



**THOR** EXPLORATIONS LTD



Condensed Interim Consolidated Financial Statements  
for the Three Months Ended March 31, 2023 & 2022

(in US Dollars)



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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 interim consolidated 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 interim consolidated 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 interim consolidated financial statements by an entity's auditor.**



## CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In United States dollars (unaudited)

Note	March 31, 2023 \$	December 31, 2022 \$	March 31, 2022 \$ (restated)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	4,505,071	6,688,037	6,276,376
Inventory	4 25,080,808	19,901,262	16,534,943
Amounts receivable	5 240,009	220,442	191,876
Prepaid expenses, advances and deposits	6 8,221,563	10,476,923	918,219
<b>Total current assets</b>	<b>38,047,451</b>	<b>37,286,664</b>	<b>23,921,414</b>
<b>Non-current assets</b>			
Deferred income tax assets	89,061	87,797	84,794
Prepaid expenses, advances and deposits	6 244,331	282,825	103,790
Right-of-use assets	7 15,667,650	16,849,402	19,707,915
Property, plant and equipment	12 148,063,401	149,513,917	149,421,654
Intangible assets	13 20,718,491	19,231,208	15,773,637
<b>Total non-current assets</b>	<b>184,782,934</b>	<b>185,965,149</b>	<b>185,091,790</b>
<b>TOTAL ASSETS</b>	<b>222,830,385</b>	<b>223,251,813</b>	<b>209,013,204</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	14 60,555,348	56,337,289	31,834,095
Deferred income	-	6,581,743	6,233,347
Lease liabilities	7 4,815,512	4,811,991	4,854,714
Gold stream liability	8 9,979,413	10,187,630	12,889,957
Loans and borrowings	9 11,790,796	888,141	28,441,348
<b>Total current liabilities</b>	<b>87,141,069</b>	<b>78,806,794</b>	<b>84,253,461</b>
<b>Non-current liabilities</b>			
Accounts payable and accrued liabilities	14 -	-	1,031,309
Lease liabilities	7 9,649,679	10,597,294	12,587,430
Gold stream liability	8 13,528,574	14,852,135	16,860,524
Loans and borrowings	9 16,191,684	27,254,513	25,733,198
Provisions	11 4,971,736	4,959,638	5,341,369
<b>Total non-current liabilities</b>	<b>44,341,673</b>	<b>57,663,580</b>	<b>61,553,830</b>
<b>SHAREHOLDERS' EQUITY</b>			
Common shares	15 80,439,693	80,439,693	79,949,297
Option reserve	15 3,351,133	3,351,133	3,455,454
Currency translation reserve	15 (2,278,054)	(2,512,911)	(3,690,038)
Retained earnings/(deficit)	15 9,834,871	5,503,524	(16,508,800)
<b>Total shareholders' equity</b>	<b>91,347,643</b>	<b>86,781,439</b>	<b>63,205,913</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>222,830,385</b>	<b>223,251,813</b>	<b>209,013,204</b>

These condensed interim consolidated financial statements were approved for issue by the Board of Directors on May 29, 2023, and are signed on its behalf by:

(Signed) "Adrian Coates"  
Director

(Signed) "Olusegun Lawson"  
Director

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

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS**  
FOR THE THREE MONTHS ENDED MARCH 31,

In United States dollars (unaudited)

	Note	2023 \$	2022 \$
<b>Continuing operations</b>			<b>(restated)</b>
<b>Revenue</b>	3	<b>40,287,830</b>	24,865,482
Production costs	3	(18,306,502)	(8,219,530)
Transportation and refining	3	(342,291)	(502,222)
Royalties	3	(768,282)	(550,765)
Amortization and depreciation of operational assets - owned assets	3	(6,893,372)	(4,732,780)
Amortization and depreciation of operational assets - right of use assets	3	(1,159,537)	(1,158,255)
<b>Cost of sales</b>		<b>(27,469,984)</b>	(15,163,552)
Loss on forward sale of commodity contracts		(750,482)	(294,922)
<b>Gross profit from operations</b>		<b>12,067,364</b>	9,407,008
Amortization and depreciation - owned assets	3	(272,151)	(271,837)
Amortization and depreciation - right of use assets	3	(35,050)	-
Other administration expenses	3	(4,054,939)	(1,883,401)
Impairment of Exploration & Evaluation assets	13	(3,096)	(2,701)
<b>Profit from operations</b>		<b>7,702,128</b>	7,249,069
Interest expense		(3,370,781)	(3,758,131)
<b>Net profit before income taxes</b>		<b>4,331,347</b>	3,490,938
Income Tax		-	-
<b>Net profit for the period</b>		<b>4,331,347</b>	3,490,938
Attributable to:			
Equity shareholders of the Company		4,331,347	3,490,938
<b>Net profit for the period</b>		<b>4,331,347</b>	3,490,938
<b>Other comprehensive profit</b>			
Foreign currency translation profit (loss) attributed to equity shareholders of the company		234,857	(800,528)
<b>Total comprehensive income profit for the period</b>		<b>4,566,204</b>	2,690,410
<b>Net profit per share</b>			
<b>Basic</b>	16	\$ 0.007	\$ 0.005
<b>Diluted</b>	16	\$ 0.007	\$ 0.005

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

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31,

In United States dollars (unaudited)

	Note	2023	2022 (restated)
<b>Cash flows from/(used in):</b>			
<b>Operating</b>			
Net profit		\$ 4,331,347	3,490,938
Adjustments for:			
Impairment of unproven mineral interest	13	3,096	2,701
Amortization and depreciation	3	8,360,110	5,004,617
Loss on forward sale commodity contracts		750,482	294,923
Unrealized Foreign exchange (gains)/losses	3	(3,800,994)	865,075
Interest expense		3,370,781	3,752,766
		13,014,822	13,411,020
Changes in non-cash working capital accounts			
Inventory		(5,179,546)	41,150
Receivables		(19,567)	(340,269)
Current prepaid expenses, advances and deposits		2,223,366	-
Non-current prepaid expenses, advances and deposits		38,494	-
Accounts payable and accrued liabilities		15,718,522	(5,663,278)
Deferred income		(6,581,743)	6,204,508
<b>Net cash flows from operating activities</b>		<b>19,214,348</b>	<b>13,653,131</b>
<b>Investing</b>			
Restricted cash		-	3,495,992
Purchase of intangible assets	13	(6,733)	(169)
Assets under construction expenditures	12	-	-
Property, Plant & Equipment	12	(14,453,933)	(10,556,466)
Exploration & Evaluation assets expenditures	13	(1,054,802)	(1,022,773)
<b>Net cash flows used in investing activities</b>		<b>(15,515,468)</b>	<b>(8,083,416)</b>
<b>Financing</b>			
Share subscriptions received	15	-	919,162
(Repayment of) / Proceeds from loans and borrowings	10	(3,533,772)	(230,446)
Arrangement fees paid		(126,874)	-
Interest paid	10	(1,059,954)	(1,214,587)
Payment of lease liabilities	7	(1,255,729)	(1,213,678)
<b>Net cash flows (used in)/from financing activities</b>		<b>(5,976,329)</b>	<b>(1,739,549)</b>
Effect of exchange rates on cash		94,483	1,169,940
<b>Net change in cash</b>		<b>\$ (2,182,966)</b>	<b>5,000,106</b>
<b>Cash, beginning of the period</b>		<b>\$ 6,688,037</b>	<b>1,276,270</b>
<b>Cash, end of the period</b>		<b>\$ 4,505,071</b>	<b>6,276,376</b>

