OREZONE GOLD CORPORATION

Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in United States dollars)

Deloitte LLP
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Independent Auditor's Report

To the Shareholders and the Board of Directors of
Orezone Gold Corporation

Opinion

We have audited the consolidated financial statements of Orezone Gold Corporation (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of income (loss) and comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31 ,2022. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Achievement of commercial production for the Bomboré Gold Mine – Refer to Notes 2(f) and 4 to the financial statements

Key Audit Matter Description

The Company determined that the Bomboré Gold Mine ("Bomboré") achieved commercial production on December 1, 2022. Upon achieving commercial production, the mine development costs are transferred to producing properties and will be amortized using the units of production method based on proven and probable reserves. The determination of whether a mine has entered the commercial production requires significant management judgment, that is dependent on consideration of various relevant criteria, including that all major capital expenditures have been completed, there has been a reasonable period of testing of the mine plant and equipment, production and processing are at an acceptable level of design capacity, mineral recoveries are at the expected production levels and the mine has demonstrated the ability to sustain ongoing production of ore ("relevant criteria").

Performing audit procedures to evaluate the reasonableness of management's judgments relating to the determination of whether Bomboré achieved commercial production required a high degree of auditor judgment and an increased extent of audit effort.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures relating to the determination of whether the Bomboré Gold Mine had reached the commercial production stage on December 1, 2022, included the following, among others:

- Evaluated the appropriateness of management's assessment by analyzing relevant accounting standards, including various aspects of IFRS, conceptual framework and guidance, and consideration of common industry practice;
- Evaluated the reasonableness of the information used in assessing the relevant criteria by:
  - Testing the production data relating to mineral grade, processing, and recovery rates;
  - Obtaining the Feasibility Study for the Bomboré Project and compared:
    - Actual capital expenditure to projected capital expenditures to assess that major capital expenditures have been completed;
    - Actual capacity to design capacity to assess that production and processing are at an acceptable level;
  - Evaluating whether the information is consistent with evidence obtained in other areas of the audit file, external market and industry data, where applicable.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Brenton Francis.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, British Columbia

March 23, 2023

Orezone Gold Corporation
Consolidated Statements of Financial Position
(Expressed in United States dollars)

As at	**December 31, 2022**	December 31, 2021
ASSETS		
Current assets		
Cash	**$9,158,049**	$36,082,980
Inventories (Note 5)	**12,728,956**	356,961
Other current assets (Note 6)	**9,333,514**	2,670,267
Total current assets	**31,220,519**	39,110,208
Non-current assets		
Other financial assets	**307,011**	403,144
Deferred financing costs (Note 7)	**-**	3,704,553
Long-term inventories (Note 5)	**37,410,620**	-
Mineral properties, plant and equipment (Note 8)	**183,342,965**	97,280,591
Total assets	**$252,281,115**	$140,498,496
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables (Note 9)	**$38,003,961**	$19,359,315
Current portion of warrant liability (Note 10)	**2,785,052**	-
Current portion of loans and borrowings (Note 11)	**32,989,899**	-
Total current liabilities	**73,778,912**	19,359,315
Non-current liabilities		
Warrant liability (Note 10)	**-**	8,633,726
Loans and borrowings (Note 11)	**88,850,517**	45,826,744
Lease liabilities (Note 12)	**827,329**	441,431
Silver stream liability (Note 13)	**6,256,566**	7,688,638
Environmental rehabilitation provision (Note 14)	**12,241,223**	4,672,139
Total liabilities	**181,954,547**	86,621,993
Equity		
Share capital	**280,900,983**	268,190,768
Reserves	**30,657,672**	29,162,636
Accumulated deficit	**(232,439,495)**	(233,369,481)
Equity attributable to shareholders	**79,119,160**	63,983,923
Non-controlling interest	**(8,792,592)**	(10,107,420)
Total equity	**70,326,568**	53,876,503
Total liabilities and equity	**$252,281,115**	$140,498,496

Commitments (Note 18(b))
Subsequent Events (Note 21)

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

These annual consolidated financial statements were approved by the Board of Directors of Orezone Gold Corporation on March 23, 2023:

