES, ADVANCES AND DEPOSITS

		March 31, 2021		December 31, 2020
Current:				
Insurance	$	**31,979**	$	47,973
Gold Stream liability arrangement fees		**52,250**		52,910
Other deposits		**465,160**		295,795
Other prepayments		**99,400**		156,018
	$	**648,789**		552,696
Non-current:				
Gold Stream liability arrangement fees	$	**156,749**	$	171,957
Other prepayments		**23,327**		23,327
	$	**180,076**	$	195,284

In Canadian dollars, except where noted (unaudited)

9. LEASES

The Group accounting for leases in accordance with IFRS 16. The definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2019.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases which have low value, or short-term leases with a duration of 12 months or less. The payments associated with such leases are charged directly to the income statement on a straight-line basis over the lease term. $14,757 (2020 year: $59,778) has been expensed in the period in relation to low value and short- term leases. In addition, the Group will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Group will include the payments due under the lease in its lease liability.

The key impacts on the Statement of Comprehensive Loss and the Statement of Financial Position for the period ended March 31, 2021, were as follows:

	Right of use asset	Lease liability	Income statement
Carrying value December 31, 2020	$ 87,817	$ (38,969)	$ -
New leases entered in to during the period	-	-	-
Depreciation	(16,307)	-	(14,346)
Interest	-	(411)	(411)
Lease payments	-	15,471	-
Foreign exchange movement	(184)	104	(80)
Carrying value at March 31, 2021	$ 71,326	$ (23,805)	$ (14,837)

Total depreciation for the year under IFRS 16 was $16,307. Of the total depreciation charge, $14,346 was charged to the Statement of Comprehensive Loss, and $1,961 was capitalized to Assets Under Construction.

The key impacts on the Statement of Comprehensive Loss and the Statement of Financial Position for the year ended December 31, 2020, were as follows:

	Right of use asset	Lease liability	Income statement
Balance on transition	$ 108,177	$ (96,665)	$ -
New leases entered in to during the year	41,969	(41,969)	-
Depreciation	(60,559)	-	(56,619)
Interest	-	(3,159)	(3,159)
Lease payments	-	103,009	-
Foreign exchange movement	(1770)	(185)	(1,955)
Carrying value at 31 December 2019	$ 87,817	$ (38,969)	$ (61,733)

In Canadian dollars, except where noted (unaudited)

10. GOLD STREAM LIABILITY

Gold stream liability

		March 31, 2021 Total		December 31, 2020 Total
Balance at Beginning of period	$	31,416,951	$	-
Drawdown		-		28,197,777
Interest at the effective interest rate		2,131,573		4,545,134
Foreign exchange movement		(651,327)		(1,325,960)
Balance at End of period	$	32,897,197	$	31,416,951
Current liability		10,669,880		6,068,017
Non-current liability		22,227,317		25,348,934

On April 29, 2020, the Company announced the closing of project financing for its flagship Segilola Gold Project ("Segilola") in Osun State, Nigeria. The financing included a US$21 million gold stream upfront deposit ("the Prepayment") over future gold production at Segilola under the terms of a Gold Purchase and Sale Agreement ("GSA") entered in to between the Company's wholly owned subsidiary SROL and the AFC. The Prepayment is secured over the shares in SROL as well as over SROL's assets, and is not subject to interest. The initial term of the GSA is for ten years with an automatic extension of a further ten years. The AFC will receive 10.27% of gold production from the Segilola ML41 mining license until the US$21 million Prepayment has been repaid in full. Thereafter the AFC will continue to receive 10.27% of gold production from material mined within the ML41 mining license until a further US$26.25 million is received, representing a total money multiple of 2.25 times the value of the Prepayment, at which point the GSA will terminate. The AFC are not entitled to receive an allocation of gold production from material mined from any of the Group's other gold tenements under the terms of the GSA.

The US$26.25 million represents interest on the Prepayment. A calculation of the implied interest rate was made as at drawdown date with interest being apportioned over the expected life of the Stream Facility. The principal input variables used in calculating the implied interest rate and repayment profile were production profile and gold price. The future gold price estimates are based on market forecast reports for the years 2021 to 2025 and, the production profile is based on the latest life of mine plan model. The liability will be re-estimated on a periodic basis to include changes to the production profile, any extension to the life of mine plan and movement in the gold price. Upon commencement of production, any change to the implied interest rate will be expensed through the Consolidated Statement of Loss.

Interest expense of $2,131,573 was recognised for the three months ended March 31, 2021, and has been capitalized and is included in the value of Assets Under Construction (Refer to Note 14). To the date of this report a cumulative total of $6,676,707 has been capitalized and included in the value of Assets Under Construction. The interest expense will be released to the income statement upon commencement of production in line with units of gold produced.

In Canadian dollars, except where noted (unaudited)

11. LOANS AND BORROWINGS

		March 31, 2021		December 31, 2020
Current liabilities:				
Loans payable to the Africa Finance Corporation less than 1 year	**$**	**-**	$	-
Deferred element of EPC contract		**191,817**		68,279
	$	**191,817**		68,279
Non-current liabilities:				
Loans payable to the Africa Finance Corporation more than 1 year	**$**	**18,092,339**	$	18,140,636
Deferred element of EPC contract		**2,432,302**		2,391,152
	$	**20,524,641**	$	20,531,788

Loans from the Africa Finance Corporation

		March 31, 2021 Total		**December 31, 2020 Total**
Balance at Beginning of period	**$**	18,140,636	**$**	-
Drawdown		-		27,927,401
Equity component		-		(5,666,011)
Arrangement fees		(91,556)		(4,016,642)
Unwinding of interest in the year		559,402		186,205
Foreign exchange movement		(516,143)		(290,317)
Balance at End of period	**$**	18,092,339	**$**	18,140,636
Current liability		-		-
Non-current liability		18,092,339		18,140,636

On December 1, 2020, the Company announced that its subsidiary Segilola Resources Operating Limited ("SROL") had completed the financial closing of a US$54 million project finance senior debt facility ("the Facility") from the Africa Finance Corporation ("AFC") for the construction of the Segilola Gold Project in Nigeria. The Facility can be drawn down at the Group's request in minimum disbursements of US$5 million. Following the closing SROL received a disbursement of US$21.5 million, representing 40% of the Facility. The Facility is secured over the share capital of SROL and its assets, with repayments expected to commence in March 2022 and conclude in March 2025.

Repayment of the aggregate Facility will be made in instalments over and 36-month period by repaying an amount on a series of repayment dates, as set out in the Facility Agreement, which reduces the amount of the outstanding aggregate Facility by the amount equal to the relevant percentage of Loans borrowed as at the close of business in London on the date of Financial Close.

Interest accrues at LIBOR plus 9% and is payable on a quarterly basis in arrears. The Facility also is subject to a Commitment Fee of 2.5% per annum on the Facility with the Commitment Fee being payable on a quarterly basis in arrears.

In conjunction with the granting of the Facility, Thor issued 33,329,480 bonus shares to the AFC. Thor also incurred transaction costs of $4,016,642 in relation to the loan facility. The fair value of the liability was determined at $18,244,748 taking into account the transaction costs and equity component and recognized at amortised cost using an effective rate of interest, with the fair value of the shares issued of $5,666,011 recognized within equity.

Interest paid during the period of $632,042 has been capitalized under Assets Under Construction. (Refer to Note 14). As at March 31, 2021, $41 million (US$32.5 million) of the facility remains available for drawdown.

In Canadian dollars, except where noted (unaudited)

11. *LOANS AND BORROWINGS (continued)*

Deferred payment facility on EPC contract for the construction of the Segilola Gold Mine

The Company is constructing its Segilola Gold Mine through an engineering, procurement and construction contract ("EPC Contract") signed with Norinco International Cooperation Limited. The EPC Contract has been agreed on a lump sum turnkey basis which provides Thor with a fixed price of US$67.5 million for the full delivery of design, engineering, procurement, construction and commissioning of the proposed 650,000 ton per annum gold ore processing plant.

The EPC Contract includes a deferred element ("the Facility") of up to 10% of the fixed price. As at March 31, 2021, a total of $2,624,119 (US$2,125,418) (December 31, 2020: $2,459,431 (US$2,009,314)) was deferred under the facility. Interest accrues at 8% per annum from the time the completion certificate is issued. Repayments are due to commence in March 2022 and conclude in 2025. The amount deferred was initially measured at fair value and subsequently at amortised cost using the effective interest method.

		March 31, 2021 Total		**December 31, 2020 Total**
Deferred payment facility	$	2,624,119	$	2,459,431
Balance December 31, 2020	$	2,624,119	$	2,459,431
Current liability		191,817		68,279
Non-current liability		2,432,302		2,391,152

12. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

			AFC loan	**EPC deferred facility**	**Total**
January 1, 2021		$	18,140,636	2,459,431	20,600,067
Cash flows:					
	Drawdowns		-	-	-
	Transaction costs		(91,556)	-	(91,556)
Non-cash changes:					
	Unwinding of interest in the year		559,402	-	559,402
	Foreign exchange movements		(516,143)	-	(516,143)
	Offset against EPC payment		-	164,688	164,688
March 31, 2021		$	18,092,339	2,624,119	20,716,458

13. PROVISION FOR RESTORATION

		March 31, 2021 Total		December 31, 2020 Total
Balance at Beginning of period	$	618,586	$	-
Initial recognition of provision		-		618,586
Increase in provision		647,612		
Balance at End of period	$	1,266,198	$	618,586
Current liability		-		-
Non-current liability		1,266,198		618,586

The above provision relates to site restoration at Segilola Gold Project in Osun State Nigeria. The fair value of the above provision is measured by unwinding the discount on expected future cash flows using a discount factor that reflects the credit-adjusted risk-free rate of interest. It is expected that the restoration costs will be paid in US dollars, and as such the 2020 US inflation rate of 2.28% and the interest rate of 0.25% on 5-year US bonds were used to calculate the expected future cash flows. The provision represents the net present value of the best estimate of the expenditure required to settle the obligation to rehabilitate environmental disturbances caused by mining operations completed or commenced as at March 31, 2021. The restoration liability will increase in future accounting periods as construction is completed.

In Canadian dollars, except where noted (unaudited)

14. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	Plant and machinery	Software	Office furniture	Land	Decommissioning Asset	Assets under construction	Total
Costs								
Balance, December 31, 2019	$ 413,237	$ 378,781	$ 19,217	$ 146,160	$ -	$ -	$ -	$ 957,397
Transfer from exploration & evaluation assets	-	-	-	-	-	-	37,015,004	37,015,004
Acquisition payments	-	-	-	-	23,012	-	318,152	341,164
Additions	1,445,547	133,834	316,936	213,730	-	618,586	55,448,668	58,177,301
Foreign exchange movement	(83,771)	10,225	(19,194)	(14,381)	-	-	(3,447,668)	(3,554,789)
Balance, December 31, 2020	$ 1,775,013	$ 522,841	$ 316,959	$ 345,509	$ 23,012	$ 618,586	$ 89,334,156	$ 92,936,079
Acquisition payments	-	-	-	-	-	-	-	-
Additions	122,337	17,806	140,993	577,241	-	647,612	9,161,464	10,667,453
Foreign exchange movement	(28,972)	(16,605)	(2,382)	(10,832)	(102)	-	(809,059)	(867,952)
Balance, March 31, 2021	**$ 1,868,378**	**$ 524,042**	**$ 455,570**	**$ 911,918**	**$ 22,910**	**$ 1,266,198**	**$ 97,686,561**	**$ 102,735,581**
Accumulated depreciation and impairment losses								
Balance, December 31, 2019	$ 324,262	$ 364,022	$ 19,217	$ 112,748	$ -	$ -	$ -	$ 820,249
Depreciation	200,771	16,824	19,710	36,451	-	-	-	273,756
Foreign exchange movement	(28,165)	17,543	(975)	(2,212)	-	-	-	(13,810)
Balance, December 31, 2020	$ 496,868	$ 398,388	$ 37,952	$ 146,987	$ -	$ -	$ -	$ 1,080,195
Depreciation	101,494	11,374	41,370	27,826	-	-	-	182,064
Foreign exchange movement	(18,589)	(16,150)	(1,966)	(3,802)	-	-	-	(40,507)
Balance, March 31, 2021	**$ 579,773**	**$ 393,612**	**$ 77,356**	**$ 171,011**	**$ -**	**$ -**	**$ -**	**$ 1,221,751**
Carrying amounts								
Carrying value at December 31, 2019	$ 88,975	$ 14,759	$ -	$ 33,412	$ -	$ -	$ -	$ 137,148
Carrying value at December 31, 2020	$ 1,278,145	$ 124,453	$ 279,007	$ 198,522	$ 23,012	$ 618,586	$ 89,334,156	$ 91,855,884
Balance, March 31, 2021	**$ 1,288,605**	**$ 130,430**	**$ 378,214**	**$ 740,907**	**$ 22,910**	**$ 1,266,198**	**$ 97,686,561**	**$ 101,513,830**

Included within Assets Under Construction is a total of $3,345,568 borrowing costs capitalized during the period, including interest on the AFC loan of $632,042. The costs relate to both the Gold Stream Prepayment and AFC Secured Loan. The associated borrowings are secured over the assets under construction, and other property, plant & equipment of Segilola Resources Operating Limited.

In Canadian dollars, except where noted (unaudited)

14. *PROPERTY, PLANT AND EQUIPMENT (continued)*

A summary of depreciation capitalized is as follows:

	Three months ended March 31,		**Total depreciation capitalized**	
	2021	**2020**	**March 31, 2021**	**December 31, 2020**
Assets under construction	$ **157,184**	$ 14,916	$ **494,924**	$ 337,740
Exploration expenditures	**9,107**	1,850	**542,363**	533,256
Total	$ **166,291**	$ 16,766	$ **1,037,287**	$ 870,996

a) Segilola Project, Osun Nigeria:

Classification of Expenditure on the Segilola Gold Project

On April 29, 2020, the Company announced the execution of definitive documents with the Africa Finance Corporation to reach full funding of the Segilola Gold Project in Nigeria ("the Project") and made the Final Investment Decision to proceed with construction of the Project. In accordance with the provisions of IFRS 6, this milestone achievement triggers a change in accounting treatment for expenditure on the Project whereby the costs incurred on the Project were transferred from Exploration and Evaluation Assets to tangible assets as Assets under construction. This transfer in the audited financial statements for the year ended December 31, 2020. Upon transfer of the Segilola Gold Project from Exploration and Evaluation assets to Assets under Construction, the Company undertook an impairment assessment in accordance with IAS 36 and determined that no impairment was required to be recognised based on the Open Pit DFS valuation of US$138 million, which was significantly above the value of the project recorded on the balance sheet of $37 million (US$29 million) as at the date of investment decision.

Decommissioning Asset

The decommissioning asset relates to estimated restoration costs at the Group's Segilola Gold Mine as at March 31, 2021. Refer to Note 14 for further detail.

In Canadian dollars, except where noted (unaudited)

15. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation assets costs are as follows:

	Douta Gold Project, Senegal	Central Houndé Project, Burkina Faso	Segilola Gold Project, Osun Nigeria	Exploration licenses, Nigeria	Total
Costs					
Balance, December 31, 2019	$ 13,708,142	$ 1,555,938	$ 31,336,433	$ 79,379	$ 46,679,892
Exploration costs	1,705,210	1,121	5,678,571	36,560	7,421,462
Transfer to tangible assets	-	-	(37,015,004)	-	(37,015,004)
Impairment	-	(1,604,564)	-	-	(1,604,564)
Foreign exchange movement	464,356	47,505	-	(4,904)	506,957
Balance, December 31, 2020	$ 15,877,708	$ -	$ -	$ 111,035	$ 15,988,743
Exploration costs	423,877	121,812	-	19,904	565,593
Impairment	-	(121,909)	-	-	(121,909)
Foreign exchange movement	(446,560)	97	-	(11,171)	(457,634)
Balance, March 31, 2021	**$ 15,855,025**	**$ -**	**$ -**	**$ 119,768**	**$ 15,974,793**

Classification of Expenditure on the Segilola Gold Project

Refer to note 14 for details on classification.

a) Douta Gold Project, Senegal:

The Douta Gold Project consists of an early-stage gold exploration license located in southeastern Senegal, approximately 700km east of the capital city Dakar.

The Company is party to an option agreement (the "Option Agreement") with International Mining Company ("IMC"), by which the Company has acquired a 70% interest in the Douta Gold Project located in southeast Senegal held through African Star SARL.

Effective February 24, 2012, the Company exercised its option to acquire a 70% interest in the Douta Gold Project pursuant to the terms of the Option Agreement between the Company and IMC. As consideration for the exercise of the option, the Company issued to IMC 11,646,663 common shares, based on a VWAP for the 20 trading days preceding the option exercise date of $0.2014 (or US$0.2018) per share, valued at $2,678,732 based on the Company's closing share price on February 24, 2012. The share payment includes consideration paid to IMC for extending the time period for exercise of the option.

Pursuant to the terms of the Option Agreement, IMC's 30% interest will be a "free carry" interest until such time as the Company announces probable reserves on the Douta Gold Project (the "Free Carry Period"). Following the Free Carry Period, IMC must either elect to sell its 30% interest to African Star at a purchase price determined by an independent valuer commissioned by African Star or fund its 30% share of the exploration and operating expenses.

15. EXPLORATION AND EVALUATION ASSETS (continued)

b) Central Houndé Project, Burkina Faso:

(i) Bongui and Legue gold permits, Burkina Faso:

AFC Constelor SARL held a 100% interest in the Bongui and Legue gold permits covering an area of approximately 233 km^2 located within the Houndé belt, 260 km southwest of the capital Ouagadougou, in western Burkina Faso.

(ii) Ouere Permit, Central Houndé Project, Burkina Faso:

Argento BF SARL held a 100% interest in the Ouere gold permit, covering an area of approximately 241 km^2 located within the Houndé belt.

The three permits together cover a total area of 474km^2 over the Houndé Belt which form the Central Houndé Project.

(iii) Barrick Option Agreement, Central Houndé Project, Burkina Faso:

On April 8, 2015, the Company entered into the Acacia Option Agreement with Acacia Mining plc ("Acacia"), whereby Acacia will have the exclusive option to earn up to a 51% interest in Central Houndé Project by satisfying certain conditions over a specified 4-year period and then the right to acquire an additional 29%, for an aggregate 80% interest in the Central Hounde Project, upon declaration of a Pre-Feasibility Study. Acacia met the minimum spending requirement for the Phase 1 Earn-in in September 2018. As a result, Acacia earned a 51% interest in the Central Houndé Project. The Group currently holds a 49% interest in the Central Houndé Project.

In 2019, Barrick Gold Corporation ("Barrick") completed an acquisition of Acacia through the purchase of the ordinary share capital of Acacia that Barrick did not already own. The acquisition did not affect work undertaken at the Central Hounde Gold Project in Burkina Faso where Barrick continued its exploration work as per its Joint Operation with Thor.

In April 2021, Thor re-acquired Barrick's 51% ownership of the Project in exchange for a 1% Net Smelter Royalty. Thor now holds 100% of the Central Houndé Project.

Following the unsuccessful attempt by Barrick Gold to dispose of its 51% interest in the licenses, the Company carried out an impairment assessment at December 31, 2020, and determined that the unsuccessful sale attempt was an indication for impairment. It is the Company's intention to focus on Segilola development and Douta exploration in the short term, and it does not plan to undertake significant work on the license areas in the near future. As a result, the decision was taken to impair fully the value of the Central Houndé Project, and for the three months to March 31, 2021, recognize an impairment charge of $121,909 through the Condensed Consolidated Statement of Comprehensive Loss.

In Canadian dollars, except where noted (unaudited)

15. EXPLORATION AND EVALUATION ASSETS (continued)

c) Exploration Licenses, Nigeria

The high grade Segilola gold deposit is located on the major regional shear zone that extends for several hundred kilometres through the gold-bearing Ilesha schist belt (structural corridor) of Nigeria. Thor's exploration tenure currently comprises nine explorations licenses. Together with the mining lease over the Segilola Gold Deposit, Thor's total exploration tenure amounts to 912 km². The Company's exploration strategy includes further expansion of its Nigerian land package as and when attractive new licenses become available.

16. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		March 31, 2021		December 31, 2020
Trade payables	**$**	**4,297,208**	$	10,363,935
Accrued liabilities		**1,114,438**		552,029
	$	**5,411,646**	$	10,915,964

Accounts payable and accrued liabilities are classified as financial liabilities and approximate their fair values. The significant increase in trade payables as at March 31, 2021, is due to amounts owing in connection with construction of the Segilola Gold Mine.

17. CAPITAL AND RESERVES

a) Authorized

Unlimited common shares without par value.

b) Issued

	March 31, 2021 Number		**March 31, 2021**	December 31, 2020 Number		December 31, 2020
As at start of the year	621,405,975	$	97,122,584	449,352,215	$	67,550,111
Issue of new shares:						
- Share options exercised i	-		-	210,000		42,000
- Issue July 13, 2020 ii	-		-	75,548,530		13,558,254
- Issue costs July 13, 2020	-		-	-		(1,223,457)
- Issue April 29, 2020 iii	-		-	28,215,750		5,643,150
- Issue April 29, 2020 creditor settlement iv	-		-	34,750,000		5,907,500
- Issue April 29, 2020 bonus shares v	-		-	33,329,480		5,666,011
- Issue December 4, 2019 vi	-		-	-		(20,985) v
	621,405,975	$	97,122,584	621,405,975	$	97,122,584

i Value of 210,000 options were exercised on December 10, 2020, at a price of $0.20 per share.
ii Private placement of 75,548,530 common shares at a price of $0.18 per share.
iii Private placement of 28,215,750 common shares at a price of $0.20 per share.
iv Issue of 34,750,000 common shares in settlement of US$5 million owed to creditors. The fair value of the shares issued was determined at the share price at the date of issue of $0.17 per share. The difference between the fair value of the shares issued of $5,907,500 and the carrying amount of creditors settled of $6,950,000 is recognised in the statement of comprehensive loss as gain of settlement of liabilities of $1,042,000.
v Issue of 33,329,480 bonus common shares in connection with secured borrowing facility shares at a price of $0.17 per share (Refer to Note 12).
vi Additional costs associated with the private placement of 78,669,250 common shares in December 2019.

In Canadian dollars, except where noted (unaudited)

17. CAPITAL AND RESERVES (continued)

c) Share-based compensation

The Company has granted directors, officers and consultants share purchase options. These options were granted pursuant to the Company's stock option plan.

Under the current Share Option Plan, 44,900,000 common shares of the Company are reserved for issuance upon exercise of options.

- On January 16, 2020, 14,250,000 stock options were granted at an exercise price of $0.20 per share for a period of five years. The options vested immediately.
- On October 5, 2018, 750,000 stock options were granted at an exercise price of $0.14 per share for a period of five years.
- On March 12, 2018, 12,800,000 stock options were granted at an exercise price of $0.145 per share for a period of five years.
- On May 7, 2017, 500,000 stock options were granted at an exercise price of $0.12 per share for a period of three years. On July 5, 2019, the Company announced an extension of the expiry date from May 7, 2020, to May 7, 2022. All other conditions of the options remain the same.
- On January 16, 2017, 9,750,000 stock options were granted at an exercise price of $0.12 per share for a period of three years. On July 5, 2019, the Company announced an extension of the expiry date from January 16, 2020, to January 16, 2022. In addition the vesting conditions attached to 1.75 million options were removed with the options vesting immediately and the resulting charge recorded in the Consolidated Statement of Comprehensive Loss.

All of the stock options were vested as at the balance sheet date. These options did not contain any market conditions and the fair value of the options were charged to the statement of comprehensive loss or capitalized as to assets under construction in the period where granted to personnel's whose cost is capitalized on the same basis. The assumptions inherent in the use of these models are as follows:

Vesting period (years)	First vesting date	Expected remaining life (years)	Risk free rate	Exercise price	Volatility of share price	Fair value	Options vested	Options granted	Expiry
5	01/16/2017	0.81	1.05%	$0.12	197.32%	$0.14	9,750,000	9,750,000	01/16/2022
5	05/07/2017	1.10	0.87%	$0.12	192.23%	$0.15	500,000	500,000	05/07/2022
5	03/12/2018	1.95	2.00%	$0.145	105.09%	$0.14	12,800,000	12,800,000	03/12/2023
5	10/05/2018	2.52	2.43%	$0.14	100.69%	$0.14	750,000	750,000	10/05/2023
5	01/16/2020	3.80	1.49%	$0.20	66.84%	$0.07	14,250,000	14,250,000	01/16/2025

The share price volatility measure for options granted in 2017 was the historical volatility in Thor's share price measured over the same number of years as the life of the options granted. In 2018 the Company elected to measure volatility by calculating the average volatility of a collection of three peer companies historical share prices for the exercising period of each parcel of options. Management believes that given the transformational change that the Company has undergone since the acquisition of the Segilola Gold Project in August 2016, the Company's historical share price is not reflective of the current stage of development of the Company, and that adopting the volatility of peer companies who have advanced from exploration to development is a more accurate measure of share price volatility for the purpose of options valuation.

In Canadian dollars, except where noted (unaudited)

17. CAPITAL AND RESERVES (continued)

c) Share-based compensation (continued)

The following is a summary of changes in options from January 1, 2021, to March 31, 2021, and the outstanding and exercisable options at March 31, 2021:

Grant Date	Expiry Date		Exercise Price	Contractual Lives Remaining (Years)	January 1, 2021 Opening Balance	During the period Granted	During the period Exercised	During the period Expired / Forfeited	March 31, 2021 Closing Balance	March 31, 2021 Number of Options Vested and Exercisable	March 31, 2021 Number of Options Unvested
16-Jan-2017	16-Jan-2022	i	$0.12	0.81	9,750,000	-	-	-	9,750,000	9,750,000	-
7-May-2017	7-May-2022	ii	$0.12	1.10	500,000	-	-	-	500,000	500,000	-
12-Mar-2018	12-Mar-2023		$0.145	1.95	12,800,000	-	-	-	12,800,000	12,800,000	-
5-Oct-2018	5-Oct-2023		$0.14	2.52	750,000	-	-	-	750,000	750,000	-
16-Jan-2020	16-Jan-2025		$0.20	3.80	14,040,000	-	-	-	14,040,000	14,040,000	-
Totals				**2.34**	**37,840,000**	**-**	**-**	**-**	**37,840,000**	**37,840,000**	**-**
Weighted Average Exercise Price					**$0.159**	**$0.200**	**$0.200**	**-**	**$0.159**	**$0.159**	**-**

[i] On July 5, 2019, the Company announced an extension of the expiry date from January 16, 2020, to January 16, 2022. All other conditions of the options remain the same.

[ii] On July 5, 2019, the Company announced an extension of the expiry date from May 7, 2020, to May 7, 2022. All other conditions of the options remain the same.

In Canadian dollars, except where noted (unaudited)

17. CAPITAL AND RESERVES (continued)

The following is a summary of changes in options from January 1, 2020, to December 31, 2020, and the outstanding and exercisable options at December 31, 2020:

				Contractual Lives	January 1, 2020	During the period			December 31, 2020	December 31, 2020 Number of Options	
Grant Date	Expiry Date		Exercise Price	Remaining (Years)	Opening Balance	Granted	Exercised	Expired / Forfeited	Closing Balance	Vested and Exercisable	Unvested
16-Jan-2017	16-Jan-2022	i	$0.12	1.05	9,750,000	-	-	-	9,750,000	9,750,000	-
7-May-2017	7-May-2022	ii	$0.12	1.35	500,000	-	-	-	500,000	500,000	-
12-Mar-2018	12-Mar-2023		$0.145	2.19	12,800,000	-	-	-	12,800,000	12,800,000	-
5-Oct-2018	5-Oct-2023		$0.14	2.76	750,000	-	-	-	750,000	750,000	-
16-Jan-2020	16-Jan-2025		$0.20	4.05	-	14,250,000	(210,000)	-	14,040,000	14,040,000	-
Totals				**2.59**	**23,800,000**	**14,250,000**	**(210,000)**	**-**	**37,840,000**	**37,840,000**	**-**
Weighted Average Exercise Price					**$0.134**	**$0.200**	**$0.200**	**-**	**$0.159**	**$0.159**	**-**

[i] On July 5, 2019, the Company announced an extension of the expiry date from January 16, 2020, to January 16, 2022. All other conditions of the options remain the same.

[ii] On July 5, 2019, the Company announced an extension of the expiry date from May 7, 2020, to May 7, 2022. All other conditions of the options remain the same.

In Canadian dollars, except where noted (unaudited)

17. CAPITAL AND RESERVES (continued)

d) Share purchase warrants

On August 31, 2018, the Company issued 44,453,335 warrants pursuant to the private share placement closed on the same date, whereby one warrant was issued for every common share subscribed for ("Placement Warrants"). The warrants were issued with an exercise price of $0.28 for a period of thirty-six (36) months.

On August 31, 2018, the Company issued a total of 1,664,534 warrants to a broker for advisory services pursuant to the private share placement closed on the same date ("Broker Warrants"). The warrants were issued with an exercise price of $0.18 for a period of thirty-six (36) months. The Company had previously reported that the Broker Warrants were due to expire after a period of twenty-four (24) months, and the fair value of the warrants was written off from the share purchase warrants reserve in Q3 2020 after the 24 month period had been reached. Pursuant to consultation with the warrant holder, it has been determined that the warrants remain valid and have an expiry date of August 31, 2021. The previous reporting on the warrants in question by the Company has been corrected and the value of the Broker Warrants has been reinstated in these unaudited condensed consolidated financial statements to correct the accounting treatment of the Broker Warrants.

Right to accelerate exercise of warrants

If at any time after four months and one day after August 31, 2018, the Common Shares trade on the TSX Venture Exchange (the "TSX-V") at a closing price equal to or greater than $0.36 for a period of twenty (20) consecutive trading days, the Company may exercise a right to accelerate the expiry date of the Placement Warrants by giving notice to the holders of the Placing Warrants within five trading days after such event that the Placing Warrants shall expire (30) days from the date of such notice.

	Number of Warrants	Weighted Average Exercise Price	Carrying Value
Balance, December 31, 2017			$ -
Private placement	44,453,335	$0.28	475,000
Broker	1,664,534	$0.18	58,000
Balance, December 31, 2018	**46,117,869**		**533,000**
Balance, December 31, 2019	**46,117,869**		**533,000**
Broker warrants expiry August 31, 2020	(1,664,534)	$0.18	(58,000)
Balance, December 31, 2020	**44,453,335**		**475,000**
Reinstatement of broker warrants	1,664,534	$0.18	58,000
Balance, March 31, 2021	**46,117,869**		**553,000**

The value of the private placement warrants is net of the value of the Company's right to accelerate exercise of the warrants.

The aggregate value of the Placement Warrants and Broker Warrants outstanding at the reporting date is $533,000 which was determined using the Black Scholes model. The inputs to the model are listed in the table below:

In Canadian dollars, except where noted (unaudited)

17. CAPITAL AND RESERVES (continued)

d) Share purchase warrants (continued)

Vesting period (years)	First vesting date	Expected life (years)	Risk free rate	Exercise price	Volatility of share price	Fair value	Warrants vested	Warrants granted	Expiry
3	31/08/2018	0.28	2.08%	$0.28	82.43%	$0.08	44,453,335	44,453,335	31/08/2021
3	31/08/2018	0.28	2.08%	$0.18	73.06%	$0.07	1,664,534	1,664,534	31/08/2021

The volatility was determined by calculating the average volatility of a collection of three peer companies historical share prices for the exercise period of each parcel of warrants.

The Company's right to accelerate the exercising of the warrants arises in the event that the Common Shares trade on the TSX Venture Exchange (the "TSX-V") at a closing price equal to or greater than $0.36 for a period of twenty (20) consecutive trading days. The Company may give notice to the holders of the warrants requiring that they exercise the warrants with a period of thirty (30) days from the date of notice, failing which the Warrants shall expire.

The inputs to the model for the Company's right to accelerate the exercising of the warrants are listed in the table below:

Vesting period (years)	First vesting date	Expected life (years)	Risk free rate	Exercise price	Volatility of share price	Fair value	Warrants vested	Warrants granted	Expiry
3	31/08/2018	0.28	2.08%	$0.36	82.43%	$0.07	44,453,335	44,453,335	31/08/2021
3	31/08/2018	0.28	2.08%	$0.36	73.06%	$0.04	1,664,534	1,664,534	31/08/2021

e) Nature and purpose of equity and reserves

The reserves recorded in equity on the Company's statement of financial position include 'Reserves', 'Currency translation reserve', and 'Deficit'.

'Share purchase warrants' is used to recognize the value of share purchase warrants prior to exercise or forfeiture.

'Option reserve' is used to recognize the value of stock option grants prior to exercise or forfeiture.

'Currency translation reserve' is used to recognize the exchange differences arising on translation of the assets and liabilities of foreign branches and subsidiaries with functional currencies other than Canadian dollars.

'Deficit' is used to record the Company's accumulated deficit.

In Canadian dollars, except where noted (unaudited)

18. LOSS PER SHARE

Basic and diluted loss per share is calculated by dividing the loss attributed to shareholders for the three months to March 31, 2021, of $85,264 (March 31, 2020: $1,589,033) by the weighted average number of shares of 621,405,975 (March 31, 2020: 449,352,215) in issue during the year.

Due to the losses incurred during the period a diluted loss per share has not been calculated as this would serve to reduce the basic loss per share. Out of 37,840,000 (2020: 37,840,000) share incentives outstanding at the end of the period 37,840,000 (2020: 37,840,000) had already vested, which if exercised could potentially dilute basic earnings per share in the future.

19. RELATED PARTY DISCLOSURES

A number of key management personnel, or their related parties, hold or held positions in other entities that result in them having control or significant influence over the financial or operating policies of the entities outlined below.

a) Trading transactions

The Africa Finance Corporation ("AFC") is deemed to be a related party given the size of its shareholding in the Company. There have been no other transactions with the AFC other than the Gold Stream liability as disclosed in Note 11, and the secured loan as disclosed in Note 12.

b) Compensation of key management personnel

The remuneration of directors and other members of key management during the three months ended March 31, 2021, and 2020 were as follows:

			Three months ended March 31,		
			2021		**2020**
Consulting fees & salaries					
Current directors and officers	(i) (ii)	$	**166,658**	$	173,403
Directors' fees					
Current directors and officers	(i) (ii)		**111,156**		86,106
Share-based payments					
Current directors and officers			**-**		813,115
		$	**277,814**	$	1,072,624

(i) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the three months ended March 31, 2021, and 2020.

(ii) The Company paid consulting and director fees to both individuals and private companies controlled by directors and officers of the Company for services. Accounts payable and accrued liabilities at March 31, 2021, include $nil (December 31, 2020 - $44,288) due to directors or private companies controlled by an officer and director of the Company. Amounts due to or from related parties are unsecured, non-interest bearing and due on demand.

In Canadian dollars, except where noted (unaudited)

20. SUPPLEMENTAL CASH FLOW INFORMATION

a) Changes in non-cash working capital are as follows:

		Three months ended March 31, 2021		2020
Amounts receivable	**$**	**(3,137,190)**	$	1,872
Restricted cash		**64**		-
Prepaid expenses and deposits		**(80,885)**		75,773
Accounts payable and accrued liabilities		**5,504,318**		537,800
Change in non-cash working capital accounts	**$**	**2,286,308**	$	615,445
Relating to:				
Operating activities	**$**	**(3,118,417)**	$	62,763
Financing activities		**-**		-
Investing activities		**5,404,725**		440,274
	$	**2,286,308**	$	615,445

Accounts payable and accrued liabilities includes $4,333,188 (December 31, 2020 - $9,862,060) related to Assets under Construction and Exploration.

b) The Company has no outlays in respect of interest and income taxes for the three months ended March 31, 2021, and 2020.

In Canadian dollars, except where noted (unaudited)

21. FINANCIAL INSTRUMENTS

The Group's financial instruments consist of cash, amounts receivable, accounts payable, accrued liabilities, gold stream liability, loans and other borrowings and lease liabilities.

Fair value of financial assets and liabilities
Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amount for cash, accounts receivable, and accounts payable, accrued liabilities and lease liabilities on the statement of financial position approximate their fair value because of the limited term of these instruments.

Financial risk management objectives and policies
The Group has exposure to the following risks from its use of financial instruments

- Interest rate risk
- Credit risk
- Liquidity and funding risk
- Market risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in these notes.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

Financial instruments by category
The accounting policies for financial instruments have been applied to the line items below:

March 31, 2021		Total
Assets		
Cash and cash equivalents	$	11,070,021
Restricted cash		4,407,381
Amounts receivable		3,193,895
Total assets measured at amortised cost		**18,671,297**

		Total
Liabilities		
Accounts payable and accrued liabilities	$	5,411,646
Loans and Borrowings		20,716,458
Lease liabilities		23,805
Total liabilities measured at amortised cost	**$**	**26,151,909**

In Canadian dollars, except where noted (unaudited)

21. FINANCIAL INSTRUMENTS (continued)

December 31, 2020		Total
Assets		
Cash and cash equivalents	$	28,261,552
Restricted cash		4,460,026
Amounts receivable		56,705
Total assets measured at amortised cost		**32,778,283**

		Total
Liabilities		
Accounts payable and accrued liabilities	$	10,915,964
Loans and Borrowings		20,600,067
Lease liabilities		38,969
Total liabilities measured at amortised cost	**$**	**31,555,000**

Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group is exposed to cash flow interest rate risk from the AFC secured loans with the interest at LIBOR plus 9% (Refer to Note 12). The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

The following table discusses the Company's sensitivity to a 1% increase or decrease in interest rates:

		Interest rate Appreciation By 1%		Interest rate Depreciation By 1%
March 31, 2021				
Comprehensive income (loss)				
Financial assets and liabilities	$	277,200	$	(277,200)
December 31, 2020				
Comprehensive income (loss)				
Financial assets and liabilities	$	280,700	$	(280,700)

Credit risk
Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. The credit risk associated with cash and receivables is believed to be minimal.

Cash consists of cash on deposit in Canadian, UK, Mauritian, Nigerian, and Senegalese Chartered banks that are believed to be creditworthy.

In Canadian dollars, except where noted (unaudited)

21. FINANCIAL INSTRUMENTS (continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at March 31, 2021, and December 31, 2020, were as follows:

		March 31, 2021		December 31, 2020
Cash	$	11,070,021	$	28,261,552
Restricted cash		4,407,381		4,460,026
Amounts receivable		3,193,895		56,705
Total	**$**	**18,671,297**	**$**	**32,778,283**

Liquidity and funding risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is held in business accounts and are available on demand with the exception of restricted cash which is only available to be applied against the cost of the construction of the Segilola Gold Mine until construction is completed, at which point it will then be available on demand. Funding risk is the risk that the Company may not be able to raise additional financing in a timely manner and on terms acceptable to management. There are no assurances that such financing will be available when, and if, the Company requires additional financing.

In the normal course of business, the Company enters into contracts and performs business activities that give rise to commitments for future minimum payments.

The following table summarizes the Company's significant remaining contractual maturities for financial liabilities at March 31, 2021, and December 31, 2020.

Contractual maturity analysis as at March 31, 2021

	Less than 3 months $	3 – 12 Months $	1 – 5 Year $	Longer than 5 years $	Total $
Accounts payable	3,750,003	547,205	-	-	4,297,208
Accrued liabilities	1,114,438	-	-	-	1,114,438
Loans and borrowings	-	191,817	29,468,552	-	29,660,369
	4,864,441	**739,022**	**29,468,552**	**-**	**35,072,015**

Contractual maturity analysis as at December 31, 2020

	Less than 3 months $	3 – 12 Months $	1 – 5 Year $	Longer than 5 years $	Total $
Accounts payable	9,855,297	508,638	-	-	10,363,935
Accrued liabilities	552,029	-	-	-	552,029
Loans and borrowings	-	68,279	30,127,064	-	30,195,343
	10,407,326	**576,917**	**30,127,064**	**-**	**41,111,307**

21. FINANCIAL INSTRUMENTS (continued)

Market risk

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

a) Foreign currency risk

The Group seeks to manage its exposure to this risk by holding its cash balances in the same denomination as that of the majority of expenditure to be incurred. The Group also seeks to ensure that the majority of expenditure and cash of individual subsidiaries within the Group are denominated in the same currency as the functional currency of that subsidiary.

The Company's exploration expenditures, certain acquisition costs and other operating expenses are denominated in United States Dollars, Nigerian Naira and UK Pounds Sterling. The Company's exposure to foreign currency risk arises primarily on fluctuations between the Canadian Dollars and the United States Dollars, Nigerian Naira and UK Pounds Sterling. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations.

The following table shows a currency of net monetary assets and liabilities by functional currency of the underlying companies for the period ended March 31, 2021:

	Functional currency					
	Canadian dollar	US dollar	Pound Sterling	Nigerian Naira	West African Franc	Total
Currency of net monetary asset/(liability)	March 31, 2021 CAD$	March 31, 2021 CAD$	March 31, 2021 CAD$	March 31, 2021 CAD$	March 31, 2021 CAD$	March 31, 2021 CAD$
Canadian dollar	(448,632)	-	-	(17,178)	-	(465,810)
US dollar	6,120,661	-	-	(12,715,874)	-	(6,595,213)
Pound Sterling	(247,767)	-	-	(114,867)	-	(362,625)
Nigerian Naira	-	-	-	(18,637)	-	(18,637)
West African Franc	-	-	-	-	(1,418)	(1,418)
Australian dollar	(52,072)	-	-	-	-	(52,072)
Total	5,372,190	-	-	(12,866,556)	(1,418)	(7,495,776)

In Canadian dollars, except where noted (unaudited)

21. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

The following table shows the currency of net monetary assets and liabilities by functional currency of the underlying companies for the year ended December 31, 2020:

	Functional currency					
	Canadian dollar	US dollar	Pound Sterling	Nigerian Naira	West African Franc	Total
Currency of net monetary asset/(liability)	December 31, 2020 CAD$	December 31, 2020 CAD$	December 31, 2020 CAD$	December 31, 2020 CAD$	December 31, 2020 CAD$	December 31, 2020 CAD$
Canadian dollar	(291,551)	-	-	-	-	(291,551)
US dollar	7,735,527	-	-	(5,903,513)	-	1,832,014
Pound Sterling	(226,825)	-	(38,910)	-	-	(265,735)
Nigerian Naira	-	-	-	(26,744)	-	(26,744)
West African Franc	-	-	-	-	1,656	1,656
Australian dollar	(26,358)	-	-	-	-	(26,358)
Total	7,190,794	-	(38,910)	(5,903,513)	1,656	1,223,282

The following table discusses the Company's sensitivity to a 5% increase or decrease in the Canadian Dollar against the United States Dollar:

March 31, 2021	Canadian Dollar Appreciation By 5%	Canadian Dollar Depreciation By 5%
Comprehensive income (loss)		
Financial assets and liabilities	$ 2,450,000	$ (2,450,000)
December 31, 2020		
Comprehensive income (loss)		
Financial assets and liabilities	$ 1,934,000	$ (1,934,000)

22. CAPITAL MANAGEMENT

The Company manages, as capital, the components of shareholders' equity. The Company's objectives, when managing capital, are to safeguard its ability to continue as a going concern in order to develop and its mineral interests through the use of capital received via the issue of common shares and via debt instruments where the Board determines that the risk is acceptable and in the shareholders' best interest to do so. During the year under review the company obtained funding for the construction of the Segilola Gold Mine through a combination of senior secured debt, a gold stream prepayment against future production and the partial deferral of payment on the EPC contraction for Gold Mine Construction.

The Company manages its capital structure, and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue common shares, borrow, acquire or dispose of assets or adjust the amount of cash.

23. CONTINGENT LIABILITIES

Under the terms of the Sale and Purchase Agreements ("SPA") dated June 27, 2016, for the acquisition of the Segilola Gold Project in Nigeria, the Group has an obligation to pay royalties to former owners on net smelter return from all materials mined ("Production") from the ML41 and EL19066 licenses ("the Licenses") owned by Segilola Resources Operating Limited. Royalty expenses will be recognised in the income statement in line with production from the Licenses. These royalties to former owners are as follows:

- Vox Royalty Corp (acquired from Ratel Group Limited) 1.5% of Production up to a maximum of US$3.5 million;
- Tropical Mines Limited ("TML") 1.125% of Production up to a maximum of US$3.0 million; and
- Delano Gold Mining Industries Limited ("Delano") 0.375% of Production up to a maximum of US$1 million.

