THOR EXPLORATIONS LTD

Condensed Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2022, and 2021

(in United States Dollars)

THOR EXPLORATIONS LTD.

September 30, 2022
(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 United States dollars (unaudited)

	Note	September 30, 2022 $	December 31, 2021 $
ASSETS			
Current assets			
Cash		**2,459,709**	1,276,270
Restricted cash	6	**-**	3,495,992
Inventory	7	**11,581,051**	18,146,558
Amounts receivable	8	**466,575**	237,651
Prepaid expenses, advances and deposits	9	**3,291,720**	586,865
Total current assets		**17,799,055**	23,743,336
Non-current assets			
Deferred income tax assets		**74,753**	86,795
Prepaid expenses, advances and deposits	9	**240,867**	105,683
Right-of-use assets	10	**17,143,126**	20,843,612
Property, plant and equipment	15	**144,289,041**	147,373,656
Intangible assets	16	**15,173,671**	15,345,419
Total non-current assets		**176,921,458**	183,755,165
TOTAL ASSETS		**194,720,513**	207,498,501
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	17	**48,670,354**	38,827,489
Lease liabilities	10	**4,766,383**	4,849,088
Gold stream liability	11	**9,891,530**	12,837,633
Loans and other borrowings	12	**4,586,279**	27,984,078
Total current liabilities		**67,914,546**	84,498,288
Non-current liabilities			
Accounts payable and accrued liabilities	17	**-**	1,564,191
Lease liabilities	10	**11,528,190**	13,425,286
Gold stream liability	11	**16,774,634**	17,424,646
Loans and other borrowings	12	**26,129,889**	25,754,525
Provisions	14	**5,353,193**	5,238,176
Total non-current liabilities		**59,785,906**	63,406,824
SHAREHOLDERS' EQUITY			
Common shares	18	**79,949,297**	79,027,183
Option reserve	18	**3,455,454**	4,513,900
Currency translation reserve		**(6,816,119)**	(2,889,510)
Retained earnings		**(9,568,571)**	(21,058,184)
Total shareholders' equity		**67,020,061**	59,593,389
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**194,720,513**	207,498,501

These consolidated financial statements were approved for issue by the Board of Directors on November 29, 2022, and are signed on its behalf by:

(Signed) "Adrian Coates"
Director

(Signed) "Olusegun Lawson"
Director

THOR EXPLORATIONS LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022
In United States dollars (unaudited)

	Note	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Continuing operations					
Revenue		**$ 55,703,098**	$ -	**$ 121,923,327**	$ -
Production costs	5	**$ 36,347,670**	-	**73,996,766**	-
Transportation and refining		**1,340,272**	-	**2,447,485**	-
Royalties		**882,093**	-	**2,379,110**	-
Gain on forward sale of commodity contracts		**(161,750)**	-	**(338,230)**	-
Gross profit from operations		**17,294,813**	-	**43,438,196**	-
Amortisation and depreciation - owned assets	5	**5,130,023**	5,525	**15,923,649**	14,024
Amortisation and depreciation - right of use assets	5	**1,244,005**	11,291	**3,477,995**	33,808
Other administration expenses	5	**5,353,995**	789,403	**10,287,872**	2,250,239
Impairment of Exploration & Evaluation assets	16	**2,360**	2,452	**9,581**	100,298
Profit (loss) from operations		**5,564,430**	**(808,671)**	**13,739,099**	**(2,398,369)**
Interest expense		**(3,657,827)**	(44)	**(11,351,690)**	(564)
Foreign exchange gains		**2,219,463**	1,404,404	**8,043,758**	(967,679)
Extra-ordinary expenses			(136,281)		(1,277,902)
Net profit (loss) for the period		**4,126,066**	**459,408**	**10,431,167**	**(4,644,514)**
Attributable to:					
Non-controlling interest					
Equity shareholders of the Company		**4,126,066**	**459,408**	**10,431,167**	**(4,644,514)**
Net profit (loss) for the period		**4,126,066**	**459,408**	**10,431,167**	**(4,644,514)**
Other comprehensive profit (loss)					
Foreign currency translation loss attributed to equity shareholders of the company		**(2,350,363)**	624,900	**(3,926,609)**	(2,079,271)
Total comprehensive income profit (loss) for the period		**1,775,703**	**1,084,308**	**6,504,558**	**(6,723,785)**
Net profit (loss) per share - basic and diluted	19	**$ 0.006**	**$ 0.001**	**$ 0.016**	**$ (0.007)**
Weighted average number of common shares outstanding - basic and diluted		**637,605,227**	**626,280,674**	**636,941,340**	**622,722,592**

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

THOR EXPLORATIONS LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022
In United States dollars (unaudited)

	Note	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Cash flows from (used in):					
Operating activities					
Net profit / (loss)		**$ 4,126,066**	$ 459,409	**$ 10,431,167**	$ (4,644,514)
Adjustments for:					
Impairment of unproven mineral interest	16	**2,360**	2,452	**9,581**	100,298
Amortisation and depreciation	5	**6,374,028**	16,816	**19,401,644**	47,832
Loss on forward sale commodity contracts		**(161,750)**	-	**(338,230)**	-
Settlement of gold stream obligation		**-**	-	**-**	-
Foreign exchange (gain) loss		**(5,824,295)**	(422,907)	**(8,043,758)**	1,453,721
Interest income / expense		**3,657,827**	44	**11,351,690**	564
		8,174,236	55,814	**32,812,094**	(3,042,099)
Changes in non-cash working capital accounts					
Restricted cash		**-**	(95,302)	**3,495,922**	688
Receivables		**239,224**	(887,820)	**(228,924)**	(825,671)
Prepaid expenses and deposits		**(1,330,413)**	55,225	**(2,704,855)**	180,415
Deferred income		**(10,147,435)**	-	**-**	-
Inventory		**12,464,974**	26,203	**6,565,507**	26,203
Prepaids long term		**29,666**	-	**49,865**	-
Repayment of goldstream liabilities		**(2,411,164)**	-	**(3,596,115)**	-
Accounts payable and accrued liabilities		**9,541,944**	(689,369)	**9,842,865**	(1,880,187)
Cash flows from/(used in) operating activities		**16,561,032**	(1,535,249)	**46,236,359**	(5,540,651)
Adjustment to net loss for cash items					
Realized foreign exchange		**(698,971)**	(23,599)	**28,202**	114,852
Net cash flows from/(used in) operating activities		**15,862,061**	**(1,558,848)**	**46,264,561**	**(5,425,799)**
Investing					
Purchase of intangible assets		**-**	(41,073)	**(168)**	(177,133)
Assets under construction expenditures		**-**	(8,955,726)	**-**	(40,973,498)
Acquisition of Right of use assets		**(17,718)**	-	**(17,718)**	-
Property, Plant & Equipment		**(2,255,416)**	(359,095)	**(11,218,923)**	(1,932,537)
Exploration & Evaluation assets expenditures		**(998,795)**	(1,245,718)	**(2,096,383)**	(1,914,491)
Net cash flows used in investing activities		**(3,271,929)**	(10,601,612)	**(13,333,192)**	(44,997,659)
Financing					
Proceeds from issuance of equity securities		**-**	1,053,571	**-**	1,338,156
Share subscriptions received		**-**	-	**922,114**	-
(Repayment of) / Proceeds from loans and borrowings		**(9,458,865)**	6,452,253	**(24,227,034)**	27,078,470
Net proceeds from short term currency swaps		**(3,011,954)**	-	**(663,726)**	-
Interest paid		**(1,181,269)**	-	**(3,725,137)**	-
Payment of lease liabilities		**(1,370,785)**	(6,511)	**(3,949,944)**	(30,903)
Net cash flows (used in)/from financing activities		**(15,022,873)**	7,499,313	**(31,643,727)**	28,385,723
Effect of exchange rates on cash		**(163,480)**	(258,208)	**(104,273)**	2,339,897
Net change in cash		**$ (2,596,221)**	**$ (4,919,355)**	**$ 1,183,369**	**$ (19,697,838)**
Cash, beginning of the period		**$ 5,055,930**	$ 7,586,533	**$ 1,276,270**	$ 22,365,016
Cash, end of the period		**$ 2,459,709**	$ 2,667,178	**$ 2,459,709**	$ 2,667,178