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

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

In United States dollars (unaudited)

	Note	Common shares	Option reserve	Currency translation reserve	(Deficit)/ Retained earnings	Total shareholders' equity
<b>Balance on December 31, 2021</b>		<b>\$ 79,027,183</b>	<b>\$ 4,513,900</b>	<b>\$ (2,889,510)</b>	<b>\$ (21,058,184)</b>	<b>\$ 59,593,389</b>
Net profit for the period		-	-	-	3,490,938	3,490,938
Other comprehensive loss		-	-	(800,528)	-	(800,528)
<b>Total comprehensive profit for the period</b>		<b>-</b>	<b>-</b>	<b>(800,528)</b>	<b>3,490,938</b>	<b>2,690,410</b>
Options exercised	19	922,114	(1,058,446)	-	1,058,446	922,114
<b>Balance on March 31, 2022 (restated)</b>		<b>\$ 79,949,297</b>	<b>\$ 3,455,454</b>	<b>\$ (3,690,038)</b>	<b>\$ (16,508,800)</b>	<b>\$ 63,205,913</b>
<b>Balance on December 31, 2022</b>		<b>\$ 80,439,693</b>	<b>\$ 3,351,133</b>	<b>\$ (2,512,911)</b>	<b>\$ 5,503,524</b>	<b>\$ 86,781,439</b>
Net profit for the period		-	-	-	4,331,347	4,331,347
Other comprehensive income		-	-	234,857	-	234,857
<b>Total comprehensive profit for the period</b>		<b>-</b>	<b>-</b>	<b>234,857</b>	<b>4,331,347</b>	<b>4,566,204</b>
<b>Balance on March 31, 2023</b>		<b>\$ 80,439,693</b>	<b>\$ 3,351,133</b>	<b>\$ (2,278,054)</b>	<b>\$ 9,834,871</b>	<b>\$ 91,347,643</b>

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



## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31,

In United States dollars, except where noted

### 1. CORPORATE INFORMATION

Thor Explorations Ltd. (the “Company”), together with its subsidiaries (collectively, “Thor” or the “Group”) is a West African focused gold producer and explorer, dually listed on the TSX-Venture Exchange (THX.V) and AIM Market of the London Stock Exchange (THX.L).

The Company was formed in 1968 and is organized under the Business Corporations Act (British Columbia) (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 condensed interim consolidated financial statements ("interim financial statements") have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, of International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

These interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2022, which have been prepared in accordance with IFRS.

These interim financial statements were authorized for issue by the Board of Directors on May 29, 2023.

#### b) Basis of measurement

These interim financial statements are presented in United States dollars (“US\$”).

These interim financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period.

The Group’s accounting policies have been applied consistently to all periods in the preparation of these interim financial statements. In preparing the Group's interim financial statements for the three months ended March 31, 2023, the Group applied the critical judgments and estimates as disclosed in note 3 of its annual financial statements for the year ended December 31, 2022.

These interim financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company, which is defined as having the power over the entity, rights to variable returns from its involvement with the entity, and the ability to use its power to affect the amount of returns. All intercompany transactions and balances are eliminated on consolidation. The Company's subsidiaries at March 31, 2023 are consistent with the subsidiaries as at December 31, 2022 as disclosed in note 3 to the annual financial statements.

None of the new standards or amendments to standards and interpretations applicable during the period has had a material impact on the financial position or performance of the Group. The Group has not early adopted any standard, interpretation or amendment that was issued but is not yet effective.

## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS (continued)

FOR THE THREE MONTHS ENDED MARCH 31,

In United States dollars, except where noted

### c) Nature of operations and going concern

The Board of Directors have performed an assessment of whether the Company and Group would be able to continue as a going concern until at least May 2024. In their assessment, the Group has taken into account its financial position, expected future trading performance, its debt and other available credit facilities, future debt servicing requirements, its working capital and capital expenditure commitments and forecasts.

At March 31, 2023, the Group had a cash position of \$4.5 million and a net debt position of \$24.9 million, calculated as total debt adjusted for unamortized deferred financing charges less cash and cash equivalents and short-term investments. Cash flows from operating activities for the three months ended March 31, 2023 were inflows of \$19.2 million.

The Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for at least the next twelve months and that, as at the date of this report, there are no material uncertainties regarding going concern

The Board of Directors is satisfied that the going concern basis of accounting is an appropriate assumption to adopt in the preparation of the interim financial statements as at, and for the period ended March 31, 2023.

## 3. PROFIT FROM OPERATIONS

### 3a. REVENUE

	Three Months Ended March 31,	
	2023	2022
Gold revenue	40,244,057	24,849,962
Silver revenue	43,773	15,520
	\$ 40,287,830	\$ 24,865,482

The Groups revenue is generated in Nigeria. All sales are made to the Groups only customer.

### 3b. COST OF SALES

	Three Months Ended March 31,	
	2023	2022
Mining	20,037,387	7,698,414
Processing	4,108,785	926,517
Support services and others	1,405,062	1,778,410
Foreign exchange (gains)/losses on production costs*	(7,244,732)	(2,183,811)
<b>Production costs</b>	<b>\$ 18,306,502</b>	<b>\$ 8,219,530</b>
Transportation and refining	342,291	502,222
Royalties	768,282	550,765
Amortization and depreciation - operational assets - owned assets	6,893,372	4,732,780
Amortization and depreciation - operational assets - right of use assets	1,159,537	1,158,255
<b>Cost of sales</b>	<b>27,469,984</b>	<b>15,163,552</b>

The total foreign exchange gain for the current period was \$7,244,732, which comprises of realized foreign exchange gains of \$3,443,738 and unrealized foreign exchange gains of \$3,800,994. During the period, SROL purchased its local currency on a spot basis. The foreign exchange gains and losses from these trades are generated from the differences between the local currency values achieved on the trades versus the currency translation rate at the time of the trade.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS (continued)**  
FOR THE THREE MONTHS ENDED MARCH 31,

In United States dollars, except where noted

**3c. AMORTISATION AND DEPRECIATION**

	Three Months Ended March 31,	
	2023	2022
Amortization and depreciation - operational assets - owned assets	6,893,372	4,732,780
Amortization and depreciation - operational assets - right of use assets	1,159,537	1,158,255
Amortization and depreciation — owned assets	272,151	271,837
Amortization and depreciation — right-of-use assets	35,050	-
	<b>\$ 8,360,110</b>	<b>\$ 6,162,872</b>