The Group has a contractual obligation of approximately US$39 million in payments under the EPC contract for the construction of the Segilola Gold Mine. These liabilities are not reflected in the balance sheet as at reporting date as payment is contingent upon the completion of further construction work post reporting date.

The Group will have a contractual obligation of $5.8 million (US$4.6 million) for the procurement of a mining fleet under the terms of the Mining Contract for the Segilola Gold Mine. This payment obligation will be triggered when the Mining Contractor has:

1. Delivered the mining fleet to site; and
2. Has presented a performance guarantee to the Group.

In Canadian dollars, except where noted (unaudited)

24. SEGMENTED DISCLOSURES

Segment Information

The Company's operations comprise three reportable segments, being the Segilola Mine Project, Exploration Projects, and Corporate compared to one reportable segment, being the exploration of mineral resource properties in the prior year. These three reporting segments have been identified based on operational focuses of the Group following the decision to develop the Segilola Mine Project during the year. The segment assets, liabilities and results are as follows:

March 31, 2021		**Segilola Mine Project**		**Exploration Projects**		**Corporate**		**Total**
Current assets	$	**12,649,046**	$	**26,336**	$	**6,644,703**	$	**19,320,086**
Non-current assets								
Deferred income tax assets		-		44,099		-		44,099
Prepaid expenses and deposit		156,749		-		23,327		180,076
Right of use assets		33,342		-		37,984		71,326
Property, plant and equipment		101,381,620		130,831		1,379		101,513,831
Exploration and evaluation assets		-		15,974,793		-		15,974,793
Total assets	**$**	**114,220,757**	**$**	**16,176,059**	**$**	**6,707,394**	**$**	**137,104,210**
Non-current asset additions	**$**	**11,709,054**	**$**	**127,639**	**$**	**-**	**$**	**11,836,693**
Liabilities	**$**	**(59,215,896)**	**$**	**(25,520)**	**$**	**(1,073,889)**	**$**	**(60,315,305)**
Loss for the year	**$**	**863,265**	**$**	**(147,512)**	**$**	**(801,018)**	**$**	**(85,264)**
- consulting fees		(593)		(21,822)		(64,318)		(86,732)
- salaries and benefits		(72,852)		-		(329,297)		(402,149)
- impairments		-		(121,909)		-		(121,909)

Non-current assets by geographical location:

March 31, 2021	**Senegal**	**Burkina Faso**	**British Virgin Islands**	**Nigeria**	**Canada**	**Total**
Prepaid expenses and deposit	-	-	21,197	15,552	23,327	180,076
Right of use assets	-	-	-	33,342	37,984	71,326
Property, plant and equipment	130,831	-	-	101,381,620	1,379	101,513,831
Exploration and evaluation assets	15,893,917	-	-	80,876	-	15,974,793
Total non-current assets	$ 16,024,747	$ -	$ 21,197	$101,631,390	$ 62,690	$117,740,025

In Canadian dollars, except where noted (unaudited)

24. SEGMENGTED DISCLOSURES (continued)

December 31, 2020	**Segilola Mine Project**	**Exploration Projects**	**Corporate**	**Total**
Current assets	$ **24,967,021**	$ **65,535**	$ **8,298,423**	$ **33,330,979**
Non-current assets				
Deferred income tax assets	-	46,668	-	46,668
Prepaid expenses and deposit	171,957	-	23,327	195,284
Right of use assets	35,457	-	52,360	87,817
Property, plant and equipment	91,713,474	140,862	1,547	91,855,883
Exploration and evaluation assets	-	15,988,743	-	15,988,743
Total assets	$ **116,887,909**	$ **16,241,808**	$ **8,375,657**	$ **141,505,374**
Non-current asset additions	$ **64,065,496**	$ **1,872,290**	$ **2,141**	$ **65,939,927**
Liabilities	$ **(62,523,231)**	$ **(48,497)**	$ **(1,018,809)**	$ **(63,590,537)**
Loss for the year	$ **(201,258)**	$ **(1,634,381)**	$ **(2,034,468)**	$ **(3,870,107)**
- consulting fees	(102,218)	(78,959)	(582,624)	(763,801)
- salaries and benefits	(95,134)	-	(2,004,235)	(2,099,369)
- share-based payments	-	-	(907,574)	(907,574)
- gain on settlement of liabilities	-	-	1,042,500	1,042,500
- impairments	-	(1,604,564)	-	(1,604,564)

Non-current assets by geographical location:

December 31, 2020	**Senegal**	**Burkina Faso**	**British Virgin Islands**	**Nigeria**	**Canada**	**Total**
Prepaid expenses and deposit	-	-	24,472	147,485	23,327	195,284
Right of use assets	-	-	-	35,457	52,360	87,817
Property, plant and equipment	139,895	939	-	91,713,502	1,547	91,855,883
Exploration and evaluation assets	15,907,515	-	-	81,228	-	15,988,743
Total non-current assets	$ 16,047,410	$ 939	$ 24,472	$91,977,672	$ 77,234	$108,127,727

25. SUBSEQUENT EVENTS

On April 5, 2021, the Company announced that it had re-acquired a 100% interest in the Central Houndé Project ("the Project") in Burkina Faso following the termination of the 2015 Earn-in Agreement between Thor and Acacia Mining PLC (Acacia Mining PLC was subsequently acquired by the Barrick Gold Corporation ("Barrick")). In exchange for the return of the 51% of the Project owned by Barrick, Barrick will receive a 1% Net Smelter Royalty from the Project.

On May 26, 2021, the Company completed a second drawdown of US$22 million from its US$54 million project finance senior debt facility from the Africa Finance Corporation for the construction of the Segilola Gold Project in Nigeria.

On May 27, 2021the Company appointed Mr Osam Iyahen to its board of directors. Mr. Iyahen is a Senior Director and the Head of Natural Resources at the Africa Finance Corporation ("AFC") and has over 20 years' experience driving natural resource and multibillion-dollar infrastructure finance transactions.

2. **Audited consolidated historical financial statements on the Group for the years ended 31 December 2020 and 2019 and 31 December 2019 and 2018**

THOR EXPLORATIONS LTD

Consolidated Financial Statements

For the Years Ended December 31, 2020 and 2019

(in Canadian Dollars)

THOR EXPLORATIONS LTD.

December 31, 2020
(Audited)

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THOR EXPLORATIONS LIMITED

Opinion

We have audited the consolidated financial statements of Thor Explorations Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of comprehensive loss, consolidated statement of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's discussion and analysis ("MD&A").

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

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

We obtained the MD&A prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

The engagement partner on the audit resulting in this independent auditor’s report is Louise Sayers.

BDO LLP

BDO LLP, Chartered Accountants
London
United Kingdom
April 30, 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

THOR EXPLORATIONS LTD.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
In Canadian dollars (audited)

	Note	December 31, 2020 $	December 31, 2019 $
ASSETS			
Current			
Cash		**28,261,552**	5,402,920
Restricted cash	7	**4,460,026**	-
Amounts receivable	8	**56,705**	1,145,837
Prepaid expenses, advances and deposits	9	**552,696**	200,349
Total current assets		**33,330,979**	6,749,106
Investment		**-**	2
Deferred income tax assets	22	**46,668**	15,075
Prepaid expenses, advances and deposits	9	**195,284**	23,327
Right of use assets	10	**87,817**	108,177
Property, plant and equipment	15	**91,855,883**	137,148
Exploration and evaluation assets	6, 16	**15,988,743**	46,679,892
Total non-current assets		**108,174,395**	46,963,621
TOTAL ASSETS		**141,505,374**	53,712,727
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	17	**10,915,964**	1,032,776
Lease liabilities	10	**38,969**	61,311
Gold stream liability	11	**6,068,017**	-
Loans and other borrowings	12	**68,279**	-
Total current liabilities		**17,091,229**	1,094,087
Non-current liabilities			
Lease liabilities	10	**-**	35,354
Gold stream liability	11	**25,348,934**	-
Loans and other borrowings	12	**20,531,788**	-
Provision for restoration costs	14	**618,586**	-
Total non-current liabilities		**46,499,308**	35,354
SHAREHOLDERS' EQUITY			
Common shares	18	**97,122,584**	67,550,111
Share purchase warrants	18	**475,000**	533,000
Option Reserve	18	**5,846,190**	4,902,308
Currency translation reserve		**(769,689)**	559,126
Deficit		**(24,759,248)**	(20,961,259)
Total shareholders' equity		**77,914,837**	52,583,286
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**141,505,374**	53,712,727

These consolidated financial statements were approved for issue by the Board of Directors on April 30, 2021, and are signed on its behalf by:

(Signed) "Adrian Coates"
Director

(Signed) "Olusegun Lawson"
Director

THOR EXPLORATIONS LTD.

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31,
In Canadian dollars

	Note	2020 $	2019 $
Continuing operations			
Amortisation and depreciation - owned assets	15	**(55,719)**	(71,040)
Amortisation and depreciation - right of use assets	10	**(56,619)**	(55,693)
Other administrative expenses	5	**(4,204,493)**	(2,302,451)
Reversal of impairment of receivables	8	**2,081,704**	(2,026,301)
Impairment of Exploration & Evaluation assets	16	**(1,604,564)**	-
Gain on settlement of liabilities	18(b)	**1,042,500**	-
Share-based payments		**(907,594)**	(138,000)
Loss from operations		**(3,704,785)**	(4,593,485)
Interest expense	10	**(3,159)**	(65,183)
Foreign exchange (loss)		**(192,025)**	(244,000)
Net loss before taxes		**$ (3,899,969)**	$ (4,902,668)
Tax expense	22	**29,862**	15,205
Net (loss) for the year		**$ (3,870,107)**	$ (4,887,463)
Other comprehensive income			
Foreign currency translation loss attributed to equity shareholders of the company*		**(1,328,815)**	(781,905)
Total comprehensive (loss) for the year		**$ (5,198,922)**	$ (5,669,368)
Net loss per share - basic and diluted	19	**$ (0.007)**	$ (0.013)

* Items that may be reclassified to profit or loss.

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

THOR EXPLORATIONS LTD.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,
In Canadian dollars

	Note	2020	2019
Cash flows from (used in):			
Operating activities			
Net loss for the period		$ **(3,870,107)**	$ (4,887,463)
Adjustments for:			
Foreign exchange loss		**192,025**	97,449
Proceeds from commodity arrangement	11	**28,197,777**	-
Impairment of receivables		**-**	2,026,301
Gain on debt settlement	18(b)	**(1,042,500)**	-
Impairment of Exploration & Evaluation Assets		**1,604,564**	-
Depreciation		**112,337**	126,733
Share based payments		**907,594**	138,000
Current income taxes	22	**-**	1,133
Deferred income tax recovery	22	**(29,862)**	(16,338)
Interest expense	10	**3,159**	65,183
Changes in non-cash working capital items	21	**1,700,089**	(110,010)
Cash utilized in operations		**27,775,076**	(2,559,012)
Adjustments to net loss for cash items			
Realized foreign exchange loss / (gain)		**9,015**	(37,124)
Net operating cash flows		**27,784,091**	(2,596,136)
Investing activities			
Acquisition of exploration and evaluation assets	6(a)	**(267,611)**	(10,643)
Payment of deferred payable		**-**	(860,275)
Purchases of property, plant and equipment	15	**(2,397,530)**	(14,216)
Assets under construction expenditures	15	**(37,592,724)**	(4,884,945)
Exploration and evaluation expenditures	16	**(2,027,359)**	(238,890)
Transfer to restricted cash	7	**(4,460,026)**	-
Net investing cash flows		**(46,745,250)**	(6,008,969)
Financing			
Proceeds from issuance of equity securities	18	**19,243,403**	14,185,402
Borrowing costs paid	12	**(4,339,276)**	-
Share issue costs	18	**(1,376,118)**	(373,136)
Proceeds from borrowings	12	**27,927,401**	-
Payment of lease liabilities	10	**(103,009)**	(58,468)
Interest paid	10	**-**	(66,119)
Net financing cash flows		**41,352,401**	13,687,679
Effect of exchange rates on cash		**467,390**	16,279
Net change in cash		**22,858,632**	5,098,853
Cash, beginning of the year		**5,402,920**	304,067
Cash, end of the year		$ **28,261,552**	$ 5,402,920

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

Major non-cash transactions

Settlement of $6.95m (US$5m) creditors in common shares. (Refer to Note 18 b) 7

$2.5m (US$2.09m) of credit received in deferred EPC construction costs. (refer to Note 13)

THOR EXPLORATIONS LTD.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
In Canadian dollars

	Note	Common Shares	Share purchase warrants	Option Reserve	Currency translation reserve	Deficit	Total shareholders' equity
Balance on December 31, 2018		**$ 52,268,870**	**$ 533,000**	**$ 4,764,308**	**$ 1,341,031**	**$ (16,073,796)**	**$ 42,833,413**
Net loss for the year		-	-	-	-	(4,887,463)	(4,887,463)
Comprehensive loss		-	-	-	(781,905)	-	(781,905)
Total comprehensive loss		-	-	-	(781,905)	(4,887,463)	(5,669,368)
Private placements	18	15,733,850	-	-	-	-	15,733,850
Share issuance costs		(452,609)	-	-	-	-	(452,609)
Share based payments		-	-	138,000	-	-	138,000
Balance on December 31, 2019		**$ 67,550,111**	**$ 533,000**	**$ 4,902,308**	**$ 559,126**	**$ (20,961,259)**	**$ 52,583,286**
Net loss for the year		-	-	-	-	(3,870,107)	(3,870,107)
Comprehensive loss		-	-	-	(1,328,815)	-	(1,328,815)
Total comprehensive loss		-	-	-	(1,328,815)	(3,870,107)	(5,198,922)
Private placements	18	30,774,915	-	-	-	-	30,774,915
Share issuance costs	18	(1,244,442)	-	-	-	-	(1,244,442)
Writeback of warrants expired	18	-	(58,000)	-	-	58,000	-
Share based payments	18	-	-	958,000	-	-	958,000
Options exercised	18	42,000	-	(14,118)	-	14,118	42,000
Balance on December 31, 2020		**97,122,584**	**475,000**	**5,846,190**	**(769,689)**	**(24,817,248)**	**77,914,837**

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

1. CORPORATE INFORMATION

Thor Explorations Ltd. N.P.L. was incorporated on September 11, 1968 under certificate number 81705 as a specially limited company pursuant to the Company Act (British Columbia, Canada). On December 4, 2001, Thor Explorations Ltd. N.P.L. changed its name to Thor Explorations Ltd. ("Old Thor"). On March 28, 2006 Old Thor transitioned to the British Columbia Business Corporations Act and on August 24, 2007 Old Thor resolved to remove the pre-existing company provisions applicable to Old Thor. Effective on September 1, 2009, Old Thor amalgamated with Magnate Ventures Inc. The amalgamated entity continued as Thor Explorations Ltd. ("Thor" or the "Company"). Thor trades on the TSX Venture exchange under the symbol "THX-V".

The Company is a natural resources company with no revenue, engaged in the acquisition, exploration and development of mineral properties, and is currently focused on gold projects located in West Africa.

The Company's registered office is located at 550 Burrard Street, Suite 2900, Vancouver, BC, Canada, V6C 0A3.

2. BASIS OF PREPARATION

a) Statement of compliance

These audited consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

b) Basis of measurement

These audited consolidated financial statements have been prepared on a historical cost basis, and are presented in Canadian dollars, unless otherwise indicated.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. A precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements for a period involves the use of estimates, which have been made using careful judgment. Actual results may differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in Note 4.

2. BASIS OF PREPARATION (continued)

c) Nature of operations and going concern

As at December 31, 2020, the Company had cash of $28,261,552, restricted cash of $4,460,026 and net working capital excluding Gold Stream repayments which are contingent upon production of $22,307,767. The Company has undrawn debt facilities of $41.4 million (US$32.5 million) which will provide sufficient funding for the completion of the construction of its Segilola Gold Mine ("Segilola") in Osun state, Nigeria.

The predominant focus of operational activities will be the development Segilola through to production. The Board has reviewed the Group's cash flow forecasts up until December 2022, having regard to its current financial position and operational objectives. The Board is satisfied that the Group has sufficient financial resources to meet its commitments for at least the next twelve months.

The emergence of the Covid-19 coronavirus pandemic has caused a severe adverse effect on the business environment on a global scale. The Group may be affected by disruptions to its operations in one or more locations, particularly for the foreseeable future in light of government responses to the spread of Covid-19 or other potential pandemics. The Group's Nigerian operations have been declared as an essential business by the Nigerian authorities and so are not subject to closure.

The Board is aware of the various risks that the pandemic presents that include but are not limited to financial, operational, staff and community health and safety, logistical challenges and government regulation. At present the Board believes that there should be no significant material disruption to its operations in Nigeria and continues to monitor these risks and the Group's business continuity plans. Management maintains constant dialogue with local Nigerian government and monitors the situation among the local communities as well as the broader environment.

The Group's operations in Senegal have not been impacted by Covid-19 and exploration activities are continuing.

The Board has considered the operational disruption that could be caused by factors such as delays to commercial production, illness amongst workforce caused by Covid-19, and potential disruptions to supply chains. The Board has conducted sensitivity testing of its cash flow forecasts factoring in these potential impacts and it has considered reasonable mitigating actions to its forecasts and sensitivity scenarios. The major focus on sensitivity testing was on the anticipated production from its soon to be completed Segilola Gold Mine. Scenarios considered included a delay by four months in commissioning of the mine and a fall in the gold price were considered. The forecast cashflows are based on a gold price of US$1,600/oz and the current gold price is circa US$1,780/oz. The life of mine all in sustaining cost at Segilola is US$685/oz providing the Group with a significant margin of safety from any material fall in the gold price. In the event of a material delay in commissioning at Segilola the Group has mitigating actions available to minimize the impact of the delay, including liquidated damages that are payable under the EPC contract (US$1.6m per month), DSU insurance which covers the full interest chargeable under the Secured Senior Debt Facility (US$0.5m per month), and triggering a suspension of mining under the terms of the Mining Contract.

The Board is satisfied that the mitigating actions available should there be a significant delay to commissioning of the Segilola Gold Mine will not jeopardize the Group's ability to continue as a going concern.

In Canadian dollars, except where noted (audited)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described below have been applied consistently to all periods presented in these audited consolidated financial statements unless otherwise stated.

a) Consolidation principles

Assets, liabilities, revenues and expenses of the subsidiaries are recognized in accordance with the Company's accounting policies. Intercompany transactions and balances are eliminated upon consolidation.

b) Details of the group

In addition to the Company, these audited consolidated financial statements include all subsidiaries of the Company. Subsidiaries are all corporations over which the Company has power over the Subsidiary and it is exposed to variable returns from the Subsidiary and it has the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The audited consolidated financial statements present the results of the Company and its subsidiaries (“the Group”) as if they formed a single entity, with Subsidiaries being fully consolidated from the date on which control is acquired by the Company. They are de-consolidated from the date that control by the Company ceases.

The subsidiaries of the Company are as follows:

Company	Location	Incorporated	Interest
Thor Investments (BVI) Ltd. (“Thor BVI”)	British Virgin Islands	June 30, 2011	100%
African Star Resources Incorporated (“African Star”)	British Virgin Islands	March 31, 2011	100%
Segilola Resources Incorporated (“SR BVI”)	British Virgin Islands	March 10, 2020	100%
African Star Resources SARL (“African Star SARL”)	Senegal	July 14, 2011	100%
Argento Exploration BF SARL (“Argento BF SARL”)	Burkina Faso	September 15, 2010	100%
AFC Constelor Panafrican Resources SARL (“AFC Constelor SARL”)	Burkina Faso	December 9, 2011	100%
Segilola Resources Operating Limited (“SROL”)	Nigeria	August 18, 2016	100%
Segilola Gold Limited (“SGL”)	Nigeria	August 18, 2016	100%

There have been no changes in ownership interest from the previous year.

c) Foreign currency translation

Functional and presentation currency

The Company’s presentation currency is the Canadian dollar (“$”). The functional currency for the Company, being the currency of the primary economic environment in which the Company operates, is the Canadian dollar. The individual financial statements of each of the Company’s wholly owned subsidiaries are prepared in the currency of the primary economic environment in which it operates (its functional currency).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exchange rates published by the Bank of Canada and Oanda were used to translate the Thor BVI, African Star, SR BVI, African Star SARL, Argento BF SARL, AFC Constelor SARL, SROL and SGL's financial statements into the Canadian dollar in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*. This standard requires, on consolidation, that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e., the average rate for the period). The foreign exchange differences on translation of subsidiaries Thor BVI, African Star, SR BVI, African Star SARL, Argento BF SARL, AFC Constelor SARL, SROL and SGL are recognized in other comprehensive income (loss). Exchange differences arising on the net investment in subsidiaries are recognised in other comprehensive income.

Foreign currency transactions
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. 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 profit and loss.

d) Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset/liability and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts/payments through the expected life of the financial asset/liability or, where appropriate, a shorter period. Costs directly relating to financing facilities are initially recognised against the loan balance, and subsequently released to the income statement over the term of the facility.

Derecognition of financial assets and liabilities

<u>Financial assets</u>
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:
- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Financial Assets

Under IFRS 9, the Group classifies its financial assets into the following categories: those to be held at amortised cost, and those to be measured subsequently at fair value through profit and loss.
Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of financial assets at initial recognition. The Group's business model is primarily that of "hold to collect" (where assets are held in order to collect contractual cash flows).

Amortised cost: these assets arise principally from the provision of goods and services to customers, but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Amounts receivables are measured at amortised cost using the effective interest rate method, less impairment.

Cash and cash equivalents

Cash and cash equivalents represent cash balances held at bank and on demand deposits. Cash and cash equivalents are measured at amortised cost.

Restricted cash represent cash balances held in bank accounts that are ring fenced to be applied to the construction costs at the Company's Segilola Gold Mine in Nigeria.

The Group does not hold any financial assets that meet conditions for subsequent recognition at fair value through other comprehensive income.

As at December 31, 2020 the Company had $4.5 million (US$3.5 million) that is accounted for separately from cash and cash equivalents. It is classified as restricted cash as the funds are not freely available for the Company's use. Refer to Note 7.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of Financial Assets

The Group recognizes a loss allowance for expected credit losses ("ECL") on financial assets that are measured at amortised cost which comprise mainly of receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. Impairment provisions for other receivables are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Financial Liabilities

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics.

Financial liabilities are initially recorded on trade date, being the date on which the Group becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Group's financial liabilities approximate to their fair values.

The Group's financial liabilities consist of financial liabilities measured at amortised cost. These comprise Loans and borrowings, accounts payable, accrued liabilities and deferred payment. Loans and borrowings are initially recognized at fair value, net of transaction costs incurred. They are subsequently stated at amortised cost with any difference between the proceeds (net of transaction costs) and the redemption value recognized in the statement of comprehensive loss over the period of the loans and borrowings using the effective interest rate method. If estimates of future payments are revised, the carrying amount of the financial liability is adjusted to reflect actual and revised estimated cash flows.

Where financial liabilities are settled through the issue of shares, the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued, is recognized in profit or loss.

Gold Stream arrangement

On April 29, 2020 the Company announced the completion of financing requirements for the development of the Segilola Gold Project in Nigeria. The financing included a US$21 million gold stream prepayment pursuant to a Gold Stream Arrangement ("GSA") entered in to with the African Finance Corporation ("AFC").

Under the terms of the GSA an advance payment of US$21 million was received. Upon the commencement of production at Segilola the AFC will have the right to receive 10.27% of gold produced from the Group's ML41 mining license. Once the initial liability has been repaid in full any further gold production will be delivered under the terms of the GSA up to the money multiple limit of 2.25 times the initial advance. The total maximum amount payable to the AFC under this agreement is US$47.25m including the repayment of the initial US$21 million advance. The advanced payment has been recorded as a contract liability based on the facts and terms of the arrangement and own use exemptions considerations.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Gold Stream arrangement continued

The maximum US$26.25 million payable after the initial US$21 million has been settled has been identified as a significant financing component. The deemed interest rate is calculated at inception, using the production plan and gold price estimates and released over the term of the arrangement as interest expense in the income statement upon commencement of production. The deemed interest rate will be recalculated at each reporting period and restated based on changes to the expected production profile and gold price estimates.

Revenue from the streaming arrangement will be recognized under IFRS 15 when the customer obtains control of the gold and the Group has satisfied its performance obligations. The revenue recognized reduces the contract liability balance.

Capitalisation of borrowing costs

Interest on borrowings directly relating to the financing of qualifying capital projects under construction is added to the capitalised cost of those projects during the construction phase, until such time as the assets are substantially ready for their intended use or sale which, in the case of mining properties, is when they are capable of commercial production. Where funds have been borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the period.
All other borrowing costs are recognised in the income statement in the period in which they are incurred.

e) Property, plant and equipment

Recognition and Measurement
On initial recognition, property, plant and equipment is valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions. Property, plant and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent Costs
The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment continued

Gains and Losses
Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other income in profit or loss.

Depreciation
Depreciation on property plant & equipment is recognized in profit or loss except where depreciation is directly attributable to mineral properties owned by the Group that are classified as either Exploration & Evaluation of Assets Under Construction. Depreciation in this instance is capitalized to the value of the mineral property asset (refer to Note 15). Depreciation is provided on a straight-line basis over the estimated useful life of the assets as follows:

	Rate
Motor vehicles	20-33%
Plant and machinery	20-25%
Office furniture	20-33%
Software	20-25%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

f) Assets under construction

Assets under construction comprise development projects and assets in the course of construction at both the mine development and production phases.

Development projects comprise interests in mining projects where the ore body is considered commercially recoverable and the development activities are ongoing. Expenditure incurred on a development project is recorded at cost, less applicable accumulated impairment losses. Interest on borrowings, incurred for the purpose of the establishment of mining assets, is capitalised during the construction phase.

The cost of an asset in the course of construction comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use, at which point it is transferred from assets under construction to other relevant categories and depreciation commences.

Assets under construction are not depreciated.

Upon commercial production being achieved assets under construction will be re-categorised as Mining Property, and any costs will be depleted using a units of production method.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Exploration and evaluation expenditures

Acquisition costs
The fair value of all consideration paid to acquire an unproven mineral interest is capitalized, including amounts due under option agreements. Consideration may include cash, loans or other financial liabilities, and equity instruments including common shares and share purchase warrants.

Exploration and evaluation expenditures
All costs incurred prior to legal title are expensed in the consolidated statement of comprehensive loss in the year in which they are incurred. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation assets in respect of that project are deemed to be impaired. As a result, those exploration and evaluation assets, in excess of estimated realisable value, are written off to the statement of comprehensive loss.

At such time as commercial feasibility is established, project finance has been raised, appropriate permits are in place and a development decision is reached, the costs associated with that property will be transferred to and re-categorised as Assets under construction.

Farm-in agreements
As is common practice in the mineral exploration industry, the Company may acquire or dispose of all, or a portion of, an exploration and evaluation asset under a farm-in agreement. Farm-in agreements typically call for the payment of cash, issue of shares and/or incurrence of exploration and evaluation costs over a period of time, often several years, entirely at the discretion of the party farming-in. The Company recognizes amounts payable under a farm-in agreement when the amount is due and when the Company has no contractual rights to avoid making the payment. The Company recognizes amounts receivable under a farm-in agreement only when the party farming-in has irrevocably committed to the transfer of economic resources to the Company, which often occurs only when the amount is received. Amounts received under farm-in agreements reduce the capitalized costs of the optioned unproven mineral interest to nil, and are then recognized as income.

h) Impairment of non-current assets

Impairment tests for non-current assets are performed when there is an indication of impairment. At each reporting date, an assessment is made to determine whether there are any indications of impairment. Prior to carrying out impairment reviews, the significant cash generating units are assessed to determine whether they should be reviewed under the requirements of IAS 36 - Impairment of Assets for property plant and equipment, or IFRS 6 - Exploration for and Evaluation of Mineral Resources.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-current assets (continued)

Impairment reviews performed under IAS 36 are carried out on a periodic basis to ensure that the value recognised on the Statement of Financial Position is not greater than the recoverable amount. Recoverable amount is defined as the higher of an asset's fair value less costs of disposal, and its value in use.

Impairment reviews performed under IFRS 6 are carried out on a project-by-project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise; typically when one of the following circumstances applies:
(i) sufficient data exists that render the resource uneconomic and unlikely to be developed
(ii) title to the asset is compromised
(iii) budgeted or planned expenditure is not expected in the foreseeable future
(iv) insufficient discovery of commercially viable resources leading to the discontinuation of activities

During the year assets have been moved from Exploration & Evaluation under IFRS 6 to PPE, and the Board undertook an impairment review at the time of transfer.

If any indication of impairment exists, an estimate of the non-current asset's recoverable amount is calculated. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value in use. If the carrying value of a non-current asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the statement of comprehensive loss so as to reduce the carrying amount of the non-current asset to its recoverable amount.

i) Income taxes

Income tax expense is comprised of current and deferred income taxes. Current and deferred income taxes are recognized in profit and loss, except for income taxes relating to items recognized directly in equity or other comprehensive income.

Current income tax, if any, is the expected amount payable or receivable on the taxable income or loss for the year, calculated in accordance with applicable taxation laws and regulations, using income tax rates enacted or substantively enacted at the end of the reporting period, and any adjustments to amounts payable or receivable relating to previous years.

Deferred income taxes are provided using the liability method based on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using income tax rates and income tax laws and regulations that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that do not affect accounting or taxable profit
- goodwill
- investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

j) Basic and diluted income or loss per share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of commons shares outstanding during the year. Diluted income per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. Fully diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts for the basic and diluted loss per share.

k) Comprehensive income (loss)

Comprehensive income (loss) is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income (loss) that are excluded from net earnings (loss). The main element of comprehensive income (loss) is the foreign exchange effect of translating the financial statements of the subsidiaries from local functional currencies into Canadian dollars upon consolidation. Movements in the exchange rates of the US Dollar, Pound Sterling, Nigerian Naira and West African Franc to the Canadian dollar will affect the size of the comprehensive income (loss).

l) Share-based payments

Where options are awarded for services the fair value, at the grant date, of equity-settled share awards is either charged to income or loss, or capitalized to assets under construction where the underlying personnel cost is also capitalized, over the period for which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in the Options reserve. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. Where warrants are awarded in connection with the issue of common shares the fair value, at the grant date, is transferred from common shares with the corresponding accrued entitlement recorded in the share purchase warrants reserve. The fair value of options and warrants awards is calculated using the Black-Scholes option pricing model which considers the following factors:

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share based payments (continued)

When equity instruments are modified, if the modification increases the fair value of the award, the additional cost must be recognised over the period from the modification date until the vesting date of the modified award.

m) Decommissioning, site rehabilitation and environmental costs

The Group is required to restore mine and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities and consistent with the Group's environmental policies. The net present value of estimated future rehabilitation costs is provided for in the financial statements and capitalised within property, plant and equipment on initial recognition. The capitalised cost is amortised on a unit of production basis. Unwinding of the discount is recognised as finance cost in the statement of comprehensive income as it occurs. Changes in estimates are dealt with on a prospective basis as they arise. The costs of on-going programmes to prevent and control pollution and to rehabilitate the environment are charged to profit or loss as incurred.

n) Leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- There is an identified asset;
- The Group obtains substantially all the economic benefits from use of the asset; and,
- The Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise from use of the asset. In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

On initial recognition, the carrying value of the lease liability also includes:
- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and,
- Any penalties payable for terminating the lease, if the term of the lease has been estimated based on termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and,
- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

o) Interest income

Interest income is recognized as earned, provided that collection is assessed as being reasonably assured.

p) Provisions

Provisions are recognised when the Group has a present obligation, legal or constructive, resulting from past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation.

q) Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the Group.

Contingent liabilities also include obligations that are not recognised because their amount cannot be measured reliably or because settlement is not probable. Contingent liabilities do not include provisions for which it is certain that the Group has a present obligation that is more likely than not to lead to an outflow of cash or other economic resources, even though the amount or timing is uncertain.
Unless the possibility of an outflow of economic resources is remote, a contingent liability is disclosed in the notes to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

r) Application of new and revised International Financial Reporting Standards

The following new and revised standards and interpretations, all of which are effective for accounting periods beginning on or after 1 January 2020, have been adopted in the current financial year.

- Amendments to References to the Conceptual Framework in IFRS Standards.
- Amendments to IFRS 3 Business Combinations : Definition of a business
- Amendments to IAS 1 and IAS 8: Definition of Material
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest rate Benchmark Reform

The new standards effective from January 1, 2020, as listed above, do not have a material effect on the Group's financial statements.

s) Future accounting pronouncements

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods and which the group has decided not to adopt early. None of these are expected to have a significant effect on the Group, in particular:

- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- Amendments to IFRS 16 Leases Covid 19 – Related Rent Concessions
- Annual improvements to IFRSs (2018-2020 Cycle)
- Amendments to IFRS 9, IAS 39 and IFRS 7; interest rate benchmark reform – Phase 2

(i) *There are no other standards issued by IASB, but not yet effective, that are expected to have a material impact of the group.*

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in net and/or comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

a) Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, relate to, but are not limited to, the following:

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

a) Critical accounting estimates (continued)

(i) *Accounting treatment of Gold Stream Liability*

Determining the appropriate accounting treatment for the Gold Stream Liability is not an accounting policy choice, rather it is an assessment of the specific facts and circumstances and requires judgement. The Company has reviewed the terms of the Gold Sale Agreement and determined that it constitutes a commodity arrangement as it is an arrangement to deliver an amount of the commodity from the Group's own Segilola Gold Project operation, and does not constitute a contract liability under IFRS 15.

The principal accounting estimates in calculating the value of the Gold Stream Liability are production plan, gold price, the implied interest rate and future repayment profile. The buy-out option contained in the Gold Sale Agreement has been estimated at nil. In calculating the deemed interest rate for interest expense that will be released over the term of the Agreement, estimates of both the production plan and gold price will be the key variables. The deemed interest rate will be recalculated at each reporting period and restated based on changes to the expected production profile and gold price estimates, which will result in a revision to estimated future payments. Any change in future payments will result in a revision of the deemed interest rate.

The year-end Gold Stream obligation uses forward curve information based on the year-end gold spot price, which was US$1,899 /oz at the end of 2020. A 1% change in gold production estimates would result in an impact of less than US$0.023 million on the Gold Stream liability.

b) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

(i) *Impairment of exploration and evaluation assets*

In accordance with IFRS 6 *Exploration for and Evaluation of Mineral Resources*, management is required to assess impairment in respect of the intangible exploration and evaluation assets. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

Management has determined that it is appropriate to impair fully the value of the Central Houndé Project in Burkina Faso following the unsuccessful attempt by Barrick Gold to dispose of its 51% interest in the license. An impairment charge of $1,604,564 has been charged to the Consolidated Statement of Comprehensive Loss. There were no impairment indicators present in respect of any of the other exploration and evaluation assets and as such, no additional impairment test was performed.

(ii) *Impairment of property, plant and equipment*

Upon transfer of the Segilola Gold Project from Exploration and Evaluation assets to Assets under Construction the Company undertook an impairment assessment in accordance with IAS 36 and determined that no impairment was required to be recognised. The major factor considered in reaching determination that no impairment was warranted was the valuation of the Open Pit in the DFS of US$138 million, which was significantly above the value of the project recorded on the balance sheet of $37 million (US$29 million) as at the date of investment decision.

In Canadian dollars, except where noted (audited)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

a) Critical accounting judgements (continued)

(iii) *Restoration, site rehabilitation and environmental costs*
The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate of the rehabilitation costs in the period in which they are incurred. This estimate includes judgements from management in respect of which costs are expected to be incurred in the future, the timing of these costs and their present value. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision. Such changes could similarly impact the useful lives of assets depreciated on a straight-line-basis, where those lives are limited to the life of mine. A 1% change in the discount rate on the Group's rehabilitation estimates would result in an impact of $0.035 million (2019: $nil) on the provision for environmental and site restoration. The value of the year-end restoration provision is disclosed within note 14.

5. OTHER ADMINISTRATIVE EXPENSES

	Note	Years Ended December 31, 2020	2019
Audit and legal		$ **271,592**	$ 146,259
Consulting fees		**763,801**	578,447
Directors' fees	20	**413,228**	348,877
Salaries and benefits		**2,099,369**	704,895
Listing and filing fees		**21,403**	31,446
Investor relations and transfer agent		**296,933**	141,214
Bank charges		**71,103**	13,585
Office and miscellaneous		**171,747**	214,710
Travel		**95,316**	123,018
		$ **4,204,493**	$ 2,302,451

In Canadian dollars, except where noted (audited)

6. ASSET ACQUISITION

a) Payments to former owners of the Segilola Gold Projects

During the year under review, payments totaling $318,152 (US$245,000) (December 31, 2019 - $nil) became payable to Tropical Mines Limited and Delano Gold Mining Industries Limited under conditions included in the 2016 Sale and Purchase Agreements ("SPA") for the Segilola Gold Project. The payment obligation was triggered by the Company's final investment decision to proceed with construction of the Segilola Gold Mine.

b) Acquisition of Nigerian exploration licenses

On October 2, 2019, the Office of the Nigeria Mining Cadastre granted a further two new licenses to SGL. The licenses are located between 2.5km and 14km from Segilola, with a combined area of 343.6 km² and cover significant sections of the structural trends that extend northwards from the Segilola high grade gold deposit.

The total consideration paid for the two licenses granted on October 2, 2019 was comprised of the following:

Purchase price	
Acquisition of exploration licenses	
Cash (NGN 2,905,000)	$ 10,643
Total consideration December 31, 2019	**$ 10,643**

In total, the Group currently has tenure over nine exploration licenses and one mining license that cover 912 km² of the prospective Ilesha Schist Belt that forms part of the crystalline basement complex of southwestern Nigeria.

7. RESTRICTED CASH

	December 31, 2020	December 31, 2019
Restricted cash	**$ 4,460,026**	$ -

On December 1, 2020, announced that its subsidiary Segilola Resources Operating Limited ("SROL") had completed the financial closing of a US$54 million project finance senior debt facility ("the Facility") from the Africa Finance Corporation for the construction of the Segilola Gold Project in Nigeria. The Facility can be drawn down at the Group's request in minimum disbursements of US$5 million. Following the closing SROL received a disbursement of US$21.5 million ($27.9 million), representing 40% of the facility. Under the terms of the facility, the Company was required to place a total of US$3.5 million ($4.4 million) into a cost overrun bank account that can only be used for expenditure on the development of the Segilola Gold Project in the event of construction costs exceeding budget. Accordingly, the balance of the cost overrun bank account at the reporting date has been shown separately from Cash on the Statement of Financial Position. Refer to Note 12 for further detail on the facility.

In Canadian dollars, except where noted (audited)

8. AMOUNTS RECEIVABLE

		December 31, 2020		December 31, 2019
GST	$	**1,414**	$	4,786
Other receivables		**55,291**		521
Share subscriptions receivable		**-**		3,166,831
Impairment (provision)		**-**		(2,026,301)
	$	**56,705**	$	1,145,837

At December 31, 2019, the Group recognized an impairment of$2,026,000 on share subscriptions receivable on the basis of historic receipts, the economic environment and the Board's assessment of the subscribers' ability to pay. This impairment took into consideration payments received between December 31, 2019, and June 15, 2020, the date of signing the 2019 financial statements. During the course of 2020 the entire amount of share subscriptions were received, and the impairment has been fully reversed through the Consolidated Statement of Comprehensive Loss.

The value of receivables recorded on the balance sheet is approximate to their recoverable value and there are no expected material credit losses.

9. PREPAID EXPENSES, ADVANCES AND DEPOSITS

		December 31, 2020		December 31, 2019
Current:				
Insurance	$	**47,973**	$	21,213
Gold Stream liability arrangement fees		**52,910**		-
Other deposits		**295,795**		76,787
Other prepayments		**156,018**		102,349
	$	**552,696**		200,349
Non-current:				
Gold Stream liability arrangement fees	$	**171,957**	$	-
Other prepayments		**23,327**		23,327
	$	**195,284**	$	23,327

In Canadian dollars, except where noted (audited)

10. LEASES

The Group accounting for leases in accordance with IFRS 16. The definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2019.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases which have low value, or short-term leases with a duration of 12 months or less. The payments associated with such leases are charged directly to the income statement on a straight-line basis over the lease term. $59,778 (2019 year: $61,108) has been expensed in the year in relation to low value and shor- term leases. In addition, the Group will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Group will include the payments due under the lease in its lease liability.

The key impacts on the Statement of Comprehensive Loss and the Statement of Financial Position for the year ended December 31, 2020, were as follows:

	Right of use asset	Lease liability	Income statement
Carrying value December 31, 2019	$ 108,177	$ (96,665)	$ -
New leases entered in to during the year	41,969	(41,969)	-
Depreciation	(60,559)	-	(56,619)
Interest	-	(3,159)	(3,159)
Lease payments	-	103,009	-
Foreign exchange movement	(1770)	(185)	(1,955)
Carrying value at December 31, 2020	$ 87,817	$ (38,969)	$ (61,733)

Total depreciation for the year under IFRS 16 was $60,559. Of the total depreciation charge, $56,619 was charged to the Statement of Comprehensive Loss, and $3,940 was capitalized to Assets Under Construction.

The key impacts on the Statement of Comprehensive Loss and the Statement of Financial Position for the year ended December 31, 2019, were as follows:

	Lease prepayments	Right of use asset	Lease liability	Income statement
Balance on transition	$ 14,400	$ -	$ -	$ -
Initial recognition	(14,400)	164,320	(149,920)	-
Depreciation		(55,694)	-	(55,694)
Interest		-	(5,414)	(5,414)
Lease payments		-	58,468	-
Foreign exchange movement		(449)	201	201
Carrying value at 31 December 2019	$ -	$ 108,177	$ (96,665)	$ (60,907)

In Canadian dollars, except where noted (audited)

11. GOLD STREAM LIABILITY

Gold stream liability

		Total
Balance at drawdown	$	28,197,777
Interest at the effective interest rate		4,545,134
Foreign exchange movement		(1,325,960)
Balance December 31, 2020	**$**	31,416,951
Current liability		6,068,017
Non-current liability		25,348,934

On April 29, 2020, the Company announced the closing of project financing for its flagship Segilola Gold Project ("Segilola") in Osun State, Nigeria. The financing included a US$21 million gold stream upfront deposit ("the Prepayment") over future gold production at Segilola under the terms of a Gold Purchase and Sale Agreement ("GSA") entered in to between the Company's wholly owned subsidiary SROL and the AFC. The Prepayment is secured over the shares in SROL as well as over SROL's assets, and is not subject to interest. The initial term of the GSA is for ten years with an automatic extension of a further ten years. The AFC will receive 10.27% of gold production from the Segilola ML41 mining license until the US$21 million Prepayment has been repaid in full. Thereafter the AFC will continue to receive 10.27% of gold production from material mined within the ML41 mining license until a further US$26.25 million is received, representing a total money multiple of 2.25 times the value of the Prepayment, at which point the GSA will terminate. The AFC are not entitled to receive an allocation of gold production from material mined from any of the Group's other gold tenements under the terms of the GSA.

The US$26.25 million represents interest on the Prepayment. A calculation of the implied interest rate was made as at drawdown date with interest being apportioned over the expected life of the Stream Facility. The principal input variables used in calculating the implied interest rate and repayment profile were production profile and gold price. The future gold price estimates are based on market forecast reports for the years 2021 to 2025 and, the production profile is based on the latest life of mine plan model. The liability will be re-estimated on a periodic basis to include changes to the production profile, any extension to the life of mine plan and movement in the gold price. Upon commencement of production, any change to the implied interest rate will be expensed through the Consolidated Statement of Loss.

The interest expense of $4,545,134 recognised to the date of this report has been capitalized and is included in the value of Assets Under Construction (Refer to Note 15). The interest expense will be released to the income statement upon commencement of production in line with units of gold produced.