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 United States dollars (unaudited)

	Note	Common shares	Option reserve	Currency translation reserve	Deficit	Total shareholders' equity
Balance on December 31, 2020		**$ 76,858,769**	**$ 4,626,426**	**$ (594,661)**	**$ (19,562,232)**	**$ 61,704,198**
Reinstatement of warrants	19	-	-	-	(45,899)	-
Net loss for the period		-	-	-	(67,364)	(67,364)
loss		-	-	(804,019)	-	(804,019)
Balance on June 30, 2021		**$ 76,858,769**	**$ 4,626,426**	**$ (1,398,680)**	**$ (19,675,495)**	**$ 60,832,815**
Exercise of warrants	19	2,073,451	-	-	421,794	2,073,451
Options exercised	19	94,963	(112,527)	-	112,527	94,963
Net loss for the period		-	-	-	(1,917,010)	(1,917,010)
Comprehensive loss		-	-	(1,490,830)	-	(1,490,830)
Balance on December 31, 2021		**$ 79,027,183**	**$ 4,513,900**	**$ (2,889,510)**	**$ (21,058,184)**	**$ 59,593,389**
Share issuance costs	19	-	-	-	-	-
Issue of share options	19	-	-	-	-	-
Options exercised	19	922,114	(1,058,446)	-	1,058,446	922,114
Net profit for the period		-	-	-	10,431,167	10,431,167
Comprehensive loss		-	-	(3,926,609)	-	(3,926,609)
Balance on September 30, 2022		**$ 79,949,297**	**$ 3,455,454**	**$ (6,816,119)**	**$ (9,568,571)**	**$ 67,020,061**

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

1. CORPORATE INFORMATION

Thor Explorations Ltd. is a West African focused gold producer and explorer, dually listed on the TSX-V (THX.V) and AIM Market of the London Stock Exchange (THX.L).

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 following a reverse takeover and completed the transformational acquisition of its flagship Segilola Gold Project in Nigeria in August 2016.

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 United States 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 September 30, 2022, the Company had cash of $2,459,709 and inventory of 2,226 ounces of gold dore and 2,298 ounces of gold in circuit to be sold. During the nine-month period ended September 30, 2022, the Company produced 71,651 ounces of gold (Q2 2022: 45,128 ounces) and post period end, the Company has continued production from its Segilola Gold Mine. The Company sold 67,617 ounces of gold from 1 January 2022 to the end of Q3 2022.

The Board has reviewed the Group's cash flow forecasts for the twelve-month period from the date of this report including revised forecast production of 90,000 – 100,000 ounces of gold for 2022. The Board is satisfied that the Group will generate sufficient financial resources from its operational cash flow to meet commitments for at least the next twelve months.

The Board has considered the operational disruption that could be caused by factors such as interruptions to production at commercial levels, illness amongst workforce caused by global and regional pandemics, and potential disruptions to supply chains. The forecast cashflows are based on a gold price of US$1,836/oz and the all-in sustaining cost at Segilola of US$850 – $US950/oz during the period under review (Refer to section 3 of the Q3 2022, MD&A).

The final EPC invoices are recorded as due and payable and constitute a material amount of the net working capital deficit. The EPC Contractor has confirmed that it will continue to support the Company by extending the payment period of the final EPC invoices and has acknowledged that the Company will make payment of the final EPC invoices from available cashflow.

As at September 30, 2022, the Group had a net working capital deficit of $35,592,984 which includes its Senior Secured Facility, Deferred Payment Facility (refer to Note 12), Mining Contractor invoices which become due three months after being invoiced, final EPC invoices which became due post EPC handover, which occurred on January 31, 2022. The working capital calculation excludes $9,891,530 of gold stream liabilities, and $3,492,023 in third party royalties included in current accounts payable, that are contingent upon revised gold sales forecast of 90,000-100,000 ounces for the year ending December 31, 2022.

In Q3, 2022, the Company made its third scheduled debt repayment to the Africa Finance Corporation of $10,311,969 consisting of principal and interest, in accordance with the terms of its Senior Secured Facility.
At September 30, 2022, total principal repayments and cancellations amount to $25,040,397, 46% of the original $54m Facility.

Having reviewed the cash flow forecast, the Board anticipates that continued production at expected levels from its Segilola Gold Mine will provide sufficient cash generation to enable the Group to service future debt repayment obligations.

In United States 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	September 30, 2011	100%
African Star Resources Incorporated (“African Star”)	British Virgin Islands	September 30, 2011	100%
Segilola Resources Incorporated (“SR BVI”)	British Virgin Islands	March 10, 2020	100%
Thor Gold Ventures Ltd (“THX GV”)	United Kingdom	February 11, 2022	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%

The only change to ownership interest from the previous year was the incorporation of Thor Gold Ventures Ltd in February 2022.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Foreign currency translation

Functional and presentation currency
The Company's presentation currency is the United States dollar ("$"). The functional currency for the Company, being the currency of the primary economic environment in which the Company operates. 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 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 United States 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 GV, African Star, 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 recognised in profit and loss. Fluctuations in the value of the local currencies of our subsidiaries, with most notably the US dollar will result in foreign exchange gains and losses as assets and liabilities denominated in US dollar are revalued in the Subsidiary's local currency at reporting dates.

a. 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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 represented 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 September 30, 2022, the Company had $nil that is accounted for separately from cash and cash equivalents (December 31, 2021, $3.5 million). All the Company's cash is now freely available for the Company's use and is no longer classified as restricted cash. Refer to Note 6.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Group's financial liabilities consist of financial liabilities measured at amortised cost. These comprise
Loans and borrowings, short term advances pursuant to outstanding settlement of currency exchange swaps undertaken in the normal course of operations, accounts payable, accrued liabilities and deferred payment. Loans and borrowings are initially recognised 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 recognised 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 recognised in profit or loss.

Fair Value measurement hierarchy

IFRS 13 "Fair Value Measurement" requires certain disclosures which require the classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the input used in making the fair value measurement.
The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Input other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived prices (level 2); and,
- Inputs for the asset or liability that are not based on observable market data (unobservable input) (level 3).

The level in the fair value hierarchy within which the financial asset or financial liability is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 $21 million gold stream prepayment pursuant to a Gold Stream Arrangement ("GSA") entered in to with the Africa Finance Corporation ("AFC").

Under the terms of the GSA an advance payment of $21 million was received. Upon the commencement of production at Segilola the AFC had 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 $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.

The maximum $26.25 million payable after the initial $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 is recalculated at each reporting period and restated based on changes to the expected production profile and gold price estimates.

Revenue from the streaming arrangement was recognised under IFRS 15 when the customer obtained control of the gold and the Group satisfied its performance obligations. The revenue recognised reduced the contract liability balance.

In December 2021, the Group entered into a cash settlement agreement with the AFC where the gold sold to the AFC is settled in a net-cash sum payable to the AFC instead of delivery of bullion for repayment of the gold stream arrangement. This agreement triggered a modification to the contract liability, resulting in the liability to be accounted for in accordance with IFRS 9 whereby the liability is classified as a financial liability measured at fair value through profit or loss.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

a. 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 recognised 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.