**3d. OTHER ADMINISTRATION EXPENSES**

	Note	Three Months Ended March 31,	
		2023	2022
Audit and legal		150,806	47,173
Bank charges		93,476	29,974
Consulting fees		503,400	324,354
Directors' fees	17	137,472	90,328
Investor relations and transfer agent		126,887	111,226
Listing and filing fees		12,186	5,556
Camp costs		1,356,729	418,047
Office and miscellaneous		765,226	364,203
Salaries and benefits		693,299	325,986
Travel		215,458	166,554
		<b>\$ 4,054,939</b>	<b>\$ 1,883,401</b>

**4. INVENTORY**

	March 31, 2023	December 31, 2022
Plant spares and consumables	\$ 9,146,279	\$ 4,751,922
Gold ore in stockpile	12,479,805	11,869,168
Gold in CIL	3,454,724	1,614,267
Gold Dore	-	2,119,935
	<b>\$ 25,080,808</b>	<b>\$ 19,901,262</b>

There were no write downs to reduce the carrying value of inventories to net realizable value during the periods ended March 31, 2023 and 2022.

**5. AMOUNTS RECEIVABLE**

	March 31, 2023	December 31, 2022
Accounts receivable	\$ 60,569	\$ 67,084
GST	1,673	993
Other receivables	177,767	152,365
	<b>\$ 240,009</b>	<b>\$ 220,442</b>

The value of receivables recorded on the balance sheet is approximate to their recoverable value and there are no expected material credit losses.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS (continued)**  
FOR THE THREE MONTHS ENDED MARCH 31,

In United States dollars, except where noted

**6. PREPAID EXPENSES, ADVANCES AND DEPOSITS**

	March 31, 2023	December 31, 2022
Current:		
Gold Stream liability arrangement fees	33,186	33,186
Advance deposits to vendors	163,012	9,625,204
Other prepayments	8,025,365	818,533
	<b>\$ 8,221,563</b>	10,476,923
Non-current:		
Gold Stream liability arrangement fees	-	74,667
Other prepayments	244,331	208,158
	<b>\$ 244,331</b>	282,825

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.

**7. 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 recognize 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 periods ended March 31, 2023 and 2022.

Leases relate principally to corporate offices and the mining fleet at the Segilola mine. Corporate offices are depreciated over 5 years and mining fleet over the life of mine of Segilola.

The key impacts on the Statement of Comprehensive Income and the Statement of Financial Position for the period ended March 31, 2023, were as follows:

	Right of use asset	Lease liability	Income statement
Carrying value December 31, 2022	\$ 16,849,402	\$ (15,409,285)	\$
New leases entered in to during the period	-	-	-
Depreciation	(1,194,587)	-	(1,194,587)
Interest	-	(298,438)	(298,438)
Lease payments	-	1,255,729	-
Foreign exchange movement	12,835	(13,197)	(13,197)
Carrying value at March 31, 2023	\$ 15,667,650	\$ (14,465,191)	\$ (1,506,222)
Current liability		(4,815,512)	
Non-current liability		(9,649,679)	

## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS (continued)

FOR THE THREE MONTHS ENDED MARCH 31,

In United States dollars, except where noted

The key impacts on the Statement of Comprehensive Loss and the Statement of Financial Position for the year ended December 31, 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	660,064	(660,064)	-
Depreciation	(4,724,100)	-	(4,724,100)
Interest	-	(1,052,329)	(1,052,329)
Lease payments	-	4,882,786	-
Foreign exchange movement	69,826	(305,304)	(305,304)
Carrying value at December 31, 2022	\$ 16,849,402	\$ (15,409,285)	\$ (6,081,733)
Current liability		(4,811,991)	
Non-current liability		(10,597,294)	

## 8. GOLD STREAM LIABILITY

### Gold stream liability

	March 31, 2023	December 31, 2022
Balance at Beginning of period	\$ 25,039,765	\$ 30,262,279
Repayments	(2,940,730)	(11,534,441)
Interest at the effective interest rate	1,408,952	6,311,927
<b>Balance at End of period</b>	<b>\$ 23,507,987</b>	<b>\$ 25,039,765</b>
Current liability	9,979,413	10,187,630
Non-current liability	13,528,574	14,852,135

On April 29, 2020, the Group 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 into between the Group'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 the 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

## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS (continued)

FOR THE THREE MONTHS ENDED MARCH 31,

In United States dollars, except where noted

extension to the life of mine plan and movement in the gold price. Upon commencement of production, any change to the implied interest rate will be expensed through the Condensed Interim Consolidated Statement of Income (Loss).

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.

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	\$ -	-	23,507,987	23,507,987

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

### 9. LOANS AND BORROWINGS

	March 31, 2023	December 31, 2022
Current liabilities:		
Loans payable to the Africa Finance Corporation less than 1 year	\$ 10,828,365	\$ 356,155
Deferred element of EPC contract	962,431	531,986
	\$ 11,790,796	888,141
Non-current liabilities:		
Loans payable to the Africa Finance Corporation more than 1 year	\$ 13,429,381	\$ 24,103,784
Deferred element of EPC contract	2,762,303	3,150,729
	\$ 16,191,684	\$ 27,254,513

#### Loans from the Africa Finance Corporation

	March 31, 2023	December 31, 2022
Balance at Beginning of period	\$ 24,459,939	\$ 46,859,966
Drawdown	-	-
Principal repayments	(526,538)	(24,220,764)
Arrangement fees	(126,874)	-
Interest paid	(986,800)	(4,645,014)
Unwinding of interest in the period	1,438,019	6,465,751
Foreign exchange movement	-	-
<b>Balance at End of period</b>	<b>\$ 24,257,746</b>	<b>\$ 24,459,939</b>
Current liability	10,828,365	356,155
Non-current liability	13,429,381	24,103,784

On December 1, 2020, the Group 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 could be drawn down at the Group's request in minimum disbursements of \$5 million. As at December 31, 2022, SROL has received total disbursements of \$52.6 million (2021: \$52.6 million), with \$nil drawn down in 2022 (2021: \$31.2 million) and the remaining \$1.35m undrawn facility cancelled by the Group during the period under review (2021: \$nil). Total disbursements received represent 97% of the

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS (continued)**  
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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.

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 SOFR plus 9% and is 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 at inception was determined at \$45,822,943 taking into account the transaction costs and equity component and recognized at amortized cost using an effective rate of interest, with the fair value of the shares issued in April 2020 of \$5,666,011 recognized within equity.

On 31 January 2023, the Group entered into an agreement with the AFC amending the terms of its senior debt facility.