In Canadian dollars, except where noted (audited)

12. LOANS AND BORROWINGS

		December 31, 2020		December 31, 2019
Current liabilities:				
Loans payable to the Africa Finance Corporation less than 1 year	**$**	**-**	$	-
Deferred element of EPC contract		**68,279**		-
	$	**68,279**		-
Non-current liabilities:				
Loans payable to the Africa Finance Corporation more than 1 year	**$**	**18,140,636**	$	-
Deferred element of EPC contract		**2,391,152**		-
	$	**20,531,788**	$	-

Loans from the Africa Finance Corporation

		Total
Balance at drawdown	**$**	27,927,401
Equity component		(5,666,011)
Arrangement fees		(4,016,642)
Unwinding of interest in the year		186,205
Foreign exchange movement		(290,317)
Balance December 31, 2020	**$**	18,140,636
Current liability		-
Non-current liability		18,140,636

On December 1, 2020, the Company announced that its subsidiary Segilola Resources Operating Limited (“SROL”) had completed the financial closing of a US$54 million project finance senior debt facility (“the Facility”) from the Africa Finance Corporation (“AFC”) for the construction of the Segilola Gold Project in Nigeria. The Facility can be drawn down at the Group’s request in minimum disbursements of US$5 million. Following the closing SROL received a disbursement of US$21.5 million, representing 40% of the Facility. The Facility is secured over the share capital of SROL and its assets, with repayments expected to commence in March 2022 and conclude in March 2025.

Repayment of the aggregate Facility will be made in instalments over and 36-month period by repaying an amount on a series of repayment dates, as set out in the Facility Agreement, which reduces the amount of the outstanding aggregate Facility by the amount equal to the relevant percentage of Loans borrowed as at the close of business in London on the date of Financial Close.

Interest accrues at LIBOR plus 9% and is payable on a quarterly basis in arrears. The Facility also is subject to a Commitment Fee of 2.5% per annum on the Facility with the Commitment Fee being payable on a quarterly basis in arrears.

In conjunction with the granting of the Facility, Thor issued 33,329,480 bonus shares to the AFC. Thor also incurred transaction costs of $4,016,642 in relation to the loan facility. The fair value of the liability was determined at $18,244,748 taking into account the transaction costs and equity component and recognized at amortised cost using an effective rate of interest, with the fair value of the shares issued of $5,666,011 recognized within equity.

Interest paid during the year of $219,314 has been capitalized under Assets Under Construction. (Refer to Note 15).

As at December 31, 2020, $41.38 million (US$32.5 million) of the facility remains available for drawdown.

In Canadian dollars, except where noted (audited)

12. *LOANS AND BORROWINGS (continued)*

Deferred payment facility on EPC contract for the construction of the Segilola Gold Mine

The Company is constructing its Segilola Gold Mine through an engineering, procurement and construction contract ("EPC Contract") signed with Norinco International Cooperation Limited. The EPC Contract has been agreed on a lump sum turnkey basis which provides Thor with a fixed price of US$67.5 million for the full delivery of design, engineering, procurement, construction and commissioning of the proposed 650,000 ton per annum gold ore processing plant.

The EPC Contract includes a deferred element ("the Facility") of up to 10% of the fixed price. As at December 31, 2020, a total of $2,459,431 (US$2,009,314) was deferred under the facility. Interest accrues at 8% per annum from the time the completion certificate is issued. Repayments are due to commence in March 2022 and conclude in 2025. The amount deferred was initially measured at fair value and subsequently at amortised cost using the effective interest method.

		Total
Deferred payment facility	$	2,459,431
Balance December 31, 2020	**$**	2,459,431
Current liability		68,279
Non-current liability		2,391,152

13. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

			AFC loan	EPC deferred facility	Total
January 1, 2020		$	-	-	-
Cash flows:					
	Drawdowns		27,927,401	-	27,927,401
	Transaction costs		(4,016,642)	-	(4,016,642)
Non-cash changes:					
	Equity component		(5,666,011)	-	(5,666,011)
	Unwinding of interest in the year		186,205	-	186,205
	Foreign exchange movements		(290,317)	-	(290,317)
	Offset against EPC payment		-	2,459,431	2,459,431
December 31, 2020		$	18,140,636	2,459,431	20,600,067

14. PROVISION FOR RESTORATION

		Total
Initial recognition of provision	$	618,586
Balance December 31, 2020	$	618,586
Current liability		-
Non-current liability		618,586

The above provision relates to site restoration at Segilola Gold Project in Osun State Nigeria. The fair value of the above provision is measured by unwinding the discount on expected future cash flows using a discount factor that reflects the credit-adjusted risk-free rate of interest. It is expected that the restoration costs will be paid in US dollars, and as such the 2020 US inflation rate of 2.28% and the interest rate of 0.25% on 5-year US bonds were used to calculate the expected future cash flows. The provision represents the net present value of the best estimate of the expenditure required to settle the obligation to rehabilitate environmental disturbances caused by mining operations completed or commenced as at December 31, 2020. The restoration liability will increase in future accounting periods as construction is completed.

In Canadian dollars, except where noted (audited)

15. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	Plant and machinery	Software	Office furniture	Land	Decommissioning Asset	Assets under construction	Total
Costs								
Balance, December 31, 2018	$ 432,729	$ 393,006	$ 19,514	$ 142,906	$ -	$ -	$ -	$ 988,156
Additions	-	5,526	-	8,690	-	-	-	14,216
Foreign exchange movement	(19,492)	(19,752)	(297)	(5,436)	-	-	-	(44,977)
Balance, December 31, 2019	$ 413,237	$ 378,781	$ 19,217	$ 146,160	$ -	$ -	$ -	$ 957,397
Transfer from exploration & evaluation assets	-	-	-	-	-	-	37,015,004	37,015,004
Acquisition payments	-	-	-	-	23,012	-	318,152	341,164
Additions	1,445,547	133,834	316,936	213,730	-	618,586	55,448,668	58,177,301
Foreign exchange movement	(83,771)	10,225	(19,194)	(14,381)	-	-	(3,447,668)	(3,554,789)
Balance, December 31, 2020	**$1,775,013**	**$ 522,840**	**$ 316,959**	**$ 345,509**	**$ 23,012**	**$ 618,586**	**$ 89,334,156**	**$ 92,936,078**
Accumulated depreciation and impairment losses								
Balance, December 31, 2018	$ 255,068	$ 377,627	$ 19,514	$ 80,470	$ -	$ -	$ -	$ 732,679
Depreciation	97,262	5,532	-	36,223	-	-	-	139,017
Foreign exchange movement	(28,068)	(19,136)	(297)	(3,945)	-	-	-	(51,447)
Balance, December 31, 2019	$ 324,262	$ 364,022	$ 19,217	$ 112,748	$ -	$ -	$ -	$ 820,249
Depreciation	200,771	16,824	19,710	36,451	-	-	-	273,756
Foreign exchange movement	(28,165)	17,543	(975)	(2,212)	-	-	-	(13,809)
Balance, December 31, 2020	**$ 496,868**	**$ 398,389**	**$ 37,952**	**$ 146,987**	**$ -**	**$ -**	**$ -**	**$ 1,080,195**
Carrying amounts								
Carrying value at December 31, 2018	$ 177,661	$ 15,379	$ -	$ 62,436	$ -	$ -	$ -	$ 255,477
Carrying value at December 31, 2019	$ 88,975	$ 14,759	$ -	$ 33,412	$ -	$ -	$ -	$ 137,148
Balance, December 31, 2020	**$1,278,145**	**$ 124,451**	**$ 279,007**	**$ 198,522**	**$ 23,012**	**$ 618,586**	**$ 89,334,156**	**$ 91,855,883**

Included within Assets Under Construction is a total of $5,135,465 borrowing costs capitalized during the year, including interest on the AFC loan of $219,314. The costs relate to both the Gold Stream Prepayment and AFC Secured Loan. The associated borrowings are secured over the assets under construction, and other property, plant & equipment of Segilola Resources Operating Limited.

In Canadian dollars, except where noted (audited)

15. *PROPERTY, PLANT AND EQUIPMENT (continued)*

A summary of depreciation capitalized is as follows:

	Years ended December 31,		Total depreciation capitalized	
	2020	**2019**	**December 31, 2020**	**December 31, 2019**
	$	$	$	$
Assets under construction	**192,232**	30,911	**337,740**	145,508
Exploration expenditures	**14,885**	3,699	**533,256**	518,371
Total	$ **207,117**	$ 34,610	$ **870,996**	$ 663,879

a) Segilola Project, Osun Nigeria:

Classification of Expenditure on the Segilola Gold Project

On April 29, 2020, the Company announced the execution of definitive documents with the Africa Finance Corporation to reach full funding of the Segilola Gold Project in Nigeria ("the Project") and made the Final Investment Decision to proceed with construction of the Project. In accordance with the provisions of IFRS 6, this milestone achievement triggers a change in accounting treatment for expenditure on the Project whereby the costs incurred on the Project were transferred from Exploration and Evaluation Assets to tangible assets as Assets under construction. This transfer has been reflected in this financial report. Upon transfer of the Segilola Gold Project from Exploration and Evaluation assets to Assets under Construction, the Company undertook an impairment assessment in accordance with IAS 36 and determined that no impairment was required to be recognised based on the Open Pit DFS valuation of US$138 million, which was significantly above the value of the project recorded on the balance sheet of $37 million (US$29 million) as at the date of investment decision.

Decommissioning Asset

The decommissioning asset relates to estimated restoration costs at the Group's Segilola Gold Mine as at December 31, 2020. Refer to Note 14 for further detail.

In Canadian dollars, except where noted (audited)

16. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation assets costs are as follows:

	Douta Gold Project, Senegal	Central Houndé Project, Burkina Faso	Segilola Gold Project, Osun Nigeria	Exploration licenses, Nigeria	Total
Costs					
Balance, December 31, 2018	$ 13,897,249	$ 1,607,410	$ 27,271,075	$ 26,453	$ 42,802,187
Acquisition costs	-	-	-	10,643	10,643
Exploration costs	259,944	14,634	4,363,716	43,401	4,681,695
Foreign exchange movement	(449,051)	(66,106)	(298,358)	(1,118)	(814,633)
Balance, December 31, 2019	$ 13,708,142	$ 1,555,938	$ 31,336,433	$ 79,379	$ 46,679,892
Exploration costs	1,705,210	1,121	5,678,571	36,560	7,421,462
Transfer to tangible assets	-	-	(37,015,004)	-	(37,015,004)
Impairment	-	(1,604,564)	-	-	(1,604,564)
Foreign exchange movement	464,356	47,505	-	(4,904)	506,957
Balance, December 31, 2020	**$ 15,877,708**	**$ -**	**$ -**	**$ 111,035**	**$ 15,988,743**

Classification of Expenditure on the Segilola Gold Project

Refer to note 15 for details on classification.

a) Douta Gold Project, Senegal:

The Douta Gold Project consists of an early-stage gold exploration license located in southeastern Senegal, approximately 700km east of the capital city Dakar.

The Company is party to an option agreement (the "Option Agreement") with International Mining Company ("IMC"), by which the Company has acquired a 70% interest in the Douta Gold Project located in southeast Senegal held through African Star SARL.

Effective February 24, 2012, the Company exercised its option to acquire a 70% interest in the Douta Gold Project pursuant to the terms of the Option Agreement between the Company and IMC. As consideration for the exercise of the option, the Company issued to IMC 11,646,663 common shares, based on a VWAP for the 20 trading days preceding the option exercise date of $0.2014 (or US$0.2018) per share, valued at $2,678,732 based on the Company's closing share price on February 24, 2012. The share payment includes consideration paid to IMC for extending the time period for exercise of the option.

Pursuant to the terms of the Option Agreement, IMC's 30% interest will be a "free carry" interest until such time as the Company announces probable reserves on the Douta Gold Project (the "Free Carry Period"). Following the Free Carry Period, IMC must either elect to sell its 30% interest to African Star at a purchase price determined by an independent valuer commissioned by African Star or fund its 30% share of the exploration and operating expenses.

16. EXPLORATION AND EVALUATION ASSETS (continued)

b) Central Houndé Project, Burkina Faso:

(i) Bongui and Legue gold permits, Burkina Faso:

AFC Constelor SARL held a 100% interest in the Bongui and Legue gold permits covering an area of approximately 233 km^2 located within the Houndé belt, 260 km southwest of the capital Ouagadougou, in western Burkina Faso.

(ii) Ouere Permit, Central Houndé Project, Burkina Faso:

Argento BF SARL held a 100% interest in the Ouere gold permit, covering an area of approximately 241 km^2 located within the Houndé belt.

The three permits together cover a total area of 474km^2 over the Houndé Belt which form the Central Houndé Project.

(iii) Barrick Option Agreement, Central Houndé Project, Burkina Faso:

On April 8, 2015, the Company entered into the Acacia Option Agreement with Acacia Mining plc (“Acacia”), whereby Acacia will have the exclusive option to earn up to a 51% interest in Central Houndé Project by satisfying certain conditions over a specified 4-year period and then the right to acquire an additional 29%, for an aggregate 80% interest in the Central Hounde Project, upon declaration of a Pre-Feasibility Study. Acacia met the minimum spending requirement for the Phase 1 Earn-in in September 2018. As a result, Acacia earned a 51% interest in the Central Houndé Project. The Group currently holds a 49% interest in the Central Houndé Project.

In 2019, Barrick Gold Corporation (“Barrick”) completed an acquisition of Acacia through the purchase of the ordinary share capital of Acacia that Barrick did not already own. The acquisition did not affect work undertaken at the Central Hounde Gold Project in Burkina Faso where Barrick continued its exploration work as per its Joint Operation with Thor.

In Burkina Faso, in April 2021, Thor acquired Barrick’s 51% ownership of the Project in exchange for a 1% Net Smelter Royalty. Thor now holds 100% of the e Central Houndé Project.

Following the unsuccessful attempt by Barrick Gold to dispose of its 51% interest in the licenses, the Company carried out an impairment assessment at December 31, 2020, and determined that the unsuccessful sale attempt was an indication for impairment. It is the Company’s intention to focus on Segilola development and Douta exploration in the short term, and it does not plan to undertake significant work on the license areas in the near future. As a result, the decision was taken to impair fully the value of the Central Houndé Project as at December 31, 2020, recognizing an impairment charge of $1,604,564 through the Consolidated Statement of Comprehensive Loss.

In Canadian dollars, except where noted (audited)

16. EXPLORATION AND EVALUATION ASSETS (continued)

c) Exploration Licenses, Nigeria

The high grade Segilola gold deposit is located on the major regional shear zone that extends for several hundred kilometres through the gold-bearing Ilesha schist belt (structural corridor) of Nigeria. Thor's exploration tenure currently comprises nine explorations licenses. Together with the mining lease over the Segilola Gold Deposit, Thor's total exploration tenure amounts to 912 km². The Company's exploration strategy includes further expansion of its Nigerian land package as and when attractive new licenses become available.

17. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		December 31, 2020		December 31, 2019
Trade payables	**$**	**10,363,935**	$	480,179
Accrued liabilities		**552,029**		552,597
	$	**10,915,964**	$	1,032,776

Accounts payable and accrued liabilities are classified as financial liabilities and approximate their fair values. The significant increase in trade payables as at December 31, 2020, is due to amounts owing in connection with construction of the Segilola Gold Mine.

18. CAPITAL AND RESERVES

a) Authorized

Unlimited common shares without par value.

b) Issued

	December 31, 2020 Number		December 31, 2020	December 31, 2019 Number		December 31, 2019
As at start of the year	449,352,215	$	67,550,111	370,682,965	$	52,268,870
Issue of new shares:						
- Share options exercised [i]	210,000		42,000	-		-
- Issue July 13, 2020 [ii]	75,548,530		13,558,254	-		-
- Issue costs July 13, 2020	-		(1,223,457)	-		-
- Issue April 29, 2020 [iii]	28,215,750		5,643,150	-		-
- Issue April 29, 2020 creditor settlement [iv]	34,750,000		5,907,500	-		-
- Issue April 29, 2020 bonus shares [v]	33,329,480		5,666,011	-		-
- Issue December 4, 2019 [vi]	-		(20,985) [v]	78,669,250		15,281,241
	621,405,975	$	97,122,584	449,352,215	$	67,550,111

[i] Value of 210,000 options were exercised on December 10, 2020 at a price of $0.20 per share.
[ii] Private placement of 75,548,530 common shares at a price of $0.18 per share.
[iii] Private placement of 28,215,750 common shares at a price of $0.20 per share.
[iv] Issue of 34,750,000 common shares in settlement of US$5 million owed to creditors. The fair value of the shares issued was determined at the share price at the date of issue of $0.17 per share. The difference between the fair value of the shares issued of $5,907,500 and the carrying amount of creditors settled of $6,950,000 is recognised in the statement of comprehensive loss as gain of settlement of liabilities of $1,042,000.
[v] Issue of 33,329,480 bonus common shares in connection with secured borrowing facility shares at a price of $0.17 per share (Refer to Note 12).
[vi] Additional costs associated with the private placement of 78,669,250 common shares in December 2019.

In Canadian dollars, except where noted (audited)

18. CAPITAL AND RESERVES (continued)

c) Share-based compensation

The Company has granted directors, officers and consultants share purchase options. These options were granted pursuant to the Company's stock option plan.

Under the current Share Option Plan, 44,900,000 common shares of the Company are reserved for issuance upon exercise of options.

- On January 16, 2020, 14,250,000 stock options were granted at an exercise price of $0.20 per share for a period of five years. The options vested immediately.
- On October 5, 2018, 750,000 stock options were granted at an exercise price of $0.14 per share for a period of five years.
- On March 12, 2018, 12,800,000 stock options were granted at an exercise price of $0.145 per share for a period of five years.
- On May 7, 2017, 500,000 stock options were granted at an exercise price of $0.12 per share for a period of three years. On July 5, 2019 the Company announced an extension of the expiry date from May 7, 2020 to May 7, 2022. All other conditions of the options remain the same.
- On January 16, 2017, 9,750,000 stock options were granted at an exercise price of $0.12 per share for a period of three years. On July 5, 2019 the Company announced an extension of the expiry date from January 16, 2020 to January 16, 2022. In addition the vesting conditions attached to 1.75 million options were removed with the options vesting immediately and the resulting charge recorded in the Consolidated Statement of Comprehensive Loss.

All of the stock options were vested as at the balance sheet date. These options did not contain any market conditions and the fair value of the options were charged to the statement of comprehensive loss or capitalized as to assets under construction in the period where granted to personnel's whose cost is capitalized on the same basis. The assumptions inherent in the use of these models are as follows:

Vesting period (years)	First vesting date	Expected remaining life (years)	Risk free rate	Exercise price	Volatility of share price	Fair value	Options vested	Options granted	Expiry
5	01/16/2017	1.05	1.05%	$0.12	197.32%	$0.14	9,750,000	9,750,000	01/16/2022
5	05/07/2017	1.35	0.87%	$0.12	192.23%	$0.15	500,000	500,000	05/07/2022
5	03/12/2018	2.19	2.00%	$0.145	105.09%	$0.14	12,800,000	12,800,000	03/12/2023
5	10/05/2018	2.76	2.43%	$0.14	100.69%	$0.14	750,000	750,000	10/05/2023
5	01/16/2020	4.05	1.49%	$0.20	66.84%	$0.07	14,250,000	14,250,000	01/16/2025

The share price volatility measure for options granted in 2017 was the historical volatility in Thor's share price measured over the same number of years as the life of the options granted. In 2018 the Company elected to measure volatility by calculating the average volatility of a collection of three peer companies historical share prices for the exercising period of each parcel of options. Management believes that given the transformational change that the Company has undergone since the acquisition of the Segilola Gold Project in August 2016, the Company's historical share price is not reflective of the current stage of development of the Company, and that adopting the volatility of peer companies who have advanced from exploration to development is a more accurate measure of share price volatility for the purpose of options valuation.

In Canadian dollars, except where noted (audited)

18. CAPITAL AND RESERVES (continued)

c) Share-based compensation (continued)

The following is a summary of changes in options from January 1, 2020, to December 31, 2020, and the outstanding and exercisable options at December 31, 2020:

Grant Date	Expiry Date		Exercise Price	Contractual Lives Remaining (Years)	January 1, 2020 Opening Balance	During the period Granted	During the period Exercised	During the period Expired / Forfeited	December 31, 2020 Closing Balance	December 31, 2020 Number of Options Vested and Exercisable	December 31, 2020 Number of Options Unvested
16-Jan-2017	16-Jan-2022	i	$0.12	1.05	9,750,000	-	-	-	9,750,000	9,750,000	-
7-May-2017	7-May-2022	ii	$0.12	1.35	500,000	-	-	-	500,000	500,000	-
12-Mar-2018	12-Mar-2023		$0.145	2.19	12,800,000	-	-	-	12,800,000	12,800,000	-
5-Oct-2018	5-Oct-2023		$0.14	2.76	750,000	-	-	-	750,000	750,000	-
16-Jan-2020	16-Jan-2025		$0.20	4.05	-	14,250,000	(210,000)	-	14,040,000	14,040,000	-
Totals				**2.59**	**23,800,000**	**14,250,000**	**(210,000)**	**-**	**37,840,000**	**37,840,000**	-
Weighted Average Exercise Price					**$0.134**	**$0.200**	**$0.200**	**-**	**$0.159**	**$0.159**	**-**

[i] On July 5, 2019 the Company announced an extension of the expiry date from January 16, 2020 to January 16, 2022. All other conditions of the options remain the same.

[ii] On July 5, 2019 the Company announced an extension of the expiry date from May 7, 2020 to May 7, 2022. All other conditions of the options remain the same.

In Canadian dollars, except where noted (audited)

18. CAPITAL AND RESERVES (continued)

The following is a summary of changes in options from January 1, 2019, to December 31, 2019, and the outstanding and exercisable options at December 31, 2019:

				Contractual Lives	January 1, 2019	During the period			December 31, 2019	December 31, 2019 Number of Options	
Grant Date	Expiry Date		Exercise Price	Remaining (Years)	Opening Balance	Granted	Exercised	Expired / Forfeited	Closing Balance	Vested and Exercisable	Unvested
16-Jan-2017	16-Jan-2022	i	$0.12	2.06	9,750,000	-	-	-	9,750,000	9,750,000	-
7-May-2017	7-May-2022	ii	$0.12	2.35	500,000	-	-	-	500,000	500,000	-
12-Mar-2018	12-Mar-2023		$0.145	3.20	12,800,000	-	-	-	12,800,000	12,800,000	-
5-Oct-2018	5-Oct-2023		$0.14	3.76	750,000	-	-	-	750,000	750,000	-
Totals				**2.73**	**23,800,000**	**-**	**-**	**-**	**23,800,000**	**23,800,000**	**-**
Weighted Average Exercise Price					**$0.134**	**-**	**-**	**-**	**$0.134**	**$0.134**	**-**

[i] On July 5, 2019 the Company announced an extension of the expiry date from January 16, 2020 to January 16, 2022. All other conditions of the options remain the same.

[ii] On July 5, 2019 the Company announced an extension of the expiry date from May 7, 2020 to May 7, 2022. All other conditions of the options remain the same.

In Canadian dollars, except where noted (audited)

18. CAPITAL AND RESERVES (continued)

d) Share purchase warrants

On August 31, 2018, the Company issued 44,453,335 warrants pursuant to the private share placement closed on the same date, whereby one warrant was issued for every common share subscribed for ("Placement Warrants"). The warrants were issued with an exercise price of $0.28 for a period of thirty-six (36) months.

On August 31, 2018, the Company issued a total of 1,664,534 warrants to a broker for advisory services pursuant to the private share placement closed on the same date ("Broker Warrants"). The warrants were issued with an exercise price of $0.18 for a period of twenty-four (24) months. The 1,664,534 warrants expired, unexercised, on August 31, 2020.

Right to accelerate exercise of warrants

If at any time after four months and one day after August 31, 2018, the Common Shares trade on the TSX Venture Exchange (the "TSX-V") at a closing price equal to or greater than $0.36 for a period of twenty (20) consecutive trading days, the Company may exercise a right to accelerate the expiry date of the Placement Warrants by giving notice to the holders of the Placing Warrants within five trading days after such event that the Placing Warrants shall expire (30) days from the date of such notice.

	Number of Warrants	Weighted Average Exercise Price	Carrying Value
Balance, December 31, 2017			$ -
Private placement	44,453,335	$0.28	475,000
Broker	1,664,534	$0.18	58,000
Balance, December 31, 2018	**46,117,869**		**533,000**
Balance, December 31, 2019	**46,117,869**		**533,000**
Broker warrants expiry August 31, 2020	(1,664,534)	$0.18	(58,000)
Balance, December 31, 2020	**44,453,335**		**475,000**

The value of the private placement warrants is net of the value of the Company's right to accelerate exercise of the warrants.

The aggregate value of the Placement Warrants outstanding at the reporting date is $475,000 which was determined using the Black Scholes model. The inputs to the model are listed in the table below:

Vesting period (years)	First vesting date	Expected life (years)	Risk free rate	Exercise price	Volatility of share price	Fair value	Warrants vested	Warrants granted	Expiry
3	31/08/2018	0.67	2.08%	$0.28	82.43%	$0.08	44,453,335	44,453,335	31/08/2021

The volatility was determined by calculating the average volatility of a collection of three peer companies historical share prices for the exercise period of each parcel of warrants.

In Canadian dollars, except where noted (audited)

18. CAPITAL AND RESERVES (continued)

d) Share purchase warrants (continued)

The Company's right to accelerate the exercising of the warrants arises in the event that the Common Shares trade on the TSX Venture Exchange (the "TSX-V") at a closing price equal to or greater than $0.36 for a period of twenty (20) consecutive trading days. The Company may give notice to the holders of the warrants requiring that they exercise the warrants with a period of thirty (30) days from the date of notice, failing which the Warrants shall expire.

The inputs to the model for the Company's right to accelerate the exercising of the warrants are listed in the table below:

Vesting period (years)	First vesting date	Expected life (years)	Risk free rate	Exercise price	Volatility of share price	Fair value	Warrants vested	Warrants granted	Expiry
3	31/08/2018	0.67	2.08%	$0.36	82.43%	$0.07	44,453,335	44,453,335	31/08/2021

e) Nature and purpose of equity and reserves

The reserves recorded in equity on the Company's statement of financial position include 'Reserves', 'Currency translation reserve', and 'Deficit'.

'Share purchase warrants' is used to recognize the value of share purchase warrants prior to exercise or forfeiture.

'Option reserve' is used to recognize the value of stock option grants prior to exercise or forfeiture.

'Currency translation reserve' is used to recognize the exchange differences arising on translation of the assets and liabilities of foreign branches and subsidiaries with functional currencies other than Canadian dollars.

'Deficit' is used to record the Company's accumulated deficit.

19. LOSS PER SHARE

Basic and diluted loss per share is calculated by dividing the loss attributed to shareholders of $3,870,107 (2019: $4,887,463) by the weighted average number of shares of 549,384,552 (2019: 376,502,334) in issue during the year.

Due to the losses incurred during the year a diluted loss per share has not been calculated as this would serve to reduce the basic loss per share. Out of 37,840,000 (2019: 23,800,000) share incentives outstanding at the end of the year 37,840,000 (2019: 23,800,000) had already vested, which if exercised could potentially dilute basic earnings per share in the future.

In Canadian dollars, except where noted (audited)

20. RELATED PARTY DISCLOSURES

A number of key management personnel, or their related parties, hold or held positions in other entities that result in them having control or significant influence over the financial or operating policies of the entities outlined below. A number of these entities transacted with the Company during the current or comparative reporting periods.

a) Trading transactions

The Africa Finance Corporation ("AFC") is deemed to be a related party given the size of its shareholding in the Company. There have been no other transactions with the AFC other than the Gold Stream liability as disclosed in Note 11, and the secured loan as disclosed in Note 12.

b) Compensation of key management personnel

The remuneration of directors and other members of key management during the years ended December 31, 2020, and 2019 were as follows:

			Year ended December 31, 2020		Year ended December 31, 2019
Consulting fees & salaries					
Current directors and officers	(i) (ii)	$	**1,377,230**	$	649,120
Directors' fees					
Current directors and officers	(i) (ii)		**413,228**		348,877
Share-based payments					
Current directors and officers			**722,480**		-
		$	**2,512,938**	$	997,997

(i) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the years ended December 31, 2020, and 2019.

(ii) The Company paid consulting and director fees to both individuals and private companies controlled by directors and officers of the Company for services. Accounts payable and accrued liabilities at December 31, 2020 include $44,288 (December 31, 2019 - $nil) due to directors or private companies controlled by an officer and director of the Company. Amounts due to or from related parties are unsecured, non-interest bearing and due on demand.

In Canadian dollars, except where noted (audited)

21. SUPPLEMENTAL CASH FLOW INFORMATION

a) Changes in non-cash working capital are as follows:

		December 31, 2020		December 31, 2019
Amounts receivable	**$**	**1,100,436**	$	(3,834)
Prepaid expenses and deposits		**(64,811)**		(82,243)
Accounts payable and accrued liabilities		**10,094,147**		(402,375)
Change in non-cash working capital accounts	**$**	**11,129,772**	$	(488,452)
Relating to:				
Operating activities	**$**	**1,700,089**	$	(110,010)
Financing activities		**-**		131,676
Investing activities		**9,429,683**		(510,118)
	$	**11,129,772**	$	(488,452)

Accounts payable and accrued liabilities includes $9,862,060 (December 31, 2019 - $417,777) related to Assets under Construction and Exploration.

b) The Company has $nil income tax outlays for the year ended December 31, 2020 (December 2019 - $nil).

22. INCOME TAX

The difference between tax expense for the year and the expected income taxes based on the Canadian statutory income tax rate is as follows:

		Year ended December 31, 2020		Year ended December 31, 2019
Loss before income taxes	**$**	**3,899,969**	$	4,902,665
Potential expected income tax recovery at a statutory rate of 27% (2019 – 27%)		**(1,052,992)**		(1,324,020)
Higher statutory tax rate on earnings of foreign subsidiaries		**30,380**		(10,320)
Permanent and other differences		**(433,536)**		598,515
Changes in unrecognized deferred tax assets		**1,426,268**		720,620
Current income taxes		**-**		(1,133)
Deferred income tax recovery	**$**	**29,880**	$	16,338

During the years ended December 31, 2020 and 2019 the Canadian federal corporate income tax rate remained unchanged at 15%. The British Columbia provincial corporate income tax also remained unchanged at 12%.

In Canadian dollars, except where noted (audited)

22. INCOME TAX (continued)

Deferred Income Tax Assets and Liabilities (continued)

The Senegalese and Burkina Faso income tax rates remained unchanged at 30% and 28% respectively.

The Nigerian corporate income tax rate remained unchanged at 30%.

Deferred Income Tax Assets and Liabilities

Significant components of the Company's deferred income tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

		Year ended December 31, 2020		Year ended December 31, 2019
Eligible capital	**$**	**25,449**	$	25,449
Share issue costs		**76,185**		76,185
Other timing differences		**329,967**		165,441
Resource related deductions		**386,773**		51,847
Non-capital losses carried forward		**3,872,113**		2,738,913
		4,690,487		3,057,835
Unrecognised deferred tax asset		**(4,643,819)**		(3,042,760)
Deferred income tax assets	**$**	**46,668**	$	15,075

The Company will only recognize deferred income tax assets to the extent to which it is probable that sufficient taxable income will be realized, or taxable temporary differences will reverse, during the carry forward periods to utilize the deferred tax assets.

In Canadian dollars, except where noted (audited)

22. INCOME TAX (continued)

Deferred Income Tax Assets and Liabilities (continued)

The Company has available non-capital losses in Canada of approximately $13,993,000 (2019 - $ 9,861,000). The Canadian non-capital losses may be utilized to offset future taxable income and have carry forward periods of up to 20 years. The losses, if not utilized, expire through 2040. A summary of these tax losses is provided below.

Year of Expiry		Taxable Losses
2026		267,000
2027		245,000
2028		295,000
2029		287,000
2030		105,000
2031		468,000
2032		642,000
2033		535,000
2034		391,000
2035		427,000
2036		616,000
2037		1,349,000
2038		1,883,000
2039		2,350,000
2040		4,133,000
	$	**13,993,000**

The other deductible temporary differences do not expire and may be utilized to reduce future taxable income. The only potential benefits of carry-forward non-capital losses and deductible temporary differences have been recognized in these financial statements relate to the Company's Senegalese subsidiary African Star Resources S.A.R.L. No other potential benefits have been recognized as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

In Canadian dollars, except where noted (audited)

23. FINANCIAL INSTRUMENTS

The Group's financial instruments consist of cash, amounts receivable, accounts payable, accrued liabilities, gold stream liability, loans and other borrowings and lease liabilities.

Fair value of financial assets and liabilities
Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amount for cash, accounts receivable, and accounts payable, accrued liabilities and lease liabilities on the statement of financial position approximate their fair value because of the limited term of these instruments.

Financial risk management objectives and policies
The Group has exposure to the following risks from its use of financial instruments

- Interest rate risk
- Credit risk
- Liquidity and funding risk
- Market risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in these notes.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

Financial instruments by category
The accounting policies for financial instruments have been applied to the line items below:

December 31, 2020		Total
Assets		
Cash and cash equivalents	$	28,261,552
Restricted cash		4,460,026
Amounts receivable		56,705
Total assets measured at amortised cost		**32,778,283**

		Total
Liabilities		
Accounts payable and accrued liabilities	$	10,915,964
Loans and Borrowings		20,600,067
Lease liabilities		38,969
Total liabilities measured at amortised cost	**$**	**31,555,000**

In Canadian dollars, except where noted (audited)

23. FINANCIAL INSTRUMENTS (continued)

December 31, 2019		Total
Assets		
Cash and cash equivalents	$	5,402,920
Restricted cash		-
Amounts receivable		1,145,837
Total assets measured at amortised cost		**6,548,757**

		Total
Liabilities		
Accounts payable and accrued liabilities	$	1,032,776
Lease liabilities		96,665
Total liabilities measured at amortised cost	**$**	**1,129,441**

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group is exposed to cash flow interest rate risk from the AFC secured loans with the interest at LIBOR plus 9% (Refer to Note 12). The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

The following table discusses the Company's sensitivity to a 1% increase or decrease in interest rates:

		Interest rate Appreciation By 1%		Interest rate Depreciation By 1%
December 31, 2020				
Comprehensive income (loss)				
Financial assets and liabilities	$	280,700	$	(280,700)
December 31, 2019				
Comprehensive income (loss)				
Financial assets and liabilities	$	-	$	-

Credit risk

Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. The credit risk associated with cash and receivables is believed to be minimal.

Cash consists of cash on deposit in Canadian, UK, Mauritian, Nigerian, and Senegalese Chartered banks that are believed to be creditworthy.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at December 31, 2020 and 2019, were as follows:

		December 31, 2020		December 31, 2019
Cash	$	28,261,552	$	5,402,920
Restricted cash		4,460,026		-
Amounts receivable		56,705		1,145,837
Total	**$**	**32,778,283**	**$**	**6,548,757**

In Canadian dollars, except where noted (audited)

23. FINANCIAL INSTRUMENTS (continued)

Liquidity and funding risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is held in business accounts and are available on demand with the exception of restricted cash which is only available to be applied against the cost of the construction of the Segilola Gold Mine until construction is completed, at which point it will then be available on demand. Funding risk is the risk that the Company may not be able to raise additional financing in a timely manner and on terms acceptable to management. There are no assurances that such financing will be available when, and if, the Company requires additional financing.

In the normal course of business, the Company enters into contracts and performs business activities that give rise to commitments for future minimum payments.

The following table summarizes the Company's significant remaining contractual maturities for financial liabilities at December 31, 2020 and 2019.

Contractual maturity analysis as at December 31, 2020

	Less than 3 months $	3 – 12 Months $	1 – 5 Year $	Longer than 5 years $	Total $
Accounts payable	9,855,297	508,638	-	-	10,363,935
Accrued liabilities	552,029	-	-	-	552,029
Loans and borrowings	-	68,279	30,127,064	-	30,195,343
	10,407,326	**576,917**	**30,127,064**	**-**	**41,111,307**

Contractual maturity analysis as at December 31, 2019

	Less than 3 months $	3 – 12 Months $	1 – 5 Year $	Longer than 5 years $	Total $
Accounts payable	232,860	247,319	-	-	480,179
Accrued liabilities	552,597	-	-	-	552,597
	785,457	**247,319**	**-**	**-**	**1,032,776**

23. FINANCIAL INSTRUMENTS (continued)

Market risk

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

a) Foreign currency risk

The Group seeks to manage its exposure to this risk by holding its cash balances in the same denomination as that of the majority of expenditure to be incurred. The Group also seeks to ensure that the majority of expenditure and cash of individual subsidiaries within the Group are denominated in the same currency as the functional currency of that subsidiary.

The Company's exploration expenditures, certain acquisition costs and other operating expenses are denominated in United States Dollars, Nigerian Naira and UK Pounds Sterling. The Company's exposure to foreign currency risk arises primarily on fluctuations between the Canadian Dollars and the United States Dollars, Nigerian Naira and UK Pounds Sterling. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations.

The following table shows a currency of net monetary assets and liabilities by functional currency of the underlying companies for the period ended December 31, 2020:

	Functional currency					
	Canadian dollar	US dollar	Pound Sterling	Nigerian Naira	West African Franc	Total
Currency of net monetary asset/(liability)	December 31, 2020 CAD$	December 31, 2020 CAD$	December 31, 2020 CAD$	December 31, 2020 CAD$	December 31, 2020 CAD$	December 31, 2020 CAD$
Canadian dollar	(291,551)	-	-	-	-	(291,551)
US dollar	7,735,527	-	-	(5,903,513)	-	1,832,014
Pound Sterling	(226,825)	-	(38,910)	-	-	(265,735)
Nigerian Naira	-	-	-	(26,744)	-	(26,744)
West African Franc	-	-	-	-	1,656	1,656
Australian dollar	(26,358)	-	-	-	-	(26,358)
Total	7,190,794	-	(38,910)	(5,903,513)	1,656	1,223,282

In Canadian dollars, except where noted (audited)

23. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

The following table shows the currency of net monetary assets and liabilities by functional currency of the underlying companies for the year ended December 31, 2019:

	Functional currency					
	Canadian dollar	US dollar	Pound Sterling	Nigerian Naira	West African Franc	Total
Currency of net monetary asset/(liability)	December 31, 2019 CAD$	December 31, 2019 CAD$	December 31, 2019 CAD$	December 31, 2019 CAD$	December 31, 2019 CAD$	December 31, 2019 CAD$
Canadian dollar	(384,467)	-	-	-	-	(384,467)
US dollar	6,300,514	-	-	400	-	6,300,914
Pound Sterling	(128,754)	-	9	-	-	(128,745)
Nigerian Naira	-	-	-	35,580	-	35,580
West African Franc	-	-	-	-	(303,941)	(303,941)
Australian dollar	(3,360)	-	-	-	-	(3,360)
Total	5,783,933	-	9	35,980	(303,941)	5,515,981

The following table discusses the Company's sensitivity to a 5% increase or decrease in the Canadian Dollar against the United States Dollar:

December 31, 2020	Canadian Dollar Appreciation By 5%	Canadian Dollar Depreciation By 5%
Comprehensive income (loss)		
Financial assets and liabilities	$ 1,934,000	$ (1,934,000)
December 31, 2019		
Comprehensive income (loss)		
Financial assets and liabilities	$ 315,000	$ (315,000)

24. CAPITAL MANAGEMENT

The Company manages, as capital, the components of shareholders' equity. The Company's objectives, when managing capital, are to safeguard its ability to continue as a going concern in order to develop and its mineral interests through the use of capital received via the issue of common shares and via debt instruments where the Board determines that the risk is acceptable and in the shareholders' best interest to do so. During the year under review the company obtained funding for the construction of the Segilola Gold Mine through a combination of senior secured debt, a gold stream prepayment against future production and the partial deferral of payment on the EPC contraction for Gold Mine Construction.

The Company manages its capital structure, and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue common shares, borrow, acquire or dispose of assets or adjust the amount of cash.

25. CONTINGENT LIABILITIES

Under the terms of the Sale and Purchase Agreements ("SPA") dated June 27, 2016, for the acquisition of the Segilola Gold Project in Nigeria, the Group has an obligation to pay royalties to former owners on net smelter return from all materials mined ("Production") from the ML41 and EL19066 licenses ("the Licenses") owned by Segilola Resources Operating Limited. Royalty expenses will be recognised in the income statement in line with production from the Licenses. These royalties to former owners are as follows:

- Vox Royalty Corp (acquired from Ratel Group Limited) 1.5% of Production up to a maximum of US$3.5 million;
- Tropical Mines Limited ("TML") 1.125% of Production up to a maximum of US$3.0 million; and
- Delano Gold Mining Industries Limited ("Delano") 0.375% of Production up to a maximum of US$1 million.

The Group has a contractual obligation approximately US$40 million in payments under the EPC contract for the construction of the Segilola Gold Mine. These liabilities are not reflected in the balance sheet as at reporting date as payment is contingent upon the completion of further construction work post reporting date.

The Group will have a contractual obligation of $5.8 million (US$4.6 million) for the procurement of a mining fleet under the terms of the Mining Contract for the Segilola Gold Mine. This payment obligation will be triggered when the Mining Contractor has:

1. Delivered the mining fleet to site; and
2. Has presented a performance guarantee to the Group.

In Canadian dollars, except where noted (audited)

26. SEGMENTED DISCLOSURES

Segment Information

The Company's operations comprise three reportable segments, being the Segilola Mine Project, Exploration Projects, and Corporate compared to one reportable segment, being the exploration of mineral resource properties in the prior year. These three reporting segments have been identified based on operational focuses of the Group following the decision to develop the Segilola Mine Project during the year. The segment assets, liabilities and results for the year ended 31 December 2020 and 31 December 2019 are as follows:

December 31, 2020	Segilola Mine Project	Exploration Projects	Corporate	Total
Current assets	$ **24,967,021**	$ **65,535**	$ **8,298,423**	$ **33,330,979**
Non-current assets				
Deferred income tax assets	-	46,668	-	46,668
Prepaid expenses and deposit	171,957	-	23,327	195,284
Right of use assets	35,457	-	52,360	87,817
Property, plant and equipment	91,713,474	140,862	1,547	91,855,883
Exploration and evaluation assets	-	15,988,743	-	15,988,743
Total assets	**$ 116,887,909**	**$ 16,241,808**	**$ 8,375,657**	**$ 141,505,374**
Non-current asset additions	**$ 64,065,496**	**$ 1,872,290**	**$ 2,141**	**$ 65,939,927**
Liabilities	**$ (62,523,231)**	**$ (48,497)**	**$ (1,018,809)**	**$ (63,590,537)**
Loss for the year	**$ (201,258)**	**$ (1,634,381)**	**$ (2,034,468)**	**$ (3,870,107)**
- consulting fees	(102,218)	(78,959)	(582,624)	(763,801)
- salaries and benefits	(95,134)	-	(2,004,235)	(2,099,369)
- share-based payments	-	-	(907,574)	(907,574)
- gain on settlement of liabilities	-	-	1,042,500	1,042,500
- impairments	-	(1,604,564)	-	(1,604,564)

Non-current assets by geographical location:

December 31, 2020	Senegal	Burkina Faso	British Virgin Islands	Nigeria	Canada	Total
Prepaid expenses and deposit	-	-	24,472	147,485	23,327	195,284
Right of use assets	-	-	-	35,457	52,360	87,817
Property, plant and equipment	139,895	939	-	91,713,502	1,547	91,855,883
Exploration and evaluation assets	15,907,515	-	-	81,228	-	15,988,743
Total non-current assets	$ 16,047,410	$ 939	$ 24,472	$91,977,672	$ 77,234	$108,127,727

In Canadian dollars, except where noted (audited)

26. SEGMENGTED DISCLOSURES (continued)

December 31, 2019		**Segilola Mine Project**		**Exploration Projects**		**Corporate**		**Total**
Current assets	$	341,244	$	9,086	$	6,398,776	$	$ 6,749,106
Non-current assets								
Investment		-		-		2		2
Deferred income tax assets		-		15,075		-		15,075
Prepaid expenses and deposit		-		-		23,327		23,327
Right of use assets		-		-		108,177		108,177
Property, plant and equipment		111,193		25,297		658		137,148
Exploration and evaluation assets		29,838,091		16,841,801		-		46,679,892
Total assets	**$**	**30,290,528**	**$**	**16,891,259**	**$**	**6,530,940**	**$**	**$53,712,727**
Non-current asset additions	**$**	**4,377,933**	**$**	**317,978**	**$**	**-**	**$**	**4,695,911**
Liabilities	**$**	**(141,494)**	**$**	**(309,988)**	**$**	**(677,959)**	**$**	**(1,129,441)**
Loss for the year	**$**	**(375,933)**	**$**	**(51,310)**	**$**	**(4,460,220)**	**$**	**(4,887,463)**
- consulting fees		(128,285)		(42,454)		(407,708)		(578,447)
- salaries and benefits		-		-		(704,895)		(704,895)
- share-based payments		-		-		(138,000)		(138,000)
- impairments		-		-		(2,026,301)		(2,026,301)

Non-current assets by geographical location:

December 31, 2019	**Senegal**	**Burkina Faso**	**British Virgin Islands**	**Nigeria**	**Canada**	**Total**
Investment	-	-	-	-	2	2
Prepaid expenses and deposit	-	-	-	-	23,327	23,327
Right of use assets	-	-	-	-	108,177	108,177
Property, plant and equipment	23,806	1,228	-	111,456	658	137,148
Exploration and evaluation assets	15,290,442	1,551,359	-	29,838,091	-	46,679,892
Total non-current assets	$ 15,314,248	$ 1,552,587	$ -	$29,949,547	$ 132,164	$46,948,546

27. SUBSEQUENT EVENTS

On January 28, 2021, the Company announced the resignation of Mr. Oliver Andrews from the Board of Directors.