/s/ Patrick Downey

Patrick Downey
Director

/s/ Rob Doyle

Rob Doyle
Director

Orezone Gold Corporation
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
For the years ended December 31, 2022 and 2021
(Expressed in United States dollars, except for number of share amounts)

	2022	2021
Revenue	**$43,431,156**	-
Cost of sales		
Operating expenses	**21,398,478**	-
Depreciation and depletion (Note 8)	**2,764,434**	-
Royalties	**2,607,622**	-
Earnings from mine operations	**16,660,622**	**-**
Other expenses		
Exploration and evaluation costs	**7,932,307**	1,643,366
General and administrative costs	**5,469,735**	4,905,791
Share-based compensation (Note 15(d))	**1,851,290**	1,778,065
Depreciation (Note 8)	**117,452**	257,841
Operating income (loss)	**1,289,838**	(8,585,063)
Other income (loss)		
Foreign exchange loss	**(966,574)**	(1,531,016)
Finance income	**76,992**	173,218
Finance expense	**(1,729,214)**	(28,773)
Fair value loss on other financial assets	**(68,900)**	(390,850)
Fair value gain (loss) on warrant liability (Note 10)	**1,872,107**	(7,820,009)
Fair value gain (loss) on silver stream liability (Note 13)	**1,411,960**	(538,638)
Other income (loss)	**596,371**	(10,136,068)
Net income (loss) before tax	**1,886,209**	(18,721,131)
Income tax expense (Note 16)	**-**	-
Net income (loss) for the year	**$1,886,209**	($18,721,131)
Net income (loss) attributable to:		
Shareholders	**929,986**	(18,574,025)
Non-controlling interest	**956,223**	(147,106)
Net income (loss) for the year	**$1,886,209**	($18,721,131)
Other comprehensive income		
Foreign currency translation gain	**-**	$1,854,589
Total other comprehensive income	**-**	1,854,589
Comprehensive income (loss) for the year	**1,886,209**	(16,866,542)
Comprehensive income (loss) attributable to:		
Shareholders	**571,381**	(17,182,295)
Non-controlling interest	**1,314,828**	315,753
Comprehensive income (loss) for the year	**$1,886,209**	($16,866,542)
Net income (loss) per common share attributable to the shareholders of the Company, basic and diluted	**$0.00**	($0.06)
Weighted-average number of common shares outstanding, basic	**329,884,685**	317,949,921
Weighted-average number of common shares outstanding, diluted	**346,650,009**	317,949,921

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

Orezone Gold Corporation
Consolidated Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in United States dollars, except for number of share amounts)

	Share capital		Reserves								
	Shares #	Amount $	Share-based payments $	Foreign currency translation $	Warrants $	Contributed surplus $	Convertible note equity component $	Accumulated deficit $	Equity attributable to shareholders $	Non-controlling interest $	Total Equity $
Balance, January 1, 2022	323,899,306	268,190,768	18,681,054	847,680	-	5,465,950	4,167,952	(233,369,481)	**63,983,923**	(10,107,420)	**53,876,503**
Shares issued (Note 15(a))	2,005,850	2,121,215	-	-	-	-	-	-	**2,121,215**	-	**2,121,215**
Warrants exercised (Note 10)	9,108,752	9,586,015	-	-	-	-	-	-	**9,586,015**	-	**9,586,015**
Stock options exercised (Note 15(b))	740,332	569,588	(176,614)	-	-	-	-	-	**392,974**	-	**392,974**
RSUs redeemed (Note 15(c))	574,000	433,397	(433,397)	-	-	-	-	-	**-**	-	**-**
Share-based compensation (Note 15(d))	-	-	2,463,652	-	-	-	-	-	**2,463,652**	-	**2,463,652**
Foreign currency translation	-	-	-	(358,605)	-	-	-	-	**(358,605)**	358,605	**-**
Net income for the year	-	-	-	-	-	-	-	929,986	**929,986**	956,223	**1,886,209**
Balance, December 31, 2022	**336,328,240**	**280,900,983**	**20,534,695**	**489,075**	**-**	**5,465,950**	**4,167,952**	**(232,439,495)**	**79,119,160**	**(8,792,592)**	**70,326,568**