The amended facility removes the project finance cash sweep requirement and allows for free distributions from SROL (subject to a 20% distribution sweep to the senior debt facility), as well as releasing the Group from restrictions regarding acquisitions, distribution of dividends and certain indebtedness covenants. The payment timetable was also re-scheduled to reallocate a higher percentage of the repayments to a later period in the Facility's term.

Deferred payment facility on EPC contract for the construction of the Segilola Gold Mine

The Group has constructed its Segilola Gold Mine through an engineering, procurement, and construction contract ("EPC Contract"). 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 March 31, 2023, a total of \$2,762,303 (December 31, 2022: \$3,682,715) 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 commenced in March 2022 and will 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 was issued.

	March 31, 2023	December 31, 2022
Balance at beginning of period	\$ 3,682,715	\$ 6,210,090
Offset against EPC payment	-	440,263
Principal repayments	(66,504)	(3,440,449)
Interest paid	(73,154)	-
Unwinding of interest in the period	181,677	472,811
<b>Balance period end</b>	<b>\$ 3,724,734</b>	<b>\$ 3,682,715</b>
Current liability	962,431	531,986
Non-current liability	2,762,303	3,150,729

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS (continued)**  
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**10. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

<b>March 31, 2023</b>	<b>Gold stream liability</b>	<b>AFC loan</b>	<b>EPC deferred facility</b>	<b>Total</b>
January 1, 2023	\$ 25,039,765	24,459,939	3,682,715	53,182,419
Cash flows:				
(Repayment of) / Proceeds from loans and borrowings	(2,940,730)	(526,538)	(66,504)	(3,533,772)
Arrangement fees	-	(126,874)	-	(126,874)
Interest paid	-	(986,800)	(73,154)	(1,059,954)
Non-cash changes:				
Unwinding of interest in the year	1,408,952	1,438,019	181,677	3,028,648
March 31, 2023	\$ 23,507,987	24,257,746	3,724,734	51,490,467

<b>December 31, 2022</b>	<b>Gold stream liability</b>	<b>Short term advance</b>	<b>AFC loan</b>	<b>EPC deferred facility</b>	<b>Total</b>
January 1, 2022	\$ 30,262,279	668,570	46,859,966	6,210,090	84,000,905
Cash flows:					
(Repayment of) / Proceeds from loans and borrowings	(11,534,441)	(668,570)	(24,220,764)	(3,440,449)	(39,864,224)
Interest paid	-	-	(4,645,014)	-	(4,645,014)
Non-cash changes:					
Unwinding of interest in the year	6,311,927	-	6,465,751	472,811	13,250,489
Offset against EPC payment	-	-	-	440,263	440,263
December 31, 2022	\$ 25,039,765	-	24,459,939	3,682,715	53,182,419

**11. PROVISIONS**

<b>March 31, 2023</b>	<b>Other</b>	<b>Fleet demobilization costs</b>	<b>Restoration costs</b>	<b>Total</b>
Balance at Beginning of period	\$ 18,157	\$ 173,442	\$ 4,768,039	\$ 4,959,638
Initial recognition of provision	-	-	-	-
Changes in estimates	-	-	-	-
Unwinding of discount	-	-	11,701	11,701
Foreign exchange movements	397	-	-	397
<b>Balance at period end</b>	<b>\$ 18,554</b>	<b>\$ 173,442</b>	<b>\$ 4,779,740</b>	<b>\$ 4,971,736</b>
Current liability	-	-	-	-
Non-current liability	18,554	173,442	4,779,740	4,971,736

<b>December 31, 2022</b>	<b>Other</b>	<b>Fleet demobilization costs</b>	<b>Restoration costs</b>	<b>Total</b>
Balance at Beginning of period	\$ -	\$ 173,241	\$ 5,064,935	\$ 5,238,176
Initial recognition of provision	18,415	-	-	18,415
Changes in estimates	-	-	(404,859)	(404,859)
Unwinding of discount	-	201	107,963	108,164
Foreign exchange movements	(258)	-	-	(258)
<b>Balance at period end</b>	<b>\$ 18,157</b>	<b>\$ 173,442</b>	<b>\$ 4,768,039</b>	<b>\$ 4,959,638</b>
Current liability	-	-	-	-
Non-current liability	18,157	173,442	4,768,039	4,959,638



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The restoration costs provision is for the site restoration at Segilola Gold Project in Osun State Nigeria. The 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 US forecast inflation rates of 2.9% and the interest rate of 4% on 5-year US bonds were used to calculate the expected future cash flows, which are in line with the life of mine. 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.

## 12. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	Plant and machinery	Office furniture	Land	Decommissioning Asset	Processing Plant	Segilola Mine	Assets under construction	Total
<b>Costs</b>									
Balance, December 31, 2021	\$ 2,059,982	\$ 489,374	\$ 1,175,069	\$ 16,808	\$ 5,064,935	\$ -	\$ -	\$ 144,577,201	153,383,369
Transfers	-	-	-	-	-	60,687,651	83,889,550	(144,577,201)	-
Additions	148,862	5,649,341	668,936	-	-	7,459,467	8,946,765	1,884,352	24,757,723
Revisions to decommissioning assets	-	-	-	-	(404,859)	-	-	-	(404,859)
Disposals	-	-	-	-	-	-	-	-	-
Foreign exchange movement	(40,004)	(12,091)	(9,118)	-	-	-	-	-	(61,213)
Balance, December 31, 2022	\$ 2,168,840	\$ 6,126,624	\$ 1,834,887	\$ 16,808	\$ 4,660,076	\$ 68,147,118	\$ 92,836,315	\$ 1,884,352	\$ 177,675,020
Transfers	-	105,968	-	-	-	-	-	(105,968)	-
Additions	246,126	83,818	210,047	-	-	-	5,179,167	-	5,719,158
Disposals	-	-	-	-	-	-	-	-	-
Foreign exchange movement	1,127	3,343	31,333	-	-	-	-	-	35,803
Balance, March 31, 2023	\$ 2,416,093	\$ 6,319,753	\$ 2,076,267	\$ 16,808	\$ 4,660,076	\$ 68,147,118	\$ 98,015,482	\$ 1,778,384	\$ 183,429,981
<b>Accumulated depreciation and impairment losses</b>									
Balance, December 31, 2021	\$ 754,516	\$ 263,647	\$ 251,289	\$ -	\$ -	\$ -	\$ -	\$ -	1,269,452
Depreciation	457,259	354,275	306,542	-	952,322	10,247,764	14,603,113	-	26,921,275
Disposals	-	-	-	-	-	-	-	-	-
Foreign exchange movement	(14,966)	(11,780)	(2,878)	-	-	-	-	-	(29,624)
Balance, December 31, 2022	\$ 1,196,809	\$ 606,142	\$ 554,953	\$ -	\$ 952,322	\$ 10,247,764	\$ 14,603,113	\$ -	\$ 28,161,103
Depreciation	136,665	332,811	91,508	-	214,785	2,641,685	3,775,226	-	7,192,680
Disposals	-	-	-	-	-	-	-	-	-
Foreign exchange movement	(912)	3,066	10,643	-	-	-	-	-	12,797
Balance, March 31, 2023	\$ 1,332,562	\$ 942,019	\$ 657,104	\$ -	\$ 1,167,107	\$ 12,889,449	\$ 18,378,339	\$ -	\$ 35,366,580
<b>Carrying amounts</b>									
Balance, December 31, 2022	\$ 972,031	\$ 5,520,482	\$ 1,279,934	\$ 16,808	\$ 3,707,754	\$ 57,899,354	\$ 78,233,202	\$ 1,884,352	\$ 149,513,917
Balance, March 31, 2023	\$ 1,083,531	\$ 5,377,734	\$ 1,419,163	\$ 16,808	\$ 3,492,969	\$ 55,257,669	\$ 79,637,143	\$ 1,778,384	\$ 148,063,401