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 recognised in profit or loss except where depreciation is directly attributable to mineral properties owned by the Group that are classified as either Exploration & Evaluation or Assets Under Construction (“AUC”). Depreciation in this instance is capitalised to the value of the mineral property asset (refer to Note 15). Upon commencement of commercial production, the value of AUC is reclassified as Mining and Plant assets (together “Mining Property”) within Property, Plant & Equipment. Mining Property is depreciated using the unit of production method based on proven and probable reserves. Units of production are significantly affected by resources, exploration potential and production estimates together with economic factors, commodity prices, foreign currency, exchange rates, estimates of costs to produce reserves and future capital expenditure. Refer to Note 3b for further analysis of classification of AUC for the year to December 31, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation of Mining and Other Equipment is provided on a straight-line basis over the estimated useful life of the assets as follows:

Description within Mining and Other Equipment	Rate
Motor vehicles	20-33%
Plant and machinery	20-25%
Office furniture	20-33%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

b. 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 on January 1, 2022, assets under construction were re-categorized as Mining Property.

c. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 income (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.

d. 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

e. 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)

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, which 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.

f. Revenue recognition

The Group enters in to forward sales contracts for the sale of gold at a pre-determined and agreed price with an agent who remits the cash proceeds to the Group.

The Group recognises the sale upon delivery at which point control of the product has been transferred to the Customer Transfer of control generally takes place when refined gold is credited to the metals account at the refinery of the Customer who has sold the gold via forward sale. Revenue is measured based on the consideration to which the Group expects to be entitled under the terms of the Agreements with the Customer.

g. Royalties

The Group has royalty payment obligations from production from its Segilola Gold Mine in Nigeria. A royalty is payable to the Nigerian government at a rate of 16,218 Nigerian Naira (June 31, 2022: 16,218 Nigerian Naira) per ounce produced. The royalty is paid before the Dore is exported from Nigeria for refining. Royalties paid to the Nigerian government are recognised as cost of sales in the Consolidated Statement of Comprehensive Loss at the point that the royalty payments are made.

The Group also has royalty obligations to three former owners of the Segilola Gold Project at rates of between 0.375% to 1.5% on the value of sales. Total royalties to the former owners (“third party royalties”) are capped at $7.5 million. Royalties are calculated using the outturn date as reference point, whereby the number of ounces outturned are multiplied using the London Bullion Market Association (“LBMA”) p.m. rate on the outturn date to establish a deemed sales value. The applicable royalty rate for each former owner is applied to the deemed sales value to determine the royalty payable.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Third party royalties have been assessed to be contingent consideration in the acquisition of the Segilola Gold Mine under IAS 3. In accordance with the Group's accounting policy the contingent consideration has been recognised as a financial liability at the point there was considered to be certainty over the payment arising (commencement of production). The royalties have been discounted using a rate of 4.7% and the discounted value of the third parties' royalties has been included in the value of Assets Under Construction and recognised as a financial liability in the Consolidated Statement of Financial Position. The discount will be unwound over the estimated time it will take to pay the entire $7.5 million obligation. The value of the royalties will be depreciated over the estimated life of the mine, and royalty payments will be applied in discharge of the financial liability. The financial liability was initially measured at fair value with subsequent fair value re-measurement to be recorded in the Consolidated Statement of Comprehensive Income/(Loss).

h. Inventory

Stores and consumables are stated at the lower of cost and net realizable value. The cost of stores and consumables includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Gold ore stockpiles are valued at the lower of weighted average cost and net realizable value. Cost includes direct materials, direct labour costs and production overheads.

Gold bullion and gold in process are stated at the lower of weighted average cost and net realizable value. Cost includes direct materials, direct labour costs and production overheads.

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.

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 US dollars upon consolidation. Movements in the exchange rates of the Canadian Dollar, Pound Sterling, Nigerian Naira and West African Franc to the US dollar will affect the size of the comprehensive income (loss).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

k. 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

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.

a. 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.

b. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

a. Interest income

Interest income is recognized as earned, provided that collection is assessed as being reasonably assured.

b. 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.

c. 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.

a. 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, 2022, that had a significant effect on the Group's financial statements.

b. 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.

In 2021 the arrangement was modified to allow the Group to settle the Gold Stream Liability in cash which led to the arrangement being reclassified as a financial liability.

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 is calculated 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$1,672 /oz at September 30, 2022. A 1% change in gold production estimates would result in an impact of less than $0.6 million on the Gold Stream liability.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)
Critical accounting estimates (continued)

(ii) *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 $0.25 million (2021: $0.25 million) on the provision for environmental and site restoration. The value of the period-end restoration provision is disclosed within Note 14.

(iii) *Inventories*

Expenditures incurred, and depreciation and amortisation of assets used in mining and processing activities are deferred and accumulated as the cost of ore in stockpiles, ore in mill, and finished gold dore inventories. These deferred amounts are carried at the lower of average cost or net realizable value.

Their measurement involves the use of estimation to determine the tonnage, the attainable gold recovery, and the remaining costs of completion to bring inventory to its saleable form. Changes in these estimates can result in a change in mine operating costs of future periods and carrying amounts of inventories.

In determining the net realizable value of ore in stockpiles, ore in mill, and gold dore the Company estimates future metal selling prices, production forecasts, realized grades and recoveries, and timing of processing to convert the inventories into saleable form. Reductions in metal price forecasts, increases in estimated future production costs, reductions in the number of recoverable ounces, and a delay in timing of processing can result in a write down of the carrying amounts of the Company's ore in stockpiles, ore in mill and gold dore inventories.

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

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 $9,581 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) *Functional currency*

An analysis of functional currency under IAS 21 was undertaken on Segilola Resources Operations Limited ("SROL") in order to determine if significant changes to operational activities provide indicators that the functional currency for IFRS purposes should be reviewed and changed. Under IAS 21 an entity's functional currency reflects the underlying transactions, events and conditions that are relevant to it. Accordingly, once determined, the functional currency is not changed unless there is a change in those underlying transactions, events and conditions.

The principal focus of the analysis was on the continuing applicability of the Nigerian Naira ("NGN") as the functional and reporting currency for SROL. Potential indicators of a change in functional currency for SROL were the commencement of the Mining Contract at Segilola and commencement of gold sales from Segilola, both denominated in US Dollars. The financial impact of a change in functional currency of SROL to US dollars was assessed at each of the dates where potential indicators of a change in functional currency could be considered to have been determined and it was concluded that a change in functional currency to US Dollars would best reflect the underlying transactions, events and conditions that are most relevant to the Company's operations.

(iv) *Commercial production*

The Group achieved first gold sales from its Segilola Gold Mine ("Segilola") in Osun state, Nigeria in December 2021, with first production from the Mill occurring in October 2021. During Q4 2021 production from the Mill was intermittent and below operating capacity per its mine plan, while overall recovery was approximately 13% below capacity. The Group's focus during Q4 2021, was the ramp-up of production to mine plan level which was not achieved on a consistent basis prior to year-end. After careful consideration Management has determined that mining operations to December 31, 2021, were not at sustainable commercial levels and that the correct classification of Segilola was Assets under construction. Production and recovery rates reached levels closer to mine plan in January 2022, and as such Management has determined that commercial production was achieved from January 2022.