	Share capital		Reserves								
	Shares #	Amount $	Share-based payments $	Foreign currency translation $	Warrants $	Contributed surplus $	Convertible note equity component $	Accumulated deficit $	Equity attributable to shareholders $	Non-controlling interest $	Total Equity $
Balance, January 1, 2021	252,653,306	212,546,551	16,550,415	(544,050)	893,136	5,048,088	-	(214,795,456)	**19,698,684**	(10,005,311)	**9,693,373**
Shares issued	70,242,500	57,490,921	-	-	-	-	-	-	**57,490,921**	-	**57,490,921**
Share issuance costs	-	(2,595,976)	-	-	-	-	-	-	**(2,595,976)**	-	**(2,595,976)**
Warrants exercised	562,000	441,893	-	-	(24,127)	-	-	-	**417,766**	-	**417,766**
Warrants reclassified to liability	-	-	-	-	(869,009)	-	-	-	**(869,009)**	-	**(869,009)**
Stock options exercised	275,000	189,034	(46,530)	-	-	-	-	-	**142,504**	-	**142,504**
RSUs redeemed	166,500	118,345	(118,345)	-	-	-	-	-	**-**	-	**-**
Share-based compensation	-	-	2,295,514	-	-	-	-	-	**2,295,514**	-	**2,295,514**
Bomboré mining permit expansion	-	-	-	-	-	417,862	-	-	**417,862**	(417,862)	**-**
Convertible note equity component	-	-	-	-	-	-	4,167,952	-	**4,167,952**	-	**4,167,952**
Foreign currency translation	-	-	-	1,391,730	-	-	-	-	**1,391,730**	462,859	**1,854,589**
Net loss for the year	-	-	-	-	-	-	-	(18,574,025)	**(18,574,025)**	(147,106)	**(18,721,131)**
Balance, December 31, 2021	**323,899,306**	**268,190,768**	**18,681,054**	**847,680**	**-**	**5,465,950**	**4,167,952**	**(233,369,481)**	**63,983,923**	**(10,107,420)**	**53,876,503**

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

Orezone Gold Corporation
Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in United States dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) for the year	**$1,886,209**	($18,721,131)
Adjustments to reconcile net income (loss) to cash used in operating activities		
Share-based compensation (Note 15(d))	**1,851,290**	1,778,065
Depreciation and depletion (Note 8)	**2,881,886**	257,841
Finance income	**(76,992)**	(173,218)
Finance expense	**1,729,214**	28,773
Unrealized foreign exchange loss	**966,574**	1,531,016
Fair value loss on other financial assets	**68,900**	390,850
Fair value (gain) loss on warrant liability (Note 10)	**(1,872,107)**	7,820,009
Fair value (gain) loss on silver stream liability (Note 13)	**(1,411,960)**	538,638
Changes in non-cash operating working capital (Note 17)	**558,639**	608,713
Total cash outflows from (used in) operating activities	**6,581,653**	(5,940,444)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment (Notes 8 and 17)	**(106,054,153)**	(76,927,742)
Interest received	**76,926**	173,218
Total cash outflows used in investing activities	**(105,977,227)**	(76,754,524)
CASH FLOWS FROM FINANCING ACTIVITIES		
Senior debt proceeds (Note 11)	**77,400,000**	17,200,000
Debt issue costs (Note 7)	**(747,981)**	(6,170,828)
Proceeds from exercise of warrants (Note 10)	**5,609,448**	362,474
Proceeds from exercise of stock options (Note 15)	**392,974**	142,504
Lease principal payments (Note 12)	**(163,757)**	(57,776)
Interest and fees paid (Notes 11 and 12)	**(8,459,967)**	(28,773)
Proceeds from public offering	**-**	57,490,921
Offering issue costs	**-**	(2,595,976)
Convertible note proceeds (Note 11)	**-**	35,000,000
Silver stream proceeds (Note 13)	**-**	7,150,000
Total cash inflows from financing activities	**74,030,717**	108,492,546
Effect of foreign currency translation on cash	**(1,560,074)**	1,418,785
(Decrease) increase in cash	**(26,924,931)**	27,216,363
Cash, beginning of year	**36,082,980**	8,866,617
Cash, end of year	**$9,158,049**	$36,082,980

Supplemental cash flow information is provided in Note 17.