A summary of depreciation capitalized is as follows:

	Three months ended March 31,		Total depreciation Capitalized	
	2022	2021	December 31, 2022	December 31, 2022
Exploration expenditures	55,718	23,418	676,070	620,352
Total	\$ 55,718	\$ 23,418	\$ 676,070	\$ 620,352

### a) Segilola Project, Osun Nigeria:

#### *Classification of Expenditure on the Segilola Gold Project*

On January 1, 2022, the Group 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.

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*Decommissioning Asset*

The decommissioning asset relates to estimated restoration costs at the Group's Segilola Gold Mine as at March 31, 2023. Refer to Note 11 for further detail.

*EPC payments*

During the three-month period ended March 31, 2023, the Group paid \$8,732,752 (December 31, 2022: \$4,321,856) to the EPC contractor in relation to the construction of the Segilola Mine and processing plant.

**13. INTANGIBLE ASSETS**

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

	Douta Gold Project, Senegal	Central Hounde Project, Burkina Faso	Exploration licenses, Nigeria	Software	Total
<b>Balance, December 31, 2021</b>	<b>\$ 14,219,982</b>	<b>\$ -</b>	<b>\$ 895,301</b>	<b>\$ 230,136</b>	<b>\$ 15,345,419</b>
Acquisition costs	-	-	24,103	-	24,103
Exploration costs	3,745,803	12,014	1,693,863	-	5,451,680
Additions	-	-	-	43,599	43,599
Amortisation	-	-	-	(122,988)	(122,988)
Impairment	-	(12,014)	-	-	(12,014)
Foreign exchange movement	(1,427,912)	-	(70,679)	-	(1,498,591)
<b>Balance, December 31, 2022</b>	<b>\$ 16,537,873</b>	<b>\$ -</b>	<b>\$ 2,542,588</b>	<b>\$ 150,747</b>	<b>\$ 19,231,208</b>
Acquisition costs	-	-	-	-	-
Exploration costs	749,926	3,096	348,301	-	1,101,323
Additions	-	-	-	6,733	6,733
Amortisation	-	-	-	(28,561)	(28,561)
Impairment	-	(3,096)	-	-	(3,096)
Foreign exchange movement	263,121	-	147,763	-	410,884
<b>Balance, March 31, 2023</b>	<b>\$ 17,550,920</b>	<b>\$ -</b>	<b>\$ 3,038,652</b>	<b>\$ 128,919</b>	<b>\$ 20,718,491</b>

**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 Group is party to an option agreement (the "Option Agreement") with International Mining Company ("IMC"), by which the Group has acquired a 70% interest in the Douta Gold Project located in southeast Senegal held through African Star SARL.

Pursuant to the terms of the Option Agreement, IMC's 30% interest will be a "free carry" interest until such time as the Group 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.

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**b) Central Houndé Project, Burkina Faso:**

(i) Bongui and Legue gold permits, Burkina Faso:

AFC Constelor SARL holds a 100% interest in the Bongui and Legue gold permits covering an area of approximately 233 km<sup>2</sup> 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 holds a 100% interest in the Ouere gold permit, covering an area of approximately 241 km<sup>2</sup> located within the Houndé belt.

The three permits together cover a total area of 474km<sup>2</sup> over the Houndé Belt which form the Central Houndé Project.

The Group carried out an impairment assessment of the Central Houndé Project at December 31, 2020, and a decision was taken to fully impair the value of the Central Houndé Project. It is the Group'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.

**c) Exploration Licenses, Nigeria**

The high grade Segilola gold deposit is located on the major regional shear zone that extends for several hundred kilometers through the gold-bearing llesha schist belt (structural corridor) of Nigeria. The Group's gold exploration tenure currently comprises 16 wholly owned exploration licenses and nine joint venture partnership exploration licenses. Together with the mining lease over the Segilola Gold Deposit, Thor's total gold exploration tenure amounts to 1,542 km<sup>2</sup>. The Group's exploration strategy includes further expansion of its Nigerian land package as and when attractive new licenses become available.

**14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>March 31, 2023</b>	<b>December 31, 2022</b>
Trade payables	\$ 51,912,663	\$ 46,914,333
Accrued liabilities	6,273,782	6,213,977
Other payables	2,368,903	3,208,979
	<b>\$ 60,555,348</b>	<b>\$ 56,337,289</b>
Current liability	<b>60,555,348</b>	<b>56,337,289</b>
Non-current liability	-	

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

Included in trade payables is a balance of \$1,463,353 due to our EPC contractor (December 31, 2022: \$10,196,105). The total EPC amount has been finalized with our EPC contractor, and this balance has been paid at the date of release of these interim financial statements.

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Also included in trade payables is a total of \$805,801 (2021: \$\$2,215,585) that relates to third party royalties that will become payable upon future gold sales. All these royalties' creditors are included in current liabilities.

The following table represents the Group's trade payables measured and recognized at fair value.

	Level 1	Level 2	Level 3	Total
Trade payables	\$ -	-	805,801	805,801
Third party royalties				

## 15. CAPITAL AND RESERVES

### a) Authorized

Unlimited common shares without par value.

### b) Issued

	March 31, 2023 Number	March 31, 2023	December 31, 2022 Number	December 31, 2022
As at start of the year	644,696,185	\$ 80,439,693	632,358,009	\$ 79,027,183
Issue of new shares:				
- Share options exercised <sup>i</sup>	-	-	9,939,000	960,546
- RSU awards vested <sup>ii</sup>	-	-	2,399,176	451,964
	644,696,185	\$ 80,439,693	644,696,185	\$ 80,439,693

i Value of 9,250,000 options exercised at a price of CAD\$0.12 per share and 289,000 options exercised at a price of CAD\$0.145 per share, both on January 19, 2022, and 400,000 options exercised at a price of CAD\$0.145 per share on December 13, 2022.

ii Value of 2,399,176 RSU awards that were granted and vested on October 11, 2022, at a deemed price of CAD\$0.26 per share.