On March 29, 2021, the Company announced materially positive results for the updated Mineral Resource and Mineral Reserve Estimate and improved Life Of Mine ("LOM") plan for its Segilola Gold Project in Nigeria which is scheduled to commence production in June 2021.

Highlights

- Total Probable Reserve of 517,800 ounces at 4.02 grams per tonne ("g/t") representing a 28% increase over the March 2019 Segilola Definitive Feasibility Study ("DFS")
- Segilola process plant design capacity increased to 715,000 tonnes per annum ("tpa") representing a 14% increase to the DFS design
- LOM plan has been optimised to support increased process plant production rate
- LOM All-in sustaining cost ("AISC") of $685/oz
- Project Net Present Value ("NPV") of $311m at a 5% discount rate and Internal Rate of Return ("IRR") of 85%

On March 31, 2021, the Company announced its intention to seek admission to trading of its common shares on the AIM market of the London Stock Exchange. The Company is targeting Admission during Q2 2021. This listing is supplementary to the Company's listing on the TSX-V in Canada.

On April 5, 2021, the Company announced that it had re-acquired a 100% interest in the Central Houndé Project ("the Project") in Burkina Faso following the termination of the 2015 Earn-in Agreement between Thor and Acacia Mining PLC (Acacia Mining PLC was subsequently acquired by the Barrick Gold Corporation ("Barrick")). In exchange for the return of the 51% of the Project owned by Barrick, Barrick will receive a 1% Net Smelter Royalty from the Project.

THOR EXPLORATIONS LTD

Consolidated Financial Statements

For the Years Ended December 31, 2019 and 2018

(in Canadian Dollars)

THOR EXPLORATIONS LTD.

December 31, 2019

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THOR EXPLORATIONS LIMITED

Opinion

We have audited the consolidated financial statements of Thor Explorations Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, and the consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to the disclosures made in note 2 c to the financial statements which explain that the Group's cash flow projections indicate further funding is required to enable it to meet its liabilities as they fall due. As stated in note 2c this condition indicates the existence of a material uncertainty which may cast significant doubt as to the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's discussion and analysis ("MD&A").

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

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

We obtained the MD&A prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

BDO LLP

BDO LLP, Chartered Accountants
London
United Kingdom
June 15, 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

THOR EXPLORATIONS LTD.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
In Canadian dollars (audited)

	Note	December 31, 2019 $	December 31, 2018 $
ASSETS			
Current			
Cash		**5,402,920**	304,067
Amounts receivable	6	**1,145,837**	1,711,261
Prepaid expenses, advances and deposits	7	**200,349**	137,977
Total current assets		**6,749,106**	2,153,305
Investment		**2**	2
Deferred income tax assets	16	**15,075**	-
Prepaid expenses, advances and deposits	7	**23,327**	23,327
Right of use assets	8	**108,177**	-
Property, plant and equipment	9	**137,148**	255,482
Exploration and evaluation assets	5, 10	**46,679,892**	42,802,187
Total non-current assets		**46,963,621**	43,080,998
TOTAL ASSETS		**53,712,727**	45,234,303
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	11	**1,032,776**	1,506,438
Lease liabilities	8	**61,311**	-
Deferred payment	12	**-**	893,405
Total current liabilities		**1,094,087**	2,399,843
Non-current liabilities			
Lease liabilities	8	**35,354**	-
Deferred income tax liabilities	16	**-**	1,047
Total non-current liabilities		**35,354**	1,047
SHAREHOLDERS' EQUITY			
Common shares	13	**67,550,111**	52,268,870
Share purchase warrants	13	**533,000**	533,000
Option Reserve	13	**4,902,308**	4,764,308
Currency translation reserve		**559,126**	1,341,031
Deficit		**(20,961,259)**	(16,073,796)
Total shareholders' equity		**52,583,286**	42,833,413
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**53,712,727**	45,234,303

These consolidated financial statements were approved for issue by the Board of Directors on June 15, 2020 and are signed on its behalf by:

(Signed) "Adrian Coates" *(Signed) "Olusegun Lawson"*

THOR EXPLORATIONS LTD.

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31,
In Canadian dollars

	Note	2019 $	2018 $
Expenses:			
Audit and legal		**146,259**	165,091
Bank charges		**13,585**	15,439
Consulting fees		**578,447**	515,613
Accretion - unwinding of discount on deferred consideration	12	**-**	271,547
Directors fees	14	**821,330**	381,166
Depreciation	8,9	**126,733**	50,922
Foreign exchange loss		**244,000**	139,851
Listing and filing fees		**31,446**	31,542
Office and miscellaneous		**214,707**	184,037
Salaries and benefits		**232,442**	-
Shareholder information and transfer agent fees		**141,214**	141,299
Travel		**123,021**	166,783
Impairment of receivable	6	**2,026,301**	-
Share-based payments	13	**138,000**	2,110,354
Loss from operations		**(4,837,485)**	(4,173,644)
Interest expense	12	**(65,183)**	(35,449)
Net loss before taxes		**(4,902,668)**	(4,209,093)
Current income taxes	16	**(1,133)**	(1,166)
Deferred income tax recovery	16	**16,338**	18,198
Net loss for the year		**(4,887,463)**	(4,192,061)
Other comprehensive income			
Foreign currency translation (loss) / gain attributed to equity shareholders of the company		**(781,905)**	647,927
Total comprehensive (loss) for the year		**(5,669,368)**	(3,544,134)
Net loss per share - basic and diluted		**(0.01)**	(0.01)
Weighted average number of common shares outstanding - basic and diluted		**376,502,334**	335,082,147

All losses arose from continuing operations

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

THOR EXPLORATIONS LTD.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,
In Canadian dollars

	Note	2019	2018
Cash flows from (used in):			
Operating activities			
Net loss for the period		**$ (4,887,463)**	$ (4,192,061)
Adjustments for:			
Foreign exchange loss / (gain)		**97,449**	158,609
Impairment of receivable	6	**2,026,301**	-
Accretion - unwinding of discount on deferred consideration	12	**-**	271,547
Depreciation		**126,733**	50,922
Share based payments		**138,000**	2,110,354
Current income taxes	16	**1,133**	1,166
Deferred income tax recovery	16	**(16,338)**	(18,198)
Interest expense	12	**65,183**	35,449
Changes in non-cash working capital items	15	**(110,010)**	(13,713)
Cash utilized in operations		**(2,559,012)**	(1,595,925)
Adjustments to net loss for cash items			
Realized foreign exchange loss		**(37,124)**	(25,182)
Net operating cash flows		**(2,596,136)**	(1,621,107)
Investing activities			
Acquisition of exploration and evaluation assets, net of cash acquired	5(a)	**(10,643)**	(11,707)
Payment of deferred payable	12	**(860,275)**	(1,776,935)
Purchases of property, plant and equipment	9	**(14,216)**	(193,878)
Exploration and evaluation expenditures	10	**(5,123,835)**	(5,725,747)
Net investing cash flows		**(6,008,969)**	(7,708,267)
Financing			
Proceeds from issuance of equity securities	13	**14,185,402**	10,146,921
Share issue costs	13	**(373,136)**	(707,153)
Payment of lease liabilities	8	**(58,468)**	-
Interest paid	8, 11	**(66,119)**	(29,451)
Net financing cash flows		**13,687,679**	9,410,317
Effect of exchange rates on cash		**16,279**	(16,481)
Net change in cash		**5,098,853**	64,462
Cash, beginning of the year		**304,067**	239,605
Cash, end of the year		**$ 5,402,920**	$ 304,067

Supplemental cash flow information (Note 15)

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

THOR EXPLORATIONS LTD.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
In Canadian dollars

	Note	Common Shares	Share subscription	Share purchase warrants	Option Reserve	Currency translation reserve	Deficit	Total shareholders' equity
Balance on December 31, 2017		**$ 41,324,813**	**$ 383,820**	**$ -**	**$ 2,582,308**	**$ 693,104**	**$ (11,881,735)**	**$ 33,102,310**
Net loss for the year		-	-	-	-	-	(4,192,061)	(4,192,061)
Comprehensive income		-	-	-	-	647,927	-	647,927
Total comprehensive loss						647,927	(4,192,061)	(3,544,134)
Private placements	13	11,852,592	-	-	-	-	-	11,852,592
Share issuance costs		(759,355)	-	-	-	-	-	(759,355)
Share subscription received		383,820	(383,820)	-	-	-	-	-
Issue of share warrants	13	(533,000)	-	533,000	-	-	-	
Share based payments		-	-	-	2,182,000	-	-	2,182,000
Balance on December 31, 2018		**$ 52,268,870**	**$ -**	**$ 533,000**	**$ 4,764,308**	**$ 1,341,031**	**$ (16,073,796)**	**$ 42,833,413**
Net loss for the year		-	-	-	-	-	(4,887,463)	(4,887,463)
Comprehensive income		-	-	-	-	(781,905)	-	(781,905)
Total comprehensive loss						(781,905)	(4,887,463)	(5,669,368)
Private placements	13	15,733,850	-	-	-	-	-	15,733,850
Share issuance costs	13	(452,609)	-	-	-	-	-	(452,609)
Share based payments		-	-	-	138,000	-	-	138,000
Balance on December 31, 2019		**67,550,111**	**-**	**533,000**	**4,902,308**	**559,126**	**(20,961,259)**	**52,583,286**

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

1. CORPORATE INFORMATION

Thor Explorations Ltd. N.P.L. was incorporated on September 11, 1968 under certificate number 81705 as a specially limited company pursuant to the Company Act (British Columbia, Canada). On December 4, 2001, Thor Explorations Ltd. N.P.L. changed its name to Thor Explorations Ltd. ("Old Thor"). On March 28, 2006 Old Thor transitioned to the British Columbia Business Corporations Act and on August 24, 2007 Old Thor resolved to remove the pre-existing company provisions applicable to Old Thor. Effective on September 1, 2009, Old Thor amalgamated with Magnate Ventures Inc. The amalgamated entity continued as Thor Explorations Ltd. ("Thor" or the "Company"). Thor trades on the TSX Venture exchange under the symbol "THX-V".

The Company is a junior natural resources company with no revenue, engaged in the acquisition, exploration and development of mineral properties, and is currently focused on gold exploration and development projects located in West Africa.

The Company's registered office is located at 550 Burrard Street, Suite 2900, Vancouver, BC, Canada, V6C 0A3.

2. BASIS OF PREPARATION

a) Statement of compliance

These audited consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

b) Basis of measurement

These audited consolidated financial statements have been prepared on a historical cost basis, and are presented in Canadian dollars, unless otherwise indicated.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. A precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements for a period involves the use of estimates, which have been made using careful judgment. Actual results may differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in Note 4.

2. BASIS OF PREPARATION (continued)

c) Nature of operations and going concern and Covid-19

The Group is a junior gold exploration and development company and is pre-revenue.

As at December 31, 2019, the Company had cash of $5,402,920 and net working capital of $7,658,294. On April 29,2020 the Company made the following announcement for the closing of a private placement for financing of its Segilola Gold Project in Nigeria and working capital:

- The issue of 28,215,750 Common Shares of the Company with the Africa Finance Corporation ("AFC") for gross proceeds of CAD$5,643,150 (US$4,250,000);
- The issue of 34,750,000 Common Shares against US$5,000,000 of invoices under its EPC schedule;
- Signing of definitive documents with AFC on a US$21,000,000 Stream Agreement; and
- Signing of definitive documents with AFC for the provision of a US$54,000,000 senior secured credit facility.

Following this announcement the Company was fully funded for the development of it's Segilola Gold Project.

Highlights of the Financing:
- Total expected fundraising of US$104,500,000;
- Tranche 1 private placement (closed on December 5 2019) raising gross proceeds of C$15,733,850 (US$11,830,000) through the issuance of 78,669,250 Common Shares at a price of C$0.20;
- Tranche 2 private placement offering of C$5,973,800 (US$4,250,000) through the issuance of 28,215,750 Common Shares at a price of C$0.20 per Common Share;
- Issuance of 34,750,000 shares at a price of C$0.20 per Common Share in lieu of US$5,000,000 (C$6,950,000) of EPC construction costs;
- US$21,000,000 gold stream prepayment;
- US$6,500,000 EPC deferred payment facility; and
- US$54,000,000 senior secured credit facility.

As at the date of signing this report the funds for the US$4.25 million private placement and US$21 million gold streaming prepayment had been received.

On June 12, 2020 the Company announced the undertaking of a private placement to raise up to US$10 million through the issue of new common shares.

The Board has reviewed the Group's cash flow forecasts up until June 30, 2021 having regard to its current financial position and operational objectives. The predominant focus of operational activites over the period to June 2021 will be the development of the Segilola Gold Project in Nigeria, for which it is fully funded. The Group has control over the timing of development costs at Segilola and will align the incurring of the costs with the availability of financing from both existing cash reserves and drawdowns from the senior secured credit facility. However the cash flow forecasts indicate that the Group currently needs additional funding to enable it to meet its ongoing working capital requirements over the next twelve months. The Board is satisfied that the private placement in raising US$10 million, will provide the Group with sufficient financial resources to meet its commitments for the next twelve months.

2. BASIS OF PREPARATION (continued)

c) Nature of operations and going concern (continued)

While the Board is confident that the private placement will close successfully on or before July 7, 2020, until such time as close is achieved there is the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

The emergence of the Covid-19 coronavirus pandemic has caused a severe adverse effect on the business environment on a global scale. The Group may be affected by disruptions to its operations in one or more locations, particularly for the foreseeable future in light of the government responses to the spread of Covid-19 or other potential pandemics. The Group’s Nigerian operations have been declared as an essential business by the Nigerian authorities and so are not subject to closure.

The Board is aware of the various risks that the pandemic presents that include but are not limited to financial, operational, staff and community health and safety, logistical challenges and government regulation. At present the Board believes that there should be no significant material disruption to its operations in Nigeria and continues to monitor these risks and the Group’s business continuity plans. Management maintains constant dialogue with local Nigerian government and monitors the situation among the local communities as well as the broader environment.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described below have been applied consistently to all periods presented in these audited consolidated financial statements unless otherwise stated.

a) Consolidation principles

Assets, liabilities, revenues and expenses of the subsidiaries are recognized in accordance with the Company's accounting policies. Intercompany transactions and balances are eliminated upon consolidation.

b) Details of the group

In addition to the Company, these audited consolidated financial statements include all subsidiaries of the Company. Subsidiaries are all corporations over which the Company has power over the Subsidiary and it is exposed to variable returns from the Subsidiary and it has the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The consolidated financial statements present the results of the Company and its subsidiaries (“the Group”) as if they formed a single entity, with Subsidiaries being fully consolidated from the date on which control is acquired by the Company. They are de-consolidated from the date that control by the Company ceases.

In Canadian dollars, except where noted

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Details of the Group (continued)

The subsidiaries of the Company are as follows:

Company	Location	Incorporated	Interest
Thor Investments (BVI) Ltd. ("Thor BVI")	British Virgin Islands	June 30, 2011	100%
African Star Resources Incorporated ("African Star")	British Virgin Islands	March 31, 2011	100%
African Star Resources SARL ("African Star SARL")	Senegal	July 14, 2011	100%
Argento Exploration BF SARL ("Argento BF SARL")	Burkina Faso	September 15, 2010	100%
AFC Constelor Panafrican Resources SARL ("AFC Constelor SARL")	Burkina Faso	December 9, 2011	100%
Segilola Resources Operating Limited ("SROL")	Nigeria	August 18, 2016	100%
Segilola Gold Limited ("SGL")	Nigeria	August 18, 2016	100%

c) Foreign currency translation

Functional and presentation currency
The Company's presentation currency is the Canadian dollar ("$"). The functional currency for the Company, being the currency of the primary economic environment in which the Company operates, is the Canadian dollar. The individual financial statements of each of the Company's wholly owned subsidiaries are prepared in the currency of the primary economic environment in which it operates (its functional currency)

Exchange rates published by the Bank of Canada and Oanda were used to translate the Thor BVI, African Star, African Star SARL, Argento BF SARL, AFC Constelor SARL, SROL and SGL's financial statements into the Canadian dollar in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*. This standard requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period). The foreign exchange differences on translation of subsidiaries Thor BVI, African Star, African Star SARL, Argento BF SARL, AFC Constelor SARL, SROL and SGL are recognized in other comprehensive income (loss).

Foreign currency transactions
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. 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 profit and loss.

d) Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition of financial assets and liabilities

Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:
- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Financial Assets

Under IFRS 9, the Group classifies its financial assets into the following categories: those to be held at amortised cost, and those to be measured subsequently at fair value through profit and loss.

Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of financial assets at initial recognition. The Group's business model is primarily that of "hold to collect" (where assets are held in order to collect contractual cash flows).

Amortised cost: these assets arise principally from the provision of goods and services to customers, but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Amounts receivables are measured at amortised cost using the effective interest rate method, less impairment.

Cash and cash equivalents
Cash and cash equivalents represent cash balances held at bank and on demand deposits. Cash and cash equivalents are measured at amortised cost.

The Group does not hold any financial assets that meet conditions for subsequent recognition at fair value through other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of Financial Assets

The Group recognizes a loss allowance for expected credit losses ("ECL") on financial assets that are measured at amortised cost which comprise mainly of receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. Impairment provisions for other receivables are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Financial Liabilities

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics.

Financial liabilities are initially recorded on trade date, being the date on which the Group becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Group's financial liabilities approximate to their fair values.

The Group's financial liabilities consist of financial liabilities measured at amortised cost. These comprise accounts payable, accrued liabilities and deferred payment.

e) Property, plant and equipment

Recognition and Measurement
On initial recognition, property, plant and equipment is valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions. Property, plant and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent Costs
The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Gains and Losses
Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other income in profit or loss.

Depreciation
Depreciation is recognized in profit or loss and is provided on a straight-line basis over the estimated useful life of the assets as follows:

	Rate
Motor vehicles	20-33%
Plant and machinery	20-25%
Office furniture	20-33%
Software	20-25%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

f) Exploration and evaluation expenditures

Acquisition costs
The fair value of all consideration paid to acquire an unproven mineral interest is capitalized, including amounts due under option agreements. Consideration may include cash, loans or other financial liabilities, and equity instruments including common shares and share purchase warrants.

Exploration and evaluation expenditures
All costs incurred prior to legal title are expensed in the consolidated statement of comprehensive loss in the year in which they are incurred. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation assets in respect of that project are deemed to be impaired. As a result, those exploration and evaluation assets, in excess of estimated realisable value, are written off to the statement of comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation expenditures (continued)

At such time as commercial feasibility is established, project finance has been raised, appropriate permits are in place and a development decision is reached, the costs associated with that property will be transferred to and re-categorised as Projects in Construction and upon commercial production being achieved, re-categorised as Mining Property. Upon achieving commercial production, any costs will be depleted using a units of production method.

Farm-in agreements

As is common practice in the mineral exploration industry, the Company may acquire or dispose of all, or a portion of, an exploration and evaluation asset under a farm-in agreement. Farm-in agreements typically call for the payment of cash, issue of shares and/or incurrence of exploration and evaluation costs over a period of time, often several years, entirely at the discretion of the party farming-in. The Company recognizes amounts payable under a farm-in agreement when the amount is due and when the Company has no contractual rights to avoid making the payment. The Company recognizes amounts receivable under a farm-in agreement only when the party farming-in has irrevocably committed to the transfer of economic resources to the Company, which often occurs only when the amount is received. Amounts received under farm-in agreements reduce the capitalized costs of the optioned unproven mineral interest to nil, and are then recognized as income.

g) Impairment of non-current assets

Impairment tests for non-current assets are performed when there is an indication of impairment. At each reporting date, an assessment is made to determine whether there are any indications of impairment. Prior to carrying out impairment reviews, the significant cash generating units are assessed to determine whether they should be reviewed under the requirements of IFRS 6 - Exploration for and Evaluation of Mineral Resources or IAS 36 - Impairment of Assets. Such determination is by reference to the stage of development of the project and the level of reliability and surety of information used in calculating value in use or fair value less costs to sell.

Impairment reviews performed under IFRS 6 are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise; typically when one of the following circumstances applies:

(i) sufficient data exists that render the resource uneconomic and unlikely to be developed
(ii) title to the asset is compromised
(iii) budgeted or planned expenditure is not expected in the foreseeable future
(iv) insufficient discovery of commercially viable resources leading to the discontinuation of activities

If any indication of impairment exists, an estimate of the non-current asset's recoverable amount is calculated. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value in use. If the carrying value of a non-current asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the statement of comprehensive loss so as to reduce the carrying amount of the non-current asset to its recoverable amount.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Income taxes

Income tax expense is comprised of current and deferred income taxes. Current and deferred income taxes are recognized in profit and loss, except for income taxes relating to items recognized directly in equity or other comprehensive income.

Current income tax, if any, is the expected amount payable or receivable on the taxable income or loss for the year, calculated in accordance with applicable taxation laws and regulations, using income tax rates enacted or substantively enacted at the end of the reporting period, and any adjustments to amounts payable or receivable relating to previous years.

Deferred income taxes are provided using the liability method based on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using income tax rates and income tax laws and regulations that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that do not affect accounting or taxable profit
- goodwill
- investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

i) Basic and diluted income or loss per share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of commons shares outstanding during the year. Diluted income per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. Fully diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts for the basic and diluted loss per share.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Comprehensive income (loss)

Comprehensive income (loss) is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income (loss) that are excluded from net earnings (loss). The main element of comprehensive income (loss) is the foreign exchange effect of translating the financial statements of the subsidiaries from local functional currencies into Canadian dollars upon consolidation. Movements in the exchange rates of the US Dollar, Pound Sterling, Nigerian Naira and West African Franc to the Canadian dolar will affect the size of the comprehensive income (loss).

k) Share-based payments

The fair value, at the grant date, of equity-settled share awards is charged to income or loss over the period for which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in the options reserve. The fair value of awards is calculated using the Black-Scholes option pricing model which considers the following factors:

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

l) Interest income

Interest income is recognized as earned, provided that collection is assessed as being reasonably assured.

m) Application of new and revised International Financial Reporting Standards

The following new and revised standards and interpretations, all of which are effective for accounting periods beginning on or after 1 January 2019, have been adopted in the current financial year.

- IFRS 16 Leases.
- IFRIC 23 Uncertainty over Income Tax Treatments.
- Annual Improvements to IFRS Standards 2015-2017 Cycle.
- Amendments to IFRS 9 Prepayment Features with Negative Compensation.

The most significant change in accounting policy arises from the adoption of IFRS 16 Leases, and this is described in detail below.

The Group has adopted IFRIC 23 Uncertainty over Income Tax Treatments which is effective for accounting periods beginning on or after January 1, 2019. The interpretation is applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. The adoption of this interpretation has not had a material impact on the financial statements of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Application of new and revised International Financial Reporting Standards (continued)

The other new standards effective from January 1, 2019, as listed above, do not have a material effect on the Group's financial statements.

IFRS 16, Leases

IFRS 16 was adopted January 1, 2019 without restatement of comparative figures. The following policy applies subsequent to the date of initial application, 1 January 2019.

IFRS 16 replaces the current guidance in IAS 17 – 'Leases'. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts.

IFRS 16 includes an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees.

The standard is effective for periods commencing on or after January 1, 2019. Under the provisions of the standard most leases including the majority of those previously classified as operating leases, will be brought onto the statement of financial position, as both a right-of-use asset and a largely offsetting lease liability. The right-of-use asset and lease liability are both based on the present value of lease payments due over the term of the lease, with the asset being depreciated in accordance with IAS 16 'Property, Plant and Equipment' and the liability increased for the accretion of interest and reduced by lease payments.

IFRS 16 Leases has been applied for the first time in preparing the annual report and financial statements.

IFRS 16 was adopted 1 January 2019 without restatement of comparative figures. The following policy applies subsequent to the date of initial application, 1 January 2019.

The Group enters into leases in respect of leases of various office properties. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term. Lease payments are discounted using the incremental borrowing rate (being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions), unless the rate implicit in the lease is available. The Group currently uses the incremental borrowing rate as the discount rate for all of its leases. For the purposes of measuring the lease liability, lease payments comprise fixed payments and variable lease payments based on an index or rate.

Right-of-use assets are measured at cost, which comprises the initial measurement of the lease liability, plus any lease payments made prior to lease commencement, initial direct costs incurred and the estimated cost of restoration or decommissioning; less any lease incentives received. Right-of-use assets are depreciated over the lease term.

Lease repayments made are allocated to capital repayment and interest so as to produce a constant periodic rate of interest on the remaining lease liability balance.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Application of new and revised International Financial Reporting Standards (continued)

Right-of-use assets are presented within property, plant and equipment. Lease liabilities are presented under non-current liabilities unless due within 12 months of the reporting date, in which case they are included under trade and other payables in current liabilities. In the cash flow statement, lease repayments (both the principal and interest portion) are presented within cash used in operating activities.

When the group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

Leases of low-value items (such as office equipment) and short-term leases (where the lease term is 12 months or less, which include the rental of drilling rigs) are expensed on a straight-line basis to the income statement.

The Group does not have any activities as a lessor.

Future accounting pronouncements

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods and which the group has decided not to adopt early. The most significant of these are as follows, which are all effective for the period beginning January 1, 2020:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Definition of Material)
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- IFRS 3 Business Combinations (Amendment – Definition of Business)
- Revised Conceptual Framework for Financial Reporting

The Group is currently assessing the impact of these new accounting standards and amendments. None of these are expected to have a significant effect on the Group.

(i) *There are no other standards issued by IASB, but not yet effective, that are expected to have a material impact of the group.*

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in net and/or comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

a) Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, relate to, but are not limited to, the following:

(i) *Fair value of share options and warrants*

The fair value of options is calculated using appropriate estimates of expected volatility, risk free rates of return, expected life of the options/warrants, the dividend growth rate, the number of options expected to vest and the impact of any attached conditions of exercise. See note 13 for further details of these assumptions.

b) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

(i) *Impairment of exploration and evaluation assets*
In accordance with IFRS 6 *Exploration for and Evaluation of Mineral Resources*, management is required to assess impairment in respect of the intangible exploration and evaluation assets. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

Management has determined that there were no impairment indicators present in respect of the exploration and evaluation assets and as such, no impairment test was performed.

(ii) *Impairment of other receivable*
In accordance with IFRS 9 *Financial Instruments*, management is required to assess impairment in respect of financial assets. In making the assessment, management is required to make judgments on credit risk associated with receivables. Management has reviewed receivables outstanding as at the year end and assessed the likelihood of receiving the share subscription funds on the basis of historic receipts, the economic environment and the board's assessment of the subscribers' ability to pay. Accordingly an impairment of the receivables has been recognised in note 6.

In Canadian dollars, except where noted

5. ASSET ACQUISITION

a) Acquisition of Nigerian Exploration Licenses

In December 2018 the Company, through its wholly owned subsidiary Segilola Gold Limited ("SGL"), applied for two new gold exploration licences, located in southwest Nigeria. On April 1, 2019, the Office of the Nigera Mining Cadastre granted the two licenses to SGL. The new licences, which total 142 km^2, are located between 17km and 25km south of the Segilola Gold Project and cover significant sections of the structural trends that extend southwards from the Segilola high grade gold deposit.

The total consideration paid in 2018 upon application was comprised of the following:

Purchase price		
Acquisition of exploration licenses		
Cash (NGN 3,214,500)	$	11,707
Total consideration December 31, 2018	**$**	**11,707**

On October 2, 2019 the Office of the Nigeria Mining Cadastre granted a further two new licenses to SGL. The licenses are located between 2.5km and 14km from Segilola, with a combined area of 343.6 km^2 and cover significant sections of the structural trends that extend northwards from the Segilola high grade gold deposit.

The total consideration paid for the two licenses granted on October 2, 2019 was comprised of the following:

Purchase price		
Acquisition of exploration licenses		
Cash (NGN 2,905,000)	$	10,643
Total consideration December 31, 2019	**$**	**10,643**

The four licenses granted to date in 2019 are in addition to the four licences granted in December 2017, which total 334 km^2, are located between 30km and 80km north-east of the Segilola Gold Project and cover significant sections of the structural trends that extend northwards from the Segilola high grade gold deposit.

In Canadian dollars, except where noted

6. AMOUNTS RECEIVABLE

		December 31, 2019		December 31, 2018
Goods & Services Tax - Canada	**$**	**4,786**	**$**	952
Other receivables		**521**		557
Share subscriptions receivable		**3,166,831**		1,709,752
Impairment provision		**(2,026,301)**		-
	$	**1,145,837**	**$**	1,711,261

The majority of amounts receivable consists of share placement subscription funds totalling CAD$3,167,000. The Board has assessed the likelihood of receiving the share subscription funds at the end of the year and have recognized an impairment of CAD$2,026,000 on the basis of historic receipts, the economic environment and the Board's assessment of the subscribers' ability to pay. Post year end and as at the date of signing this report CAD$1,140,000 has been received.

The value of receivables recorded on the balance sheet is approximate to their recoverable value. Other than the impairment made as at year end there are no expected material credit losses. Please refer to note 17 for discussion on credit risk.

7. PREPAID EXPENSES, ADVANCES AND DEPOSITS

		December 31, 2019		December 31, 2018
Current:				
Insurance	**$**	**21,213**	$	18,084
Other deposits		**76,787**		111,165
Other prepaids		**102,349**		8,728
	$	**200,349**		137,977
Non-current:				
Other prepaids	**$**	**23,327**	$	23,327
	$	**23,327**	$	23,327

In Canadian dollars, except where noted

8. LEASES

The Group has adopted IFRS 16 using the modified retrospective approach with the effect of applying this standard at the date of initial recognition of 1 January 2019, consequently comparatives have not been restated. The Group elected to apply the practical expedient to not reassess whether a contract is, or contains, a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. The definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases which have low value, or short-term leases with a duration of 12 months or less. The payments associated with such leases are charged directly to the income statement on a straight-line basis over the lease term. $61,108 (2018:$63,703) has been expensed in the year in relation to low value and short term leases.
In addition, the Group will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Group will include the payments due under the lease in its lease liability.

On adoption of IFRS 16, the Group recognised lease liabilities in respect of an office lease . These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019 of 4.25%.

The key impacts on the Statement of Comprehensive Income and the Statement of Financial Position are as follows:

	Lease prepayments	Right of use asset	Lease liability	Income statement
Balance on transition	$ 14,400	$ -	$ -	$ -
Initial recognition	(14,400)	164,320	(149,920)	-
Depreciation		(55,694)	-	(55,694)
Interest		-	(5,414)	(5,414)
Lease payments		-	58,468	-
Foreign exchange movement		(449)	201	201
Carrying value at 31 December 2019	**$ -**	**$ 108,177**	**$ (96,665)**	**$ (60,907)**

In Canadian dollars, except where noted

9. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	Plant and machinery	Software	Office furniture	Total
Costs					
Balance, December 31, 2017	$ 283,485	$ 363,387	$ 18,979	$ 90,716	$ 756,568
Additions	128,685	16,589	-	48,604	193,878
Foreign exchange movement	20,559	13,031	535	3,586	37,711
Balance, December 31, 2018	$ 432,729	$ 393,006	$ 19,514	$ 142,906	$ 988,157
Additions	-	5,526	-	8,690	14,216
Foreign exchange movement	(19,492)	(19,752)	(297)	(5,436)	(44,977)
Balance, December 31, 2019	**$ 413,237**	**$ 378,780**	**$ 19,217**	**$ 146,160**	**$ 957,397**
Accumulated depreciation and impairment losses					
Balance, December 31, 2017	$ 172,410	$ 362,853	$ 18,979	$ 60,278	$ 614,520
Depreciation	86,380	2,073	-	18,735	107,188
Foreign exchange movement	(3,722)	12,702	535	1,457	10,971
Balance, December 31, 2018	$ 255,068	$ 377,627	$ 19,514	$ 80,470	$ 732,679
Depreciation	97,262	5,532	-	36,223	139,017
Foreign exchange movement	(28,068)	(19,136)	(297)	(3,945)	(51,446)
Balance, December 31, 2019	**$ 324,262**	**$ 364,023**	**$ 19,217**	**$ 112,748**	**$ 820,249**
Carrying amounts					
Carrying value at December 31, 2017	$ 111,075	$ 534	$ -	$ 30,438	$ 142,048
Carrying value at December 31, 2018	$ 177,661	$ 15,379	$ -	$ 62,436	$ 255,478
Carrying value at December 31, 2019	**$ 88,975**	**$ 14,757**	**$ -**	**$ 33,412**	**$ 137,148**

During the year ended December 31, 2019, depreciation of $67,978 (year ended December 31, 2018 - $56,266) has been capitalized to exploration and evaluation assets. The accumulated depreciation capitalized to exploration expenditures to December 31, 2019 amounts to $663,879 (December 31, 2018 - $595,901).

In Canadian dollars, except where noted

10. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation assets costs are as follows:

	Douta Gold Project, Senegal	Central Houndé Project, Burkina Faso	Segilola Gold Project, Osun Nigeria	Exploration licenses, Nigeria	Total
Costs					
Balance, December 31, 2017	$ 12,072,976	$ 1,556,955	$ 21,939,187	$ 13,643	$ 35,582,761
Acquisition costs	-	-	-	11,707	11,707
Exploration costs	1,508,986	12,577	5,030,150	-	6,551,713
Foreign exchange movement	315,287	37,878	301,738	1,103	656,006
Balance, December 31, 2018	$ 13,897,249	$ 1,607,410	$ 27,271,075	$ 26,453	$ 42,802,187
Acquisition costs	-	-	-	10,643	10,643
Exploration costs	259,944	14,634	4,363,716	43,401	4,681,695
Foreign exchange movement	(449,051)	(66,106)	(298,358)	(1,118)	(814,633)
Balance, December 31, 2019	**$ 13,708,142**	**$ 1,555,938**	**$ 31,336,433**	**$ 79,379**	**$ 46,679,892**

a) Douta Gold Project, Senegal:

The Douta Gold Project consists of an early stage gold exploration license located in southeastern Senegal, approximately 700km east of the capital city Dakar.

The Company is party to an option agreement (the "Option Agreement") with International Mining Company ("IMC"), by which the Company has acquired a 70% interest in the Douta Gold Project located in southeast Senegal held through African Star SARL.

Effective February 24, 2012, the Company exercised its option to acquire a 70% interest in the Douta Gold Project pursuant to the terms of the Option Agreement between the Company and IMC. As consideration for the exercise of the option, the Company issued to IMC 11,646,663 common shares, based on a Volume Weighted Average Price (VWAP) for the 20 trading days preceding the option exercise date of $0.2014 (or US$0.2018) per share, valued at $2,678,732 based on the Company's closing share price on February 24, 2012. The share payment includes consideration paid to IMC for extending the time period for exercise of the option.

Pursuant to the terms of the Option Agreement, IMC's 30% interest will be a "free carry" interest until such time as the Company announces probable reserves on the Douta Gold Project (the "Free Carry Period"). Following the Free Carry Period, IMC must either elect to sell its 30% interest to African Star at a purchase price determined by an independent valuer commissioned by African Star or fund its 30% share of the exploration and operating expenses.

While the main operational focus for the Company during 2019 was on the Segilola Gold Project in Nigeria, the Company did continue to make progress on it's Douta Project in Senegal. During 2019 a revised analysis of the soil geochemistry database was completed, four areas were selected for follow up auger/RAB drilling and, in Q4, preparations including drilling contract negotiations for an upcoming auger sampling program were undertaken.

10. EXPLORATION AND EVALUATION ASSETS (continued)

b) Central Houndé Project, Burkina Faso:

(i) Bongui and Legue gold permits, Burkina Faso:

AFC Constelor SARL held a 100% interest in the Bongui and Legue gold permits covering an area of approximately 233 km^2 located within the Houndé belt, 260 km southwest of the capital Ouagadougou, in western Burkina Faso.

(ii) Ouere Permit, Central Houndé Project, Burkina Faso:

Argento BF SARL held a 100% interest in the Ouere gold permit, covering an area of approximately 241 km^2 located within the Houndé belt.

The three permits together cover a total area of 474km^2 over the Houndé Belt which form the Central Houndé Project.

(iii) Acacia Option Agreement, Central Houndé Project, Burkina Faso:

On April 8, 2015, the Company entered into the Acacia Option Agreement with Acacia Mining plc ("Acacia"), whereby Acacia will have the exclusive option to earn up to a 51% interest in Central Houndé Project by satisfying certain conditions over a specified 4-year period and then the right to acquire an additional 29%, for an aggregate 80% interest in Central Hounde Project, upon declaration of a Pre-Feasibility Study. As at September 30, 2018, Acacia has met the minimum spending requirement for the Phase 1 Earn-in. As a result, Acacia earned a 51% interest in the Central Houndé Project. The Group currently holds a 49% interest in the Central Houndé Project.

In 2019 Barrick Gold Corp ("Barrick") completed an acquisition of Acacia through the purchase of the ordinary share capital of Acacia that Barrick did not already own. The acquisition did not affect work undertaken at the Central Hounde Gold Project in Burkina Faso where Barrrick continued its exploration work as per its Joint Operation with Thor.

A drilling programme was undertaken in 2019 that continued into Q3 until early August when it was interrupted by the rainy season. A total of 16,175m of drilling was completed during the year, comprising 7,109m of reverse circulation drilling and 9,066m of air-core drilling, with some encouraging results received.

A total of 1,219 soil samples were collected with all assay results received.

During Q4 a desktop re-evaluation of all geochemical, geological and geophysical data across the prospecting license was undertaken with an aim to generate targets for further work.

The Company notes that post completion of Barrick's acquisition of Acacia, the Option Agreement contains right of first refusal clauses regarding the Company's right to reclaim Barrick's interest in the Central Houndé Project and the Company will assess its options in this regard.

c) Segilola Project, Osun Nigeria

The Segilola Gold Project (“the Project”) is located in Osun State of Nigeria, approximately 120km northeast of Lagos. The property comprises mining and exploration licenses that covers an area of 17.2km^2.

On February 4, 2019 the Company announced positive results of its Independent Definitive Feasibility Study (“DFS”) for an open pit Gold Project on its 100% Segilola Gold Project in Nigeria (“Segilola”). The DFS demonstrated the existence of a robust open pit project with an NPV5% of US$138 million at an assumed gold price of US$1300/oz, a 50% IRR and a payback period of under 1.4 years (at a US$1,300/oz gold price) with pre-production Capex of US$87 million and and a life of mine all in sustaining cost of US$662/oz. The projected production from the open pit is 80,000 ounces per annum.

At the same time the Company also announced completion of an Independent Preliminary Economic Assessment (“PEA”) for a proposed supplemental underground mining project at Segilola. The PEA demonstrated an accretive NPV5% of US$35 million and a development capital requirement of US$13 million to be funded from the open pit cash flow. The Underground Project considers an initial three year underground operation which can be brought on during the open pit mine life to supplement the open pit ore with high grade underground production. The deposit remains open below the resource considered in the underground project. The projected production from the underground is 33,000 ounces per annum.

On April 15, 2019 the Company announced that it had received Investment Committee approval for a US$78 million financing package with the Africa Finance Corporation (“AFC”) for the construction and ramp-up of its Segilola Gold Project. The funding package was subsequently increased to US$86 million and concluded post balance date on April 29, 2020 consisting of US$54 million senior secured credit facility, a US$21 million gold stream prepayment and a US$11 million equity investment in Thor. Refer to the subsequent events section for further detail.

On April 16, 2019 the Company announced it had received a commitment from Norinco International Cooperation Limited (“Norinco International”) for a 10% financing of a US$65 million turnkey, engineering, procurement and construction contract (“EPC Contract”) awarded to Norinco International for the development of the Company’s 100% owned Segilola Gold Mine.

On May 8, 2019 the Company announced the appointment of Mr Michael Kelly as General Manager of the Segilola Gold Project. Mr Kelly is a mining engineer with over thirty years experience and a proven track record in developing mining projects having worked in key senior mining positions for Zara Mining, Centerra Gold, AngloGold Ashanti and also as a mining contractor. Mr Kelly has achieved success in delivering projects and operating mines in several locations in Africa and Asia with wide ranging industry experience focused on gold, having managed mining operations, in both production and technical roles and having been involved in the planning and optimisation of several open pit mines.

On May 31, 2019 the Company announced that it had signed the EPC Contract with Norinco International. The EPC Contract was agreed on a lump sum turnkey basis and provided Thor with a fixed price of US$67.5 million for the full delivery of design, engineering, procurement, construction and commissioning of the proposed 650,000 ton per annum gold ore processing plant within 18 months of the commencement date and includes guarantees for construction schedule and plant performance.

The Company commenced a Resettlement Action Plan (”RAP”) which requires no physical relocation, but compensation for economic displacement. The survey process began in May with a newspaper publication announcement in local newspapers. RAP sensitisation meetings were carried out in June 2019, with the RAP surveys on land delineation, valuation, asset and socio-economic surveys commencing on June 21st, 2019 and as at the date of signing this report are close to conclusion.

10. EXPLORATION AND EVALUATION ASSETS (continued)

During the year the Company made preparations as it moves towards development. The main initiatives undertaken were:

- Advancing the design of the facilities at site, furthering mine optimisation and working with the communities in and around the site;
- Holding meetings at the Yantai Orient Metallurgy Design & Research Institute, to further enhance the design of the Process Plant, Camp and Administration buildings;
- Work on the optimisation of the Open Pit Mine Design;
- Initiated a tender process for the contract mining works. Seven companies initially submitted tenders with three of these companies eliminated in the first round. The remaining bidders submitted revised tenders during Q4;
- Met with the newly appointed Minister of Mines and Steel Development to discuss financial incentives that the Company is seeking;
- Submitted construction drawings to the Osun State Government for approval who subsequently released the necessary permits, that would allow the company to start construction works at site.

d) Exploration Licenses, Nigeria

In December 2017 the Office of the Nigeria Mining Cadastre granted four licenses to Segilola Gold Limited, a wholly owned subsidiary of the Company. The licenses which total 334 km^2, are located between 30km and 80km north-east of the Segilola Gold Project and cover significant sections of the structural trends that extend northwards from the Segilola high grade gold deposit. See also Note 5(a).