In United States dollars, except where noted (unaudited)

5. PRODUCTION COSTS

	Note	Three Months Ended September 30, 2022	2021	Nine Months Ended September 30, 2022	2021
Mining contract		**14,390,406**	-	**32,880,134**	-
Contractors and consultants		**125,453**	-	**892,549**	-
Professional fees		**6,883**	-	**593,993**	-
Drilling and assays		**906,246**	-	**3,639,317**	-
Salaries		**1,835,337**	-	**4,537,513**	-
Materials and consumables		**348,268**	-	**403,834**	-
Drilling operations		**33,412**	-	**136,848**	-
Movement in inventories		**18,435,524**	-	**25,844,981**	-
Maintenance		**32,263**	-	**4,292,620**	-
Other		**233,878**		**774,977**	
		$ 36,347,670	**$** -	**$ 73,996,766**	**$** -

5b. AMORTISATION AND DEPRECIATION

	Note	Three Months Ended September 30, 2022	2021	Nine Months Ended September 30, 2022	2021
Amortisation and depreciation – owned assets		**5,130,023**	5,525	**15,923,649**	14,024
Amortisation and depreciation – right-of-use assets		**1,244,005**	11,291	**3,477,995**	33,808
		$ 6,374,028	**$** 16,816	**$ 19,401,644**	**$** 47,832

5d. OTHER ADMINISTRATIVE EXPENSES

	Note	Three Months Ended September 30, 2022	2021	Nine Months Ended September 30, 2022	2021
Audit and legal		**218,123**	14,001	**356,558**	101,216
Bank charges		**109,802**	21,163	**210,944**	147,221
Consulting and security fees		**797,998**	117,405	**1,808,097**	259,958
Directors' fees	21	**73,813**	89,776	**272,927**	265,684
Equipment hire		**(243)**	(5,096)	**51,346**	-

In United States dollars, except where noted (unaudited)

Investor relations and transfer agent		**63,339**		83,407		**279,730**		188,889
Listing and filing fees		**6,487**		3,947		**25,491**		25,009
Mining property costs		**1,050,664**		-		**2,344,856**		-
Near mine exploration		**545,452**		-		**1,308,066**		-
Office and miscellaneous		**1,912,008**		88,215		**2,052,859**		206,596
Salaries and benefits		**428,689**		321,034		**1,116,449**		950,618
Travel		**147,863**		55,551		**460,549**		105,048
	$	**5,353,995**	$	789,403	**$**	**10,287,872**	$	2,250,239

6. RESTRICTED CASH

		September 30, 2022		December 31, 2021
Restricted cash	**$**	**-**	$	3,495,992

On December 1, 2020, the Company announced that its subsidiary Segilola Resources Operating Limited ("SROL") had completed the financial closing of a $54 million project finance senior debt facility ("the Facility") from the Africa Finance Corporation for the construction of the Segilola Gold Project in Nigeria. As at September 30, 2022, SROL has received total disbursements of $52.6 million, with $nil drawn down during the period under review, and the remaining $1.35m of the facility was cancelled by the Company. Total disbursements received represent 97% of the facility. Under the terms of the facility, the Company was required to place a total of US$3.5 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. Upon receipt of the Certificate of Completion on January 31, 2022, the cash ceased to be treated as restricted.

7. INVENTORY

		September 30, 2022		December 31, 2021
Plant spares and consumables	**$**	**2,285,788**	$	1,337,792
Gold ore in stockpile		**5,801,769**		8,663,728
Gold in CIL		**1,774,547**		1,614,267
Gold Dore		**1,718,947**		6,530,771
	$	**11,581,051**	$	18,146,558

There were no write downs to reduce the carrying value of inventories to net realizable value during the period ended September 30, 2022.

In United States dollars, except where noted (unaudited)

8. AMOUNTS RECEIVABLE

		September 30, 2022		December 31, 2021
Accounts receivable	$	**357,337**	$	20,495
GST		**941**		3,715
Other receivables		**108,297**		213,441
	$	**466,575**	$	237,651

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

		September 30, 2022	December 31, 2021
Current:			
Gold Stream liability arrangement fees		**31,593**	38,829
Advance deposits to vendors		**2,406,213**	235,408
Other prepayments		**853,914**	312,628
	$	**3,291,720**	586,865
Non-current:			
Gold Stream liability arrangement fees		**47,390**	87,310
Other prepayments		**193,477**	18,373
	$	**240,867**	105,683

Included in Advance deposits to vendors, are payment deposits towards key equipment, materials and spare parts, with longer lead times to delivery, which are of critical importance to maintain efficient operations of the mine and process plant. These were made to mitigate against price volatility and inflation currently affecting the sector.

In United States dollars, except where noted (unaudited)

10. LEASES

The Group accounts 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. There were no such leases for the period ended September 30, 2022.

The key impacts on the Statement of Comprehensive Income and the Statement of Financial Position for the period ended September 30, 2022, were as follows:

	Right of use asset	Lease liability	Income statement
Carrying value December 31, 2021	$ 20,843,612	$ (18,274,374)	$ -
New leases entered in to during the period	710,127	(674,187)	-
Depreciation	(3,477,995)	-	(3,477,995)
Interest	-	(1,044,726)	(1,044,726)
Lease payments	-	3,949,944	-
Foreign exchange movement	(932,618)	(251,230)	(251,231)
Carrying value at September 30, 2022	$ 17,143,126	$ (16,294,573)	$ (4,773,952)

Total depreciation charged to the Statement of Comprehensive Income for the period under IFRS 16 was $3.477,995.

In United States dollars, except where noted (unaudited)

10. LEASES (continued)

The key impacts on the Statement of Comprehensive Income and the Statement of Financial Position for the year ended December 31, 2021, were as follows:

	Right-of-use asset	Lease liability	Income statement
Carrying value December 31, 2020	$ 69,066	$ (30,648)	$ -
New leases entered in to during the year	22,612,362	(19,668,810)	-
Depreciation	(2,355,674)	-	(41,106)
Interest	-	(782,088)	(563)
Lease payments	-	2,800,407	-
Foreign exchange movement	517,858	(593,235)	(75,743)
Carrying value at December 31, 2021	$ 20,843,612	$ (18,274,374)	$ (117,412)

11. GOLD STREAM LIABILITY

Gold stream liability

	September 30, 2022 Total	**December 31, 2021 Total**
Balance at Beginning of period	**$** 30,262,279	**$** 24,708,573
Interest at the effective interest rate	4,817,479	6,562,830
Repayments	(8,826,318)	(443,915)
Foreign exchange movement	412,724	(565,209)
Balance at End of period	**$** 26,666,164	**$** 30,262,279
Current liability	9,891,530	12,837,633
Non-current liability	16,774,634	17,424,646

In United States dollars, except where noted (unaudited)

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 $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 $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 $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 $26.25 million represented 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 were based on market forecast reports for the years 2021 to 2025 and, the production profile was based on the latest life of mine plan model. The liability was to 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 would be expensed through the Consolidated Statement of Income (Loss).

Interest expense of $4,817,479 was recognised for the Nine Months Ended September 30, 2022 and has been expensed to the Consolidated Statement of Income. Prior to the commencement of commercial production on January 1, 2022, interest was capitalized and included in the value of the Segilola Gold Mine (Refer to Note 15). A cumulative total of $12,889,773 has been capitalized prior to commercial production and included in the value of the Segilola Gold Mine.

In December 2021, the Group entered into a cash settlement agreement with the AFC where the gold sold to the AFC is settled in a net-cash sum payable to the AFC instead of delivery of bullion in repayment of the gold stream arrangement. Refer to Note 3d for further information on the accounting treatment of the gold stream liability.

The following table represents the Group's loans and borrowings measured and recognised at fair value.

		Level 1	Level 2	Level 3	Total
Financial liability at fair value through profit or loss	$	-	26,666,164	-	26,666,164

The liabilities included in the above table are carried at fair value through profit and loss.