### c) Share-based compensation

#### Stock option plan

The Group has granted directors, officers and consultants share purchase options. These options were granted pursuant to the Group's stock option plan.

Under the current Share Option Plan, 44,900,000 common shares of the Group 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. 689,000 of these stock options were exercised during 2022.

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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	12/03/2018	0.21	2.00%	\$ 0.145	105.09%	\$0.14	12,111,000	12,111,000	15/06/2023
5	05/10/2018	0.52	2.43%	\$ 0.14	100.69%	\$0.14	750,000	750,000	05/10/2023
5	16/01/2020	1.80	1.49%	\$ 0.20	66.84%	\$0.07	14,250,000	14,250,000	16/01/2025

In Canadian Dollars

The Group 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 Group has undergone since the acquisition of the Segilola Gold Project in August 2016, the Group's historical share price is not reflective of the current stage of development of the Group, 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.

The following is a summary of changes in options from January 1, 2023, to March 31, 2023, and the outstanding and exercisable options at March 31, 2023:

Grant Date	Expiry Date	Exercise Price	Contractual Lives Remaining (Years)	January 1, 2023 Opening Balance	During the year			March 31, 2023 Closing Balance	March 31, 2023 Number of Options		
					Granted	Expired / Forfeited	Exercised		Vested and Exercisable	Unvested	
12-Mar-2018	15-Jun-2023	\$0.145	0.21	12,111,000	-	-	-	12,111,000	12,111,000	-	
5-Oct-2018	5-Oct-2023	\$0.14	0.52	750,000	-	-	-	750,000	750,000	-	
16-Jan-2020	16-Jan-2025	\$0.20	1.80	14,040,000	-	-	-	14,040,000	14,040,000	-	
<b>Totals</b>				<b>1.05</b>	<b>26,901,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,901,000</b>	<b>26,901,000</b>	<b>-</b>
<b>Weighted Average Exercise Price</b>					<b>\$0.174</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$0.174</b>	<b>\$0.174</b>	<b>-</b>

In Canadian Dollars

The following is a summary of changes in options from January 1, 2022, to December 31, 2022, and the outstanding and exercisable options at December 31, 2022:

Grant Date	Expiry Date	Exercise Price	Contractual Lives Remaining (Years)	January 1, 2022 Opening Balance	During the year			December 31, 2022 Closing Balance	December 31, 2022 Number of Options		
					Granted	Expired / Forfeited	Exercised		Vested and Exercisable	Unvested	
16-Jan-2017	16-Jan-2022	\$0.12	-	9,250,000	-	(9,250,000)	-	-	-	-	
12-Mar-2018	12-Mar-2023	\$0.145	0.19	12,800,000	-	(689,000)	-	12,111,000	12,111,000	-	
5-Oct-2018	5-Oct-2023	\$0.14	0.76	750,000	-	-	-	750,000	750,000	-	
16-Jan-2020	16-Jan-2025	\$0.20	2.05	14,040,000	-	-	-	14,040,000	14,040,000	-	
<b>Totals</b>				<b>1.18</b>	<b>36,840,000</b>	<b>-</b>	<b>(9,939,000)</b>	<b>-</b>	<b>26,901,000</b>	<b>26,901,000</b>	<b>-</b>
<b>Weighted Average Exercise Price</b>					<b>\$0.160</b>	<b>\$0.000</b>	<b>\$0.122</b>	<b>-</b>	<b>\$0.174</b>	<b>\$0.174</b>	<b>-</b>

In Canadian Dollars

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**d) Nature and purpose of equity and reserves**

The reserves recorded in equity on the Group's statement of financial position include 'Reserves,' 'Currency translation reserve,' 'Retained earnings' 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 US dollars.

'Deficit' is used to record the Group's accumulated deficit.

'Retained earnings' is used to record the Group's accumulated earnings.

	March 31, 2023	March 31, 2022
<b>Basic weighted average number of shares outstanding</b>	<b>644,696,185</b>	<b>635,508,743</b>
Stock options	10,747,624	-
<b>Diluted weighted average number of shares outstanding</b>	<b>655,443,809</b>	<b>635,508,743</b>
<b>Total common shares outstanding</b>	<b>644,696,185</b>	<b>641,897,009</b>
<b>Total potential diluted common shares</b>	<b>671,597,185</b>	<b>669,198,009</b>

**17. 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 8, and the secured loan as disclosed in Note 9.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS (continued)**  
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**b) Compensation of key management personnel**

The remuneration of directors and other members of key management during the three months ended March 31, 2023, and 2022 were as follows:

			<b>Three months ended March 31,</b>	
			<b>2023</b>	<b>2022</b>
<b>Salaries</b>				
Current directors and officers	(i) (ii)	\$	<b>236,662</b>	\$ 161,487
Former directors and officers		\$	-	\$ 36,818
<b>Directors' fees</b>				
Current directors and officers	(i) (ii)	\$	<b>137,472</b>	\$ 90,328
			<b>\$ 374,134</b>	<b>\$ 288,633</b>

- (i) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the three months ended March 31, 2023, and 2022.
- (ii) The Group paid consulting and director fees to both individuals and private companies controlled by directors and officers of the Group for services. Accounts payable and accrued liabilities at March 31, 2023, include \$nil (December 31, 2022 - \$102,092) due to directors or private companies controlled by an officer and director of the Group. Amounts due to or from related parties are unsecured, non-interest bearing and due on demand.

**18. FINANCIAL INSTRUMENTS**

The Group's financial instruments are classified as follows:

<b>March 31, 2023</b>		Measured at amortized cost	Measured at fair value through profit and loss	Total
<b>Assets</b>				
Cash and cash equivalents	\$	4,505,071	-	4,505,071
Amounts receivable		240,009	-	240,009
<b>Total assets</b>	<b>\$</b>	<b>4,745,080</b>	<b>-</b>	<b>4,745,080</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$	59,749,547	805,801	60,555,348
Loans and borrowings		27,982,480	-	27,982,480
Gold stream liability		-	23,507,987	23,507,987
Lease liabilities		14,465,191	-	14,465,191
<b>Total liabilities</b>	<b>\$</b>	<b>102,197,218</b>	<b>24,313,788</b>	<b>126,511,006</b>

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS (continued)**  
FOR THE THREE MONTHS ENDED MARCH 31,

In United States dollars, except where noted

<b>December 31, 2022</b>		Measured at amortized cost	Measured at fair value through profit and loss	Total
<b>Assets</b>				
Cash and cash equivalents	\$	6,688,037	-	6,688,037
Amounts receivable		220,442	-	220,442
<b>Total assets</b>	<b>\$</b>	<b>6,908,479</b>	<b>-</b>	<b>6,908,479</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$	54,121,704	2,215,585	56,337,289
Loans and borrowings		28,142,654	-	28,142,654
Gold stream liability		-	25,039,765	25,039,765
Lease liabilities		15,409,285	-	15,409,285
<b>Total liabilities</b>	<b>\$</b>	<b>97,673,643</b>	<b>27,255,350</b>	<b>124,928,993</b>

*The fair value of these financial instruments approximates their carrying value*

As noted above, the Group has certain financial liabilities that are held at fair value. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques to measure fair value:

Classification of financial assets and liabilities

- Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 — inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 — inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

As at March 31, 2023 and December 31, 2022, all the Group's liabilities measured at fair value through profit and loss are categorized as Level 3 and their fair value was determined using discounted cash flow valuation models, taking into account assumptions with respect to gold prices and discount rates as well as estimates with respect to production and operating results for the Segilola mine.