On April 1, 2019 the Office of the Nigeria Mining Cadastre granted two new licenses to Segilola Gold Limited. The licenses located in southwest Nigeria are in addition to the four granted in December, total 142 km^2, are located between 17km and 25km south of the Segilola Gold Project and cover significant sections of the structural trends that extend southwards from the Segilola high grade gold deposit.

On October 2, 2019 the Office of the Nigeria Mining Cadastre granted a further two new licenses to Segilola Gold Limited, both valid for three years and are renewable for two further periods of two years. The licenses are located between 2.5km and 14km from Segilola, with a combined area of 343.6 km^2 and cover significant sections of the structural trends that extend northwards from the Segilola high grade gold deposit. See also Note 5(a).

The high grade Segilola gold deposit is located on the major regional shear zone that extends for several hundred kilometres through the gold-bearing Ilesha schist belt (structural corridor) of Nigeria.

The licences cover a strike length of 20km over the highly prospective gold-bearing Ilesha Schist Belt and the immediate northern extensions of the Segilola gold trend.

Thor’s exploration tenure now comprises nine explorations licences. Together with the mining lease over the Segilola Gold Deposit Thor’s total exploration tenure amounts to 912 km^2.

In Canadian dollars, except where noted

10. EXPLORATION AND EVALUATION ASSETS (continued)

Exploration Statistics 2019

Type	No. Holes	Total Metres	No. Samples
Diamond drilling			
RC drilling	9	1,005	
Diamond Core			
RC			881
Stream sediment			520
Auger soil sample			
Surface soil sample			395
Rock chip			76
Trench			572
Total	9	1,005	2,444

Exploration 2019

To identify additional drilling targets, Thor undertook a reconnaissance stream sediment sampling program comprising a total of 520 sample sites.

The assay results clearly highlight the highly anomalous nature of the Segilola area with a peak assay of 1.96g/tAu returned from a sample located 750m east of the Segilola ore body. A duplicate sample from the same area returned 1.37g/tAu. Stream sediment anomalies of 2.84g/tAu and 0.45g/tAu were also located 5km along strike to the northfrom Segilola. A stream sediment anomaly of 0.49g/tAu was located 11km along strike from Segilola.

In addition, the results from the more regional reconnaissance stream sediment sampling program have returned anomalous gold assays ranging from 44 to 1,113ppbAu from areas 35km to the south and 66km to the north of Segilola.

Thor considers these initial results to be encouraging in that they establish the presence of anomalous gold in areas not previously explored.

A limited eight hole reverse circulation (RC) drilling program was completed over part of the northern strike length of the Segilola mineralised trend. Two holes that intersected the mineralised structure 600m north from Segilola returned anomalous results.

In Canadian dollars, except where noted

10. EXPLORATION AND EVALUATION ASSETS (continued)

HOLE ID	Easting	Northing	Total Depth (m)	Azimuth	Dip	From (m)	To (m)	Downhole Interval (m)	True Thickness (m)	Average Grade (Aug/t)
SGRC005	702071	832800	110	90	-60	78	79	1.0	0.85	0.82
SGRC009	702106	832806	86	90	-60	44	44	1.0	0.85	1.41

Table 1: Significant Results – Regional RC Drilling

Results were received from trench sampling and two RC holes that were completed within the resource area in late 2018 were received. Significant results included:

Type	HOLE ID	Easting	Northing	Total Depth (m)	Azimuth	Dip	From (m)	To (m)	Downhole Interval (m)	True Thickness (m)	Average Grade (Aug/t)
RC	SGRC007	701717	830975	120	90	-90	61.0	64.0	**3.0**	**1.60**	**3.08**
RC	SGRC007						81.0	93.0	12.0	6.60	1.25
RC	SGRC007						97.0	104.0	**7.0**	**3.60**	**4.10**
RC	SGRC008	701857	831575	37	90	-90	23.0	30.0	7.0	5.10	5.88
trench	SGTR001	701848	831551	50	90	0	22.4	29.1	**6.7**	**6.70**	**4.22**

Table 2: Significant Results – Infill RC Drilling and Trenching

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		December 31, 2019		December 31, 2018
Trade payables	**$**	**480,179**	$	1,087,873
Accrued liabilities		**552,597**		418,565
	$	**1,032,776**	$	1,506,438

Accounts payable and accrued liabilities are classified as financial liabilities and approximate their fair values.

In Canadian dollars, except where noted

12. DEFERRED PAYMENT

		Total
Balance as at December 31, 2017	**$**	2,245,498
Accretion		271,547
Interest expense		35,449
Principal repayments		(1,776,935)
Interest payments		(29,451)
Foreign exchange movement		147,297
Balance December 31, 2018	**$**	893,405
Interest expense		59,037
Principal repayments		(860,275)
Interest payments		(65,388)
Foreign exchange movement		(26,779)
Balance December 31, 2019	**$**	-

The deferred payment (US$2,000,000) forms part of the acquisition of the Segilola Project in Osun, Nigeria becoming payable at the earlier of August 22, 2018 or completion of the financing for full scale development of the Project. Upon acquisition of the Segilola Project the Deferred Payment was recognised at its discounted value using an annualized rate of 20%. Subsequent to initial recognition an accretion expense of the fair value of the Deferred Payment over a period of two (2) years until August 22, 2018 was charged through the Statement of Comprehensive Loss. The deferred payment became subject to an annual interest rate of LIBOR plus 2% from August 22 2018. In November 2018 a total of $1,806,386 was paid with agreement with the third party reached to defer the US$650,000 balance payable until February 28, 2019. Upon agreement for the deferral being reached, the annual interest rate increased to LIBOR plus 5%. On December 9, 2019 the Company made a payment of US$699,405 consising of US$650,000 principal and US$49,405 interest, in full settlement of the liability.

In Canadian dollars, except where noted

13. CAPITAL AND RESERVES

a) Authorized

Unlimited common shares without par value.

b) Issued

	December 31, 2019 Number		**December 31, 2019**	December 31, 2018 Number		December 31, 2018
As at start of the year	370,682,965	$	52,268,870	301,318,970	$	41,324,813
Issue of new shares:						
- Issue March 29, 2018 [i]	-		-	24,910,660		3,990,862
- Issue August 31, 2018[ii]	-		-	44,453,335		7,486,195
- Value of warrants Issue[ii]	-		-	-		(533,000)
- Issue December 4, 2019[ii]	78,669,250		15,281,241	-		-
	449,352,215	$	67,550,111	370,682,965	$	52,268,870

[i] Private placement of 24,910,660 common shares at a price of $0.17 per share.
[ii] Private placement of 44,453,335 units at a price of $0.18 per unit. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase a common share of the Company at a price of $0.28 for a period of 36 months.
[iii] Private placement of 78,669,250 common shares at a price of $0.20 per share.

c) Share subscription

On August 19, 2019 the Company announced a proposed non-brokered private placement to issue up to 100,500,000 Common Shares (“Common Shares”) at a price of $0.20 per Common Share for gross proceeds of $20,100,000. The placement closed on December 5, 2019 with 78,669,250 Common Shares being issued raising gross proceeds of $15,733,850.

d) Share-based compensation

The Company has granted directors, officers and consultants share purchase options. These options were granted pursuant to the Company’s stock option plan.

Under the current Share Option Plan, 44,900,000 common shares of the Company are reserved for issuance upon exercise of options.

Subsequent to reporting date on January 16, 2020, 14,250,000 stock options were granted at an exercise price of $0.20 per share for a period of five years. As the issue was post reporting date the share based compensation expense recognizing the issue of those options has not been recognised in these Financial Statements and will be recorded in subsequent financial year.

On October 5, 2018 750,000 stock options were granted at an exercise price of $0.14 per share for a period of five years.

On March 12, 2018 12,800,000 stock options were granted at an exercise price of $0.145 per share for a period of five years.

In Canadian dollars, except where noted

13. CAPITAL AND RESERVES (continued)

d) Share-based compensation (continued)

On May 7, 2017 500,000 stock options were granted at an exercise price of $0.12 per share for a period of three years. On July 5, 2019 the Company announced an extension of the expiry date from May 7, 2020 to May 7, 2022. All other conditions of the options remain the same.

On January 16, 2017 9,750,000 stock options were granted at an exercise price of $0.12 per share for a period of three years. On July 5, 2019 the Company announced an extension of the expiry date from January 16, 2020 to January 16, 2022. In addition the vesting conditions attached to 1.75 million options were removed with the options vesting immediately and the resulting charge recorded in the Consolidated Statement of Comprehensive Loss.

All of the stock options were vested as at balance date. These options did not contain any market conditions and the fair value of the options were charged to the statement of comprehensive loss or capitalized as an intangible asset in the period. The assumptions inherent in the use of these models are as follows:

Vesting period (years)	First vesting date	Expected remaining life (years)	Risk free rate	Exercise price	Volatility of share price	Fair value	Options vested	Options granted	Expiry
5	01/16/2017	2.06	1.05%	$0.12	197.32%	$0.14	9,750,000	9,750,000	01/16/2022
5	05/07/2017	2.35	0.87%	$0.12	192.23%	$0.15	500,000	500,000	05/07/2022
5	03/12/2018	3.20	2.00%	$0.145	105.09%	$0.14	12,800,000	12,800,000	03/12/2023
5	10/05/2018	3.76	2.43%	$0.14	100.69%	$0.14	750,000	750,000	10/05/2023

The share price volatility measure for options granted in 2017 was the historical volatility in Thor's share price measured over same number of years as the life of the options granted. In 2018 the Company elected to measure volatility by calculating the average volatility of a collection of three peer companies historical share prices for the exercising period of each parcel of options. Management believes that given the transformational change that the Company has undergone since the acquisition of the Segilola Gold Project in August 2016, the Company's historical share price is not reflective of the current stage of development of the Company, and that adopting the volatility of peer companies who have advanced from exploration to development is a more accurate measure of share price volatility for the purpose of options valuation.

In Canadian dollars, except where noted

13. CAPITAL AND RESERVES (continued)

d) Share-based compensation (continued)

The following is a summary of changes in options from January 1, 2019 to December 31, 2019 and the outstanding and exercisable options at December 31, 2019:

Grant Date	Expiry Date		Exercise Price	Contractual Lives Remaining (Years)	January 1, 2019 Opening Balance	During the period Granted	During the period Exercised	During the period Expired / Forfeited	December 31, 2019 Closing Balance	December 31, 2019 Number of Options Vested and Exercisable	December 31, 2019 Number of Options Unvested
16-Jan-2017	16-Jan-2022	i	$0.12	2.06	9,750,000	-	-	-	9,750,000	9,750,000	-
7-May-2017	7-May-2022	ii	$0.12	2.35	500,000	-	-	-	500,000	500,000	-
12-Mar-2018	12-Mar-2023		$0.145	3.20	12,800,000	-	-	-	12,800,000	12,800,000	-
5-Oct-2018	5-Oct-2023		$0.14	3.76	750,000	-	-	-	750,000	750,000	-
Totals				**2.73**	**23,800,000**	**-**	**-**	**-**	**23,800,000**	**23,800,000**	-
Weighted Average Exercise Price					**$0.134**	**-**	**-**	**-**	**$0.134**	**$0.134**	**-**

[i] On July 5, 2019 the Company announced an extension of the expiry date from January 16, 2020 to January 16, 2022. All other conditions of the options remain the same.

[ii] On July 5, 2019 the Company announced an extension of the expiry date from May 7, 2020 to May 7, 2022. All other conditions of the options remain the same.

In Canadian dollars, except where noted

The following is a summary of changes in options from January 1, 2018 to December 31, 2018 and the outstanding and exercisable options at December 31, 2018:

			Contractual Lives	January 1, 2018	During the period			December 31, 2018	December 31, 2018 Number of Options	
Grant Date	Expiry Date	Exercise Price	Remaining (Years)	Opening Balance	Granted	Exercised	Expired / Forfeited	Closing Balance	Vested and Exercisable	Unvested
16-Jan-2017	16-Jan-2020	$0.12	1.05	9,750,000	-	-	-	9,750,000	8,000,000	1,750,000
7-May-2017	7-May-2020	$0.12	1.35	500,000	-	-	-	500,000	500,000	-
12-Mar-2018	12-Mar-2023	$0.145	4.20	-	12,800,000	-	-	12,800,000	12,800,000	-
5-Oct-2018	5-Oct-2023	$0.14	4.76	-	750,000	-	-	750,000	750,000	-
Totals			**2.87**	**10,250,000**	**13,550,000**	**-**	**-**	**23,800,000**	**22,050,000**	1,750,000
Weighted Average Exercise Price				**$0.120**	**$0.145**	**-**	**-**	**$0.134**	**$0.135**	**$0.12**

In Canadian dollars, except where noted

13. CAPITAL AND RESERVES (continued)

e) Share purchase warrants

On August 31, 2018 the Company issued 44,453,335 warrants pursuant to the private share placement closed on the same date, whereby one warrant was issued for every common share subscribed for (“Placement Warrants”). The warrants were issued with an exercise price of $0.28 for a period of thirty-six (36) months.

On August 31, 2018 the Company issued a total of 1,664,534 warrants to and Agent for broker and advisory services pursuant to the private share placement closed on the same date (“Broker Warrants”). The warrants were issued with an exercise price of $0.18 for a period of twenty-four (24) months.

Right to accelerate exercise of warrants

If at any time after four months and one day after August 31, 2018 the Common Shares trade on the TSX Venture Exchange (the "TSX-V”) at a closing price equal to or greater than $0.36 for a period of twenty (20) consecutive trading days, the Company may exercise a right to accelerate the expiry date of the Placement Warrants and/or Broker Warrants by giving notice to the holders of the Placing Warrants and, with respect to the Broker Warrants within five trading days after such event that the Placing Warrants and/or Broker Warrants shall expire (30) days from the date of such notice.

	Number of Warrants	Weighted Average Exercise Price	Carrying Value
Balance, December 31, 2017			$ -
Private placement	44,453,335	$0.28	475,000
Broker	1,664,534	$0.18	58,000
Balance, December 31, 2018	**46,117,869**		**533,000**
Balance, December 31, 2019	**46,117,869**		**533,000**

The value of the private placement and broker warrants is net of the value of the Company’s right to accelerate exercise of the warrants.

The aggregate value of the Warrants is $533,000 which was determined using the Black Scholes model. The inputs to the model are listed in the table below:

Vesting period (years)	First vesting date	Expected life (years)	Risk free rate	Exercise price	Volatility of share price	Fair value	Warrants vested	Warrants granted	Expiry
3	31/08/2018	1.67	2.08%	$0.28	82.43%	$0.08	44,453,335	44,453,335	31/08/2021
2	31/08/2018	0.67	2.08%	$0.18	73.06%	$0.07	1,664,534	1,664,534	31/08/2020

The volatility was determined by calculating the average volatility of a collection of three peer companies historical share prices for the exercise period of each parcel of warrants.

In Canadian dollars, except where noted

13. CAPITAL AND RESERVES (continued)

e) Share purchase warrants (continued)

The Company's right to accelerate the exercising of the warrants arises in the event that the Common Shares trade on the TSX Venture Exchange (the "TSX-V") at a closing price equal to or greater than $0.36 for a period of twenty (20) consecutive trading days, the Company may give notice to the holders of the warrants requiring that they exercise the warrants with a period of thirty (30) days from the date of notice, failing which the Warrants shall expire.

The inputs to the model for the Company's right to accelerate the exercising of the warrants are listed in the table below:

Vesting period (years)	First vesting date	Expected life (years)	Risk free rate	Exercise price	Volatility of share price	Fair value	Warrants vested	Warrants granted	Expiry
3	31/08/2018	1.67	2.08%	$0.36	82.43%	$0.07	44,453,335	44,453,335	31/08/2021
2	31/08/2018	0.67	2.08%	$0.36	73.06%	$0.04	1,664,534	1,664,534	31/08/2020

f) Nature and purpose of equity and reserves

The reserves recorded in equity on the Company's statement of financial position include 'Reserves', 'Currency translation reserve', and 'Deficit'.

'Share subscription' is used to record the share subscription monies received before a share placement has closed and shares issued, less any share issue costs incurred for the share placement to reporting date.

'Option reserve' is used to recognize the value of stock option grants prior to exercise or forfieture.

'Currency translation reserve' is used to recognize the exchange differences arising on translation of the assets and liabilities of foreign branches and subsidiaries with functional currencies other than Canadian dollars.

'Deficit' is used to record the Company's accumulated deficit.

'Share purchase warrants' is used to recognize the value of share purchase warrants prior to exercise or forfeiture.

In Canadian dollars, except where noted

14. RELATED PARTY DISCLOSURES

A number of key management personnel, or their related parties, hold or held positions in other entities that result in them having control or significant influence over the financial or operating policies of the entities outlined below. A number of these entities transacted with the Company during the current or comparative reporting periods.

a) Trading transactions

The Company's related parties consist of companies owned by executive officers and directors as follows:

	Nature of transactions
Goldstream Capital Corporation	Director Fees

The transactions with Goldstream Capital Corporation are included in the compensation value paid to Directors in part b) below.

b) Compensation of key management personnel

The remuneration of directors and other members of key management during the years ended December 31, 2019 and 2018 were as follows:

			Year ended December 31, 2019		Year ended December 31, 2018
Consulting fees & salaries					
Current directors and officers	(i) (ii)	$	**176,667**	$	136,134
Directors fees					
Current directors and officers	(i) (ii)		**821,330**		381,166
Share-based payments					
Current directors and officers			**-**		826,000
		$	**997,997**	$	1,343,300

(i) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the years ended December 31, 2019 and 2018.

(ii) The Company paid consulting and director fees to private companies controlled by directors and officers of the Company for services. Accounts payable and accrued liabilities at December 31, 2019 include $nil (December 31, 2018 - $62,027) due to private companies controlled by an officer and director of the Company. Amounts due to or from related parties are unsecured, non-interest bearing and due on demand.

In Canadian dollars, except where noted

15. SUPPLEMENTAL CASH FLOW INFORMATION

a) Changes in non-cash working capital are as follows:

		December 31, 2019		December 31, 2018
Amounts receivable	**$**	**(3,834)**	$	(98)
Prepaid expenses and deposits		**(82,243)**		(74,494)
Accounts payable and accrued liabilities		**(402,375)**		815,596
Change in non-cash working capital accounts	**$**	**(488,452)**	$	741,004
Relating to:				
Operating activities	**$**	**(110,010)**	$	(13,713)
Financing activities		**131,676**		52,202
Investing activities		**(510,118)**		702,515
	$	**(488,452)**	$	741,004

Accounts payable and accrued liabilities includes $417,177 (December 31, 2018 - $927,294) related to exploration and acquisition costs.

b) The Company has $nil income tax outlays for the year ended December 31, 2019 (December 31, 2018 - $nil).

16. INCOME TAX

The difference between tax expense for the year and the expected income taxes based on the Canadian statutory income tax rate is as follows:

		Year ended December 31, 2019		Year ended December 31, 2018
Loss before income taxes	**$**	**4,902,665**	$	4,209,092
Potential expected income tax recovery at a statutory rate of 27% (2018 – 27%)		**(1,324,020)**		(1,094,364)
Higher statutory tax rate on earnings of foreign subsidiaries		**(10,320)**		(11,753)
Permanent and other differences		**598,515**		555,184
Changes in unrecognized deferred tax assets		**720,620**		533,901
Current income taxes		**(1,133)**		(1,166)
Deferred income tax recovery	**$**	**16,338**	$	18,198

During the years ended December 31, 2019 and 2018 the Canadian federal corporate income tax rate remained unchanged at 15%. The British Columbia provincial corporate income tax increased from 11% to 12%.

In Canadian dollars, except where noted

16. INCOME TAX (continued)

Deferred Income Tax Assets and Liabilities (continued)

The Senegalese and Burkina Faso income tax rates remained unchanged at 30% and 28% respectively.

The Nigerian corporate income tax rate remained unchanged at 30%.

Deferred Income Tax Assets and Liabilities

Significant components of the Company's deferred income tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

		Year ended December 31, 2019		Year ended December 31, 2018
Eligible capital	**$**	**25,449**	$	24,507
Share issue costs		**76,185**		73,363
Other timing differences		**165,441**		110,842
Resource related deductions		**51,847**		34,351
Non-capital losses carried forward		**2,738,913**		1,995,944
		3,057,835		2,239,007
Unrecognised deferred tax asset		**(3,042,760)**		(2,240,054)
Deferred income tax assets / (liabilities)	**$**	**15,075**	$	(1,047)

The Company will only recognize deferred income tax assets to the extent to which it is probable that sufficient taxable income will be realized, or taxable temporary differences will reverse, during the carry forward periods to utilize the deferred tax assets.

In Canadian dollars, except where noted

16. INCOME TAX (continued)

Deferred Income Tax Assets and Liabilities (continued)

The Company has available non-capital losses in Canada of approximately $9,861,000 (2018 - $ 7,510,000). The Canadian non-capital losses may be utilized to offset future taxable income and have carry forward periods of up to 20 years. The losses, if not utilized, expire through 2039. A summary of these tax losses is provided below.

Year of Expiry		Taxable Losses
2026		267,000
2027		245,000
2028		295,000
2029		287,000
2030		105,000
2031		468,000
2032		642,000
2033		535,000
2034		391,000
2035		427,000
2036		616,000
2037		1,349,000
2038		1,882,000
2039		2,352,000
	$	**9,861,000**

The other deductible temporary differences do not expire and may be utilized to reduce future taxable income. The only potential benefits of carry-forward non-capital losses and deductible temporary differences have have been recognized in these financial statements relate to the Company's Senegalese subsidiary African Star Resources S.A.R.L. No other potential benefits have been recognized as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

17. FINANCIAL INSTRUMENTS

The Group's financial instruments consist of cash, amounts receivable, accounts payable, accrued liabilities and lease liabilities.

Fair value of financial assets and liabilities
Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amount for cash, accounts receivable, and accounts payable, accrued liabilities and lease liabilities on the statement of financial position approximate their fair value because of the limited term of these instruments. The carrying value of deferred payment approximated its fair value. The investment is carried at cost as it is not traded on an active market.

Financial risk management objectives and policies
The Group has exposure to the following risks from its use of financial instruments

- Credit risk
- Liquidity and funding risk
- Market risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in these notes.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

31 December 2019		Total
Assets		
Cash and cash equivalents	$	5,402,920
Amounts receivable		1,145,837
Total assets measured at amortised cost		**6,548,757**

		Total
Liabilities		
Accounts payable and accrued liabilities	$	1,032,776
Lease liabilities		96,665
Total liabilities measured at amortised cost	**$**	**1,129,441**

In Canadian dollars, except where noted

17. FINANCIAL INSTRUMENTS (continued)

31 December 2018		Total
Assets		
Cash and cash equivalents	$	304,067
Amounts receivable		1,711,261
Total assets measured at amortised cost		**2,015,328**

		Total
Liabilities		
Accounts payable and accrued liabilities	$	1,506,438
Deferred payment		893,405
Total liabilities measured at amortised cost	**$**	**2,399,843**

Credit risk

Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. The credit risk associated with cash and receivables is believed to be minimal.

Cash consists of cash on deposit in Canadian, UK, Nigerian, and Senegalese Chartered banks that are believed to be creditworthy.

At December 31, 2019 amounts receivable is comprised primarily of share subscription monies to be received from subscribers pursuant to private placements. The Company has formed the opinion that it is exposed to credit risk and counterparty risks. In accordance with the provisions of IFRS 9 the Company has undertaken a credit assessment risk with regards to this outstanding receivable and has determined it appropriate to make an impairment provision for $2,026,000 through Consolidated Statement of Comprehensive Loss.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at December 31, 2019 and 2018 were as follows:

		Year ended December 31, 2019		Year ended December 31, 2018
Cash	$	5,402,920	$	304,067
Amounts receivable		1,145,837		1,711,261
Total	**$**	**6,548,757**	**$**	**2,015,328**

Liquidity and funding risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is held in business accounts and are available on demand. Funding risk is the risk that the Company may not be able to raise equity financing in a timely manner and on terms acceptable to management. There are no assurances that such financing will be available when, and if, the Company requires additional equity financing.

In the normal course of business, the Company enters into contracts and performs business activities that give rise to commitments for future minimum payments.

In Canadian dollars, except where noted

17. FINANCIAL INSTRUMENTS (continued)

Liquidity and fundraising risk (continued)

The following table summarizes the Company's significant remaining contractual maturities for financial liabilities at December 31, 2019 and 2018.

Contractual maturity analysis as at December 31, 2019

	Less than 3 months $	3 – 12 Months $	1 – 5 Year $	Longer than 5 years $	Total $
Accounts payable	232,860	247,319	-	-	480,179
Accrued liabilities	552,597	-	-	-	552,597
Other current liabilities	-	-	-	-	-
	785,457	**247,319**	**-**	**-**	**1,032,776**

Contractual maturity analysis as at December 31, 2018

	Less than 3 months $	3 – 12 Months $	1 – 5 Year $	Longer than 5 years $	Total $
Accounts payable	888,522	199,351	-	-	1,087,873
Accrued liabilities	418,565	-	-	-	418,565
Other current liabilities	893,405	-	-	-	893,405
	2,200,492	**199,351**	**-**	**-**	**2,399,843**

Market risk

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company’s financial instruments. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets or liabilities. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

17. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

The following table shows the interest rate profile of interest-bearing financial instruments as at December 31, 2019 and December 31, 2018:

	Year ended December 31, 2019	Year ended December 31, 2018
Variable rate instruments		
Financial assets	$ -	$ -
Financial liabilities	-	(893,405)
	$ -	**$ (893,405)**

The deferred payment was not subject to interest until August 18, 2018.

Sensitivity analysis

An increase of 100 basis points in interest rates at each reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit and other equity.

	Profit and loss	
	Year ended December 31, 2019	Year ended December 31, 2018
Variable rate instruments	$ -	$ 8,934

b) Foreign currency risk

The Group seeks to manage its exposure to this risk by ensuring that where possible, the majority of expenditure and cash of individual subsidiaries within the Group are denominated in the same currency as the functional currency of that subsidiary.

The Group's exploration expenditures, certain acquisition costs and other operating expenses are denominated in United States Dollars, and UK Pounds Sterling. The Company's exposure to foreign currency risk arises primarily on fluctuations between the Canadian Dollars and the United States Dollars and UK Pounds Sterling. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations.

The following table shows the currency of net monetary assets and liabilities by functional currency of the underlying companies for the year ended December 31, 2019:

In Canadian dollars, except where noted

17. FINANCIAL INSTRUMENTS (continued)

	Functional currency					
	Canadian dollar	US dollar	Pound Sterling	Nigerian Naira	West African Franc	Total
Currency of net monetary asset/(liability)	December 31, 2019 CAD$	December 31, 2019 CAD$	December 31, 2019 CAD$	December 31, 2019 CAD$	December 31, 2019 CAD$	December 31, 2019 CAD$
Canadian dollar	(384,467)	-	-	-	-	(384,467)
US dollar	6,300,514	-	-	400	-	6,300,914
Pound Sterling	(128,754)	-	9	-	-	(128,745)
Nigerian Naira	-	-	-	35,580	-	35,580
West African Franc	-	-	-	-	(303,941)	(303,941)
Australian dollar	(3,360)	-	-	-	-	(3,360)
Total	5,783,933	-	9	35,980	(303,941)	5,515,981

The following table shows the currency of net monetary assets and liabilities by functional currency of the underlying companies for the year ended December 31, 2018:

	Functional currency					
	Canadian dollar	US dollar	Pound Sterling	Nigerian Naira	West African Franc	Total
Currency of net monetary asset/(liability)	December 31, 2018 CAD$	December 31, 2018 CAD$	December 31, 2018 CAD$	December 31, 2018 CAD$	December 31, 2018 CAD$	December 31, 2018 CAD$
Canadian dollar	(245,994)	-	-	-	-	(245,994)
US dollar	623,661	-	-	421	-	624,082
Pound Sterling	(185,567)	-	9	-	-	(185,558)
Nigerian Naira	-	-	-	(80,707)	-	(80,707)
West African Franc	-	-	-	-	(244,190)	(244,190)
Australian dollar	(90,843)	-	-	-	-	(90,843)
Total	101,257	-	9	(80,286)	(244,190)	(223,210)

The following table discusses the Company's sensitivity to a 5% increase or decrease in the Canadian Dollar against the United States Dollar:

December 31, 2019	Canadian Dollar Appreciation By 5%	Canadian Dollar Depreciation By 5%
Comprehensive income (loss)		
Financial assets and liabilities	$ 315,000	$ (315,000)
December 31, 2018		
Comprehensive income (loss)		
Financial assets and liabilities	$ 36,116	$ (36,116)

In Canadian dollars, except where noted

18. CAPITAL MANAGEMENT

The Company manages, as capital, the components of shareholders' equity. The Company's objectives, when managing capital, are to safeguard its ability to continue as a going concern in order to explore its unproven mineral interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure, and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue common shares, borrow, acquire or dispose of assets or adjust the amount of cash.

19. SEGMENTED DISCLOSURES

Geographic Information

The Company's operations comprise one reportable segment, being the exploration of mineral resource properties. The carrying value of the Company's assets on a country-by-country basis is as follows:

December 31, 2019	Senegal	Burkina Faso	British Virgin Islands	Nigeria	Canada	Total
Current assets	$ 3,337	$ 4,996	$ -	$ 341,997	$ 6,398,776	$ 6,749,106
Investment	-	-	-	-	2	2
Deferred income tax assets	15,075	-	-	-	-	15,075
Prepaid expenses and deposit	-	-	-	-	23,327	23,327
Right of use assets	-	-	-	-	108,177	108,177
Property, plant and equipment	23,806	1,228	-	111,456	658	137,148
Exploration and evaluation assets	15,290,442	1,551,359	-	29,838,091	-	46,679,892
Total assets	$ 15,332,660	$ 1,557,583	$ -	$30,291,544	$ 6,530,940	$53,712,727

In Canadian dollars, except where noted

December 31, 2018	Senegal	Burkina Faso	British Virgin Islands	Nigeria	Canada	Total
Current assets	$ 11,235	$ 5,339	$ -	$ 149,880	$ 1,986,851	$ 2,153,305
Investment	-	-	-	-	2	2
Prepaid expenses and deposit	-	-	-	-	23,327	23,327
Property, plant and equipment	33,216	1,687	-	212,487	8,092	255,482
Exploration and evaluation assets	13,897,249	1,607,410	-	27,297,528	-	42,802,187
Total assets	$ 13,941,700	$ 1,614,436	$ -	$27,659,895	$ 2,018,272	$45,234,303

20. SUBSEQUENT EVENTS

On January 17, 2020 announced that the TSX Venture Exchange has accepted filing of the Company's Stock Option Plan ("2020 Stock Option Plan", or "the Plan"). The Plan reserves a fixed number of shares, 44,900,000, being less than 10% of the Company's issued shares.

The Company at the same time announced the grant of 14,250,000 stock options under the terms of the Plan to directors and officers and group consultants of the Company. The options were granted at an exercise price of $0.20 per share for a period of five years and amount to 3.17% of the issued share capital at the date of issue. Following this issue there are a total of 38,050,000 stock options outstanding.

On April 29, 2020 the Company announced the execution of definitive documents with the Africa Finance Corporation to reach full funding of the Segilola Gold Project in Nigeria (the "Project") and made the Final Investment Decision to proceed with construction of the Project. The Company decided to proceed with construction, following the implementation of Covid-19 procedures at the Project, established in accordance with industry best practice and the guidelines set out by the Osun State Government and the Ministry of Mines and Steel Development. Construction commenced in February 2020 and first gold production is scheduled for Q2 2021. The Company also announced issuance of 34,750,000 Common Shares against US$5,000,000 of invoices under its EPC schedule.

Highlights of the financing are:

- Total fundraising of US$104,500,000;
- Tranche 1 private placement (closed on December 5 2019) raising gross proceeds of C$15,733,850 (US$11,830,000) through the issuance of 78,669,250 Common Shares at a price of C$0.20;
- Tranche 2 private placement offering of C$5,643,150 (US$4,250,000) through the issuance of 28,215,750 Common Shares at a price of C$0.20 per Common Share closed on April 29, 2020;
- Issuance of 34,750,000 shares at a price of C$0.20 per Common Share in lieu of US$5,000,000 (C$6,950,000) of EPC construction costs;
- US$21,000,000 gold stream prepayment;
- US$6,500,000 EPC deferred payment facility; and
- US$54,000,000 senior secured credit facility

The proceeds of the private placements will be used to advance the construction of the Project and general working capital purposes.

On June 12, 2020 the Company announced the undertaking of a private placement to raise up to US$10 million through the issue of new common shares.

The emergence of the Covid-19 coronavirus pandemic has caused a severe adverse effect on the business environment on a global scale. The Group may be affected by disruptions to its operations in one or more locations, particularly for the foreseeable future in light of the government responses to the spread of Covid-19 or other potential pandemics. The Group's Nigerian operations have been declared as an essential business by the Nigerian authorities and so are not subject to closure.

The Board is aware of the various risks that the pandemic presents that include but are not limited to financial, operational, staff and community health and safety, logistical challenges and government regulation. At present the Board believes that there should be no significant material disruption to its operations in Nigeria and continues to monitor these risks and the Group's business continuity plans. Management maintains constant dialogue with local Nigerian government and monitors the situation among the local communities as well as the broader environment.

The Group has conducted an review of operations in Senegal and has determined that given the size of the operations to be undertaken in the near term and the limited number of personnel involved, that with the introduction of rigorous hygiene practices including the wearing of masks and regular hand sanitization, operations will continue. The Board continues to monitor the situation closely.

Work on the Joint Operation in Burkina Faso has been restricted to remote desk work in 2020 to the date of signing this report.

PART VI – ADDITIONAL INFORMATION

1. Responsibility

1.1 The Directors, whose names and functions are set out on page 8 of this document, and the Company accept responsibility, both individually and collectively, for the information contained in this document and for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.2 SLR, the Competent Person, whose name and function is set out on page 9 of this document, accepts responsibility for its report set out in Part IV – *(Competent Person's Report)* and for any information sourced from such report in this document. To the best of the knowledge and belief of SLR (which has taken all reasonable care to ensure that such is the case), the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

2.1 The Company is organized and was formed as a result of the amalgamation of Magnate Ventures Inc. and Thor Explorations Ltd. under the BCBCA on 1 September 2009. The Company was admitted to trading on the TSX-V on 1 September 2009 and trades under the symbol "THX-V".

2.2 The Company's registration number is BC0860183 and its LEI number is 213800AXZ8468CQYVT76. The registered office of the Company is 550 Burrard St, Suite 2900 Vancouver, BC, CA, V6C 0A3. Its telephone number is +1-778-658-6391. The address of the Company's website on which the information required by Rule 26 of the AIM Rules is available is https://www.thorexpl.com/. The information included on the website does not form part of this document.

2.3 The Company is domiciled in British Columbia, Canada. The principal activity of the Company, Thor Investments BVI, African Star BVI and SRI BVI is that of a holding company. The principal activity of the Group is that of mineral exploration and development.

3. The Group

3.1 The Company is the ultimate holding company of the Group and has the following subsidiary undertakings:

Name	Country of incorporation	Date of incorporation	Principal activity	Percentage owned
Thor Investments (BVI) Ltd.	British Virgin Islands	30 June 2011	Holding company	100% directly
African Star Resources Incorporated	British Virgin Islands	31 March 2011	Holding company	100% indirectly via Thor Investments (BVI) Ltd.
Segilola Resources Incorporated	British Virgin Islands	10 March 2020	Holding company	100% indirectly via Thor Investments (BVI) Ltd and African Star Resources Incorporated.
African Star Resources SARL	Senegal	4 July 2011	Mining	100% indirectly via Thor Investments (BVI) Ltd and African Star Resources Incorporated

Name	Country of incorporation	Date of incorporation	Principal activity	Percentage owned
Argento Exploration BF SARL	Burkina Faso	9 April 2010	Mining	100% indirectly via Thor Investments (BVI) Ltd and African Star Resources Incorporated
AFC Constelor Panafrican Resources SARL	Burkina Faso	5 January 2012	General broad purpose*	85% indirectly via Thor Investments (BVI) Ltd and African Star Resources Incorporated**
Segilola Resources Operating Limited	Nigeria	21 March 2013	Mining	100% indirectly – 99.9% via Thor Investments (BVI) Ltd and Segilola Resources Incorporated and 0.1% via Adedayo Peters (held on trust for Segilola Resources Incorporated)
Segilola Gold Limited	Nigeria	25 August 2006	Mining	100% indirectly – 99. 9999996% via Thor Investments (BVI) Ltd and African Star Resources Incorporated and 0.0000004% via Jide Adesanya (held on trust for African Star Resources Incorporated)

* The Company has instructed local counsel in Burkina Faso to amend the articles of association of AFC Burkina Faso to include mining exploration and exploitation in its scope of activities and a declaration of modification has been submitted to the local corporate and trade registry to this effect (**RCCM**).

** The Company approved the acquisition by African Star BVI of the remaining 15% interest in AFC Burkina Faso from Constelor Panafrican Resources Holdings Ltd in consideration for the issue of Common Shares at a board meeting in April 2015 however, the notarised deed of transfer of these shares from Constelor Panafrican Resources Holdings Ltd to African Star BVI was not filed with the RCCM. The Company has instructed local counsel in Burkina Faso to submit the notarised deed of transfer to the RCCM to enable the share register held by the RCCM to be updated to reflect that African Star BVI holds 100% of AFC Burkina Faso.

3.2 Save as disclosed in paragraph 3.1 above, there are no undertakings in which the Company holds a proportion of the capital that is likely to have a significant effect on the assessment of the Company's assets and liabilities, financial position or profits and losses.

4. Share capital

4.1 The history of the Company's share capital, highlighting information about any changes, for the period covered by the historical financial information (three years prior to the date of this document) is as follows:

Date of issue	Transaction type	No. of Common Shares Issued	Issue price per Common Shares
11 June 2021	Warrants exercise	1,664,534	C$0.18
10 December 2020	Options exercise	210,000	C$0.20
13 July 2020	Brokered private placement	75,548,530	C$0.18
29 April 2020	Share issue pursuant to invoices under EPC Contract	34,750,000	C$0.20

Date of issue	Transaction type	No. of Common Shares Issued	Issue price per Common Shares
29 April 2020	Non-brokered private placement	28,215,750	C$0.20
29 April 2020	Bonus share issue in connection with senior secured credit facility	33,329,480	C$0.20
5 December 2019	Non-brokered private placement	78,669,250	C$0.20
31 August 2018	Non-brokered private placement	44,453,335	C$0.18
29 March 2018	Non-brokered private placement	24,910,660	C$0.17

4.2 Subject to the BCBCA, the Articles, any unanimous shareholder agreement and the Stock Option Plan, the Board may issue or grant options to purchase Common Shares at such times and to such persons and for such consideration as the Board shall determine, provided that no share shall be issued unless fully paid and non-assessable as provided by the BCBCA. Pursuant to the Stock Option Plan, the aggregate number of Common Shares issuable shall not in the aggregate exceed 10 per cent., of the number of issued and outstanding Common Shares at the time of each grant of options, subject to the rules of the TSX-V.

4.3 The issued and fully paid share capital of the Company as at the Latest Practicable Date and as it is expected to be immediately following Admission is as follows:

Common Shares (of no par value)	Number
As at the Latest Practicable Date	623,070,509
Immediately following Admission	623,070,509

4.4 As at the Latest Practicable Date, the Company has 44,453,335 outstanding warrants with an expiry date of 31 August 2021. All such warrants were issued pursuant to the terms of a warrant indenture dated as of 31 August 2018 between the Company and Computershare Trust Company of Canada (as warrant agent) and entered into in connection with a private share placement that closed on the same date. These warrants were issued with an exercise price of C$0.28 per share with an exercise period of three years from the date of closing.

4.5 The Company is authorised to issue an unlimited number of Common Shares and an unlimited number of preferred shares.

4.6 The Common Shares in issue on Admission will be in registered form and, following Admission, may be held either in certificated form or in uncertificated form. The records in respect of Common Shares held in uncertificated form will be maintained by Euroclear and the Company's registrars.

4.7 None of the Common Shares are being marketed or made available in whole or in part to the public in conjunction with the application for Admission.

4.8 The Common Shares are governed in accordance with the BCBCA.

4.9 The Common Shares have no par value.

4.10 The International Securities Identification Number or ISIN for the Common Shares is CA8851491040.

4.11 The Company may purchase any of the Common Shares subject to the requirements and limitations imposed under Canadian corporate and securities laws.

4.12 Save as disclosed in this paragraph 4 or in paragraphs 7 and 10 of this Part VI – *(Additional Information)*:

(a) no shares in the capital of the Company have been issued otherwise than as fully paid;

(b) the Company does not have in issue any shares not representing capital;

(c) the Company does not hold any treasury shares and no shares in the capital of the Company are held by or on behalf of any member of the Group;

(d) the Company does not have in issue any convertible securities, exchangeable securities or securities with warrants;

(e) there are no acquisition rights and/or obligations over any unissued shares in the capital of the Company and no undertaking has been given by the Company to increase its issued share capital; and

(f) no share or loan capital of any member of the Group is under option or has been agreed, conditionally or unconditionally, to be put under option.

4.13 No shares in the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

5. Articles of Incorporation and Notice of Articles

The following is a summary of certain aspects of the BCBCA and the Company's Articles and Notice of Articles.

Under the laws of the Province of British Columbia and the Company's Articles and Notice of Articles (the **Constating Documents**), the Company is authorised to issue an unlimited number of Common Shares and an unlimited number of preferred shares. Under the Constating Documents, there are no pre-emptive rights provided to Shareholders of the Company. Subject to the BCBCA and the rights of the holders of issued shares of the Company, the Board may issue, allot, sell or otherwise dispose of unissued shares, and previously issued shares that are subject to reissuance or held by the Company, whether with par value or without par value, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares may be issued) that the Board, in its absolute discretion, may determine. Shares issued by the Company must be fully paid prior to issuance.

The Board may determine to issue Common Shares at a reasonable discount to the market price, provided, however, that under the rules of the TSX-V, the Company may only issue Common Shares at a maximum discount of 25 per cent to the market price at the time of the announcement of the proposed share issuance if the Company's current market price is at or lower than C$0.50, a 20 per cent., discount if greater than C$0.50 but equal to or lower than C$2.00 and a 15 per cent., discount if the market price is greater than C$2.00.

5.1 Unrestricted objects

The Constating Documents place no restriction on the business the Company may carry on.

5.2 Issuance of Shares

The Company is authorised to issue an unlimited number of Common Shares and an unlimited number of preferred shares. Other than as provided by the BCBCA, no Common Share may be issued by the Company unless fully paid. A Common Share is fully paid when consideration is provided to the Company for the issue of the Common Share by one or more of the following: (a) past services performed for the Company; (b) property; and (c) money. The Board must, in their discretion, have determined that the value of the past services, property and money received by the Company for such Common Share is equal to or greater than the issue price set for such Common Share and in doing so must not attribute to those past services or that property a value that exceeds the fair market value of those past services or that property, as the case may be.

The Company may also issue share purchase warrants, options, convertible debentures and rights upon such terms and conditions as the Board determine. Such share purchase warrants, options, convertible debentures and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

Pursuant to the terms of the nominated adviser and joint broker agreement, further details of which are set out at paragraph 12.2 below, from Admission, and for so long as the Company's shares are admitted to trading on AIM, the Company undertakes to Canaccord Genuity (or any replacement nominated adviser of the Company for the time being if it is not Canaccord Genuity) that it will not, without the prior written consent of Canaccord Genuity (or the replacement nominated adviser), issue wholly for cash any Relevant Securities such that the Securities Issuance would, when taken together with any issues of other Relevant Securities for cash during the 12 month period prior to the Securities Issuance, exceed 25 per cent. of the Company's issued and outstanding share capital on the date of the Securities Issuance, other than where: (a) the new shares have first been offered to existing Shareholders who are given a right to acquire Relevant Securities being offered pursuant to the Securities Issuance in proportion to their holdings of existing shares, at the same price and on the same terms as those Relevant Securities are to be offered to any other person(s); or (b) the Company has obtained prior shareholder approval in respect of the proposed Securities Issuance.