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

1. CORPORATE INFORMATION

Orzone Gold Corporation (the "Company") was incorporated on December 1, 2008 under the Canada Business Corporations Act and is listed on the Toronto Stock Exchange (TSX) under the symbol ORE (common shares) and ORE.WT (warrants) and on the OTCQX under the symbol ORZCF (common shares). The Company is a West African gold producer engaged in mining, developing, and exploring its 90%-owned flagship Bomboré gold mine ("Bomboré") in Burkina Faso. The Company achieved commercial production at its multi-million ounce Bomboré mine on December 1, 2022 and will now shift its strategic focus on the study update for its proposed Phase II Sulphide Expansion which is expected to markedly improve future annual gold production.

The address of the Company's principal office is 505 Burrard Street, Suite 450, Vancouver, British Columbia, Canada, V7X 1M3.

References to "$" or "US$" or "USD" are to United States dollars, references to "C$" are to Canadian dollars, references to "EUR" are to Euro and references to "CFA" are to West African Communauté Financière Africaine francs.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The significant accounting policies followed in the preparation of these financial statements are presented in Note 3 and have been consistently applied in each of the years presented.

These financial statements were authorized for issue by the Board of Directors on March 23, 2023.

(b) Basis of measurement

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value as disclosed elsewhere in the notes to the financial statements.

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and judgments that may have a significant impact to the financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates. The Company's critical accounting judgments and estimates are presented in Note 4.

These financial statements have been prepared on the accounting basis that the Company is a going concern which assumes the Company will continue to operate in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has one operating segment, being the acquisition, exploration, development and operation of precious metal properties.

These financial statements are presented in United States dollars, unless otherwise indicated.

(c) Change in functional currency

Effective July 1, 2021, the Company determined that its functional currency had changed from the Canadian dollar to the United States dollar and each of its Burkina Faso subsidiaries had changed from the CFA to USD. The change in functional currency reflects changes in nature of the Company's activities upon entering the development stage, commencement of construction activities, and the financing of such activities. The Company determined that the USD more faithfully represents the primary economic environment in which each entity operates. This has been accounted for prospectively in accordance with IAS 21, *The Effects of Changes in Foreign Exchange Rates.* The change in functional currency resulted in the reclassification of the Company's Canadian dollar denominated warrants from an equity instrument to a derivative financial liability.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements are prepared by consolidating the financial statements of Orezone Gold Corporation and its subsidiaries. Subsidiaries are consolidated from the date on which the Company obtains control and continue to be consolidated until control ceases. Control is established when the Company has the power to govern the financial and operating policy decisions of the entity so as to obtain benefits from the entity's activities, and generally exists where more than 50% of the voting power of the entity is held by the Company. The financial statements of the subsidiaries are prepared for the same reporting year as the Company using consistent accounting policies. All intercompany transactions and balances are eliminated on consolidation.

Where the ownership of a subsidiary is less than 100%, and a non-controlling interest exists, any losses of that subsidiary are attributed to the non-controlling interest even if it results in a deficit. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The subsidiaries of the Company and their principal activities as at December 31, 2022 and 2021 were as follows:

Name of subsidiary	Place of incorporation	Ownership interest	Principal activity
Orezone Inc.	British Virgin Islands	100%	Holding company
Orezone Inc. SARL	Burkina Faso	100%	Exploration & Development
Orezone Bomboré SA	Burkina Faso	90%[1]	Bomboré Gold Mine

[1] *In accordance with the mining laws of Burkina Faso, the Government of Burkina Faso has a 10% carried equity interest in the company holding the Bomboré mining permit in Burkina Faso.*

(b) Foreign, functional, and presentation currencies

The functional currency of each of the Company's entities is determined using the currency of the primary economic environment in which that entity operates. The presentation and the functional currency of the Company and each of its subsidiaries is the US dollar.

In preparing the consolidated financial statements and the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rate of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at rates prevailing at the reporting dates and are recognized in profit and loss in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(c) Financial instruments

Financial assets

On initial recognition, a financial asset is classified as: amortized cost, fair value through profit and loss ("FVTPL"), or fair value through other comprehensive income ("FVTOCI"). The classification of financial assets is made in accordance with their contractual cash flow characteristics and the business models under which they are held.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit and loss. Gains or losses on equity financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current or non-current based on their maturity dates.