## 19. CAPITAL MANAGEMENT

The Group manages, as capital, the components of shareholders' equity. The Group'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.

The Group 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 Group may attempt to issue common shares, borrow, acquire or dispose of assets or adjust the amount of cash.



**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS (continued)**  
FOR THE THREE MONTHS ENDED MARCH 31,

In United States dollars, except where noted

**20. CONTRACTUAL COMMITMENTS AND CONTINGENT LIABILITIES**

*Contractual Commitments*

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

*Contingent liabilities*

The Group is involved in various legal proceedings arising in the ordinary course of business. Management has assessed these contingencies and determined that, in accordance with International Financial Reporting Standards, all cases are considered as remote. As a result, no provision has been made in the interim financial statements for any potential liabilities that may arise from these legal proceedings.

Although the Group believes that it has valid defenses in these matters, the outcome of these proceedings is uncertain, and there can be no assurance that the Group will prevail in these matters. The Group will continue to assess the likelihood of any loss, the range of potential outcomes, and whether or not a provision is necessary in the future, as new information becomes available.

Based on the information available, the Group does not believe that the outcome of these legal proceedings will have a material adverse effect on the financial position or results of operations of the Group. However, there can be no assurance that future developments will not materially affect the Group's financial position or results of operations.

**21. SEGMENTED DISCLOSURES**

*Segment Information*

The Group's operations comprise three reportable segments, being the Segilola Mine Project, Exploration Projects, and Corporate.

Three months ended March 31, 2023	Segilola Mine Project	Exploration Projects	Corporate	Total
<b>Profit(loss) for the period</b>	<b>\$ 4,662,903</b>	<b>\$ (163,572)</b>	<b>\$ (167,984)</b>	<b>\$ 4,331,347</b>
-revenue	40,287,830	-	-	40,287,830
-consulting fees	(331,033)	(117,869)	(54,497)	(503,400)
-salaries and benefits	(317,453)	-	(375,846)	(693,299)
-depreciation owned assets	(7,153,854)	(2,168)	(9,501)	(7,165,523)
-impairments	-	(3,096)	-	(3,096)
-interest expense	(3,370,781)	-	-	(3,370,781)

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS (continued)**  
FOR THE THREE MONTHS ENDED MARCH 31,

In United States dollars, except where noted

March 31, 2023	Segilola Mine Project	Exploration Projects	Corporate	Total
Current assets	\$ 36,084,549	\$ 42,251	\$ 1,920,651	\$ 38,047,451
<b>Non-current assets</b>				
Deferred income tax assets	-	89,061	-	89,061
Prepaid expenses, advances and deposits	33,186	-	211,145	244,331
Right-of-use assets	15,072,816	-	594,834	15,667,650
Property, plant and equipment	147,367,956	537,791	157,654	148,063,401
Intangible assets	128,919	20,589,572	-	20,718,491
<b>Total assets</b>	<b>\$ 198,687,426</b>	<b>\$ 21,258,675</b>	<b>\$ 2,884,284</b>	<b>\$ 222,830,385</b>
<b>Non-current asset additions</b>	<b>\$ 10,527,299</b>	<b>\$ 2,612,033</b>	<b>\$ 1,337,066</b>	<b>\$ 14,476,398</b>
<b>Liabilities</b>	<b>\$ (127,519,042)</b>	<b>\$ (1,465,503)</b>	<b>\$ (2,498,197)</b>	<b>\$ (131,482,742)</b>

Non-current assets by geographical location:

March 31, 2023	Senegal	British Virgin Islands	Nigeria	United Kingdom	Canada	Total
Prepaid expenses, advances and deposits	-	5,619	33,185	205,527	-	244,331
Right-of-use assets	-	-	15,072,816	594,834	-	15,667,650.00
Property, plant and equipment	396,218	-	147,520,674	141,699	4,810	148,063,401
Intangible assets	11,452,918	-	9,265,573	-	-	20,718,491
Total non-current assets	\$11,849,136	\$5,619	\$171,892,248	\$942,060	\$4,810	\$184,693,873

Three months ended March 31, 2022	Segilola Mine Project	Exploration Projects	Corporate	Total
<b>Profit (loss) for the period</b>	<b>\$ 4,634,699</b>	<b>\$ (60,571)</b>	<b>\$ (1,083,190)</b>	<b>\$ 3,490,938</b>
- revenue	24,865,482	-	-	24,865,482
- consulting fees	(137,835)	(30,174)	(156,345)	(324,354)
- salaries and benefits	(37,913)	-	(288,073)	(325,986)
- depreciation owned assets	(5,000,920)	(2,234)	(1,463)	(5,004,617)
- impairments	-	(2,701)	-	(2,701)
- interest expense	(3,758,131)	-	-	(3,758,131)

December 31, 2022	Segilola Mine Project	Exploration Projects	Corporate	Total
Current assets	\$ 36,334,005	\$ 120,752	\$ 831,907	\$ 37,286,664
<b>Non-current assets</b>				
Deferred income tax assets	-	87,797	-	87,797
Prepaid expenses, advances and deposits	74,667	-	208,158	282,825
Right-of-use assets	16,232,353	-	617,049	16,849,402
Property, plant and equipment	149,050,728	339,785	123,404	149,513,917
Intangible assets	150,747	19,080,461	-	19,231,208
<b>Total assets</b>	<b>\$ 201,842,500</b>	<b>\$ 19,628,795</b>	<b>\$ 1,780,518</b>	<b>\$ 223,251,813</b>
<b>Non-current asset additions</b>	<b>\$ 10,527,299</b>	<b>\$ 2,612,033</b>	<b>\$ 1,337,066</b>	<b>\$ 14,476,398</b>

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS (continued)**  
FOR THE THREE MONTHS ENDED MARCH 31,

In United States dollars, except where noted

Non-current assets by geographical location:

December 31, 2022	Senegal	British Virgin Islands	Nigeria	United Kingdom	Canada	Total
Prepaid expenses, advances and deposits	-	7,024	74,667	201,134	-	282,825
Right-of-use assets	-	-	16,232,354	617,048	-	16,849,402.00
Property, plant and equipment	176,645	-	149,230,320	101,491	5,461	149,513,917
Intangible assets	10,704,623	-	8,526,585	-	-	19,231,208
<b>Total non-current assets</b>	<b>10,881,268</b>	<b>7,024</b>	<b>174,468,785</b>	<b>919,673</b>	<b>5,461</b>	<b>185,877,352</b>