5.3 Purchase of Common Shares by the Company

Under the BCBCA, the Company may, if authorised by the Board by board resolution, redeem, purchase or otherwise acquire any of its Common Shares at the price and upon the terms determined by the Board in such resolution unless there are reasonable grounds for believing that the Company is insolvent or the making of the payment or providing the consideration for the purchase or other acquisition of Common Shares would render the Company insolvent. If the Company retains a Common Share which it has redeemed, purchased or otherwise acquired, it may cancel or retain such Common Share. While the Company holds its own Common Shares, it is not permitted to: (a) vote the Common Shares at a meeting of Shareholders, (b) pay a dividend in respect of the Common Shares, or (c) make any other distribution in respect of the Common Shares. However, as a public company, Canadian provincial securities legislation further regulates the Company's ability to acquire Common Shares.

5.4 Common Shares

(a) *Voting rights*

The holders of Common Shares shall be entitled to receive notice of and to attend all meetings of Shareholders of the Company, and at any meeting of the Shareholders of the Company (except meetings at which only holders of a specified class or series of shares are entitled to vote and subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint registered holders of shares), to vote thereat on the basis of one vote per Common Share held.

(b) *Directors' Authority to Issue*

The Board is authorized to issue an unlimited number of Common Shares without par value.

(c) *Dividends*

The holders of Common Shares shall from time to time at the discretion of the Board, be entitled to receive, subject to the rights of the holders of any other class of shares, any dividend declared by the Company.

(d) *Transfer of shares*

Subject to the BCBCA and the *Securities Transfer Act*, no transfer of a share (including a Common Share) of the Company shall be recorded or registered unless (i) a duly signed instrument of transfer in respect of the share has been received by the Company, (ii) if a share certificate has been issued by the Company in respect of the Common Share to be transferred, that share certificate has been surrendered to the Company, and (iii) if a non-transferable written acknowledgment of the Shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment has been surrendered to the Company.

(e) *Distribution of assets on liquidation*

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its Shareholders for the purpose of winding-up its affairs, the holders of the Common Shares shall be entitled to receive, subject to the rights of the holders of any other class of shares, the remaining property of the Company.

(f) *Special Rights and Restrictions Attaching to Preferred Shares*

The Preferred Shares may at any time and from time to time be issued in one or more series. The directors may from time to time, by resolution passed before the issue of any Preferred Shares of any particular series, alter the Articles of Incorporation and Notice of Articles of the Company to fix the number of Preferred Shares in, and to determine the designation of the Preferred Shares of, that series, and alter the Articles and Notice of Articles to create, define and attach special rights and restrictions to the Preferred shares of that series, including, but without in any way limiting or restricting the generality of the foregoing, the rate or amount of dividends (whether cumulative, non-cumulative or partially cumulative), the dates, places and currencies of payment thereof, the consideration for, and the terms and conditions of, any purchase or redemption thereof (including redemption after a fixed term or at a premium), conversion or exchange rights, the terms and conditions of any share purchase plan or sinking fund, the restrictions respecting payment of dividends on, or the repayment of capital in respect of, any other shares of the Company and voting rights and restrictions, but no special rights or restrictions so created, defined or attached shall contravene the provisions of the relevant subsections of the Articles of Incorporation.

Holders of Preferred Shares shall be entitled, on the distribution of assets of the Company on the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or on any other distribution of assets of the Company among its Shareholders for the purpose of winding up its affairs, to receive before any distribution shall be made to holders of Common shares or any other shares of the Company ranking junior to the Preferred Shares with respect to repayment of capital on any such event, the amount paid up with respect to each Preferred Share held by them, together with the fixed premium (if any) thereon, an amount equal to all accrued and unpaid cumulative dividends (if any and if preferential) thereon, which for such purpose shall be calculated as if such dividends were accruing on a day-to-day basis up to the date of such distribution, whether or not earned or declared, whether or not there are any moneys of the Company properly applicable to the payment of dividends, plus all declared and unpaid non-cumulative dividends (if any and if preferential) thereon.

5.5 Disclosure of interest in shares

The holder of, or a person interested in, any of the Company's shares is required to, upon a request by the Board, disclose such interest (and any other information requested by the Board) to the Board. Shareholders (other than a depositary) with a direct or indirect holding of 3% or more in any class of the Company's shares (excluding treasury shares) are required to notify the Company of: (i) its direct or indirect holding of 3% in any class of the Company's shares (excluding treasury shares); and (ii) any changes to its direct or indirect holding above 3% (excluding treasury shares) which increase or decrease through any single percentage.

5.6 Shareholder meetings

(a) *Annual general meetings*

Subject to the BCBCA, the Board shall call an annual meeting of Shareholders at least once in a calendar year and not later than 15 months after holding the last preceding annual meeting. The annual meeting of Shareholders will be held for the purpose of considering the financial statements and reports required by the BCBCA to be placed before the annual meeting of Shareholders, electing directors, appointing auditors, setting their remuneration and for the transaction of such other business as may properly be brought before the annual meeting of Shareholders.

(b) *Notice of special meetings*

Pursuant to the BCBCA, the Board may, whenever it think fits, call a meeting of Shareholders. The Company must send notice of the date, time and location of any meeting of Shareholders, in the manner provided in the Articles of the Company, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each Shareholder entitled to attend the meeting, to each Director and to the auditor of the Company, unless the Articles of the Company otherwise provide, at least the following number of days before the meeting: (a) if and for so long as the Company is a public company, 21 days; and (b) otherwise, 10 days. Notice of a meeting of Shareholders called to consider special business of the Company shall state the general nature of such business and if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by Shareholders. Special business means in relation to at a meeting of Shareholders that is not an annual general meeting, all business except (i) business relating to the conduct of, or voting at, the meeting; (ii) consideration of any financial statements of the Company presented to the meeting; (iii) consideration of any reports of the Board or auditor; (iv) the setting or changing of the number of directors; (v) the election or appointment of directors; (vi) the appointment of an auditor; (vii) business arising out of a report of the Board not requiring the passing of a special resolution or an exceptional resolution; and (viii) any other business which, under the Articles of the Company or the BCBCA, may be transacted at a meeting of Shareholders without prior notice of the business being given to the Shareholder.

Quorum

Subject to the BCBCA in respect of a majority Shareholder, a quorum for the transaction of business at any meeting of Shareholders shall be two persons present in person, each being a Shareholder entitled to vote at the meeting of Shareholders or a duly appointed proxyholder or representative for a Shareholder so entitled, where holders of shares carrying not less than five per cent. (5 per cent.) of the total number of votes attached to all the shares that carry the right to vote at such meeting of Shareholders are present in person or by proxy. If a quorum is not present at the opening of a general meeting of Shareholders the meeting is dissolved, and in the case of any other meeting of the Shareholders the meeting stands adjourned to the same day in the next week at the same time and place, or at such other date, time or location as the chair specifies on the adjournment.

If the Company has only one Shareholder, or only one holder of any class or series of shares, the Shareholder present in person or duly represented constitutes a meeting of Shareholders.

(c) *Method of voting*

Subject to the BCBCA, at any meeting of the Shareholders, every motion put to a vote at a meeting of Shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one Shareholder entitled to vote who is present in person or by proxy. The chair of a meeting of Shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded by at least one Shareholder entitled to vote who is present in person or by proxy, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

Any vote referred to in this section may be held, in accordance with the BCBCA, partly or entirely by means of a telephonic, electronic or other communication facility, if the Company makes available such a communication facility. Any person participating in a meeting of Shareholders and entitled to vote at that meeting of Shareholders may vote by means of the telephonic, electronic or other communication facility that the Company has made available for that purpose.

On any question proposed for consideration at a meeting of Shareholders, and whether or not a show of hands has been taken upon such question, the Shareholders may demand a poll. A poll so demanded (a) must be taken: (i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and (ii) in the manner, at the time and at the place that the chair of the meeting directs; (b) the result of the poll is deemed to be a resolution of and passed at the meeting at which the poll is demanded; and (c) the demand for the poll may be withdrawn by the person who demanded it.

5.7 Directors

(a) *Number and appointment of Directors*

While the Company is a public company (that is, with its securities listed or posted for trading on a stock exchange), the Company must have a minimum of three directors. Otherwise, the number of directors is set by ordinary resolution of the Shareholders from time to time. The election of directors shall take place at each annual meeting of Shareholders and all of the members of the Board then in office shall retire but, if qualified, shall be eligible for re-election. The number of directors to be elected at any such meeting of Shareholders shall be the number of number of directors for the time being set under the Articles of the Company. The Board may fill vacancies and increase the size of the Board for up to 1/3 the number of directors elected at the previous shareholders' meeting by consent resolutions.

(b) *Board Meetings*

The Board may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the Board held at regular intervals may be held at the place, at the time and on the notice, if any, that the Board may by resolution from time to time determine.

The quorum necessary for the transaction of the business of the Board may be set by the Board and, if not so set, is deemed to be set at a majority of the Board or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

Other than for meetings held at regular intervals as determined by the Board, reasonable notice of each meeting of the Board, specifying the place, day and time of that meeting must be given to each of the Board. A notice of a meeting of the Board need not specify the purpose of or the business to be transacted at the meeting except where the BCBCA requires such purpose or business to be specified.

Meetings of directors are to be chaired by: (a) the chair of the board, if any; (b) in the absence of the chair of the board, the president, if any, if the president is a director; or (c) any other director chosen by the Board if: (i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting; (ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or (iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

At all meetings of the Board every question shall be decided by a majority of the votes cast on the question and in case of an equality of votes the chair of the meeting shall not be entitled to a second or casting vote.

(c) *Removal of a Director by resolution of the Company*

Subject to the BCBCA, the Shareholders may by special resolution passed at a meeting of Shareholders remove any director before the expiration of his or her term of office. If the Shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the Board may appoint or the Shareholders may elect, or appoint by consent resolution, a director to fill that vacancy.

(d) *Vacation of office*

A director ceases to hold office at the end of their term of office, on death, on receipt by the Company of a written resignation of such director, or, on removal from office by the Shareholders by special resolution or by the Board if such director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign. Subject to the BCBCA, a quorum of the Board may appoint a qualified individual to fill a vacancy in the Board.

(e) *Additional directors*

The Board may, within the maximum number permitted by the Constating Documents, appoint one or more additional directors, who shall hold office for a term expiring not later than the close of the next annual meeting of the Shareholders, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of Shareholders.

(f) *Directors' remuneration and expenses*

The Board are entitled to the remuneration for acting as directors, if any, as the Board may from time to time determine. If the Board so decides, the remuneration of the directors, if any, will be determined by the Shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

(g) *Borrowing powers*

The Company, if authorised by Board, may: (i) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the Board consider appropriate; (ii) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligations of the Company or any person and at such discounts or premiums and on such other terms as it considers appropriate; (iii) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and (iv) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company. Any bonds, debentures or other debt obligations of the Company may be issued at a discount, premium or otherwise, or with special privileges as to redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at general meetings of the Company, appointment of directors or otherwise and may, by their terms, be assignable free from any equities between the Company and the person to whom they were issued or any subsequent holder thereof, all as the Board may determine.

Any bonds, debentures or other debt obligations of the Company may be issued at a discount, premium or otherwise, or with special privileges as to redemption, surrender, drawing, allotment of or conversion into or exchange for the Common Shares or other securities, attending and voting at general meetings of the Company, appointment of directors or otherwise and may, by their terms, be assignable free from any equities between the Company and the person to whom they were issued or any subsequent holder thereof, all as the Board may determine.

(h) *Proceedings and Indemnification of the Directors*

Subject to the BCBCA the Company must indemnify and advance expenses of a director, former director, officer or former officer of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding.

The Company shall advance money to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to above. The individual shall repay the money if the individual does not fulfil the conditions below.

Subject to any restrictions in the BCBCA, the Company may indemnify any person.

(i) *Directors' conflicts of interest*

A director shall disclose to the Company, in the manner and to the extent provided by the BCBCA, any interest that such director has in a material contract or transaction, whether made or proposed, with the Company, if such director (a) is a party to the contract or transaction, (b) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction, or (c) has a material interest in a party to the contract or transaction. Such a director shall not vote on any resolution to approve the same except as provided by the BCBCA.

The above is a summary only of certain provisions of the Articles of the Company. The full provisions of the Articles are available on the Company's website at https://www.thorexpl.com/.

6. Other Relevant Laws and Regulations

Please refer to paragraph 15 of Part I – (*Information on the Group*), which provides a summary of Canadian take-over laws applicable to the Company.

7. Stock Option Plan

7.1 The Company operates the Stock Option Plan under which options over Common Shares (**Options**) have been and may be granted to directors and management of members of the Group (**Optionholders**). A summary of the rules of the Stock Option Plan is set out in paragraphs 7.3 to

7.14 of this Part VI – (*Additional Information*). The Company intends to replace the existing stock option plan with a new plan that is a hybrid option and long-term incentive plan following Admission, subject to obtaining shareholder approval.

7.2 As at the Latest Practicable Date, the following options granted under the Stock Option Plan remain outstanding:

Optionholder	**Number of options**	**Date of grant**	**Exercise price (per share) (C$)**	**Exercise period*****
Olusegun Lawson	4,000,000	16 January 2017	0.12	5 years
Ben Hodges	250,000	16 January 2017	0.12	5 years
James Philip	3,500,000	16 January 2017	0.12	5 years
Adrian Coates	500,000	16 January 2017	0.12	5 years
Kayode Aderinokun	500,000	16 January 2017	0.12	5 years
Folorunso Adeoye	500,000	16 January 2017	0.12	5 years
Julian Barnes	500,000	16 January 2017	0.12	5 years
Alfred Gillman	500,000	7 May 2017	0.12	5 years
Olusegun Lawson	5,500,000	12 March 2018	0.145	5 years
Ben Hodges	400,000	12 March 2018	0.145	5 years
James Philip	400,000	12 March 2018	0.145	5 years
Adrian Coates	1,500,000	12 March 2018	0.145	5 years
Kayode Aderinokun	1,500,000	12 March 2018	0.145	5 years
Folorunso Adeoye	1,500,000	12 March 2018	0.145	5 years
Julian Barnes	1,500,000	12 March 2018	0.145	5 years
Alfred Gillman	500,000	12 March 2018	0.145	5 years
Collin Ellison	750,000	5 October 2018	0.14	5 years
Olusegun Lawson	4,500,000	16 January 2020	0.20	5 years
Adrian Coates	1,500,000	16 January 2020	0.20	5 years
Kayode Aderinokun	1,000,000	16 January 2020	0.20	5 years
Folorunso Adeoye	1,000,000	16 January 2020	0.20	5 years
Julian Barnes	1,000,000	16 January 2020	0.20	5 years
Collin Ellison	1,000,000	16 January 2020	0.20	5 years
Ben Hodges	540,000	16 January 2020	0.20	5 years
James Philip	2,500,000	16 January 2020	0.20	5 years
Alfred Gillman	750,000	16 January 2020	0.20	5 years
Louise Porteus	250,000	16 January 2020	0.20	5 years
Total	**37,840,000**			

Note: each of the options referred to above vested immediately on the grant date.

* As detailed in paragraph 7.12 of this Part VI – (*Additional Information*), if an Option expires during a Black-Out Period, then, notwithstanding any other provision of the Stock Option Plan, the Option shall expire 10 business days after the Black-Out Period is lifted by the Company. A "Black-Out Period" means that period during which a trading black-out period is imposed by the Company to restrict trades in the Company's securities by an Option Holder. This will include the 12 month period following Admission during which the Directors are Locked-In Parties as set out at paragraph 12.5 of this Part VI – (*Additional Information*) and therefore the expiry dates of the Options held by Directors as set out in the table above will be automatically extended until 10 business days after the expiry of the 12 month lock-in period.

** The Directors are permitted to dispose of the minimum amount of Common Shares held by them as is required to realise sufficient proceeds to cover the cost of the Directors exercising their Options together with any associated tax liability due and payable at the point of exercise.

7.3 The Stock Option Plan contains a number of limitations on grants of options. These limitations are summarised below:

(a) the aggregate number of Common Shares reserved for issuance under the Stock Option Plan, Common Shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time (the **Other Plans**) and Common Shares reserved for issuance under incentive stock options not granted under the Stock Option Plan or the Other Plans, may not exceed in aggregate 44,900,000 Common Shares;

(b) the number of Options awarded in a one-year period to any one consultant may not exceed 2% of the issued Common Shares of the Company (calculated at the time of award);

(c) the number of Options awarded in a one-year period to any one individual may not exceed 5% of the outstanding Common Shares of the Company (calculated at the time of award), unless disinterested shareholder approval has been obtained;

(d) the aggregate number of Options awarded in a one-year period to persons employed to provide investor relations services may not exceed 2% of the issued Common Shares of the Company (calculated at the time of award);

(e) the aggregate number of Options awarded to insiders under the Stock Option Plan and any previously established and outstanding stock option plans or grants in a one-year period may not exceed 10% of the issued Common Shares of the Company (calculated at the time of award), unless disinterested shareholder approval has been obtained; and

(f) the aggregate number of Common Shares reserved for issuance to insiders upon the exercise of Options awarded under the Stock Option Plan and any previously established and outstanding stock option plans or grants, may not exceed 10% of the issued Common Shares of the Company (calculated at the time of award), unless disinterested shareholder approval has been obtained.

7.4 The stock options are exercisable by the optionee giving the Company notice and payment of the exercise price for the number of common shares to be acquired. The stock options are exercisable by the optionee giving the Company notice and payment of the exercise price for the number of common shares to be acquired on or prior to the applicable expiry date, as determined by the Board. However, the Stock Option Plan provides that the exercise price of any options shall not be less than the market price less the discount permitted by the TSX-V on the grant date. Options shall be granted by the Board for a term not to exceed ten years from the date of their grant.

7.5 The Board of the Company, subject to the policies of the TSX-V, may determine and impose terms upon which each option shall become vested and exercisable. In the event that options are granted to consultants performing investor relations activities, such options must vest in stages over 12 months with no more than 25% of the options vesting in any three month period. In the event of a change of control of the Company, the Board has the discretion to cause all options that are not vested to vest immediately and automatically without further action by the Company's Board, notwithstanding the original vesting schedule.

7.6 Options shall be non-assignable and non-transferable by the optionee, provided that they shall be exercisable by an optionee's legal heirs, executor, or administrator for up to six months after the date of death or the options' expiry date, whichever is earlier. If the optionee retires or is to be terminated other than for cause, the options then held by the optionee shall be exercisable to acquire vested unissued option shares at any time up to but not after the earlier of the expiry date and the date which is a reasonable period up to a period of one year after the optionee ceases to be a director, officer, employee or consultant of the Company, or an affiliate of the company. Any options that had not become vested in respect of certain unissued option shares at the time the relevant event occurred shall not become exercisable in respect of such unissued option shares and shall be cancelled.

7.7 If a material alteration in the capital structure of the Company occurs as a result of a recapitalization, consolidation, subdivision, stock split, stock dividend or similar event, then effective immediately after the record date or effective date for such event, the price and number of options shall be adjusted to reflect the occurrence of such event. Any adjustment to the option price or number of unissued option shares purchasable under the Stock Option Plan is subject to the approval of the TSX-V and any other governmental authority having jurisdiction.

7.8 In the event of a special distribution to all shareholders of dividends, shares, cash, assets, rights, options or warrants, then the number of unissued option shares shall be correspondingly increased, by such amount, if any, as is determined by the Board to be appropriate in order to properly reflect any diminution in value of the unissued option shares as a result of such special distribution.

7.9 If there is a reclassification of outstanding shares, for example by way of a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding shares, or a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another corporation, then the optionee shall have an option to purchase the kind and amount of shares or other securities or property that he or she would have been entitled to receive as a result of the corporate reorganization if he or she had been the holder of all unissued option shares.

7.10 A "**change of control**" means and shall be deemed to have occurred pursuant to the Stock Option Plan if one of the following events takes place:

(a) the sale, transfer or other disposition of all or substantially all of the Company's assets in complete liquidation or dissolution of the Company;

(b) the Company amalgamates or enters into a plan of arrangement with another company at arm's length to the Company and its affiliates, other than an amalgamation or plan of arrangement that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or resulting entity) more than 50% of the combined voting power of the surviving or resulting entity outstanding immediately after such amalgamation or plan of arrangement; or

(c) any person or combination of persons at arm's length to the Company and its affiliates acquires or becomes the beneficial owner of, directly or indirectly, more than 50% of the voting securities of the Company, whether through the acquisition of previously issued and outstanding voting securities, or of voting securities that have not been previously issued, or any combination thereof, or any other transaction having a similar effect.

7.11 In the event of a change of control or impending change of control, the Board may, subject to any necessary prior written approval of the Regulatory Authorities, in its sole discretion, deal with outstanding options in the manner it deems fair and reasonable in light of the circumstances. Without limiting the generality of the foregoing, the Board may, without any action or consent required on the part of any option holder:

(a) deliver a notice to the option holder advising the option holder that the unvested portion of the option held by the option holder, if any, shall immediately vest;

(b) deliver a notice to an option holder advising the option holder that the expiry date for any vested portion or portions of the option shall be the earlier of the Fixed Expiry Date and the 10^{th} day following the date of the notice and such expiry date for any unvested portion of the option shall be the date of the notice; or

(c) take such other actions, and combinations of the foregoing actions, as it deems fair and reasonable under the circumstances.

7.12 If an option expires during a Black-Out Period, then, notwithstanding any other provision of the Stock Option Plan, the option shall expire 10 business days after the Black-Out Period is lifted by the Company. For the purposes hereof, a "Black-Out Period" means that period during which a trading black-out period is imposed by the Company to restrict trades in the Company's securities by an option holder.

7.13 The Board may terminate the Stock Option Plan at any time provided that such termination shall not alter the terms or conditions of any option or impair any right of any option holder pursuant to any option awarded prior to the date of such termination which shall continue to be governed by the provisions of the Stock Option Plan.

7.14 Any Common Shares issued upon the exercise of an option issued either to an insider or with an exercise price based on the discounted market price in accordance with the policies of the TSX-V shall be subject to a four-month TSX-V hold period from the award date of the option. The option certificate and the share certificate, if applicable, shall bear the following legend:

> *"Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until **[date]**."*

8. Directors

8.1 Details of the Directors and their functions in the Company are set out on page 8 of this document under the heading "Directors" and in paragraph 8.2 of this Part VI – (*Additional Information*). Each of the Directors can be contacted at the registered office of the Company at 550 Burrard St, Suite 2900 Vancouver, BC, CA, V6C 0A3.

8.2 In addition to their directorships of the Company, the Directors are currently or have within the five years prior to the date of this document been directors or partners of the following companies and partnerships:

Directors full Name, age, and any former names	Current directorships and partnerships	Previous directorships and partnerships
Olusegun Adeyemi Lawson (CEO and Director) Age: 42 Former names: none	• African Star Resources Incorporated • Segilola Resources Incorporated • Segilola Resources Operating Limited • Segilola Gold Limited • African Star Resources SARL • Argento Exploration SARL • AFC Constelor Panafrican Resources SARL	• None
Adrian John Geoffrey Coates (Independent Non-executive Chairman) Age: 63 Former names: none	• None	• JKX Oil and Gas plc • Petropavlovsk PLC • Regal Petroleum plc
Chief Kayode Victor Aderinokun (Non-executive Director) Age: 71 Former names: none	• Sparkrod Nigeria Limited (Private Company) • FMT Prime Nigeria Limited (Private Company) • Tropical Mines Limited (Private Company) • Pineridge Nig Limited	• First Marina Trust (Private Company) • Superior Petroleum Ltd. (Private Company)
Folorunso Dada Adeoye (Non-executive Director) Age: 69 Former names: none	• Adbro Power Limited (Private Company) • Adbro Limited • Superior Synergy Limited (Private Company) • Tropical Mines Limited (Private Company) • Superior Petroleum Limited (Private Company) • Smart Source Consulting Limited	• Lenox Heights Limited (Private Company) • Nob Hill Investments Limited (Private Company)

Directors full Name, age, and any former names	Current directorships and partnerships	Previous directorships and partnerships
	• Allied Mines • Federated Mines Limited • Pineridge Nig Limited (Private Company)	
Dr Julian Fraser Harvey Barnes (Independent Non-executive Director) Age: 67 Former names: none	• Adriatic Metals Plc • Zinc Of Ireland NL	• None
Collin Ellison (Independent Non-executive Director) Age: 73 Former names: none	• None	• PLC Partners PLC
Osamede Iyahen Age: 47 Former names: none	• Aker Energy (alternate director)	• Alufer Mining Limited • Seven Energy

8.3 As at the date of this document, no Director:

(a) has any unspent convictions in relation to indictable offences;

(b) has been declared bankrupt or been subject to any individual voluntary arrangement;

(c) has been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation or administration or which has entered into a company voluntary arrangement or a composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;

(d) has been a partner in any partnership which has been placed in compulsory liquidation or administration or which has entered into a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

(e) has had any asset belonging to him placed in receivership or has been a partner in any partnership which had an asset placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

(f) has been subject to any public criticism by any statutory or regulatory authority (including any recognised professional body); or

(g) has been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of any company.

9. Directors' service agreements and letters of appointment

9.1 The following agreements have been entered into between the Directors / Officers and the Company:

(a) Segun Lawson (CEO and Director)

A service agreement between the Company and Segun Lawson dated 16 June 2021 with an effective date of 6 April 2021. Pursuant to this service agreement Segun Lawson serves the Company as an employee and, in respect of the Company and the Group, as Chief Executive Officer. Such employment may be terminated by either party giving to the other not less than three months' written notice or immediately by the Company in certain specified circumstances including any serious or persistent breach of the terms and conditions of the service agreement. If the employment is terminated by the Company without cause, the Company shall pay the employee a payment equal to the value of twelve months of the employee's annual base salary (currently US$375,000) plus the annual target bonus (100% of the annual base salary) and exercise of any outstanding options held by the employee either directly or indirectly at the Company's expense (together the **Termination Without Cause Payment**). If the employment is terminated by either party or any successor corporation or person within 18 months of a change of control, the Company shall pay the employee the Termination Without Cause Payment plus an additional payment equal to the value of a further six months base salary, plus a further annual target bonus and exercise of any outstanding options held by the employee either directly or indirectly at the Company's expense.

(b) Adrian Coates (Non-executive Chairman and Director)

A Non-Executive Chairman and Director appointment letter from the Company dated 8 February 2021 and an acceptance from Adrian Coates (undated). Pursuant to this letter and acceptance, Adrian Coates is appointed as Non-Executive Chairman and Director of the Company with effect from 22 January 2021 for a term of three years ending 22 January 2024. Such appointment may be terminated by either party giving to the other not less than three months' written notice. In addition, the Company may terminate the appointment at any time in accordance with the Constating Documents, if the NED commits a material breach of his obligations under the letter or upon the NED's resignation. Upon such termination or resignation for any reason, the NED shall not be entitled to any damages for loss of office and no fee will be payable in respect of any unexpired portion of the term of the appointment.

The Company anticipates a time commitment from the NED of approximately 30 days per year, noting that both parties are aware that the nature of the role makes it impossible to be specific about the time commitment.

The Company will pay an annual Chairman fee of US$96,562 plus the following fees for service on Board Committees (i) an annual fee of US$7,900 for serving as Chairman of the Audit Committee; and (ii) an annual fee of US$3,600 for serving on the Remuneration & Nomination Committee. All such fees to be paid on a monthly basis.

(c) Chief Kayode Aderinokun (Non-executive Director)

A Non-Executive Director appointment letter from the Company dated 26 February 2021 and an acceptance from Chief Kayode Aderinokun dated 26 February 2021. Pursuant to this letter and acceptance, Chief Kayode Aderinokun is appointed as a Non-Executive Director of the Company with effect from 22 January 2021 for a term of three years ending 22 January 2024. Such appointment may be terminated by either party giving to the other not less than three months' written notice. In addition, the Company may terminate the appointment at any time in accordance with the Constating Documents, if the NED commits a material breach of his obligations under the letter or upon the NED's resignation. Upon such termination or resignation for any reason, the NED shall not be entitled to any damages for loss of office and no fee will be payable in respect of any unexpired portion of the term of the appointment.

The Company anticipates a time commitment from the NED of approximately 30 days per year, noting that both parties are aware that the nature of the role makes it impossible to be specific about the time commitment.

The Company will pay an annual non-executive director fee of US$56,250 plus an annual fee of US$3,600 for serving on the Remuneration & Nomination Committee. All such fees to be paid on a quarterly basis in arears.

(d) Folorunso Adeoye (Non-executive Director)

A Non-Executive Director appointment letter from the Company dated 26 February 2021 and an acceptance from Folorunso Adeoye dated 26 February 2021. Pursuant to this letter and acceptance, Folorunso Adeoye is appointed as a Non-Executive Director of the Company with effect from 22 January 2021 for a term of three years ending 22 January 2024. Such appointment may be terminated by either party giving to the other not less than three months' written notice. In addition, the Company may terminate the appointment at any time in accordance with the Constating Documents, if the NED commits a material breach of his obligations under the letter or upon the NED's resignation. Upon such termination or resignation for any reason, the NED shall not be entitled to any damages for loss of office and no fee will be payable in respect of any unexpired portion of the term of the appointment.

The Company anticipates a time commitment from the NED of approximately 30 days per year, noting that both parties are aware that the nature of the role makes it impossible to be specific about the time commitment.

The Company will pay an annual non-executive director fee of US$56,250 plus an annual fee of US$3,600 for serving on the Remuneration & Nomination Committee. All such fees to be paid on a quarterly basis in arears.

(e) Dr Julian Barnes (Non-executive Director)

A Non-Executive Director appointment letter from the Company dated 26 February 2021 and an acceptance from Dr Julian Barnes dated 26 February 2021. Pursuant to this letter and acceptance, Dr Julian Barnes is appointed as a Non-Executive Director of the Company with effect from 22 January 2021 for a term of three years ending 22 January 2024. Such appointment may be terminated by either party giving to the other not less than three months' written notice. In addition, the Company may terminate the appointment at any time in accordance with the Constating Documents, if the NED commits a material breach of his obligations under the letter or upon the NED's resignation. Upon such termination or resignation for any reason, the NED shall not be entitled to any damages for loss of office and no fee will be payable in respect of any unexpired portion of the term of the appointment.

The Company anticipates a time commitment from the NED of approximately 30 days per year, noting that both parties are aware that the nature of the role makes it impossible to be specific about the time commitment.

The Company will pay an annual non-executive director fee of US$56,250 plus the following fees for service on Board Committees (i) an annual fee of US$6,300 for serving as Chairman of the Technical Committee; and (ii) an annual fee of US$3,950 for serving on the Audit Committee. All such fees to be paid on a quarterly basis in arears.

(f) Collin Ellison (Non-executive Director)

A Non-Executive Director appointment letter from the Company dated 28 February 2021 and an acceptance from Collin Ellison dated 1 March 2021. Pursuant to this letter and acceptance, Collin Ellison is appointed as a Non-Executive Director of the Company with effect from 22 January 2021 for a term of three years ending 22 January 2024. Such appointment may be terminated by either party giving to the other not less than three months' written notice. In addition, the Company may terminate the appointment at any time in accordance with the Constating Documents, if the NED commits a material breach of his obligations under the letter or upon the NED's resignation. Upon such termination or resignation for any reason, the NED shall not be entitled to any damages for loss of office and no fee will be payable in respect of any unexpired portion of the term of the appointment.

The Company anticipates a time commitment from the NED of approximately 30 days per year, noting that both parties are aware that the nature of the role makes it impossible to be specific about the time commitment.

The Company will pay an annual non-executive director fee of US$56,250 plus the following fees for service on Board Committees (i) an annual fee of US$6,300 for serving as Chairman of the Remuneration & Nomination Committee; and (ii) an annual fee of US$3,600 for serving on the Technical Committee. All such fees to be paid on a quarterly basis in arears.

(g) Osamede Iyahen (Non-executive Director)

A Non-Executive Director appointment letter from the Company dated 22 April 2021 and an acceptance from Osamede Iyahen (undated). Pursuant to this letter and acceptance, Osamede Iyahen is appointed as a Non-Executive Director of the Company with effect from 22 April 2021 for a term of two years ending 21 April 2023. Such appointment may be terminated by either party giving to the other not less than three months' written notice. In addition, the Company may terminate the appointment at any time in accordance with the Constating Documents, if the NED commits a material breach of his obligations under the letter or upon the NED's resignation. Upon such termination or resignation for any reason, the NED shall not be entitled to any damages for loss of office and no fee will be payable in respect of any unexpired portion of the term of the appointment.

The Company anticipates a time commitment from the NED of approximately 30 days per year, noting that both parties are aware that the nature of the role makes it impossible to be specific about the time commitment. No fees are payable by the Company to Osamede Iyahen other than reimbursement for reasonable and properly documented expenses incurred in performing the role.

(h) Ben Hodges (CFO and Company Secretary)

Employed by the Company since 1 March 2019 pursuant to the terms of a service agreement entered into between the Company (as employer) and Ben Hodges (as executive) dated 1 March 2019. The executive's employment is terminable upon not less than one months' written notice by either party to the other or immediately by the Company in certain specified circumstances including if the executive commits any serious or persistent breach of the terms and conditions of the service agreement. Upon termination of employment (for whatever reason and however so arising) no benefits are payable to the executive.

9.2 Pursuant to section 20.2 of the Articles each of the Directors are deemed to have contracted with the Company in respect of the provisions of section 20.2 (Mandatory indemnification of directors and former directors) of the Articles entitling each director of the Company to an indemnity against certain risks arising out of service to, and activities on behalf of, the Company on the same terms as that article. Pursuant to the indemnity the Company has agreed to indemnify the Directors from and against any judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, any legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director of the Company or an affiliate of the Company (an **eligible party**) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director of the Company or an affiliate of the Company (i) is or may be joined as a party; or (ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding, (an **eligible proceeding**), and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that eligible proceeding.

9.3 Save as set out in this paragraph 9, there are no existing or proposed service agreements, consultancy agreements or letters of appointment between any of the Directors and any member of the Group.

9.4 There are no arrangements under which any Director has agreed to waive future emoluments nor have there been any waivers of such emoluments during the financial year immediately preceding the date of this document.

9.5 The aggregate remuneration paid and benefits in kind granted to the Directors, including the value of options awarded being C$672,000, in the financial year ended 31 December 2020 was approximately C$2,200,000. It is estimated that, under the agreements in force at the date of this document, the aggregate remuneration payable and benefits in kind to be granted to the Directors in the financial year ending 31 December 2021 will be approximately C$885,000.

10. Shareholdings and other interests of Directors and Officers

10.1 The interests (all of which are beneficial, unless otherwise stated) of the Directors and Officers (including, so far as is known to the Directors and Officers having made appropriate enquiries, the interests of any persons connected with the Directors and Officers within the meaning of section 252 of the Companies Act) in the issued share capital of the Company as at the Latest Practicable Date are as follows:

Director / Officer	As at the Latest Practicable Date Number of Common Shares	 Percentage of current issued share capital
Olusegun Lawson (CEO and Director)	12,119,855	1.95%
Adrian Coates (Non-executive Chairman)	561,000	0.09%
Chief Kayode Aderinokun (Non-executive Director)	19,203,007 (held in the name of Sparkrod Nigeria Limited)	3.08%
Folorunso Adeoye (Non-executive Director)	19,349,721 (held in the name of Adbro Limited)	3.11%
Dr Julian Barnes (Non-executive Director)	Nil	Nil
Collin Ellison (Non-executive Director)	Nil	Nil
Osamede Iyahen (Non-executive Director)	Nil	Nil
Ben Hodges (Company secretary and CFO)	210,000	0.03%
TOTAL (Director / Officer)	**51,443,583**	**8.26%**
Persons connected with Director / Officer	**Number of Common Shares**	**Percentage of current issued share capital**
AFC Equity Investments	106,358,480	17.07%
Kolapo Lawson	18,022,026	2.89%
Lawson family	4,106,221	0.66%
TOTAL (Persons connected with Director / Officer)	**128,486,727**	**20.62%**
AGGREGATE TOTAL	**179,930,310**	**28.88%**

10.2 Immediately following Admission, the Directors and Officers will have the options over Common Shares as set out in paragraph 7.2 above.

10.3 Save as disclosed in this paragraph 10, no Director has any interest (whether beneficial or non-beneficial) in the share or loan capital of the Company or any other member of the Group nor (so far as is known to the Directors having made appropriate enquiries) does any person connected with any of the Directors within the meaning of section 252 of the Companies Act have any such interest (whether beneficial or non-beneficial).

10.4 None of the Directors nor (so far as is known to the Directors having made appropriate enquiries) any person connected with any of the Directors within the meaning of section 252 of the Companies Act holds a related financial product (as defined in the AIM Rules) referenced to the Common Shares.

10.5 No Director with an interest in the Company's issued share capital or voting rights has voting rights which are different from other Shareholders.

10.6 There are no outstanding loans or guarantees granted or provided by the Company or any other member of the Group to or for the benefit of any of the Directors.

10.7 Save as disclosed in this document, no Director has or has had any interest, whether direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

10.8 Save as disclosed in this document, no Director has or has had any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group taken as a whole and which was effected by the Company or any other member of the Group during the current or immediately preceding financial year or which was effected by the Company or any other member of the Group during any earlier financial year and remains in any respect outstanding or unperformed.

10.9 No Director has any conflict of interest (or potential conflict of interest) between any of the duties owed by him to the Company and his private interests or any duties owed by him to third parties.

10.10 Details of any restrictions agreed by the Directors with regard to the disposal of their holdings in the Company's securities are set out in paragraph 12.5 of this Part VI – *(Additional Information)*.

11. Major Shareholders

11.1 In addition to the interests of the Directors disclosed in paragraph 10 of this Part VI – *(Additional Information)*, the Directors are aware of the following persons who are at the Latest Practicable Date directly or indirectly interested in 3 per cent. or more of the Company's issued share capital or voting rights:

	As at the Latest Practicable Date	
Shareholder	**Number of Common Shares**	**Percentage of current issued share capital**
AFC Equity Investments	106,358,480	17.1
Ruffer	46,701,000	7.5
ARM Investments	36,341,990	5.8
Hong Kong Tiande Baorun Trade Limited	34,750,000	5.6
AIMS	23,538,915	3.8
Nigerian Mining Corporation	20,771,478	3.3
Adbro Ltd.	19,349,721	3.1
Sparkrod Ltd.	19,203,007	3.1

11.2 Under the securities laws of Canada, persons that beneficially own, control, or have direction over, securities of the Company carrying more than 10% of the voting rights attached to all the Company's outstanding voting securities, must file reports disclosing a change in such person's ownership, control of or direction over such securities. While the Company, on 30 April 2021, amended its Articles of Incorporation to require shareholders (other than a depositary) to notify the Company (i) if they have a direct or indirect holding of 3% or more in any class of the Company's shares (excluding treasury shares) and (ii) of any changes to such holding which amount to an increase or decrease through any single percentage, it has not yet received communication from shareholders to amend their disclosure. As such, the Company may not have accurate information regarding the beneficial shareholders.

11.3 None of the persons interested, directly or indirectly, in three per cent., or more of the Company's issued share capital or voting rights has voting rights which are different from other Shareholders.

11.4 Save as disclosed in this paragraph 11, the Company is not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

11.5 So far as the Directors are aware, there are no arrangements in place, the operation of which may at a later date result in a change of control of the Company.

12. Material contracts

12.1 Introduction

This paragraph 12 contains summaries of:

(a) all material subsisting agreements which are included within, or which relate to, the assets and liabilities of the Company; and

(b) any contracts (not being contracts entered into in the ordinary course of business):

(i) which have been entered into by any member of the Group in the two years immediately preceding the date of this document and are or may be material; or

(ii) which have been entered into by any member of the Group and contain provisions under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this document.

12.2 Introduction Agreement

On 16 June 2021 the Company entered into an introduction agreement with Canaccord Genuity and Hannam & Partners pursuant to which the Company appointed Canaccord Genuity as its nominated adviser in connection with the Admission and thereafter, to continue in that role and as joint broker in accordance with the terms of the Nominated adviser and broker agreement (described at paragraph 12.3 of this Part VI – *(Additional Information)*), and Hannam & Partners as its ongoing joint broker in accordance with the terms of the Hannam & Partners broker agreement (described at paragraph 12.4 of this Part VI – *(Additional Information)*). The Introduction Agreement is conditional, amongst other things, on Admission taking place on or before 23 June 2021 (or such later date as Canaccord Genuity and the Company may agree, but in any event not later than 31 July 2021).

The Introduction Agreement contains certain warranties, representations and undertakings by the Company in favour of Canaccord Genuity and Hannam & Partners, including as to the accuracy of the information contained in this document, certain financial information and other matters relating to the Group and its businesses. In addition, the Company has agreed to indemnify Canaccord Genuity and Hannam & Partners in respect of any losses, damages and liabilities incurred by it resulting from the carrying out by it of its obligations or services in connection with the Admission.

Canaccord Genuity and Hannam & Partners are entitled to terminate the Introduction Agreement in certain specified circumstances prior to Admission, principally in the event of a material breach of the Introduction Agreement, a breach of any of the warranties contained in the Introduction Agreement or any material adverse event occurring.

12.3 Nominated adviser and broker agreement

On 16 June 2021 the Company entered into an agreement with Canaccord Genuity pursuant to which the Company appointed Canaccord Genuity to act as nominated adviser and joint broker to the Company with effect from Admission. The agreement commences on the date thereof and continues thereafter until terminated by either party giving the other not less than three months' notice in writing. Under the agreement, the Company has agreed to pay Canaccord Genuity an annual fee for its services.

Under the agreement, from Admission, and for so long as the Company's shares are admitted to trading on AIM, the Company undertakes to Canaccord Genuity (or any replacement nominated adviser of the Company for the time being if it is not Canaccord Genuity) that it will not, without the prior written consent of Canaccord Genuity (or the replacement nominated adviser), issue wholly for cash any Relevant Securities such that the Securities Issuance would, when taken together with any issues of other Relevant Securities for cash during the 12 month period prior to the Securities Issuance, exceed 25 per cent. of the Company's issued and outstanding share capital on the date of the Securities Issuance, other than where: (a) the new shares have first been offered to existing Shareholders who are given a right to acquire Relevant Securities being offered pursuant to the Securities Issuance in proportion to their holdings of existing shares, at the same price and on the same terms as those Relevant Securities are to be offered to any other person(s); or (b) the Company has obtained prior shareholder approval in respect of the proposed Securities Issuance.

12.4 Hannam & Partners broker agreement

The Company has also appointed Hannam & Partners as its joint broker (together with Canaccord Genuity) on an ongoing basis pursuant to an engagement letter dated 4 January 2021. The engagement will commence on Admission and continue thereafter until terminated by the Company.

The Company has agreed to pay Hannam & Partners an annual retainer fee in connection with its ongoing broking services. Under the letter of engagement, the Company has given certain customary undertakings and indemnities to Hannam & Partners in connection with its engagement.

12.5 Lock-in and orderly market agreements

The Directors have entered into lock-in agreements with Canaccord Genuity pursuant to which each Director (the **Locked-in Parties**) has undertaken that, in accordance with Rule 7 of the AIM Rules for Companies, subject to limited exceptions, he will not dispose of any interest in Common Shares during the period of 12 months from Admission. The limited exceptions include the acceptance of a takeover offer for the Company, the execution of an irrevocable commitment to accept such an offer, a disposal following the death of a Locked-in Party to his personal representatives or to the beneficiaries of his estate, a disposal pursuant to a court order and a disposal of the minimum amount required to realise sufficient proceeds to cover the cost of the Directors exercising their Options together with any associated tax liability due and payable at the point of exercise.

Each Locked-in Party has also undertaken that, during the period of 12 months from the first anniversary of the date of Admission, he will not dispose of any Common Shares unless such disposal is made on an orderly market basis through one of the Company's joint brokers from time to time.

12.6 Depositary agreement and deed poll

Please refer to paragraph 16 of this Part VI – (*Additional Information*) for a summary of the depositary agreement between (1) the Company and (2) the Depositary, dated 16 June 2021, pursuant to which the Depositary will agree to provide depositary services to the Company, and the related deed poll.