In United States dollars, except where noted (unaudited)

12. LOANS AND BORROWINGS

		September 30, 2022		December 31, 2021
Current liabilities:				
Loans payable to the Africa Finance Corporation less than 1 year	**$**	**1,579,615**	$	24,192,518
Deferred element of EPC contract		**3,006,664**		3,122,990
Short term advances		**-**		668,570
	$	**4,586,279**		27,984,078
Non-current liabilities:				
Loans payable to the Africa Finance Corporation more than 1 year	**$**	**23,175,849**	$	22,667,448
Deferred element of EPC contract		**2,954,040**		3,087,077
	$	**26,129,889**	$	25,754,525

Loans from the Africa Finance Corporation

		September 30, 2022 Total		**December 31, 2021 Total**
Balance at Beginning of period	**$**	46,859,966	**$**	14,267,114
Drawdown		-		31,153,833
Repayments		(27,421,644)		-
Arrangement fees		-		(508,856)
Unwinding of interest in the period		5,031,220		1,714,041
Foreign exchange movement		285,922		233,834
Balance at End of period	**$**	24,755,464	**$**	46,859,966
Current liability		1,579,615		24,192,518
Non-current liability		23,175,849		22,667,448

On December 1, 2020, the Company announced that its subsidiary Segilola Resources Operating Limited ("SROL") had completed the financial closing of a $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 $5 million. As at September 30, 2022, SROL has received total disbursements of $52.6 million, with $nil drawn down and the remaining $1.35m undrawn facility cancelled by the Company during the period under review. Total disbursements received represent 97% of the Facility. The Facility is secured over the share capital of SROL and its assets, with repayments commencing in March 2022 and to conclude in March 2025.

In United States dollars, except where noted (unaudited)

12. LOANS AND BORROWINGS (continued)

Repayment of the aggregate Facility will be made in instalments over a 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 $4,663,652 in relation to the loan facility. The fair value of the liability was determined at $45,822,943 taking into account the transaction costs and equity component and recognised at amortised cost using an effective rate of interest, with the fair value of the shares issued in April 2020 of $5,666,011 recognised within equity.

Interest paid during the year ended December 31, 2021, of $3,667,835 has been capitalised to the cost of the Segilola Gold Mine. (Refer to Note 15).

The loan from the AFC has financial and non-financial covenants. These covenants were triggered upon the first repayment obligation which took place in March 2022.

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 $67.5 million for the full delivery of design, engineering, procurement, construction, and commissioning of the proposed 715,000 ton per annum gold ore processing plant.

The EPC Contract includes a deferred element (“the Deferred Payment Facility”) of 10% of the fixed price. As at September 30, 2022, a total of $5,960,704 (December 31, 2021: $6,210,090) was deferred under the facility. The 10% deferred element is repayable in instalments over a 36-month period by repaying an amount on a series of repayment dates, as set out in the Deferred Payment Facility. Repayments are due to commence in March 2022 and conclude in 2025. Interest on this element of the EPC deferred facility accrues at 8% per annum from the time the Facility taking-over Certificate is issued.

	September 30, 2022 Total	December 31, 2021 Total
Deferred payment facility	$ 5,960,704	$ 6,210,067

In United States dollars, except where noted (unaudited)

Balance period end	**$**	5,960,704	**$**	6,210,067

Short term advances

		September 30, 2022 Total		**December 31, 2021 Total**
Balance at beginning of period	**$**	668,570	**$**	-
Drawdowns		8,295,747		678,935
Repayments		(8,959,473)		-
Foreign exchange movement		(4,844)		(10,365)
Balance period end	**$**	-	**$**	668,570

In United States dollars, except where noted (unaudited)

13. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

September 30, 2022		**Gold stream liability**	**Short term advance**	**AFC loan**	**EPC deferred facility**	**Total**
January 1, 2022	$	30,262,279	668,570	46,859,966	6,210,067	84,000,882
Cash flows:						
Drawdowns		-	8,295,747	-	-	8,295,747
Repayments		(8,826,318)	(8,959,473)	(27,421,644)	(281,141)	(45,488,576)
Non-cash changes:						
Unwinding of interest in the year		4,817,479	-	5,031,220	222,960	10,071,659
Foreign exchange movements		412,724	(4,844)	285,922	(145,042)	548,760
September 30, 2022	$	26,666,164	-	24,755,464	5,960,704	57,382,332

December 31, 2021		**Gold stream liability**	**Short term advance**	**AFC loan**	**EPC deferred facility**	**Total**
January 1, 2021	$	24,708,573	-	14,267,114	1,934,275	40,909,962
Cash flows:						
Drawdowns		-	678,935	31,153,833	-	31,832,768
Repayments		(443,915)	-	-	-	(443,915)
Transaction costs		-		(508,856)	-	(508,856)
Non-cash changes:						
Unwinding of interest in the year		6,562,830	-	1,714,041	250,402	8,527,273
Foreign exchange movements		(565,209)	(10,365)	233,834	25,575	(316,165)
Offset against EPC payment		-	-	-	3,999,815	3,999,815
December 31, 2021	$	30,262,279	668,570	46,859,966	6,210,067	84,000,882

14. PROVISIONS

September 30, 2022		**Other**		**Fleet demobilisation costs**		**Restoration costs**		**Total**
Balance at Beginning of period	**$**	-	**$**	173,241	**$**	5,064,935	**$**	5,238,176
Initial recognition of provision		18,222		-		-		18,222
Unwinding of discount		-		-		9,734		9,734

Foreign exchange movements	(1,517)	(6,402)	94,980	87,061
Balance at period end	$ 16,705	$ 166,839	$ 5,169,649	$ 5,353,193
Current liability	-	-	-	-
Non-current liability	16,705	166,839	5,169,649	5,353,193

December 31, 2021	**Fleet demobilisation costs**	**Restoration costs**	**Total**
Balance at Beginning of year	$ -	$ 486,500	$ 486,500
Initial recognition of provision	173,241	-	173,241
Increase in provision	-	4,628,124	4,628,124
Foreign exchange movements	-	(49,689)	(49,689)
Balance at year end	$ 173,241	$ 5,064,935	$ 5,238,176
Current liability	-	-	-
Non-current liability	173,241	5,064,935	5,238,176

The restoration costs provision is for the 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 2021 US inflation rate of 4.7% and the interest rate of 1.263% 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 at mine closure.

The fleet demobilization costs provision is the value of the cost to demobilize the mining fleet upon closure of the mine.

In United States dollars, except where noted (unaudited)

15. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	Plant and machinery	Office furniture	Land	Decommissioning Asset	Processing Plant	Segilola Mine	Assets under construction	Total
Costs									
Balance, December 31, 2020	$ 1,397,109	$ 411,527	$ 271,949	$ 18,113	$ 486,887	$ -	$ -	$ 70,314,684	$ 72,900,269
Transfer from exploration & evaluation assets	-	-	-	-	-	-	-	-	-
Acquisition payments	-	-	-	-	-	-	-	7,295,056	7,295,056
Additions	777,710	187,805	939,282	-	4,634,103	-	-	66,389,785	72,928,685
Foreign exchange movement	(114,673)	(29,208)	(6,112)	(1,291)	(52,070)	-	-	(4,167,554)	(4,370,908)
Balance, December 31, 2021	$ 2,060,146	$ 570,124	$ 1,205,119	$ 16,822	$ 5,068,920	$ -	$ -	$ 139,831,971	$ 148,753,102
Transfers	-	-	-	-	-	56,782,964	83,049,007	(139,831,971)	-
Additions	-	56,193	591,912	-	-	9,946,713	8,084,586	-	18,679,404
Disposals	-	-	-	-	-	-	-	-	-
Foreign exchange movement	(121,844)	(124,842)	(121,004)	(802)	(241,390)	(2,752,825)	(3,202,967)	-	(6,565,674)
Balance, September 30, 2022	**$ 1,938,302**	**$ 501,475**	**$ 1,676,027**	**$ 16,020**	**$ 4,827,530**	**$ 63,976,852**	**$ 87,930,626**	**$ -**	**$ 160,866,832**
Accumulated depreciation and impairment losses									
Balance, December 31, 2020	$ 391,082	$ 313,571	$ 115,694	$ -	$ -	$ -	$ -	$ -	820,347
Depreciation	431,020	54,475	179,509	-	-	-	-	-	665,004
Disposals									-
Foreign exchange movement	(67,684)	(23,795)	(14,425)	-	-	-	-	-	(105,905)
Balance, December 31, 2021	$ 754,418	$ 344,251	$ 280,778	$ -	$ -	$ -	$ -	$ -	$ 1,379,446
Depreciation	324,121	54,205	204,632	-	863,121	6,209,081	8,267,006	-	15,922,166
Disposals	-	-	-	-	-	-	-	-	-
Foreign exchange movement	(59,546)	(113,371)	(51,997)	-	(29,795)	(214,334)	(254,778)	-	(723,821)
Balance, September 30, 2022	**$ 1,018,993**	**$ 285,085**	**$ 433,413**	**$ -**	**$ 833,326**	**$ 5,994,747**	**$ 8,012,228**	**$ -**	**$ 16,577,791**
Carrying amounts									
Carrying value at December 31, 2020	$ 1,006,027	$ 97,956	$ 156,255	$ 18,113	$ 486,887	$ -	$ -	$ 70,314,684	$ 72,079,922
Carrying value at December 31, 2021	$ 1,305,728	$ 225,873	$ 924,341	$ 16,822	$ 5,068,920	$ -	$ -	$ 139,831,971	$ 147,373,656
Balance, September 30, 2022	**$ 919,309**	**$ 216,390**	**$ 1,242,614**	**$ 16,020**	**$ 3,994,204**	**$ 57,982,105**	**$ 79,918,398**	**$ -**	**$ 144,289,041**

In United States dollars, except where noted (unaudited)

15. PROPERTY, PLANT AND EQUIPMENT (continued)

A summary of depreciation capitalized is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,		Total depreciation capitalized	
	2022	**2021**	**2022**	**2021**	**September 30, 2022**	**December 31, 2021**
Exploration expenditures	**27,923**	38,796	**88,647**	76,812	**746,487**	597,117
Total	$ **27,923**	$ 38,796	$ **88,647**	$ 76,812	$ **746,487**	$ 597,117

a) Segilola Project, Osun Nigeria:

Classification of Expenditure on the Segilola Gold Project

On January 1, 2022, the Company achieved commercial production at the Segilola Gold Project in Nigeria ("the Project") Upon achieving commercial production the Assets under Construction was reclassified within Property, Plant and Equipment, and transferred to Mining Asset, Processing Plant and Decommissioning Asset.

Decommissioning Asset

The decommissioning asset relates to estimated restoration costs at the Group's Segilola Gold Mine as at September 30, 2022. Refer to Note 14 for further detail.

In United States dollars, except where noted (unaudited)

16. INTANGIBLE ASSETS

The Company's exploration and evaluation assets costs are as follows:

	Douta Gold Project, Senegal	Central Hounde Project, Burkina Faso	Exploration licenses, Nigeria	Software	Total
Balance, December 31, 2020	**$ 12,783,386**	**$ -**	**$ 89,395**	**$ 224,634**	**$ 13,097,416**
Acquisition costs	-	-	74,897	-	74,897
Exploration costs	2,037,122	106,614	742,145	-	2,885,881
Additions	-	-	-	178,885	178,885
Amortisation	-	-	-	(167,648)	(167,648)
Impairment	-	(106,692)	-	-	(106,692)
Foreign exchange movement	(600,528)	78	(11,136)	(5,735)	(617,320)
Balance, December 31, 2021	**$ 14,219,981**	**$ -**	**$ 895,302**	**$ 230,136**	**$ 15,345,419**
Acquisition costs	-	-	24,103	-	24,103
Exploration costs	1,862,945	9,581	274,164	-	2,146,690
Additions	-	-	-	168	168
Amortisation	-	-	-	(90,130)	(90,130)
Impairment		(9,581)	-	-	(9,581)
Foreign exchange movement	(2,111,017)	-	(119,221)	(12,760)	(2,242,998)
Balance, September 30, 2022	**$ 13,971,909**	**$ -**	**$ 1,074,348**	**$ 127,414**	**$ 15,173,671**

16. INTANGIBLE ASSETS (continued)

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.

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.

16. INTANGIBLE ASSETS (continued)

(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 Houndé 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 Houndé 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 September 30, 2021, recognize an impairment charge of $121,909 through the Condensed Consolidated Statement of Comprehensive Loss.

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 13 exploration licenses and four joint venture partnership exploration licenses. Together with the mining lease over the Segilola Gold Deposit, Thor’s total exploration tenure amounts to 1,400 km². The Company’s exploration strategy includes further expansion of its Nigerian land package as and when attractive new licenses become available.

In United States dollars, except where noted (unaudited)

17. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		September 30, 2022		December 31, 2021
Trade payables	$	**40,270,725**	$	32,222,580
Accrued liabilities		**4,907,605**		3,058,121
Other payables		**3,492,023**		5,110,979
	$	**48,670,354**	$	40,391,680
Current liability		**48,670,354**		38,827,489
Non-current liability		**-**		1,564,191

Accounts payable and accrued liabilities are classified as financial liabilities and approximate their fair values.

Included in trade payables is a total of $3,492,023 that relates to third party royalties that will become payable upon future gold sales. All this royalties' creditors are included in current liabilities (refer to Note 3k for further detail).

Also included in trade payables is a balance of $16,025,837 due to our EPC contractor. Previous quarters contained a provision of US$5,000,000 for outstanding invoices of the EPC Contract. Following a full audit, the Company has accepted final EPC invoices of an additional US$4,000,000. The total EPC amount has been finalized and is below the initial EPC Contract amount. The Company and the EPC Contractor have agreed a repayment of these invoices will be by June 30, 2023,

18. CAPITAL AND RESERVES

a) Authorized

Unlimited common shares without par value.

b) Issued

	September 30, 2022 Number		September 30, 2022	December 31, 2021 Number		December 31, 2021
As at start of the year	632,358,009	$	79,027,183	621,405,975	$	76,858,769
Issue of new shares:						
- Share options exercised [i]	9,539,000		922,114	-		-
- Share warrants exercised [ii]	-		-	9,952,034		2,073,450
- Share options exercised [iii]	-		-	1,000,000		94,964
	641,897,009	$	79,949,297	632,358,009	$	79,027,183

[i] Value of 9,250,000 options exercised on January 19, 2022, at a price of CAD$0.12 per share, and 289,000 options exercised at a price of CAD$0.145 per share.

[ii] Value of 1,664,534 warrants exercised on June 8, 2021, at a price of CAD$0.18 per share, and 8,287,500 warrants exercised on August 31, 2021, at a price of CAD$0.28 per share.
[iii] Value of 1,000,000 options exercised at a price of CAD$0.12 per share.

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 C$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 C$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 C$0.145 per share for a period of five years.

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	3/12/2018	0.45	2.00%	$ 0.145	105.09%	$ 0.14	12,800,000	12,800,000	3/12/2023
5	10/5/2018	1.01	2.43%	$ 0.14	100.69%	$ 0.14	750,000	750,000	10/5/2023
5	1/16/2020	2.30	1.49%	$ 0.20	66.84%	$ 0.07	14,250,000	14,250,000	1/16/2025

In Canadian Dollars

The Company has 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.