Financial assets at FVTPL

Financial assets at FVTPL are initially recognized at fair value and transaction costs are expensed in profit and loss. Realized and unrealized gains and losses arising from changes in fair value of the financial asset held at FVTPL are included in profit and loss in the period in which they arise. Derivatives are also recognized as FVTPL unless they are designated as hedges.

Financial assets at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investment in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit and loss following the derecognition of the investment.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provision of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or they expire.

Financial liabilities are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to their initial recognition, financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using the effective interest method.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are initially recognized at fair value and transaction costs are expensed in profit and loss. Realized and unrealized gains and losses arising from changes in fair value of the financial liability held at FVTPL are included in profit and loss in the period in which they arise. Derivatives are also recognized as FVTPL unless they are designated as hedges.

The Company's financial liabilities at FVTPL are the silver stream liability and warrant liability.

Derivative financial instruments

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Compound financial instruments

Compound financial instruments are split into equity and liability components in accordance with their substance based on the definitions of liability and equity. When the instrument is issued, the equity component is measured as the difference between the fair value of the compound instrument and the fair value of the liability component. The liability component of the compound financial instrument is subsequently measured at amortized cost using the effective interest method, accreting to maturity over the term of the instrument. The equity component is accounted for on the same basis as other equity instruments, that is retained in equity and not remeasured.

The Company's compound financial instrument is the Convertible Note Facility.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts, and a separate instrument with the same terms as the embedded derivative would also meet the definition of a derivative.

(d) Cash and cash equivalents

Cash and cash equivalents include cash in interest-bearing accounts with high credit quality financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. The Company does not have any cash equivalents at December 31, 2022 and 2021.

(e) Inventories

Inventories include stockpiled ore, gold-in-circuit ("GIC"), finished goods, and materials and supplies inventory. The costs of all production inventories include direct production costs and attributable overhead and depreciation incurred to bring materials to their current point in the processing cycle. Corporate general and administrative costs are excluded from any inventories. All inventories are valued at the lower of weighted average cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Stockpiled ore represents unprocessed ore that has been mined and is available for future processing. Stockpiled ore value is based on the weighted-average mining costs incurred, including depreciation and depletion, in bringing the ore to the stockpile. Costs are added to the stockpiled ore based on mining costs per tonne and are removed at the average cost per tonne of ore in the stockpile. Stockpiled ore is classified as non-current if the timing of the planned usage is beyond twelve months.

GIC inventory represents ore being treated in the processing plant to extract the contained gold and to convert it to saleable form. The amount of gold in the GIC inventory is determined by assay values and by measures of the various gold bearing materials in the recovery process. The GIC inventory is valued at the average cost of the beginning inventory and the cost of material fed into the processing plant plus in-circuit conversion costs including applicable mine-site overheads, and depreciation. Costs are removed and transferred to finished goods inventory based on the average cost per ounce in GIC.

Finished goods inventory includes doré gold bars and refined gold. Costs include the direct costs of mining and processing operations as well as direct mine-site overheads, transport, refining, and depreciation and depletion.

Materials and supplies inventories consist primarily of equipment parts and other consumables required in the mining and ore processing activities. A regular review is undertaken of material and supplies inventory to determine the extent of any provision for obsolescence. Major spare parts and standby equipment are included in plant and equipment when they are expected to be used during more than one period and if they can only be used in connection with an item of plant and equipment.

(f) Mineral properties, plant and equipment

Pre-exploration expenditures

Costs during the pre-exploration phase are expensed as incurred in profit and loss.

Exploration and evaluation expenditures

Once the legal right to explore a mineral property has been acquired, costs directly related to the acquisition of the mineral property rights are capitalized and accounted for on either an individual property or area-of-interest basis. Subsequently, the mineral property rights are carried at cost, less any impairment, until such time as the assets are substantially ready for their intended use, at operating levels intended by management, or sale. Purchased mining properties are recognized as assets at their acquisition date fair value if purchased as part of a business combination. Exploration expenditures incurred during the exploration and evaluation phase are expensed as incurred in profit and loss.