12.7 Acquisition Agreements in respect of certain Properties

12.7.1 *Segilola Gold Project*

(a) **RTG/Ratel Share Purchase Agreement**

On 27 June 2016, the Company entered into an agreement with RTG Mining Inc. (**RTG**) and Ratel Group Limited (a wholly owned subsidiary of RTG, **Ratel**) pursuant to which RTG and Ratel sold to the Company (which subsequently transferred to African Star BVI) 2,500,000 shares of SGL which, together with the 1 issued share held by Ronald Clarke which was transferred to Jide Adesanya (to be held on trust for the Company and subsequently African Star BVI) in the same transaction, constituted all of the issued and outstanding shares in the share capital of SGL.

The consideration payable to RTG and Ratel in relation to the sale and purchase was as follows: (i) a cash payment of US$1,500,000 payable on closing; (ii) the issue to Ratel of Common Shares having a value of US$1,500,000 using an issue price of C$0.115 per share; (iii) the grant of a 1.5% net smelter return royalty to Ratel with a maximum royalty payable of US$3,500,000 (**Ratel Royalty**, as more fully recorded in the royalty agreement described in paragraph 12.7(b) below); and (iv) a post-closing payment to Ratel of US$2,000,000 payable in full on the earlier occurring of: (a) the Company completing a private placement equity financing to raise gross proceeds of not less than US$4,000,000; and (b) the date that is 24 months following closing.

The agreement imposes certain restrictions on the Company prior to the full payment of the post-closing payment of US$2,000,000 (described above) and the Ratel Royalty. These restrictions include prohibitions against the transfer of certain assets and the granting of certain encumbrances and specific change of control restrictions pertaining to SGL and the underlying licences. As confirmed in the Replies to Enquiries, the US$2,000,000 has been paid in full whilst the Ratel Royalty remains outstanding and only becomes due and payable after production has commenced.

(b) **Ratel Royalty Agreement**

On 27 June 2016 SROL, Ratel, and the Company entered into a royalty agreement pursuant to which SROL granted to Ratel the Ratel Royalty in relation to gold and related products produced on the area that is covered by Mining Lease ML 41 and Exploration Licence EL19066 (**SROL Permits**), (**Ratel Royalty Agreement**). The Company undertook to guarantee the obligations of SROL to Ratel under this agreement.

The rights in this agreement formed part of the consideration payable to Ratel as recorded in the Share Purchase Agreement concluded on 27 June 2016 and referred to in paragraph 12.7.1(a) above, between the Company, RTG and Ratel.

The Ratel Royalty is payable by SROL for the duration of the royalty period which commences on the first day of the calendar month immediately following completion of thirty consecutive days of production of gold and related products from the SROL Permit area (the **Commercial Operations Date**) and terminates when the Ratel Royalty has been paid or unless otherwise the Ratel Royalty Agreement is terminated (the **Ratel Royalty Period**). The Commercial Operations Date has yet to occur.

SROL is responsible, at its own cost, for keeping the SROL Permits valid and in full force and effect from the date of the agreement (27 June 2016) until the end of the Ratel Royalty Period. Furthermore, to the extent that SROL extends, renews, converts or substitutes a SROL Permit for a new mining lease or exploration licence, the Ratel Royalty Agreement shall apply to such extended, renewed, converted or substituted mining lease or exploration licence.

SROL was provided with a "Buy-Out Right" pursuant to which SROL is entitled on notice to buy the Ratel Royalty from Ratel at a purchase price equal to US$3,500,000 minus the aggregate royalty amounts paid to Ratel in respect of the Ratel Royalty and discounted by 5% per annum. The buy-out right has not been exercised to date.

Ratel issued a written notice to SROL dated 10 July 2020 notifying SROL of its intention to sell all of its rights and interests under the Ratel Royalty Agreement to SilverStream SEZC, a wholly owned subsidiary of Vox Royalty Corp (TSX-V listed, ticker VOX) pursuant to clause 11.4 of the Ratel Royalty Agreement. Ratel confirmed to the Company that it had sold its rights and interests under the Ratel Royalty Agreement to SilverStream SEZC and provided SROL with a deed of assignment and assumption executed by RTG, Ratel as assignor and SilverStream SEZC as assignee, requesting that SROL and the Company sign the same. SROL and the Company have not signed this document and are not required to given that clause 11.4 of the Ratel Royalty Agreement provides that Ratel may assign or transfer its rights thereunder by giving not less than 60 days written notice to the Company detailing the identity of the intended assignee or transferee; there is no requirement under this clause for any documentation to be entered into between the Company, SROL and Ratel to effect such a transfer/assignment. In the absence of a completed novation the "Buy-Out Right" is not effective as between SROL and SilverStream SEZC.

(c) **TML/Delano Share Purchase Agreement**

On 27 June 2016, the Company entered into an agreement with Tropical Mines Limited (**TML**), Delano Gold Mining Industries Limited (**Delano**) and SROL pursuant to which TML and Delano sold to African Star BVI (which subsequently transferred to SRI BVI) 10,000 shares of SROL which constituted all of the issued and outstanding shares in the share capital of SROL. Directors Chief Kayode Aderinokun and Folorunso Adeoye are also directors of TML and therefore the Group's arrangements with TML in respect of the Segilola Gold Project constitute related party transactions.

The consideration payable to TML and Delano in relation to the sale and purchase was as follows: (i) a cash payment of US$1,600,000 payable on closing; (ii) the issue of such number of Common Shares as is equal to 40.68% of the shares of the Company; (iii) the grant of an aggregate 1.5% net smelter return royalty to TML and Delano with a maximum royalty payable of US$4,000,000 as more fully recorded in the royalty agreements described in paragraphs 12.7.1(d) and 12.7.1(e) below); and (iv) post-closing payments to TML and Delano in the aggregate amount of US$245,000 within five business days of the Company making a decision to put the Segilola Gold Project into commercial production. The Company decided to place the Segilola Gold Project into commercial production on 15 April 2020. The post-closing payment of US$204,330 has been paid to TML and the post-closing payment of US$40,670 has been accrued for and remains payable to Delano pending receipt from Delano of the account details to which the payment should be made.

A pre-emptive right to participate in future equity financings of the Company was provided to certain underlying shareholders of the Sellers, however this pre-emptive right was due to expire on the third anniversary of the closing date. The closing date was 18 August 2016 and the third anniversary thereof fell on 18 August 2019; therefore this pre-emptive right has expired.

(d) **TML Royalty Agreement**

On 27 June 2016, TML and SROL entered into a royalty agreement pursuant to which SROL granted to TML an aggregate 1.125% net smelter return royalty (the **TML Royalty**) in relation to gold and related products produced on the area that is covered by Mining Lease ML 41 and Exploration Licence 39EL as at 27 June 2016, with a maximum aggregate royalty payable of US$3,000,000 (the **Maximum TML Royalty**), (**TML Royalty Agreement**). Directors Chief Kayode Aderinokun and Folorunso Adeoye are also directors of TML and therefore the Group's arrangements with TML in respect of the Segilola Gold Project constitute related party transactions.

The rights in this agreement formed part of the consideration payable to TML as recorded in the Share Purchase Agreement concluded on 27 June 2016 and referred to in paragraph 12.7.1(c) above between the Company, TML, Delano and SROL.

The TML Royalty is payable by SROL for the duration of the royalty period which commences on the Commercial Operations Date and terminates when the Maximum TML Royalty has been paid or unless otherwise the TML Royalty Agreement is terminated (the **TML Royalty Period**). The Commercial Operations Date has yet to occur.

SROL is responsible, at its own cost, for keeping the relevant licences valid and in full force and effect from the date of the agreement (27 June 2016) until the end of the TML Royalty Period. Furthermore, to the extent that SROL extends, renews, converts or substitutes the relevant licence for a new mining lease or exploration licence, the TML Royalty Agreement shall apply to such extended, renewed, converted or substituted mining lease or exploration licence.

SROL was provided with a "Buy-Out Right" pursuant to which SROL is entitled on notice to buy the TML Royalty from TML at a purchase price equal to US$3,375,000 minus the aggregate royalty amounts paid to TML in respect of the TML Royalty and discounted by 8% per annum. The buy-out right has not been exercised to date.

(e) **Delano Royalty Agreement**

On 27 June 2016, SROL and Delano entered into a royalty agreement pursuant to which SROL granted to Delano an aggregate 0.375% net smelter return royalty (the **Delano Royalty**) in relation to gold and related products produced on the area that is covered by Mining Lease ML 41 and Exploration Licence 39EL as at 27 June 2016, with a maximum aggregate royalty payable of US$1,000,000 (the **Maximum Delano Royalty**), (**Delano Royalty Agreement**).

The rights in this agreement formed part of the consideration payable to Delano as recorded in the Share Purchase Agreement concluded on 27 June 2016 and referred to in paragraph 12.7.1(c) above, between the Company, TML and Delano and SROL.

The Delano Royalty is payable by SROL for the duration of the royalty period which commences on the Commercial Operations Date and terminates when the Maximum Delano Royalty has been paid or unless otherwise the Delano Royalty Agreement is terminated (the **Delano Royalty Period**). The Commercial Operations Date has yet to occur.

SROL is responsible, at its own cost, for keeping the relevant licences valid and in full force and effect from the date of the agreement (27 June 2016) until the end of the Delano Royalty Period. Furthermore, to the extent that SROL extends, renews, converts or substitutes the relevant licence for a new mining lease or exploration licence, the Delano Royalty Agreement shall apply to such extended, renewed, converted or substituted mining lease or exploration licence.

SROL has been provided with a "Buy-Out Right" pursuant to which SROL is entitled on notice to buy the Delano Royalty from Delano at a purchase price equal to US$1,125,000 minus the aggregate royalty amounts paid to Delano in respect of the Delano Royalty discounted by 8% per annum. The buy-out right has not been exercised to date.

12.7.2 *Douta Gold Project*

(a) **IMC Option Agreement**

On 27 May 2011, African Star BVI entered into the IMC Option Agreement pursuant to which African Star BVI was entitled to the option to acquire a 70% interest in the Douta Gold Project (the **Option**). The Option was to be exercised by payment to IMC of US$2,250,000 (the **Option Payment**) in the form of Common Shares in the Company or, by the mutual agreement of the parties, in cash.

The Option was exercisable until 25 November 2011 provided that African Star BVI was entitled to extend this exercise date to 25 February 2012, subject to payment of an additional US$100,000 payable in cash or in Common Shares on such date.

As confirmed in the Company's announcement of 27 February 2012, African Star BVI exercised the Option effective 24 February 2012, and as consideration the Company issued to IMC 11,646,663 Common Shares, based on the volume weighted average trading price (VWAP) for the 20 trading days preceding the option exercise date of C$0.2014 (or US$0.2018) per share, valued at C$2,678,732 based on the Company's closing share price on 24 February 2012. The share payment included consideration paid to IMC for extending the time period for exercise of the Option.

African Star BVI and IMC intended to set up a property company (**Property Company**) to hold each of the parties' interest in the Douta Gold Project. The Property Company has not yet been formed and the Douta Gold Project licence is still held in the name of IMC.

IMC's 30% interest in the Douta Gold Project is a "free carry" interest in relation to the expenditure incurred in respect of the Douta Gold Project until such time as probable reserves on the Douta Gold Project are announced (**the Free Carry Period**). Following the Free Carry Period, IMC must either elect to sell its 30% interest to African Star BVI at a purchase price determined by an independent valuator commissioned by African Star BVI, or to fund its 30% share of the Property Company's expenses. Probable reserves are yet to be announced.

(b) **Side letter to IMC Option Agreement**

On 14 June 2021, African Star BVI and African Star Senegal issued a letter to, and which was acknowledged by, IMC and Mr Lamine Diouf (as the majority shareholder of IMC), setting out the steps to be followed in respect of *inter alia* (i) obtaining the Ministry of Mines prior approval of, and following such approval the entry into, the security detailed further in paragraph 12.7.2(c) below; (ii) setting up the Property Company to hold the exploitation permit once granted, such Property Company to be owned 10% by the State of Senegal (being "free carry" shares, a local law requirement, noting that the State of Senegal has the right to negotiate to purchase up to a further 25%, being a maximum 35% interest when aggregated with the 10% free carry shares) with the remaining shares to be held by IMC and (iii) obtaining the Ministry of Mines prior approval to the transfer of 70% of the shares held by IMC in the Property Company to African Star Senegal and the deemed transfer of such shares following receipt of such approval (**Side Letter**).

(c) **Security in respect of interest in Douta Gold Project licences**

Pursuant to the terms of the Side Letter and in accordance with the Senegalese mining code, IMC will request the Ministry of Mines prior approval of the entry into the following security:

(i) a pledge to be issued by Mr Lamine Diouf (as majority shareholder of IMC) over 70% of the shares in the capital of IMC in favour of African Star BVI as security for African Star BVI's contractual interest in the prorogation of the exploration permit; and

(ii) a pledge to be issued by IMC as sole shareholder over 70% of the shares in the capital of the (to be incorporated) Property Company in favour of African Star Senegal as security for African Star BVI's contractual interest in the (applied for) exploitation permit, African Star BVI having directed that its interest be issued to and held by African Star Senegal, being the entity undertaking the mining activity at the Douta Gold Project.

(d) **Regulatory aspects of the Douta Gold Project arrangements**

Formal written approval by the Senegalese Ministry of Mines has not been sought in respect of (i) the entry into IMC Option Agreement as required by article 5.2 of the IMC Mining Agreement and article 20 of the Senegal mining code 2003; (ii) the transfer of the 70% contractual interest in the exploration permit from IMC to African Star BVI pursuant to the exercise by African Star BVI of its option under the IMC Option Agreement as required by article 5.2 of the IMC Mining Agreement and article 19 of the Senegal mining code 2003; and (iii) the potential transfer of all of, or an interest in, the exploration permit to African Star Senegal that may be deemed to have taken place given that African Star Senegal is the entity carrying out the exploration work locally rather than IMC.

The potential consequences of not obtaining such prior approval of the Ministry of Mines are the withdrawal of the exploration permit and the imposition of penal risks for illicit mining activities on IMC and / or African Star Senegal as the entity operating the mining activities without technically holding a mining licence. Pursuant to article 127 of Senegal mining code 2016, penal risks for illicit mining activities comprise one to five years' imprisonment and a fine of between 5,000,000 CFA francs and 125,000,000 CFA francs.

The Company is confident that the Ministry of Mines is fully aware of the joint venture entered into between African Star BVI and IMC and that it is African Star Senegal carrying out the mining activities and paying the expenses incurred in connection with the mining activities as clearly set out and demonstrated in the reports that have been submitted to the Ministry of Mines jointly by IMC and African Star Senegal on a quarterly and annual basis. The Company is also confident that not having obtained the formal prior written approval from the Ministry of Mines to the current arrangements will not give rise to any issues regarding the existing prorogation of the exploration permit or the application of the exploitation permit.

12.7.3 *Central Houndé Project*

(a) **Option and Earn-In and Joint Venture Agreement and Deed of Assignment and Termination in relation thereto**

On 2 April 2015, the Company entered into an agreement with Acacia (since acquired by Barrick and therefore referred to as Barrick) in relation to the Central Houndé Project pursuant to which Barrick was afforded the exclusive option to earn up a 51% interest in the Central Houndé Project by satisfying certain conditions over an earn-in period (the **Barrick Joint Venture Agreement**). Barrick was also afforded the right to acquire an additional 29% interest (resulting in an aggregate 80% interest in the Central Houndé Project) upon the declaration of a pre-feasibility study within the earn-in period. Barrick earned a 51% interest in the Central Houndé Project and the earn-in period to acquire the additional 29% interest elapsed.

On 1 April 2021, the Company, Barrick, AFC Burkina Faso and Argento Burkina Faso entered into an agreement pursuant to which the Company and Barrick agreed to terminate the Option and Earn-In and Joint Venture Agreement and assign their respective equity interests in the Central Houndé Project to AFC Burkina Faso and Argento Burkina Faso (**Deed of Assignment and Termination**). In consideration of Barrick's assignment of its equity interest in the Central Houndé Project, AFC Burkina Faso and Argento Burkina Faso granted a one per cent. net smelter returns royalty to Barrick in respect of the Central Houndé Project pursuant to a royalty agreement (described in paragraph 12.7.2(b) below).

(b) **Barrick Royalty Agreement**

On 1 April 2021, Barrick, AFC Burkina Faso and Argento Burkina Faso entered into a royalty agreement pursuant to which AFC Burkina Faso and Argento Burkina Faso granted to Barrick a 1% net smelter return royalty in relation to gold and related products produced on the area that is covered by three exploration licences referred to as Bongui, Legue and Ouere respectively (the **Barrick Royalty Agreement**). The rights in this agreement formed part of the consideration payable to Barrick as recorded in the Deed of Assignment and Termination.

The Barrick Royalty Agreement became effective on the date of execution (1 April 2021) and is intended to run with and bind AFC Burkina Faso and Argento Burkina Faso and be binding upon their successors and assigns for so long as they hold any rights or interests in the geographic area covered by the licences described above.

Each of AFC Burkina Faso and Argento Burkina Faso may, in its absolute discretion, allow to lapse or expire, abandon or surrender the relevant licences provided that if a licence comprising part of the area is surrendered or expires and then is subsequently reacquired by either of AFC Burkina Faso or Argento Burkina Faso or any of their affiliates, the royalty will be payable on any product obtained from that mining right after the date of such reacquisition, all on the same terms as in the Barrick Royalty Agreement.

12.8 Business Material Contracts

12.8.1 *Segilola Gold Project*

(a) **Engineering, Procurement and Construction Contract**

On 31 May 2019, SROL (as employer) and Norinco (as contractor), concluded an agreement pursuant to which the parties agreed to a lump sum turnkey arrangement with a fixed price of US$67,641,299 (**EPC Contract Price**) for the full delivery of design, engineering, procurement, construction and commissioning of the proposed 650,000 ton per annum gold mine and processing plant to be situated at the Segilola Gold Project within 18 months of the commencement date which included guarantees for construction schedule and plant performance. A draft version of the EPC Contract containing a fixed price of US$67,487,296 was circulated to the parties and the parties have proceeded on the basis that this figure is the "EPC Contract Price" for the purposes of the EPC Contract and the associated documents considered below, including the EPC Advanced Payment Guarantee.

The EPC Contract is premised on the FIDIC EPC/Turnkey 1999 edition, which has been amended pursuant to obtaining a FIDIC licence in order to combine the General Conditions of Contract, the Particular Conditions of Contract and all related schedules and annexures. Certain project specific amendments have been made to the legal and commercial terms, *inter alia*, in relation to the financing as contemplated in paragraph 12.9 of this Part VI – *(Additional Information)*.

On 17 April 2020, SROL issued to Norinco a notice to proceed in which it stipulated a commencement date of 1 March 2020.

(b) **EPC Advanced Payment Guarantee**

It was contemplated in the EPC Contract that an advance payment for mobilization and design in an amount equal to 15% of EPC Contract Price, would be paid by SROL to Norinco against the issue of an advance payment guarantee in favour of SROL. Accordingly, on 29 May 2020 the Bank of China Limited (**BOC**) issued an advance payment guarantee under which it unconditionally and irrevocably undertook to pay SROL, as primary obligor, any sum or sums not exceeding in total US$10,123,094.40 upon written demand made against such guarantee. This figure is 15% of the EPC Contract Price as stated in the draft EPC Contract rather than the EPC Contract Price stated in the final executed EPC Contract.

The Advance Payment Guarantee is security for the advance payment made by SROL to Norinco pursuant to the EPC Contract. Pursuant to the EPC Contract, Norinco has an obligation to ensure that the Advance Payment Guarantee is valid and enforceable until the advance payment has been repaid, but this amount may be progressively reduced by the amount repaid by Norinco. The advance payment shall be repaid by Norinco to SROL through proportional deductions in interim payments. To the extent that the advance payment has not been repaid by Norinco 28 days prior to its expiry, Norinco is obligated pursuant to the EPC Contract to extend the validity of the Advance Payment Guarantee until the advance payment has been repaid.

The advance payment was paid by SROL to Norinco and is being deducted from EPC invoices pursuant to the terms of the EPC Contract.

(c) **EPC Performance guarantee**

It was contemplated in the EPC Contract that Norinco would obtain and deliver (at its cost) to SROL a performance bond as security for performance of the works. Accordingly, on 29 May 2020 BOC issued a performance guarantee under which it unconditionally and irrevocably undertook to pay SROL, as primary obligor, any sum or sums not exceeding in total US$10,123,094.40 upon written demand made against such guarantee. This figure is 15% of the EPC Contract Price as stated in the draft EPC Contract rather than the EPC Contract Price stated in the final executed EPC Contract.

(d) **Norinco deferred payment agreement**

On 15 April 2020 SROL (as borrower) Norinco (as lender), and the Company (as guarantor) concluded an agreement pursuant to which Norinco made available to SROL a deferred payment facility in order to defer certain payments under the EPC Contract.

The aggregate amount which could be drawn down as a deferred payment under this agreement was the lesser of (i) US$6,500,000 and (ii) 10% of the EPC Contract Price (the **Commitment**). The Commitment was made available for the period from the Senior Financial Closing Date (being the Closing Date as defined in the Intercreditor Agreement, as described in paragraph 12.9.1(g) below) to and including the date of the final payment under the EPC Contract. To date SROL has not issued any deferment requests to Norinco pursuant to this deferred payment agreement.

In the event of a Change of Control (any person or group of persons acting in concert gains direct or indirect control of the Company, or the Company ceases to control directly or indirectly 100% of both the economic and voting interests in the share capital of SRI BVI or SRI BVI ceases to control directly or indirectly 100% of both the economic and voting interests in the share capital of SROL), SROL must notify Norinco of the same; Norinco shall not be obliged to fund a loan and Norinco may cancel the Commitment and declare all outstanding loans, together with accrued interest and all other amounts accrued, immediately due and payable.

(e) **EPC Contract direct agreement**

The Facility Agreement (as described in paragraph 12.9.1(e) below) was conditional upon *inter alia* the execution of a "Direct Agreement" (as such term is defined in the Facility Agreement) in relation to the EPC Contract. Accordingly, on 18 May 2020, SROL, AFC and Norinco concluded an agreement entitled "Direct Agreement relating to the Segilola Gold Plant" (**the EPC Contract Direct Agreement**).

The EPC Contract Direct Agreement constitutes a security arrangement and direct agreement between AFC (as facility agent) and Norinco (as contractor). Under this direct agreement, AFC is afforded certain step in rights in relation to the EPC Contract upon the occurrence of a Facility Agent Enforcement Event (which is deemed to occur upon the occurrence of an Event of Default (as such term is defined in the Facility Agreement) and after AFC's delivers written notice to SROL).

(f) **Sinic Mining Services Contract**

On 16 October 2020, SROL (as employer) and Sinic Engineering Ltd (**Sinic**) (as contractor), entered into an agreement pursuant to which Sinic undertook to provide certain mining services for an aggregate consideration of US$151,362,009 (the **Sinic Contract Price**) over a five year period.

The Sinic Mining Services Contract came into full force and effect on the Execution Date (16 October 2020) and will terminate 60 months thereafter (16 October 2025). A "Notice to Proceed" must be issued to Sinic in accordance with clause 21.2(a) within six months of the Execution Date, or such later date as agreed in writing by the SROL and Sinic. If the Notice to Proceed is delayed beyond six months, then Sinic has the right to charge SROL interest on the holding charge and any difference in the logistics fee. The notice to proceed has not been issued however SROL is considering the issuance of this notice and is engaged in discussions with Sinic in this regard.

SROL is entitled to extend the term of the Sinic Mining Services Contract for a further period of up to 2 years if such extension is exercised by no later than six months prior to the termination of the five year contract term.

The contract imposes a limit in respect of the aggregate liability for each party (and its related entities) to the other arising out of or in connection with the Sinic Mining Services Contract to an amount equal to 20% of the Sinic Contract Price. SROL is also entitled to request performance security to the value of 10% of the Sinic Contract Price from Sinic. This performance security was issued to SROL on 15 April 2021, see paragraph 12.8.1(g) below for further details.

(g) **Sinic Performance Guarantee**

It was contemplated in the Sinic Mining Services Contract (as described in paragraph 12.8.1(f) above) that Sinic would obtain and deliver to SROL a performance security for the purpose of ensuring Sinic's due and proper performance of the Sinic Mining Services Contract. Accordingly, on 15 April 2021 the Bank of Communications., Ltd (Issuer) issued to SROL the performance security pursuant to which the Issuer guaranteed and unconditionally and irrevocably undertook to pay SROL as primary obligor sums not exceeding US$15,136,201.00 (being 10% of the Sinic Contract Price) within 5 business days of demand.

This amount may be reduced to US$7,568,100.00 (being 5% of the Sinic Contract Price) after a period of not less than 24 months from the issuing date which shall be evidenced by receipt

The security is effective from 15 April 2021 to 12 April 2026.

The Issuer acknowledges that SROL has, or will, assign its rights, title and interest in and to this performance security to FBNQuest Trustees Limited (**FBNQuest**) as security agent for the benefit of certain lenders.

(h) **Sinic Mining Services Contract Direct Agreement**

The Facility Agreement (as described in paragraph 12.9.1(e) below) was conditional upon *inter alia* the execution of a "Direct Agreement" (as such term is defined in the Facility Agreement) in relation to the Sinic Mining Services Contract. Accordingly, on 27 November 2020, SROL, AFC and Sinic concluded an agreement entitled "Direct Agreement relating to the Segilola Gold Plant" (the **Sinic Mining Services Direct Agreement**).

The Sinic Mining Services Direct Agreement constitutes a security arrangement and direct agreement between AFC (as facility agent) and Sinic (as contractor). Under this direct agreement, AFC is afforded certain step in rights in relation to the Mining Services Contract upon the occurrence of a Facility Agent Enforcement Event (which is deemed to occur upon the occurrence of an Event of Default, as such term is defined in the Facility Agreement) and after AFC delivers written notice to SROL).

(i) **First Fill, Consignment Stock/Delayed Debtor Agreement**

On 19 November 2020, Nowata Limited (as supplier) (**Nowata**) and SROL (as purchaser) entered into an agreement pursuant to which Nowata undertook to deliver certain industrial chemicals and other products (the **Goods**) to SROL on a consignment basis.

It was agreed that the First Fill, Consignment Stock/Delayed Debtor Agreement would become effective from 1 January 2021 and endure for a period of two years unless extended by mutual agreement of the parties in writing or terminated earlier in accordance with the provisions set out in the First Fill, Consignment Stock/Delayed Debtor Agreement.

The total consideration for the first shipment of Goods is US$1,695,873.00 plus €27,733.70.

(j) **Gas Sales and Purchase Agreement**

On 25 March 2021, Power Gas Ebedei Limited (**PGE**) and SROL entered into an agreement pursuant to which PGE undertook to sell and SROL agreed to purchase natural gas for SROL's use at the Segilola Gold Project.

The Gas Sales and Purchase Agreement has a target delivery date of 1 August 2021. The target delivery date is the date from which PGE intends to supply natural gas to SROL. The term of the Gas Sales and Purchase Agreement is to commence on the Date of First Delivery (the date on which natural gas is first supplied to SROL) and is to continue in effect for a period of 54 months thereafter. The Gas Sales and Purchase Agreement makes provision for an automatic renewal of the initial term for a further 18 months and thereafter for 12 months, unless either party notifies the other of its intention to not renew.

The Gas Sales and Purchase Agreement stipulates a monthly contract quantity of 458,333 standard cubic metres (**SCM**) and an annual contract quantity of 5,500,000 SCM which amount of natural gas SROL undertakes to purchase on a monthly and annual basis for the duration of the term (subject to certain adjustments as set out in the Gas Sales and Purchase Agreement).

The aggregate consideration payable by SROL to PGE for the 54 month period calculated by having regard to the monthly contract quantity at the Prevailing Contract Price (as such term is defined in the Gas Sales and Purchase Agreement) is US$8,521,872.35.

(k) **Management and Administrative Services Contract**

On 10 November 2020, the Company (as manager) and SROL entered into an agreement pursuant to which the Company undertook to provide certain management and administrative support services to SROL.

It was agreed that the Management and Administrative Services Contract would become effective from 31 March 2020 and endure for a period of five years unless terminated earlier in accordance with the provisions set out therein.

As consideration for the services contemplated in the Management and Administrative Services Contract, the Company would receive a management fee equal to US$375,000 for each calendar quarter occurring after the Payment Commencement Date, being the date on which Norinco issues the Taking-Over Certificate to SROL as contemplated in the EPC Contract. The Taking-Over Certificate will only be issued once the Works (as such term is defined in the EPC Contract) have been completed. The Works are progressing on time and to budget, and it is anticipated that the first gold will pour in Q3 2021.

(l) **Community Development Agreement (Iperindo)**

On 5 July 2018, SROL and the Iperindo Community of Atakumosa East, Local Government Area of Osun State, Nigeria (the **Iperindo Community**) entered into an agreement pursuant to which each of SROL and the Iperindo Community gave certain undertakings to each other in relation to the transfer of social and economic benefits as prescribed in the Nigerian Minerals and Mining Act 2007 (the **Iperindo CDA**).

SROL undertook to *inter alia* (i) make a one-off contribution in the amount of N15,000,000 to be used for the sole benefit of the Iperindo Community and for the purpose of ensuring that SROL's operations in connection with the mining lease and exploration licence granted to SROL results in the transfer of social and economic benefits to the Iperindo Community; (ii) a one off payment in the sum of N1,000,000 as contribution to the Youth Development and Empowerment Association; (iii) to drill three new hand-pumped boreholes and the repair of five existing hand pumps; (iv) to employ a certain percentage of the Iperindo Community's population workforce; (v) to take precautionary measures while mining to prevent against environmental degradation; and (vi) to fully reclaim and rehabilitate the excavated and explored land to a stable state after exhaustion of its mining activities.

The Iperindo CDA became effective upon execution on 5 July 2018 and will endure for a period of five years (until 5 July 2023) after which it shall be subject to review.

(m) **Community Development Agreement (Imogbara)**

On 9 May 2018, SROL and the Imogbara Community of Atakumosa East, Local Government Area of Osun State, Nigeria (the **Imogbara Community**) entered into an agreement pursuant to which each of SROL and the Imogbara Community gave certain undertakings to each other in relation to the transfer of social and economic benefits as prescribed in the Nigerian Minerals and Mining Act 2007 (the **Imogbara CDA**).

SROL undertook to *inter alia* (i) make a one-off contribution in the amount of N15,000,000 to be used for the sole benefit of the Imogbara Community and for the purpose of ensuring that SROL's operations in connection with the mining lease and exploration licence granted to SROL results in the transfer of social and economic benefits to the Imogbara Community; (ii) to build six classrooms for the Imogbara Primary School; (iii) to rehabilitate the Odo-ijesa – Imogbara Road; (iv) to hire no less than 5% of its workers from the Imogbara Community's population; (v) to take precautionary measures while mining to prevent against environmental degradation; and (vi) to fully reclaim and rehabilitate the excavated and explored land to a stable state after exhaustion of its mining activities.

The Imogbara CDA became effective upon execution on 9 May 2018 and will endure for a period of five years (until 9 May 2023) after which it shall be subject to review.

(n) **Community Development Agreement (Odo-ijesha)**

On 22 November 2018, SROL and the Odo-ijesha Community of Atakumosa East, Local Government Area of Osun State, Nigeria (the **Odo-ijesha Community**) entered into an agreement pursuant to which each of SROL and the Odo-ijesha Community gave certain undertakings to each other in relation to the transfer of social and economic benefits as prescribed in the Nigerian Minerals and Mining Act 2007 (the **Odo-ijesha CDA**).

SROL undertook to *inter alia* (i) make a one-off contribution in the amount of N15,000,000 to be used for the sole benefit of the Odo-ijesha Community and for the purpose of ensuring that SROL's operations in connection with the mining lease and exploration licence granted to SROL results in the transfer of social and economic benefits to the Odo-ijesha Community; (ii) to build four classrooms for the Odo-ijesha Primary School and two classrooms for the Odo-ijesha Secondary School; (iii) to rehabilitate the Odo-ijesa – Imogbara Road; (iv) to hire no less than 5% of its workers from the Imogbara Community's population; (v) to take precautionary measures while mining to prevent against environmental degradation; (vi) to fully reclaim and rehabilitate the excavated and explored land to a stable state after exhaustion of its mining activities; and (vii) make a one off payment in the sum of N1,000,000 as contribution to the Youth Development and Empowerment Association.

The Odo-ijesha CDA became effective upon execution on 22 November 2018 and will endure for a period of five years (until 22 November 2023) after which it shall be subject to review.

12.9 Financing and Borrowing Contracts

12.9.1 *AFC Agreements*

The Company (as parent), SROL (as borrower) and African Star BVI (as guarantor) entered into a series of debt and equity financing arrangements with AFC in order for SROL to raise capital to fund the development of the Segilola Gold Project. AFC's wholly owned subsidiary, AFC Equity Investments Limited (**AFC Equity**) subscribed for Common Shares in the Company for an aggregate amount of C$15,402,480 and the Company and AFC entered into a relationship agreement to regulate the relationship between the Group and AFC Equity. AFC made available a secured term loan facility of US$54,000,000 to SROL as borrower (the **Facility**) and, in consideration of the risks taken by AFC in connection with the Facility, the Company issued to AFC a further 33,329,480 Common Shares at a deemed price of C$0.20 per Common Share (the **Bonus Shares**). As security for the Company's and SROL's obligations in connection with the Facility, SROL assigned its rights under certain agreements to AFC, as summarised more fully below, including its rights under the EPC Contract. The creditors to the Company and SROL, including AFC, entered into an intercreditor agreement setting out the ranking priority of liabilities owed to them and the security given in their favour to secure such liabilities. Pursuant to a deed of retirement and appointment of security agent dated 16 October 2020 (**Security Agent Deed**), AFC resigned as original security agent and FBNQuest acceded as successor security agent. Further details of these AFC arrangements are set out below.

(a) **Subscription Agreement (as amended by the subscription agreement amendment)**

On 28 November 2019 the Company and AFC Equity entered into a subscription agreement (as amended by a subscription agreement amendment of 14 April 2020) pursuant to which the Company issued:

(i) 44,813,250 Common Shares (the **Tranche 1 Shares**) for an aggregate subscription amount of C$8,962,650 to AFC Equity on or about 4 December 2019;

(ii) 28,215,750 Common Shares (the **Tranche 2 Shares**) for an aggregate subscription amount of C$5,973,799 on or about 22 April 2020; and

(iii) the Bonus Shares on or about 22 April 2020. Per the Company's RNS dated 30 April 2020, the Bonus Shares were issued to AFC Equity as consideration for the risks taken by AFC in providing the Facility to SROL.

The Company must use the proceeds from the subscription in the manner set out in the Relationship Agreement and must comply with applicable environmental and social requirements.

The Company agreed to indemnify AFC Equity for any breach of warranty, representation or covenant given by the Company in clause 3 of the Subscription Agreement. Such warranties, representations and covenants given by the Company on the date of the subscription agreement (28 November 2019) and repeated on the closing of the Tranche 1 Shares and the Tranche 2 Shares (on or about 4 December 2019 and 22 April 2020 respectively) are uncapped in respect of the amount and are stated to survive the closing of the anticipated financing transactions for a period of 2 years, such period commencing on or about 22 April 2020 and expiring on or about 21 April 2022.

(b) **Relationship Agreement**

On 4 December 2019, the Company, AFC Equity and SROL entered into a relationship agreement to regulate the relationship between the Group and AFC Equity. Following the issuance of the Tranche 1 Shares, the Tranche 2 Shares and the Bonus Shares pursuant to the Subscription Agreement (as described in paragraph 12.9.1(a) above) and the Side Agreement to the Facility Agreement (as described in paragraph 12.9.1(e) below) respectively, AFC Equity owned Common Shares representing approximately 19.5% of the issued and outstanding shares of the Company.

The Relationship Agreement, among other things, provides that for as long as AFC Equity is a lender to the Company or SROL, or owns any shares of the Company, it is entitled to: (i) designate one director to be nominated as a director of the Company and SROL; (ii) have an individual designated on the committee responsible for assessing and reviewing all key project related contracts and making recommendations to the board for approval; and (iii) nominate the finance manager of SROL.

AFC Equity undertook that for a period 18 months commencing from 4 December 2019 and ending on 4 June 2021 that it would not acquire securities of the Company from a third party seller which would result in AFC Equity holding an aggregate of 20% or more of the outstanding securities unless the Company has granted prior written consent.

AFC Equity has pre-emptive rights under the Relationship Agreement. For a period of 3 years from 4 December 2019 and ending on 4 December 2022, the Company shall not issue or agree to issue any securities (other than Exempt Issuances as defined in schedule 1 of the Relationship Agreement) without the prior written consent of AFC Equity followed by a notice to AFC to subscribe for or participate in such issuance. AFC did not take up this right in July 2020 and therefore has been diluted to approximately 17.1%.

In the event of the Company carrying out a prospectus offering AFC Equity has the right to request that its shares be included and qualified for sale by the prospectus in Canada and, in such circumstances, the Company must use commercially reasonable efforts to cause to be qualified AFC Equity's shares in such offering of distributions.

To the extent reasonably practicable and lawful, neither party shall make any announcement or communication or publish any circular in connection with the existence or the subject matter of the Relationship Agreement pursuant to law, any regulatory body, the TSX-V Rules and Canadian Securities Laws, without consulting the other parties as to the content, timing and manner of such an announcement or communication or circular.

(c) **Offtake Agreement**

On 15 April 2020 SROL and AFC entered into an offtake agreement for the sale and purchase of gold produced by SROL (**Refined Gold**). SROL agreed to sell and deliver to AFC, and AFC agreed to purchase, Refined Gold constituting 89.73% of SROL's aggregate Refined Gold production which need not come from gold physically produced at the Segilola Gold Project. The applicable amount of Refined Gold shall be delivered to AFC by way of credit (in metal) to the AFC account at the refinery in Switzerland or other refinery as may be mutually agreed by the parties.

The Offtake Agreement grants SROL an option, subject to SROL providing 15 business days' prior written notice of such intention to AFC, to buy back AFC's right under the agreement at an amount in US$ which shall be calculated as ((Aggregate Gold Quantity (being 375,736oz of Refined Gold) x 90%) less the "Delivered Amount" (being the aggregate amount of Refined Gold that has already been deposited in the AFC account by SROL by the date on which SROL exercises the buy back option and pays the Repurchase Price)) x US$15.10.

SROL warrants and represents that in the event of its default under any bank or other financing or funding arrangements to which AFC is party, persons providing such finance or funding may subsequently have certain rights including but not limited to the right to receive any payment due to SROL for the Refined Gold under the Offtake Agreement.

The Offtake Agreement subsists until the earlier of the date on which (i) all of the gold in whatever form has been recovered from the open pit of the Segilola Gold Project, (ii) 375,736oz of Refined Gold has been credited to AFC; or (iii) the Offtake Agreement is terminated by either party.

Upon the occurrence of an "Event of Default", the affected party may terminate the Offtake Agreement with immediate effect, if such "Event of Default" is not cured within 5 business days (or such longer period as the parties may mutually agree) after the relevant party is notified of such "Event of Default".

SROL assigned by way of security to FBNQuest (as security agent) all of its rights, title and interest in and to the Offtake Agreement.

(d) **Streaming Agreement**

On 15 April 2020 SROL entered into a Streaming Agreement with AFC pursuant to which SROL agreed to sell and AFC agreed to purchase, in respect of each delivery of Refined Gold to any offtaker, an amount of Refined Gold (which need not come from gold physically produced at the Segilola Gold Project) equal to 10.27% of the produced gold in such delivery for which SROL receives payment, settlement or marketable gold (as applicable).

It was contemplated in the Streaming Agreement that AFC would pay to SROL an upfront amount of US$21,000,000 as a prepayment for Refined Gold (the **Upfront Deposit**). No interest was payable by SROL on or in respect of the Upfront Deposit.

It was furthermore contemplated in the Streaming Agreement that the obligations of SROL (being all indebtedness, liabilities and obligations of SROL to AFC arising in the Offtake Agreement or under any other Transaction Document (as such term is defined in the Streaming Agreement)) would be secured *inter alia* by share charges over the shares in SROL and to the extent applicable, all of the shares in SROL's shareholders as well as over SROL's assets.

AFC will receive Refined Gold until the Upfront Deposit has been repaid in full. Thereafter AFC will purchase Refined Gold until a further US$26,250,000 of Refined Gold has been purchased, representing a total money multiple of 2.25 times the value of the Upfront Deposit, at which point the Streaming Agreement will terminate.

In the event of a default by SROL, AFC is entitled to terminate, including exercising other rights and remedies available to it, the Streaming Agreement prior to the end of its term. The events of default include *inter alia* a failure by SROL to deliver Refined Gold within 7 business days of the required time, a breach of any terms and conditions or any covenants to which SROL is subject (which, where permitted to be remedied, have not been so remedied within 30 days of AFC delivering written notice to SROL of such breach or default) or the insolvency of SROL. In the case of AFC's default, which includes failure to make payment for the Refined Gold, SROL has no right to terminate the Streaming Agreement except where the default subsists for 2 years. SROL has the right, at its option, upon written notice to AFC, to terminate the Streaming Agreement in the event of an ongoing breach by AFC of the Streaming Agreement, subject to the provisions of the Intercreditor Agreement (as described in paragraph 12.9.1(g) below).

Pursuant to this agreement, SROL shall ensure that neither it nor the Company (as applicable) may undertake a restricted transfer (being a transfer by SROL which is not permitted in whole or in part of the Project Assets as defined in the Streaming Agreement) and shall not undergo a change of control (being any transaction the result of which is that any other person or group of other persons acting jointly or in concert for purposes of such transaction (i) becomes the beneficial owner directly or indirectly of more than 50% of the voting shares or (ii) acquires control either by ownership of 50% of the voting share capital). An Internal Reorganisation, being a transfer by the Company of shares indirectly held by it in the capital of SROL to a wholly owned subsidiary of the Company, is excepted from the restrictions.

The agreement commenced on 15 April 2020 with a duration of 10 years and thereafter shall automatically be extended for successive 10 year periods.

SROL has the option, at any time, subject to the timing limitations set forth in the Streaming Agreement, to buy back and extinguish all, but not less than all, of its indebtedness, liabilities and obligations under the Streaming Agreement from AFC by providing a notice to AFC to include SROL's purchase price in accordance with the provisions of the Streaming Agreement.

SROL has assigned by way of security to FBNQuest (as security agent) all of its rights, title and interest in and to the Streaming Agreement.

(e) **Facility Agreement**

On 15 April 2020 SROL (as borrower), African Star BVI (as guarantor), the Company (as guarantor), AFC (as mandated lead arranger, original lender, facility agent and technical agent) and AFC, acceded by FBNQuest pursuant to the Security Agent Deed (as security agent) entered into a facility agreement pursuant to which AFC made available the Facility to SROL. SROL is required to apply all amounts borrowed by it under this facility agreement towards the payment of all amounts in connection with the construction and development and operation of the Segilola Gold Project and financing other costs including interest and fees.

The interest rate on each loan for each interest period determined in the Facility Agreement is the aggregate of the applicable 9.00% per annum and LIBOR. The first repayment date for the Facility under the Facility Agreement is 31 March 2022 and the last repayment date is 31 March 2025.

The security for the Facility includes, *inter alia*, the shares of SROL and the agreement places certain restrictions on the Company and SROL in relation to their corporate activities and the disposal of their assets.

SROL undertook to AFC pursuant to the Facility Agreement that it will ensure that (i) at all times ten point two seven per cent. (10.27%) of gold produced from the Segilola Gold Project will be sold pursuant to the Streaming Agreement; and (b) eighty nine point seven three per cent. (89.73%) of gold produced from the Segilola Gold Project will be sold pursuant to the Offtake Agreement until an aggregate of 375,736 oz. of gold have been sold.

In the event of a change of control (any person or group of persons acting in concert (i) gaining direct or indirect control of the Company or (ii) at any time the Company ceases to own, directly or indirectly, 100% of the issued share capital of SROL) SROL shall promptly notify AFC of such event; AFC would not be obliged to fund a loan; and AFC may cancel the Facility declare all outstanding loans, together with accrued interest, break costs (if any) and all other amounts accrued immediately due and payable.