18. CAPITAL AND RESERVES (continued)

c) Share-based compensation (continued)

The following is a summary of changes in options from January 1, 2022, to September 30, 2022, and the outstanding and exercisable options at September 30, 2022:

				January 1 2022	During the period			September 30 2022	September 30 2022 Number of options	
Grant date	**Expiry date**	**Exercise price**	**Contractual lives remaining (years)**	**Opening balance**	**Granted**	**Exercised**	**Expired/ Forfeited**	**Closing balance**	**Vested and exercisable**	**Unvested**
16-Jan-17	16-Jan-22	$0.12	0.00	9,250,000	-	(9,250,000)	-	-	-	-
12-Mar-18	12-Mar-23	$0.15	0.45	12,800,000	-	(289,000)	-	12,511,000	12,511,000	-
5-Oct-18	5-Oct-23	$0.14	1.01	750,000	-	-	-	750,000	750,000	-
16-Jan-20	16-Jan-25	$0.20	2.30	14,040,000	-	-	-	14,040,000	14,040,000	-
Totals				**36,840,000**	**-**	**(9,539,000)**	**-**	**27,301,000**	**27,301,000**	**-**
Weighted Average Exercise Price				**$0.160**	**$0.000**	**$0.121**		**$0.173**	**$0.173**	**$0.000**

In Canadian Dollars

18. CAPITAL AND RESERVES (continued)

The following is a summary of changes in options from January 1, 2020, to December 31, 2021, and the outstanding and exercisable options at December 31, 2021:

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	0.05	9,750,000	-	(500,000)	-	9,250,000	9,250,000	-
7-May-2017	7-May-2022	ii	$0.12	-	500,000	-	(500,000)	-	-	-	-
12-Mar-2018	12-Mar-2023		$0.145	1.19	12,800,000	-	-	-	12,800,000	12,800,000	-
5-Oct-2018	5-Oct-2023		$0.14	1.76	750,000	-	-	-	750,000	750,000	-
16-Jan-2020	16-Jan-2025		$0.20	3.05	14,040,000	-	-	-	14,040,000	14,040,000	-
Totals				**1.62**	**37,840,000**	**-**	**(1,000,000)**	**-**	**36,840,000**	**36,840,000**	-
Weighted Average Exercise Price					**$0.159**	**$0.000**	**$0.120**	**-**	**$0.160**	**$0.160**	**-**

In Canadian Dollars

[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.

18. CAPITAL AND RESERVES (continued)

d) 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.'

'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. EARNINGS PER SHARE

Basic and diluted profit (loss) per share is calculated by dividing the profit (attributed to shareholders for the nine months to September 30, 2022, of $10,431,167 (September 30, 2021: loss $4,644,514) by the weighted average number of shares of 636,941,340 (September 30, 2021: 622,722,592) in issue during the period.

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) 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.

In United States dollars, except where noted (unaudited)

20. RELATED PARTY DISCLOSURES (continued)

b) Compensation of key management personnel

The remuneration of directors and other members of key management during the three and Nine Months Ended September 30, 2022, and 2021 were as follows:

			Three Months Ended September 30,				Nine Months Ended September 30,		
			2022		**2021**		**2022**		**2021**
Salaries									
Current directors and officers	(i) (ii)	$	**191,529**	$	130,701	$	**523,524**	$	383,628
Former directors and officers			**-**		-		**71,557**		-
Directors' fees									
Current directors and officers	(i) (ii)		**73,813**		89,918		**272,927**		265,684
Share-based payments									
Current directors and officers			**-**		-		**-**		-
		$	**265,342**	$	220,619	$	**868,008**	$	649,312

(i) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the three months ended September 30, 2022, and 2021.

(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 September 30, 2022, include $328,909 (December 31, 2021 - $346,275) 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.

21. FINANCIAL INSTRUMENTS

The Group's financial instruments consist of cash, restricted 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. 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, restricted cash, accounts receivable, and accounts payable, accrued liabilities, loans and borrowings 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.

In United States dollars, except where noted (unaudited)

21. FINANCIAL INSTRUMENTS (continued)

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

September 30, 2022		Measured at amortised cost	Measured at fair value through profit and loss	Total
Assets				
Cash and cash equivalents	$	2,459,709	-	2,459,709
Amounts receivable		466,575	-	466,575
Total assets	**$**	**2,926,284**	**-**	**2,926,284**
Liabilities				
Accounts payable and accrued liabilities	$	45,178,331	3,492,023	48,670,354
Loans and borrowings		30,716,168	-	30,716,168
Gold stream liability		-	26,666,164	26,666,164
Lease liabilities		16,294,573	-	16,294,573
Total liabilities	**$**	**92,189,072**	**30,158,187**	**122,347,259**

December 31, 2021		Measured at amortised cost	Measured at fair value through profit and loss	Total
Assets				
Cash and cash equivalents	$	1,276,270	-	1,276,270
Restricted cash		3,495,992	-	3,495,992
Amounts receivable		237,651	-	237,651
Total assets	**$**	**5,009,913**	**-**	**5,009,913**
Liabilities				
Accounts payable and accrued liabilities	$	33,284,701	7,106,979	40,391,680
Loans and borrowings		53,738,603	-	53,738,603
Gold stream liability		-	30,262,279	30,262,279
Lease liabilities		18,274,374	-	18,274,374
Total liabilities	**$**	**105,297,678**	**37,369,258**	**142,666,936**

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 will be impacted by changes in market interest rates as the Group’s secured loans from the AFC incurs Interest at LIBOR plus 9% (Refer to Note 12). The Group's management monitors the interest rate fluctuations on a continuous basis and assesses the impact of interest rate fluctuations on the Group’s cash position and acts to ensure that sufficient cash reserves are maintained in order to meet interest payment obligations.

In United States dollars, except where noted (unaudited)

21. FINANCIAL INSTRUMENTS (continued)

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%
September 30, 2022				
Comprehensive income (loss)				
Financial assets and liabilities	$	355,413	$	(355,413)
December 31, 2021				
Comprehensive income (loss)				
Financial assets and liabilities	$	413,600	$	(413,600)

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 September 30, 2022, and December 31, 2021, were as follows:

		September 30, 2022		December 31, 2021
Cash	$	2,459,709	$	1,276,270
Restricted cash		-		3,495,992
Amounts receivable		466,575		237,651
Total	**$**	**2,926,284**	**$**	**5,009,913**

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.

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 United States dollars, except where noted (unaudited)

21. FINANCIAL INSTRUMENTS (continued)

Liquidity and funding risk (continued)

The following table summarizes the Company's significant remaining contractual maturities for financial liabilities at September 30, 2022, and December 31, 2021.

Contractual maturity analysis as at September 30, 2022

	Less than 3 months $	3 – 12 Months $	1 – 5 Year $	Longer than 5 years $	Total $
Accounts payable and accrued liabilities	46,182,842	2,487,512	-	-	48,670,354
Gold Stream Liability	2,383,071	9,891,530	14,391,563	-	26,666,164
Loans and borrowings	95,137	3,352,188	27,268,843	-	30,716,168
	48,661,050	**15,731,230**	**41,660,406**	**-**	**106,052,686**

Contractual maturity analysis as at December 31, 2021

	Less than 3 months $	3 – 12 Months $	1 – 5 Year $	Longer than 5 years $	Total $
Accounts payable and accrued liabilities	33,959,553	4,862,676	1,952,408	-	32,581,480
Gold Stream Liability	2,237,631	10,614,896	33,955,921		46,808,448
Loans and borrowings	1,984,714	26,031,054	32,400,920	-	60,416,688
	38,181,898	**41,508,625**	**68,309,249**	**-**	**147,999,772**

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.

21. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

The Group's loan facilities, certain exploration expenditures, certain acquisition costs and operating expenses are denominated in United States Dollars, Nigerian Naira, and UK Pounds Sterling. The Group's exposure to foreign currency risk arises primarily on fluctuations between the United States Dollar and the Canadian Dollar, Nigerian Naira, and UK Pounds Sterling. The Group has not entered into any derivative instruments to manage foreign exchange fluctuations. The Group does enter into foreign exchange agreements during the ordinary course of operations in order to ensure that it has sufficient funds in order to meet payment obligations in individual currencies. These agreements are entered in to at agreed rates and are not subject to exchange rate fluctuations between agreement and settlement dates.

The following table shows a currency of net monetary assets and liabilities by functional currency of the underlying companies for the period ended September 30, 2022:

	Functional currency			
	US dollar	Pound Sterling	West African Franc	Total
Currency of net monetary asset/(liability)	September 30, 2022 USD$	September 30, 2022 USD$	September 30, 2022 USD$	September 30, 2022 USD$
Canadian dollar	83,645	-	-	83,645
US dollar	(111,902,618)	-	-	(111,902,618)
Pound Sterling	(503,809)	(394,471)	-	(898,280)
Nigerian Naira	(6,687,407)	0	-	(6,687,407)
West African Franc	-	-	(16,315)	(16,315)
Australian dollar	-	-	-	-
Total	(121,835,298)	(3,946)	(31,079)	(119,420,975)

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, 2021:

	Functional currency					
	Canadian dollar	US dollar	Pound Sterling	Nigerian Naira	West African Franc	Total
Currency of net monetary asset/(liability)	December 31, 2021 USD$	December 31, 2021 USD$	December 31, 2021 USD$	December 31, 2021 USD$	December 31, 2021 USD$	December 31, 2021 USD$
Canadian dollar	(484,067)	-	-	-	-	(484,067)
US dollar	(190,391)	-	-	(132,585,040)	-	(132,775,431)
Pound Sterling	(361,244)	-	-	(80,926)	-	(442,170)
Nigerian Naira	-	-	-	(3,910,833)	-	(3,910,833)
West African Franc	-	-	-	-	11,481	11,481
Australian dollar	(36,626)	-	-	(19,377)	-	(56,003)
Total	(1,072,328)	-	-	(136,596,176)	11,481	(137,657,023)

In United States dollars, except where noted (unaudited)

21. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

The following table discusses the Company's sensitivity to a 5% increase or decrease in the United States Dollar against the Nigerian Naira:

September 30, 2022		United States Dollar Appreciation By 5%		United States Dollar Depreciation By 5%
Comprehensive income (loss)				
Financial assets and liabilities	$	318,448	$	(351,969)
December 31, 2021				
Comprehensive income (loss)				
Financial assets and liabilities	$	194,000	$	(194,000)

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 made additional drawdowns from secured loan facilities in order to advance construction of the Segilola Gold Mine.

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. CONTRACTUAL COMMITMENTS AND CONTINGENT LIABILITIES

Contractual Commitments

The Group has no contractual obligation that are not disclosed on the Consolidated Statement of Financial Position.

Contingent liabilities

As part of the nature of its business the Group on occasion receives claims from parties. A number of such claims do exist, but these are assessed robustly by the Group and its legal advisers and will be strongly rebutted where claims are considered to be spurious.

In United States 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 period. The segment assets, liabilities and results are as follows:

September 30, 2022		**Segilola Mine Project**		**Exploration Projects**		**Corporate**		**Total**
Current assets	$	**17,025,397**	$	**69,258**	$	**704,400**	$	**17,799,055**
Non-current assets								
Deferred income tax assets		-		74,753		0		74,753
Prepaid expenses and deposit		55,818		-		185,049		240,867
Right-of-use assets		16,543,290		-		599,836		17,143,126
Property, plant and equipment		143,858,367		343,259		87,415		144,289,041
Intangible assets		127,414		15,046,257		-		15,173,671
Total assets	**$**	**177,610,286**	**$**	**15,533,527**	**$**	**1,576,700**	**$**	**194,720,513**
Non-current asset additions	**$**	**18,595,008**	**$**	**2,155,454**	**$**	**99,903**	**$**	**20,850,365**
Liabilities	**$**	**(126,183,874)**	**$**	**(26,892)**	**$**	**(1,489,686)**	**$**	**(127,700,452)**
Profit (loss) for the period	**$**	**13,958,461**	**$**	**(167,180)**	**$**	**(3,360,114)**	**$**	**10,431,167**
- consulting fees		(1,252,430)		(84,803)		(470,864)		(1,808,097)
- salaries and benefits		(216,564)		-		(899,885)		(1,116,449)
- depreciation owned assets		(15,913,326)		(6,617)		(3,706)		(15,923,649)
- impairments		-		(9,581)		-		(9,581)

Non-current assets by geographical location:

September 30, 2022	**Senegal**	**Burkina Faso**	**British Virgin Islands**	**Nigeria**	**Canada**	**Total**
Prepaid expenses and deposit	-	-	8,428	47,390	185,049	-
Right-of-use assets	-	-	-	16,543,290	599,836	-
Property, plant and equipment	155,780	-	-	144,045,845	81,303	6,113
Intangible assets	14,323,198	-	-	850,473	-	-
Total non-current assets	14,478,978	-	8,428	161,486,998	866,188	6,113

In United States dollars, except where noted (unaudited)

24. SEGMENTED DISCLOSURES (continued)

December 31, 2021		Segilola Mine Project		Exploration Projects		Corporate		Total
Current assets	$	**23,245,206**	$	**76,104**	$	**422,026**	$	**23,743,336**
Non-current assets								
Deferred income tax assets		-		86,795		-		86,795
Prepaid expenses and deposit		87,223		-		18,460		105,683
Right-of-use assets		20,843,612		-		-		20,843,612
Property, plant and equipment		146,914,353		455,339		2,964		147,373,656
Intangible assets		224,808		15,120,611		-		15,345,419
Total assets	**$**	**191,315,202**	**$**	**15,739,849**	**$**	**443,450**	**$**	**207,498,501**
Non-current asset additions	**$**	**71,990,597**	**$**	**3,999,195**	**$**	**3,661**	**$**	**75,993,453**
Liabilities	**$**	**(146,558,941)**	**$**	**(43,436)**	**$**	**(1,302,735)**	**$**	**(147,905,112)**
Profit (loss) for the year	**$**	**1,975,712**	**$**	**(261,559)**	**$**	**(3,783,350)**	**$**	**(2,069,197)**
- consulting fees		(8,096)		(148,781)		(194,086)		(350,963)
- salaries and benefits		(256,228)		-		(1,029,378)		(1,285,606)
- depreciation owned assets		(59,611)		(4,249)		(1,158)		(65,018)
- impairments		-		(99,059)		-		(99,059)

Non-current assets by geographical location:

December 31, 2021	Senegal	Burkina Faso	British Virgin Islands	Nigeria	Canada	Total
Prepaid expenses and deposit	-	-	12,623	74,686	18,374	105,683
Right-of-use assets	-	-	-	20,843,612	-	20,843,612
Property, plant and equipment	201,264	-	-	147,168,374	4,018	147,373,656
Intangible assets	14,529,771	-	-	815,648	-	15,345,419
Total non-current assets	14,731,035	-	12,623	168,902,320	22,392	183,668,370

25. SUBSEQUENT EVENTS

There are no material subsequent events to report.