## 22. PRIOR PERIOD RESTATEMENT

Following the conclusion of the audited consolidated financial statements for the year ended December 31, 2022, the Group identified the restatements below for the Three-month period ended March 31, 2022:

- 1 Capitalization of \$2,983,318 of stripping costs within “Property, Plant and equipment” as these related to improved access to ore as determined by “IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine”;
- 2 Capitalization of \$307,147 of near mine exploration costs within “Intangible assets” as these meet the definition of an asset in accordance with “IFRS 6 - Exploration for and Evaluation of Mineral Resources”;
- 3 Reclassification of \$5,891,035 of amortization and depreciation of operational assets to “Cost of sales”;
- 4 Reclassification of \$2,183,811 of foreign exchange gains to “Production costs” as the foreign exchange resulted from the purchase of raw materials, spare parts and other operational inputs required to support and maintain the Segilola mine operations; and
- 5 Reclassification of \$3,495,992 of restricted cash cashflows from “Net cash flows from operating activities” to “Net cash flows used in investing activities”.

Therefore, in accordance with “IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors”, the Condensed interim consolidated statements of financial position, Condensed interim consolidated statements of comprehensive income and Condensed interim consolidated statements of cash flows for the three-month period ended March 31, 2022 have been restated. The impact of the restatements on these statements is demonstrated below:

### Condensed interim consolidated statements of financial position

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS (continued)**  
FOR THE THREE MONTHS ENDED MARCH 31,

In United States dollars, except where noted

	March 31, 2022 \$ (reported)	Restatements  Ref		March 31, 2022 \$ (restated)
<b>ASSETS</b>				
<b>Total current assets</b>	<b>23,921,414</b>	-		<b>23,921,414</b>
Property, plant and equipment	146,438,336	2,983,318	1	149,421,654
Intangible assets	15,466,490	307,147	2	15,773,637
Other non-current assets	19,896,499			19,896,499
<b>Total non-current assets</b>	<b>181,801,325</b>	<b>3,290,465</b>		<b>185,091,790</b>
<b>TOTAL ASSETS</b>	<b>205,722,739</b>	<b>3,290,465</b>		<b>209,013,204</b>
<b>LIABILITIES</b>				
<b>Total current liabilities</b>	<b>84,253,461</b>	-		<b>84,253,461</b>
<b>Total non-current liabilities</b>	<b>61,553,830</b>	-		<b>61,553,830</b>
<b>SHAREHOLDERS' EQUITY</b>				
Retained deficit	(19,799,265)	3,290,465	1 - 2	(16,508,800)
Other equity	79,714,713			79,714,713
<b>Total shareholders' equity</b>	<b>59,915,448</b>	<b>3,290,465</b>		<b>63,205,913</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>205,722,739</b>	<b>3,290,465</b>		<b>209,013,204</b>

Condensed interim consolidated statements of cash flows

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS (continued)**  
FOR THE THREE MONTHS ENDED MARCH 31,

In United States dollars, except where noted

	March 31, 2022 \$	Restatements		March 31, 2022 \$
	(reported)		Ref	(restated)
<b>Revenue</b>	<b>24,865,482</b>	-		<b>24,865,482</b>
Production costs	(13,386,659)	5,167,129	1 - 4	(8,219,530)
Transportation and refining	(502,222)	-		(502,222)
Royalties	(550,765)	-		(550,765)
Amortization and depreciation of operational assets - owned assets		(4,732,780)	3	(4,732,780)
Amortization and depreciation of operational assets - right of use assets		(1,158,255)	3	(1,158,255)
<b>Cost of sales</b>	<b>(14,439,646)</b>	<b>(723,906)</b>		<b>(15,163,552)</b>
Loss on forward sale of commodity contracts	(294,922)	-		(294,922)
	<b>10,130,914</b>	<b>(723,906)</b>		<b>9,407,008</b>
Amortization and depreciation - owned assets	(6,162,872)	5,891,035	3	(271,837)
Amortization and depreciation - right of use assets	-	-		-
Other administration expenses	(2,190,548)	307,147	2	(1,883,401)
Impairment of Exploration & Evaluation assets	(2,701)	-		(2,701)
<b>Profit from operations</b>	<b>1,774,793</b>	<b>5,474,276</b>		<b>7,249,069</b>
Interest expense	(3,758,131)	-		(3,758,131)
Foreign exchange gains	2,183,811	(2,183,811)	4	-
<b>Net profit before taxes</b>	<b>200,473</b>	<b>3,290,465</b>		<b>3,490,938</b>
Tax expense	-	-		-
<b>Net profit for the year</b>	<b>200,473</b>	<b>3,290,465</b>		<b>3,490,938</b>
<b>Net profit (loss) per share</b>				
<b>Basic</b>	0.000	0.005		0.005
<b>Diluted</b>	0.000	0.005		0.005

Condensed interim consolidated statements of cash flows

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS (continued)**  
FOR THE THREE MONTHS ENDED MARCH 31,

In United States dollars, except where noted

	March 31, 2022 \$ (reported)	Restatements Ref	March 31, 2022 \$ (restated)
<b>Cash flows from/(used in):</b>			
<b>Operating</b>			
Net profit	200,473	3,290,465 1 - 2	3,490,938
Restricted cash	3,495,992	(3,495,992) 5	-
Other operating cash flows	10,162,193	-	10,162,193
<b>Net cash flows from operating activities</b>	<b>13,858,658.00</b>	<b>(205,527)</b>	<b>13,653,131</b>
<b>Investing</b>			
Restricted cash	-	3,495,992 5	3,495,992
Property, Plant & Equipment	(7,573,148)	(2,983,318) 1	(10,556,466)
Exploration & Evaluation assets expenditures	(715,626)	(307,147) 2	(1,022,773)
Other investing cash flows	(169)	-	(169)
<b>Net cash flows used in investing activities</b>	<b>(8,288,943)</b>	<b>205,527</b>	<b>(8,083,416)</b>
<b>Financing</b>			
<b>Net cash flows used in financing activities</b>	<b>(1,739,549)</b>	<b>-</b>	<b>(1,739,549)</b>
Effect of exchange rates on cash	1,169,940	-	1,169,940
<b>Net change in cash</b>	<b>5,000,106</b>	<b>-</b>	<b>5,000,106</b>
<b>Cash, beginning of the period</b>	<b>1,276,270</b>	<b>-</b>	<b>1,276,270</b>
<b>Cash, end of the period</b>	<b>6,276,376</b>	<b>-</b>	<b>6,276,376</b>

## 23. SUBSEQUENT EVENTS

### EPC Contract

As of the date of these Interim financial statements, the Group has made all outstanding due payments in relation to the EPC contract. At March 31, 2023, this amounted to US\$1,463,353.