(f) **Side Agreement to the Facility Agreement**

On 14 April 2020 the Company, SROL and AFC Equity entered into a side agreement to the facility agreement. Subject to acceptance by the TSX-V, the Company, on behalf of SROL, agreed to grant AFC's wholly owned affiliate, AFC Equity, the Bonus Shares in accordance with the Subscription Agreement referred to in paragraph 12.9.1(a) above at the deemed price of C$0.20 per share.

(g) **Intercreditor Agreement**

On 15 April 2020 AFC (as senior facility agent, senior arranger, purchaser and security agent), Norinco (as senior creditor) and the "Debtors" being, SROL, African Star BVI and the Company (as parent) entered into an intercreditor agreement pursuant to which AFC, Norinco and any Hedging Counterparties agreed that all present and future liabilities and obligations (the **Liabilities**) of the Group to AFC, Norinco and any Hedging Counterparties shall rank, *pari passu* without preference between them, in right and priority of payment and the postponement and subordination to any prior ranking liabilities, with Liabilities owed to SROL under the Streaming Agreement ranking second.

AFC, Norinco and any Hedging Counterparties further agreed that any security and any guarantee, indemnity or other assurance against loss in respect of any of the Liabilities given in favour of AFC, Norinco and any Hedging Counterparties shall rank and secure the Liabilities of the Group in the same order as set out above.

(h) **Security Assignment Agreement**

On 26 May 2020 SROL (as chargor) and AFC (as security agent) entered into a security assignment agreement which was a condition precedent to the obligations of AFC (as lender) under the Facility Agreement (as described in 12.9.1(e) above) and its obligations as a purchaser under the Streaming Agreement (as described in 12.9.1(d) above). SROL covenanted to pay and discharge, or procure the payment and discharge, of all the liabilities and obligations and all other present and future liabilities and obligations at any time (**Secured Obligations**) due, owing or incurred by the Group to any secured party.

Pursuant to the Security Assignment Agreement, SROL assigned all of its rights in the EPC Contract, the Advanced Payment Guarantee (as described in paragraph 12.8.1(b) above) and the Performance Guarantee (as described in paragraph 12.8.1(c) above) to AFC. This security remains in force as a continuing security for the Secured Obligations, regardless of any intermediate payment or discharge, unless and until it is released and discharged in accordance with terms of the Security Assignment Agreement.

12.10 Security

In connection with the AFC financing, as described at paragraph 12.9 above, the Group entered into the following security (**Transaction Security**). Pursuant to the Security Agent Deed, AFC resigned as original security agent and FBNQuest acceded as successor security agent.

(a) An all assets debenture dated 27 November 2020, pursuant to which SROL assigned its rights, title, interest and benefit in (a) insurances, (b) material contracts summarised in this report (including (i) the Offtake Agreement (as described at paragraph 12.9.1(c) above), (ii) Vendor Royalty Agreements (being the Ratel Royalty Agreement, the TML Royalty Agreement and the Delano Royalty Agreement as described at paragraphs 12.7.1(b), 12.7.1(d) and 12.7.1(e) above), (iii) any Hedging Agreements (as defined in the Facility Agreement), (iv) the EPC Contract, (v) each Fuel Supply Agreement (being each diesel fuel supply agreement and gas fuel supply agreement to be entered into between SROL and each main provider of diesel fuel and each main provider of gas fuel), (vi) the Explosive Supply Agreement (to the extent not provided for in the Mining Services Contract (as described in paragraph 12.8.1(f) above) being an agreement to be entered into between SROL and the main provider of emulsion explosives), (vii) the CDAs, (viii) the Management Services Contract (as described at paragraph 12.8.1(k) above), (ix) the First Fill, Consignment Stock/Delayed Debtor Agreement (as described at paragraph 12.8.1(i) above, (x) the Mining Services Contract (as described at paragraph 12.8.1(f) above) and (xi) the Streaming Agreement (as described at paragraph 12.9.1(d) above), (c) mining lease number 41 issued to SROL by the Mining Cadastre Office, (d) exploration licence number 19066 and (e) any collateral warranties with trade contractors or professionals to the charged assets (which includes shares and Onshore Operating accounts (as defined in the Facility Agreement), for the account of all Secured Obligations.

(b) An equitable mortgage over shares dated 26 November 2020 between Thor Investments BVI as mortgagor, African Star BVI as company and FBNQuest as security agent, pursuant to which Thor Investments BVI granted a security interest in favour of FBNQuest over all the shares registered in its name in African Star BVI as security for its obligations under the AFC Debt Documents; and pursuant to an irrevocable proxy dated 26 November 2020, Thor Investments BVI granted FBNQuest full power to appoint a nominee or nominees to act under the irrevocable proxy from time to time and to vote the shares at all the meetings of the members of African Star BVI for the purpose of appointing or confirming the appointment of new directors and/or such other matters as may in the opinion of FBNQuest be necessary or desirable for the purpose of implementing the mortgage over the shares.

(c) A deed of share charge dated 27 November 2020 between SROL as borrower, African Star BVI as chargor and FBNQuest as security agent, pursuant to which African Star BVI agreed to creates a first ranking charge over its shares in SROL in favour of FBNQuest, as security for its obligations under the AFC Debt Documents.

(d) A deed of share charge dated 27 November 2020, pursuant to which Adedayo Peters agreed to create a first ranking charge over his present and future shares in SROL in favour of FBNQuest to secure SROL's obligations under the AFC Debt Documents.

(e) The Security Assignment Agreement as described at paragraph 12.9.1(h) above.

(f) An amendment and supplemental pledge over bank account dated 27 November 2020 between SROL as pledgor, AFC as initial security agent and FBNQuest as new security agent pursuant to which it was agreed that the original pledge over bank account dated 19 May 2020 between SROL as pledgor and AFC as security agent under which SROL pledged its bank account identified therein in favour of AFC for the benefit of the secured parties (being AFC, Norinco and any Hedging Counterparties) as security for the Secured Obligations under the Facility Agreement, be amended such that FBNQuest be the security agent in place of AFC.

(g) A pledge over bank account dated 27 November 2020 between SROL as pledgor and FBNQuest as security agent for the secured parties pursuant to which SROL pledged its additional bank accounts identified therein in favour of FBNQuest for the benefit of the secured parties (being AFC, Norinco and any Hedging Counterparties) as security for the Secured Obligations under the Facility Agreement.

12.11 Licences in respect of the Properties

(a) SGL – Nigeria

Licence No.	EL26355	EL26356	EL26357	EL26358	EL28801	EL28802	EL29978	EL29977
Type	Exploration licence	Exploration licence	Exploration licence	Exploration licence	Exploration licence	Exploration licence	Exploration licence	Exploration licence
Type of minerals	Gold	Gold	Gold	Gold	Gold	Gold	Gold	Gold
Licence Area	Isin Local Government Area, Kwara State, Nigeria.	Irepodun and Oke-Ero Local Government Areas, Kwara State; Ila and Ifedayo Local Government Areas, Osun State and Moba Local Government Area, Ekiti State, Nigeria.	Ila and Bolawoduro Local Government Areas, Osun State, Nigeria.	Isin Irepodun Local Government Areas, Kwara State, Nigeria.	Atakunmosa East and Oriade Local Government Areas, Osun State, Nigeria and Ile Oluji Local Government Area, Ondo State, *Nigeria	Atakunmosa East and West Local Government Areas, Osun State, Nigeria.	Atakunmosa East, Oriade and Ilesha East Local Government Areas, Osun State and Effon Local Government Area, Ekiti State, Nigeria	Atakunmosa East, Oriade and Ilesha East Local Government Areas, Osun State and Effon Local Government Area, Ekiti State, Nigeria.
Registered holder/owner	SGL	SGL	SGL	SGL	SGL	SGL	SGL	SGL
% of interest	100	100	100	100	100	100	100	100
Date of grant	23 November 2017	23 November 2017	23 November 2017	23 November 2017	1 April 2019	1 April 2019	2 October 2019	2 October 2019
Start date	23 November 2017	23 November 2017	23 November 2017	23 November 2017	1 April 2019	1 April 2019	2 October 2019	2 October 2019
Expiry date	22 November 2022 (licence expired on 22 November 2020 but was renewed for another 2 year term)	22 November 2022 (licence expired on 22 November 2020 but was renewed for another 2 year term)	22 November 2022 (licence expired on 22 November 2020 but was renewed for another 2 year term)	22 November 2022 (licence expired on 22 November 2020 but was renewed for another 2 year term)	31 March 2022	31 March 2022	1 October 2022	1 October 2022
Renewal rights	26355 EL is renewable for one (1) further period of two (2) years.	26355 EL is renewable for one (1) further period of two (2) years.	26355 EL is renewable for one (1) further period of two (2) years.	26355 EL is renewable for one (1) further period of two (2) years.	28801 EL is renewable for two (2) further periods of two (2) years each.	28802 EL is renewable for two (2) further periods of two (2) years each.	29978 EL is renewable for two (2) further periods of two (2) years each.	29977 EL is renewable for two (2) further periods of two (2) years each.
Annual Licence Fee	₦388,000 for 388 cadastral units	₦120,000 for 600 cadastral units	₦196,000 for 196 cadastral units	₦485,000 for 485 cadastral units	₦624,000 for 624 cadastral units	₦88,000 for 88 cadastral units	₦850,000 for 850 cadastral units	₦868,000 for 868 cadastral units
Minimum exploration obligation	To be determined by the Mines Inspectorate Department (MID)	To be determined by the Mines Inspectorate Department (MID)	To be determined by the Mines Inspectorate Department (MID)	To be determined by the Mines Inspectorate Department (MID)	To be determined by the Mines Inspectorate Department (MID)	To be determined by the Mines Inspectorate Department (MID)	To be determined by the Mines Inspectorate Department (MID)	To be determined by the Mines Inspectorate Department (MID)
Royalty payment	3% – Paid on *ad valorem* basis	3% – Paid on *ad valorem* basis	3% – Paid on *ad valorem* basis	3% – Paid on *ad valorem* basis	3% – Paid on *ad valorem* basis	3% – Paid on *ad valorem* basis	3% – Paid on *ad valorem* basis	3% – Paid on *ad valorem* basis

(b) SROL – Nigeria

Licence No.	ML 41	19066 EL
Type	Mining Lease	Exploration Licence
Type of minerals	Gold	Gold
Licence Area	Atakunmosa East Local Government Area, Osun State, Nigeria	Iriade, Ijebu and Ijesha Local Government Areas, Osun State, Nigeria
Registered holder/owner	SROL	SROL
% of interest	100	100
Date of grant	29 September 2016	25 September 2019
Start date	29 September 2016	25 September 2019
Expiry date	28 September 2040	24 September 2021
Renewal rights	ML 41 is renewable for a period of 24 years after expiration.	Upon expiry, the 19066 EL will no longer renewable. An application for a new exploration licence is to be made to MMSD/MCO.
Annual Licence Fee In line with Schedule 1 of the Mining Regulations 2011, the annual service fee for a Mining Lease is N25,000 per cadastral unit and for an Exploration Licence, it is N1,000 per cadastre unit.	₦2,025,000 for 81 cadastral units	₦270,000 for 135 cadastral units
Minimum exploration obligation	To be determined by the Mines Inspectorate Department (MID)	To be determined by the Mines Inspectorate Department (MID)
Royalty payment	3% – Paid on ad valorem basis	3% – Paid on ad valorem basis

(c) Senegal

Licence No.	Ministry of Mines order n°025825
Type	Prorogation of exploration permit
Type of minerals	Gold and related substances
Licence Area	Douta area, Kedougou region
Registered holder/owner	International Mining Company (IMC)
% of interest	100% legally held by IMC 70% contractual interest held by African Star BVI pursuant to the terms of the IMC Option Agreement and the side letter to the IMC Option Agreement
Date of grant	23 November 2018
Start date	11 November 2018
Expiry date	11 November 2020
Renewal rights	Renewal rights for consecutive periods of maximum 3 years
Annual Licence Fee	2.500.000-franc CFA
Minimum exploration obligation	4.520.000.000-franc CFA

Licence No.	Ministry of Mines order n°025825
Milestones	Discovery of commercially exploitable resources leads to the demand for the exploitation permit
Royalty payment	824.000-cfa franc
Application for Field Activities	IMC applied for an exploitation permit on 14 September 2020. This demand has been acknowledged by the Minister of Mines by letter dated 24 September 2020. By a letter of the Ministry of Mines dated 28 January 2021, the Ministry asked for additional studies in the Makosa area (which is part of the Douta Gold Project).
Other key terms	Prorogation of the exploration permit held by IMC granted by Order of the Ministry of Mines n°025825.

13. Taxation

13.1 UK Taxation

The following paragraphs are intended as a general guide to certain UK tax considerations only for prospective Shareholders who are resident (and, in the case of individuals, resident and domiciled) in the United Kingdom for tax purposes, holding Common Shares as investments and not as securities to be realised in the course of a trade, and are based on current UK tax legislation and what is understood to be current published practice of HMRC (which may not be binding) as at the date of this document, both of which are subject to change, possibly with retroactive effect. They do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of any of the Common Shares.

Any person who is in any doubt about his tax position or who is subject to taxation in a jurisdiction other than the UK should consult his own professional adviser immediately.

Except where expressly stated otherwise, the paragraphs below are intended to apply only to Shareholders: (i) who are for UK tax purposes resident in (and only in) the UK (except in so far as express reference is made to the treatment of non-UK tax residents) and, if individuals, domiciled in the UK; (ii) to whom split-year treatment does not apply; (iii) who are the absolute beneficial owners of their Common Shares and any dividends paid in respect of them; (iv) who hold their Common Shares as investments (otherwise than through an individual savings account or a pension arrangement) and not as securities to be realised in the course of a trade; and (v) who hold less than 5 per cent., of the Common Shares.

The paragraphs below may not apply to certain Shareholders, such as dealers in securities, traders, brokers, dealers in securities, banks, financial institutions, insurance companies and collective investment schemes, trusts, pension schemes, persons who are otherwise exempt from UK taxation and persons who have (or are deemed to have) acquired their Common Shares by virtue of an office or employment or persons who are treated as holding their Common Shares as carried interest or trustees and beneficiaries as regards shares held in trust. Such Shareholders may be subject to special rules. Nor do the paragraphs below consider the tax position of any person holding investments in any HMRC-approved arrangements or schemes, including the enterprise investment scheme, venture capital scheme or business expansion scheme, or any person able to claim any inheritance tax relief or non-UK resident Shareholder holding Common Shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or, in the case of a corporate Shareholder, a permanent establishment or otherwise).

Taxation on chargeable gains

Any gains on transfers or disposals of Common Shares (including a disposal on a winding-up of the Company) by UK resident Shareholders or Shareholders who carry on a trade in the UK through a permanent establishment with which their investment in the Company is connected may, depending on their circumstances, give rise to a liability to UK tax on capital gains.

UK Tax Resident Individual Shareholders

UK tax resident individual Shareholders may be liable to UK taxation of chargeable gains on a disposal of the Common Shares, depending on their individual circumstances and subject to any available exemption or relief.

UK capital gains tax may be payable at a rate of 10 per cent., (for the tax year 2021/2021) to the extent that individuals are subject to income tax at the basic rate and any chargeable gain does not exceed the unused part of their basic rate income tax band. Where an individual is subject to income tax at the basic rate but any chargeable gain exceeds the unused part of their basic rate income tax band, the rate of capital gains tax on the excess is 20 per cent., (for the tax year 2021/2021). The rate of capital gains tax for such individuals who are higher or additional rate taxpayers is 20 per cent. No indexation allowance is available to such Shareholders, but they may be entitled to an annual exemption from capital gains tax (this is £12,300 for the tax year 2021/2021).

For these purposes, the same thresholds apply for Scottish taxpayer Shareholders as in respect of other Shareholders resident in the United Kingdom. Scottish taxpayer Shareholders may wish to consult their own professional advisers if they are in any doubt as to their tax position in respect of disposals.

Non-UK Tax Resident Individual Shareholders

A Shareholder who is not resident for tax purposes in the UK will not generally be subject to capital gains tax on a disposal of Common Shares unless the Shareholder is carrying on a trade, profession or vocation in the UK through a branch or agency and the Common Shares disposed of are, or have been, used, held or acquired for the purposes of such trade, profession or vocation or for the purposes of such branch or agency.

Such Shareholders may be subject to tax under any law to which they are subject to outside of the UK.

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

UK Tax Resident Corporate Shareholders

Shareholders within the charge to UK corporation tax may be subject to corporation tax on chargeable gains arising on a disposal of Common Shares, depending on the circumstances and subject to any available exemption or relief. No indexation allowance will be available to reduce any chargeable gain arising on disposal of the Common Shares.

Corporation tax is charged on chargeable gains at the rate applicable to that company at the date of disposal. Subject to certain exemptions, the UK corporation tax rate applicable to taxable profits and chargeable gains is currently 19 per cent.

Taxation on Dividends

UK Tax Resident Individual Shareholders

UK tax resident individual Shareholders have the benefit of an annual dividend allowance of £2,000 for the tax year 2019/20. Dividends received by those individuals from the Company, to the extent that the total amount of dividend income received in the tax year (including the dividend from the Company) does not exceed the annual dividend allowance, will effectively be taxed at the rate of 0 per cent. Dividends within the allowance will still count as taxable income when determining how much of the basic rate band or higher rate band has been used.

Dividend income in excess of the £2,000 allowance will be taxable at the rate of 7.5 per cent., to the extent it falls within an individual's basic rate band, but below the threshold for the higher rate of income tax.

To the extent that such dividend income falls above the threshold for the higher rate of income tax but below the threshold for the additional rate of income tax, such an individual Shareholder will be subject to tax on that dividend income at the dividend upper rate of 32.5 per cent.

To the extent that such dividend income falls above the threshold for the additional rate of income tax, such an individual Shareholder will be subject to tax on that dividend income at the dividend additional rate of 38.1 per cent.

For these purposes, the same thresholds apply for Scottish taxpayer Shareholders as in respect of other Shareholders resident in the United Kingdom. Scottish taxpayer Shareholders may wish to consult their own professional advisers if they are in any doubt as to their tax position in respect of dividends.

UK Tax Resident Corporate Shareholders

Corporate Shareholders who are UK tax resident are potentially liable to corporation tax on dividends paid to them: most dividends paid on the Common Shares to UK tax resident corporate Shareholders are likely to fall within one or more of the classes of dividend qualifying for exemption from corporation tax (although the exemptions are not comprehensive and are also subject to anti-avoidance rules). Shareholders within the charge to UK corporation tax should consult their own professional advisers.

Non-UK Tax Resident Shareholders

A Shareholder resident or otherwise subject to tax outside the UK (whether an individual or a body corporate) may be subject to foreign taxation on dividend income under local law. Shareholders to whom this may apply should obtain their own tax advice concerning tax liabilities on dividends received from the Company.

<u>Other United Kingdom tax considerations</u>

Controlled Foreign Companies

United Kingdom resident companies having an interest in the Company, such that broadly 25 per cent., or more of the Company's profits for an accounting period could be apportioned to them, may be liable to United Kingdom corporation tax in respect of their share of the Company's profits in accordance with the provisions of Part 9A of the Taxation (International and Other Provisions) Act 2010 relating to controlled foreign companies. These provisions only apply if the Company is controlled by United Kingdom resident persons (corporate and individuals).

13.2 Section 3 of the Taxation of Chargeable Gains Act 1992 (Section 3)

The attention of persons resident in the United Kingdom for taxation purposes is drawn to the provisions of Section 3. Section 3 applies to a "**participator**" or an "**indirect participator**" for UK taxation purposes (which includes a direct or indirect Shareholder) if at any time when a gain accrues to the Company which constitutes a chargeable gain for those purposes, the Company is itself controlled by a sufficiently small number of persons so as to render the Company a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a "**close**" company for those purposes.

The provisions of Section 3 could, if applied, result in any such person who is a "**participator**" or an "indirect participator" in the Company being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person's proportionate interest in the Company as a "participator" or an "indirect participator". No liability under Section 3 could be incurred by such a person however, where the amount apportioned to such person and to persons connected with him does not exceed one quarter of the gain.

13.3 Transfer of Assets Abroad

The attention of individuals resident in the UK is drawn to sections 714 to 751 of the Income Tax Act 2007, which contains provisions for preventing avoidance of income tax by transactions resulting in the transfer of income to persons (including companies) abroad and may render them liable to taxation in respect of undistributed income and profits of the Company.

13.4 Transactions in Securities

The attention of Shareholders is drawn to anti-avoidance legislation in Chapter 1, Part 13 of the Income Tax Act 2007 and Part 15 of the Corporation Tax Act 2010 that could apply if Shareholders are seeking to obtain tax advantages in prescribed conditions.

If any prospective investor is in doubt as to his taxation position, he is strongly recommended to consult an independent professional adviser without delay.

13.5 Stamp Duty and SDRT

Transfers of the Common Shares will not be subject to stamp duty reserve tax as long as there is no register of the Common Shares kept in the United Kingdom on or behalf of the Company.

For as long as Depositary Interests represent interests in non-UK shares admitted to trading on a recognised stock exchange, no stamp duty or SDRT will arise on transfers or agreements to transfer the Depositary Interests by virtue of the exemption granted in the Stamp Duty Reserve Tax (UK Depositary Interests in Foreign Securities) Regulations 1999 (SI 1999/2383 as amended).

The statements in this section apply to any holders of Common Shares irrespective of their residence, summarise the current position and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries.

13.6 Canadian Taxation

The following is a summary of the principal Canadian federal income tax considerations generally relevant to an investor who acquires as beneficial owner Common Shares and who, at all relevant times, for purposes of the Income Tax Act (Canada) the (**Canadian Tax Act**): (i) is not resident in Canada and is not deemed to be resident in Canada; (ii) does not use or hold, and is not deemed to use or hold, Common Shares in connection with carrying on a business in Canada; and (iii) holds their Common Shares as capital property.

Investors who meet all of the foregoing requirements are referred to in this summary as "**Non-Resident Shareholders**" and this summary applies only to such Non-Resident Shareholders. Special rules, which are not discussed in this summary, may apply to a Non-Resident Shareholder that is an insurer that carries on business in Canada and elsewhere or an "**authorised foreign bank**" as defined in the Canadian Tax Act.

This summary is based upon the current provisions of the Canadian Tax Act and the regulations thereunder, the current provisions of the Canada-United Kingdom Income Tax Convention (the **UK Treaty**), and the Company's counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency made publicly available in writing prior to the date hereof. This summary also takes into account specific proposals to amend the Canadian Tax Act announced prior to the date hereof by or on behalf of the Minister of Finance (Canada) (the **Proposed Amendments**) and assumes that the Proposed Amendments will be enacted as proposed. No assurances can be given that the Proposed Amendments will become law.

This summary is not exhaustive of all possible Canadian federal income tax considerations and does not take into account or anticipate any changes in law, administrative policy or assessing practice, whether by legislative, governmental, administrative or judicial action, other than the Proposed Amendments. This summary does not deal with foreign, provincial or territorial income tax considerations, which may differ from the federal considerations.

This summary is of a general nature only and is not, and is not to be construed as, legal or income tax advice to any particular Non-Resident Shareholder. Each Non-Resident Shareholder is urged to obtain independent tax advice as to the Canadian income tax consequences of an investment in Common Shares applicable to the Non-Resident Shareholder's particular circumstances.

Taxation of Dividends

Generally, any dividend on a new Common Share, including a stock dividend, that is paid or credited, or deemed to be paid or credited, by the Company to a Non-Resident Shareholder will be subject to Canadian withholding tax at the rate of 25 per cent., of the gross amount of the dividend. The rate of withholding tax may be reduced under the provisions of an applicable income tax convention between Canada and the country in which the Non-Resident Shareholder is resident for tax purposes. Pursuant to the UK Treaty, the rate of withholding tax applicable to a dividend paid (or deemed to be paid) on a new Common Share to a Non-Resident Shareholder who is the beneficial owner of the dividend and is a resident of the United Kingdom for purposes of, and entitled to the full benefits under, the UK Treaty (a **UK Shareholder**) will generally be reduced to 15 per cent., of the gross amount of the dividend. The withholding tax is reduced to 5 per cent., in the case of a UK Shareholder that is a company that controls, directly or indirectly, at least 10 per cent., of the voting power of the Company. Special exemption applies to certain pension plan dividends. The Company will be required to withhold any such tax from the dividend paid or credited to the Non-Resident Shareholder and remit the tax directly to the Receiver General for Canada for the account of the Non-Resident Shareholder.

Taxation of Capital Gains

A Non-Resident Shareholder generally will not be subject to tax under the Canadian Tax Act on any capital gain realised by the Non-Resident Shareholder on a disposition (or deemed disposition) of a new Common Share unless the new Common Share constitutes "**taxable Canadian property**" to the Non-Resident Shareholder for purposes of the Canadian Tax Act.

Provided that the Common Shares are listed on a "**designated stock exchange**" as defined in the Canadian Tax Act (which includes tiers 1 and 2 of the TSX-V), the Common Shares generally will not constitute taxable Canadian property to the Non-Resident Shareholder unless at any time during the 60 month period immediately preceding the disposition: (i) the Non-Resident Shareholder, persons with whom the Non-Resident Shareholder did not deal at arm's length, partnerships in which the Non-Resident Shareholder or a person with whom the Non-Resident Shareholder did not deal at arm's length holds a membership interest directly or indirectly through one or more partnerships, or the Non-Resident Shareholder together with all such persons, owned 25 per cent., or more of the issued shares of any class of the capital stock of the Company; and (ii) more than 50 per cent., of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "**Canadian resource properties**" (as defined in the Canadian Tax Act), "**timber resource properties**" (as defined in the Canadian Tax Act) or options in respect of, or interests in, or for civil law rights in, such property whether or not such property exists. Further, Common Shares may be deemed to be taxable Canadian property to a Non-Resident Shareholder for purposes of the Canadian Tax Act in certain circumstances.

If the Common Shares are considered taxable Canadian property to the Non-Resident Shareholder, then upon a disposition or a deemed disposition of such Common Shares (other than a disposition to the Company that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market), the Non-Resident Shareholder will realise a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Common Shares, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Common Shares to the Non-Resident Shareholder.

One half of any such capital gain (a **taxable capital gain**) realised by a Non-Resident Shareholder in a taxation year will be required to be included in computing the Non-Resident Shareholder's income for that year, and one half of any such capital loss (an **allowable capital loss**) realised by a Non-Resident Shareholder in a taxation year must generally be deducted against taxable capital gains realised by the Non-Resident Shareholder in that year from dispositions of taxable Canadian property. Allowable capital losses from dispositions of taxable Canadian property not deductible in the taxation year in which they are realised may ordinarily be carried back and deducted in any of the three preceding taxation years or carried forward indefinitely and deducted in any subsequent taxation year against taxable capital gains realised in such years from dispositions of taxable Canadian property, subject to the detailed rules contained in the Canadian Tax Act in this regard.

Any Non-Resident Shareholder that would otherwise be subject to Canadian income tax on a capital gain realised on a disposition of a new Common Share that constitutes taxable Canadian property to the Non-Resident Shareholder may be eligible for relief pursuant to an income tax convention between Canada and the country in which the Non-Resident Shareholder is resident for tax purposes.

Non-Resident Shareholders who may hold Common Shares as "**taxable Canadian property**" should consult their own tax advisors.

Any Non-Resident Shareholder who is in any doubt as to their tax position or who is subject to tax in a jurisdiction other than the UK should consult their own professional adviser without delay.

14. Employees

14.1 Set out below is a table showing the number of employees employed by the Group, broken down by country, as at the end of each financial year covered by the historical financial information.

	31 December 2018	31 December 2019	31 December 2020
Canada (Employer is the Company)	12	12	12
Nigeria (Employer is SROL)	33	38	277
Senegal (Employer is African Star Senegal)	17	18	29
Total	62	68	318

14.2 For all periods shown above, employee numbers include temporary staff on employed fixed term contracts or contracted via agencies, part-time staff and non-executive directors.

14.3 The Company has no record of any industrial action at its main sites and considers its relations with employees to be good.

15. Related party transactions

15.1 The related party transactions being transactions which, as a single transaction or in their entirety, are or may be material to the Company and have been entered into by the Company or any other member of the Group during the period commencing on the period covered by historical financial information and up-to-date of this document and terminating immediately prior to the date of this document are set out in/are as follows:

(a) intra-group loan agreements between:

(i) (1) the Company as lender, (2) African Star BVI as borrower (from the Company) and lender (to SROL) and (3) SROL as borrower dated 2018 pursuant to which, following the Company's acquisition of SROL through African Star BVI on 16 August 2016 (such shareholding subsequently transferred from African Star BVI to SRI BVI), the Company lent money through African Star BVI to SROL for use by SROL for its general operating capital; and

(ii) (1) the Company as lender, (2) African Star BVI as borrower (from the Company) and lender (to SGL) and (3) SGL as borrower dated 1 February 2021 pursuant to which, following the Company's acquisition of SGL on 16 August 2016 (such shareholding subsequently transferred from the Company to African Star BVI), the Company lent money through African Star BVI to SGL for use by SGL for its general operating capital;

(b) undocumented intra-group loans between:

(i) (1) the Company as lender, (2) African Star BVI as borrower (from the Company) and lender (to African Star Senegal) and (3) African Star Senegal as borrower;

(ii) (1) the Company as lender, (2) African Star BVI as borrower (from the Company) and lender (to AFC Burkina Faso) and (3) AFC Burkina Faso as borrower;

(iii) (1) the Company as lender, (2) African Star BVI as borrower (from the Company) and lender (to Argento Burkina Faso) and (3) Argento Burkina Faso as borrower;

(iv) (1) SROL as lender and (2) SGL as borrower;

(v) (1) Argento Burkina Faso as lender and (2) AFC Burkina Faso as borrower; and

(vi) (1) Argento Burkina Faso as lender and (2) African Star Senegal as borrower;

(c) the agreements entered into with AFC (a shareholder of the Company) and AFC Equity that are described in paragraphs 12.9 and 12.10 of this Part VI – (*Additional Information*);

(d) the agreements with TML as described at paragraphs 12.7.1(c) and 12.7.1(d) of this Part VI – (*Additional Information*), as Chief Kayode Aderinokun and Folorunso Adeoye are directors of TML as noted in paragraph 8.2 of this Part VI – (*Additional Information*);

(e) the Common Shares held by Directors and officers of the Company, as set out in paragraph 10.1 of this Part VI – (*Additional Information*);

(f) the options granted to Directors and officers by the Company on 16 January 2017, 12 March 2018, 5 October 2018 and 16 January 2020, as set out in paragraph 7.2 of this Part VI – (*Additional Information*);

(g) the service agreement entered into by the Company that is described in paragraph 9.1(a) of this Part VI – (*Additional Information*); and

(h) the letters of appointment that are described in paragraphs 9.1(b) to 9.1(g) of this Part VI – (*Additional Information*).

All of such transactions were entered into on an arm's length basis.

15.2 Save as set out or referred to in paragraph 15.1 above, no member of the Group has entered into a related party transaction during the period covered by the historical financial information set out in Part V – *(Historical financial information on the Group)* and up to the date of this document.

16. Depositary Interests

16.1 A depositary agreement between (1) the Company and (2) the Depositary, pursuant to which the Depositary will agree to provide depositary services to the Company, was entered into on 16 June 2021. In connection with the provision of these services the Depositary entered into a deed poll, details of which are set out below.

16.2 The Depositary Interests were created pursuant to and issued on the terms of a deed poll executed by the Depositary on 11 June 2021 in favour of the holders of the Depositary Interests from time to time (the **Deed Poll**). Prospective holders of Depositary Interests should note that they will have no rights in respect of the underlying Common Shares or the Depositary Interests representing them against Euroclear, or its subsidiaries.

16.3 Common Shares will be transferred to an account of the Depositary or its nominated custodian (a Custodian) and the Depositary will issue Depositary Interests to participating members.

16.4 Each Depositary Interest will be treated as one Common Share for the purposes of determining, for example, eligibility for any dividends, and the Depositary will pass on to the holders of Depositary Interests any stock or cash benefits received by it as holder of Common Shares on trust for such Depositary Interest holder.

16.5 Depositary Interest holders will also be able to receive notices of meetings of holders of Common Shares and other notices issued by the Company to its Shareholders.

16.6 The Depositary Interests will have the same security code (ISIN) as the underlying Common Shares and will not be required to be admitted separately to trading on the London Stock Exchange.

16.7 In summary, the Deed Poll will contain the following provisions:

(a) the Depositary will hold (itself or through the Custodian), as bare trustee, the underlying securities issued by the Company and all and any rights and other securities, property and cash attributable to the underlying securities pertaining to the Depositary Interests for the benefit of the holders of the relevant Depositary Interests;

(b) holders of Depositary Interests warrant, *inter alia*, that the securities in the Company transferred or issued to the Custodian on behalf of the Depositary are free and clear of all liens, charges, encumbrances or third party interests and that such transfers or issues are not in contravention of the Company's constitutional documents or any contractual obligation, law, or regulation;

(c) the Depositary and any Custodian shall pass on to the Depositary Interest holders and, so far as they are reasonably able, exercise on behalf of the Depositary Interest holders all rights and entitlements received or to which they are entitled in respect of the underlying securities which are capable of being passed on or exercised. Rights and entitlements to cash distributions, to information, to make choices and elections and to call for, attend and vote at general meetings and any class meetings shall, subject to the Deed Poll, be passed on, in the form in which they are received, together with amendments and additional documentation necessary to effect such passing-on, or, as the case may be, exercised in accordance with the Deed Poll;

(d) the Depositary will be entitled to cancel Depositary Interests and withdraw the underlying securities in certain circumstances including where a Depositary Interest holder has failed to perform any obligation under the Deed Poll or any other agreement or instrument with respect to the Depositary Interests;

(e) the Deed Poll contains provisions excluding and limiting the Depositary's liability. For example, the Depositary shall not be liable to any Depositary Interest holder or any other person for liabilities in connection with the performance or non-performance of obligations under the Deed Poll or otherwise except as may result from its negligence or wilful default or fraud or that of any person for whom it is vicariously liable, provided that the Depositary shall not be liable for the negligence, wilful default or fraud of any Custodian or agent which is not a member of its group unless it has failed to exercise reasonable care in the appointment and continued use and supervision of such Custodian or agent. Furthermore, the Depositary's liability to a holder of Depositary Interests will be limited to the lesser of:

   (i) the value of the shares and other deposited property properly attributable to the Depositary Interests to which the liability relates; and

   (ii) that proportion of £5 million which corresponds to the proportion which the amount the Depositary would otherwise be liable to pay to the Depositary Interest holder bears to the aggregate of the amounts the Depositary would otherwise be liable to pay all such holders in respect of the same act, omission or event or, if there are no such amounts, £5 million;

(f) the Depositary is entitled to charge holders fees and expenses for the provision of its services under the Deed Poll;

(g) each holder of Depositary Interests is liable to indemnify the Depositary and any Custodian (and their agents, officers and employees), and hold each of them harmless from and against all liabilities arising from or incurred in connection with, or arising from any act related to, the Deed Poll so far as they relate to the property held for the account of Depositary Interests held by that holder, other than those resulting from the wilful default, negligence or fraud of (i) the Depositary, or (ii) the Custodian or any agent if such Custodian or agent is a member of the Depositary's group or if, not being a member of the same group, the Depositary shall have failed to exercise reasonable care in the appointment and continued use and supervision of such Custodian or agent;

(h) the Depositary may terminate the Deed Poll by giving not less than 30 days' notice. During such notice period, Depositary Interest holders must cancel their Depositary Interests and withdraw their deposited property and, if any Depositary Interests remain outstanding after termination, the Depositary shall, as soon as reasonably practicable, and amongst other things:

   (i) deliver the deposited property in respect of the Depositary Interests to the relevant Depositary Interest holder;

   (ii) at the Depositary's discretion, it may substitute CREST Depositary interests for the Depositary Interests or sell all or part of such deposited property.

(i) It shall, as soon as reasonably practicable, deliver the net proceeds of any such sale, after deducting any sums due to the Depositary, together with any other cash held by it under the Deed Poll *pro rata* to the Depositary Interest holders in respect of their Depositary Interests;

(j) the Depositary or the Custodian may require from any holder information as to the capacity in which Depositary Interests are owned or held by such holders and the identity of any other person with any interest of any kind in such Depositary Interests or the underlying securities in the Company and holders are bound to provide such information requested. Furthermore, to the extent that, *inter alia*, the Company's constitutional documents require the Depositary's disclosure to the Company of, or limitations in relation to, beneficial or other ownership of, or interests of any kind whatsoever in the Company's securities, the Depositary Interest holders are to comply with such provisions and with the Company's instructions with respect thereto.

16.8 It should also be noted that holders of the Depositary Interests may not have the opportunity to exercise all of the rights and entitlements available to holders of Common Shares including, for example, the ability to vote on a show of hands. In relation to voting, it will be important for holders of the Depositary Interests to give prompt instructions to the Depositary or its nominated

Custodian, in accordance with any voting arrangements made available to them, to vote the underlying Common Shares on their behalf or, to the extent possible, to take advantage of any arrangements enabling holders of the Depositary Interests to vote such Common Shares as a proxy of the Depositary or its Custodian.

17. Investments

Save as disclosed in this document, the Company confirms that:

(a) no material investments have been made by the Group during the period covered by the historical financial information set out in Part V – (*Historical Financial Information on the Group*) and up to the date of this document;

(b) no material investments by the Group are in progress;

(c) there are no joint ventures or undertakings in which the Company holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses; and

(d) there are no environmental issues that may affect the Company's utilisation of the tangible fixed assets.

18. Intellectual property rights

Other than the domain name https://www.thorexpl.com/, there are no patents or other intellectual property rights, licences, industrial, commercial or financial contracts or new manufacturing processes which are of fundamental importance to the Group's business or profitability.

19. Working capital

The Directors are of the opinion having made due and careful enquiry that the working capital available to the Group will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

20. Litigation

Save as set out below, no member of the Group is or has during the 12 months preceding the date of this document been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company or the Group.

20.1 Ajifodu Family versus SROL & Anor

The Plaintiffs (representatives of the Ajifodu Family) instituted an action against SROL alleging SROL trespassed on their land to commence mining activities. The Plaintiffs are seeking the Court to restrain SROL from continuing its mining activities and to render account for the gold mined from their land. The Nigerian State Government has intervened in the suit and steps have been taken by the Government to assign the area under the mining lease to SROL in line with the requirements of the Nigerian mining laws.

20.2 High Chief Jacob Ilori versus SROL & 2 ORS

The Plaintiffs (High Chief Jacob Ilori – a self-appointed traditional ruler and representatives of a faction of the community) instituted an action seeking the Court to set aside the Community Development Agreement (**CDA**) for the Odo-ijesha community of Atakunmosa Local Government Area on the ground that the CDA was concluded without the *de facto* traditional ruler of the Community. The CDA was executed with the representatives of the community in line with the provisions of the Nigerian mining laws and regulations. The matter is at trial stage and SROL has been advised by its Nigerian legal advisers, Rockville & Co, that the chance of SROL's success is very high.

20.3 Mrs Ilesanmi versus SROL & ANOR

The Plaintiff (Mrs Ilesanmi) instituted an action against SROL challenging SROL's entry into their land and destruction of their family farm and cash crops despite having received compensation from SROL. The Plaintiffs are seeking the Court to restrain SROL from entering the licenced area and also direct SROL to pay adequate compensation. This matter is about "adequate compensation"; compensation has been paid in line with the provisions of the Nigerian Mining Act & Regulations; SROL has been advised by its Nigerian legal advisers, Rockville & Co, that the plaintiff's case is based on a misconception that they deserve more compensation in the amount of N6 681,500 (six million six hundred and eighty-one thousand five hundred Naira) being the value of crops allegedly destroyed as special damages and N20 000,000.00 (twenty million Naira) as general damages. The matter was recently instituted and is yet to proceed to trial.

20.4 Mr Rasheed Arewa versus SROL

The Plaintiff/claimant (Mr Rasheed Arewa) instituted an action in respect of the two (2) plots of land at Ajanaku Layout, along Ijebu-Ijesa road, Ilesa, Osun State purchased by SROL claiming that he is the rightful owner of the land based on a sale and purchase agreement entered into 10 years after SROL's predecessor in title acquired the property. The claimant asserts that he is the rightful owner of the land by way of an "Asset Swap Agreement" which is not a valid transfer document under the laws of Nigeria but also was entered into years after SROL's predecessor in title acquired the property. The matter was recently instituted and yet to proceed to trial. However, the claimant has made monetary claims for (i) N10,000,000.00 (ten million Naira) for trespass; (ii) N15,000,000.00 (fifteen million Naira) as special & general damages; and (iii) N2,000,000.00 (two million Naira) as legal fees.

21. No significant change

Save as disclosed in this document, there has been no significant change in the financial position and financial performance of the Group since 31 December 2020, the date to which the audited historical financial information set out in Part V – (*Historical Financial Information on the Group*) was prepared, except for a drawdown under the AFC facility agreement of US$22 million in May 2021.

22. Accounting matters

22.1 BDO LLP are the auditors of the Company and audited the financial statements of the Company for each of the financial years covered by the historical financial information set out in Part V – *(Historical Financial Information on the Group).* BDO LLP is authorised and regulated by the Institute of Chartered Accountants in England and Wales under registration number C006462248.

22.2 The accounting reference date of the Company is 31 December in each year.

23. Sources of information

The Directors confirm that, where information in this document has been sourced from a third party, this information has been accurately reproduced and that, so far as the Directors are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

24. Consents

24.1 Canaccord Genuity has given and not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they appear.

24.2 Hannam & Partners has given and not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they appear.

24.3 SLR has given and not withdrawn its written consent to the inclusion in this document of its report set out in Part IV – *(Competent Person's Report)* and the references to it and to its name in the form and context in which they appear.

25. General

25.1 The total costs and expenses payable by the Company in connection with or incidental to the Admission are estimated to be approximately US$1.085 million.

25.2 Save as disclosed in this document, the Directors are not aware of any exceptional factors which have influenced the Group's activities.

25.3 Save as disclosed in this document, so far as the Directors are aware, there have not, in relation to any member of the Group, been:

(a) any significant recent trends in production, sales, inventory, costs and selling prices between the end of the last financial year of the Company and the date of this document; or

(b) any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on the Company's prospects for at least the current financial year.

25.4 Save as disclosed in this document, the Directors are not aware of any environmental issues that may affect the Group's utilisation of its tangible fixed assets.

25.5 Save as set out in paragraph 25.6 below, no government, regulatory authority or similar body, company or person (excluding the Company's professional advisers otherwise disclosed in this document and trade suppliers) has:

(a) received, directly or indirectly, from the Company within the 12 months preceding the date of application for Admission; or

(b) entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission,

any of the following:

(i) fees totalling £10,000 or more;

(ii) securities in the Company with a value of £10,000 or more calculated by reference to the expected opening price; or

(iii) any other benefit with a value of £10,000 or more at the date of Admission.

25.6 Save as set out in this paragraph 25.6, there have been no payments in excess of £10,000 made by or on behalf of the Company to any government or regulatory body with regard to the acquisition or maintenance of any of the Company's assets, in the 12 months preceding the Latest Practicable Date:

(c) £40,782 to the Nigerian Mining Cadastre Office & centres;

(d) £161,219 to the Ministry of Mines & Steel Development;

(e) £157,480 to the Federal Ministry of Finance, Budget;

(f) £36,807 to the Ministry of Lands, Physical Planning & Dev; and

(g) £12,971 to the Association of Private Practicing Surveyors of Nigeria.

25.7 There have been no take-over bids by third parties in respect of the Company's equity which have occurred during the last financial year or the current financial year.

25.8 CPR No Material Change

No material changes have occurred since the effective date of the CPR and up to the date of this document the omission of which would make the CPR misleading.

25.9 Availability of this document

Copies of this document will be available to the public for download from the Company's website at https://www.thorexpl.com/.

16 June 2021