Mine development costs

Once the technical feasibility and commercial viability of a mineral property have been established, the property is no longer in the exploration and evaluation phase and is considered to be a mine property under development. Thereafter, following an assessment of impairment, costs incurred directly related to mine development and construction are capitalized, including associated borrowing and acquisition costs, directly attributable administrative or support costs and depreciation of related property, plant and equipment, and are accounted for on either an individual property or area-of-interest basis. Subsequently, the mine properties under development are carried at the aforementioned cost, less any impairment, until such time as the assets are substantially ready for their intended use, being commercial production at operating levels intended by management, or sale. Upon entering the commercial production phase, development costs will be transferred to producing properties and will be amortized using the units of production method using proven and probable reserves.

Technical feasibility and commercial viability are established once all of the following conditions have been met:

- The Company has established a NI 43-101 compliant estimate of property resources and/or reserves;
- The Company has obtained a mining permit or otherwise has the right to extract the resources and/or reserves; and
- The Company has established that it is economically viable to mine the resources and/or reserves. This includes the completion of a NI 43-101 compliant study to a pre-feasibility level at a minimum and binding approval of project financing for the development of the project.

Property, Plant and Equipment

Upon initial acquisition, property, plant and equipment (“PP&E”) including land are valued at cost, being the purchase price and directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary for the asset to be capable of operating in the manner intended by management. In subsequent periods, property, plant and equipment excluding land are stated at cost less accumulated depreciation and any impairment in value, while land is stated at cost less any impairment in value.

PP&E not directly related to production are depreciated using the straight-line method over the estimated useful lives of the assets. Mineral properties, including mine development costs, are depleted on a unit-of-production basis of material extracted or produced over proven and probable mineral reserves. Land and non-depletable mineral property rights are not depreciated. Where significant components of assets have differing useful lives, depreciation is calculated on each separate component.

Estimates of remaining useful lives and residual values are reviewed annually, with any changes accounted for prospectively. An item of PP&E is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net proceeds on disposal and the carrying amount of the asset, is recognized in profit or loss.

Depreciation and depletion are provided over the following estimated useful lives:

Buildings and leasehold improvements	5 – 20 years on a straight-line basis
Vehicles and equipment	2 – 10 years on a straight-line basis
Mineral properties	Units of production over mineral reserves
Plant and infrastructure	Units of production over mineral reserves

Borrowing Costs

Borrowing costs are capitalized when they are directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that take a substantial period of time to get ready for their intended use or sale. Borrowing costs are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Where the funds used to finance a qualifying asset form part of general borrowings, the amount capitalized is calculated using a weighted average of the rates applicable to the relevant borrowings during the period. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(g) Leases

At the commencement date of a lease, the Company recognizes a lease liability and an asset representing the right to use the underlying asset during the lease term (the “right-of-use” asset) unless the underlying asset has a low value or the lease term is twelve months or less, which are expensed in the period incurred. At this date, the right-of-use asset is measured at cost, which includes the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred and also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset. The right-of-use asset is then depreciated using the straight-line method from the lease commencement date to the earlier of the end of the lease term or the end of the useful life of the asset. The right-of-use asset may also be reduced for any impairment losses, if any.

At the lease commencement date, the lease liability is measured at the present value of the future lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate, which is the rate the Company would pay for similar assets at similar locations over a similar term. The lease liability is measured at amortized cost using the effective interest method.

The lease liability is re-measured when there is a change in future lease payments due to a change in an index or rate, a change in the Company’s estimate of an amount payable under residual value guarantee, or if there is a change in the assessment of whether the Company will exercise a purchase, termination, or extension option. When the lease liability is re-measured, a corresponding adjustment is made to the right-of-use asset or recognized in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(h) Environmental Rehabilitation Provision

The Company is subject to various government laws and regulations and constructive obligations related to environmental disturbances caused by exploration and evaluation, development, or ongoing production at a mineral property interest. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the property interest in the period in which the obligation is incurred, including estimated costs of restoration, reclamation, and re-vegetation of the affected area. Discount rates using a pre-tax, risk-free rate that reflect the time value of money are used to calculate the net present value. When the liability is recognized at the present value of the estimated costs, the carrying amount of the capitalized related mining assets is correspondingly increased. Subsequently, the liability is assessed each reporting period and the present value is adjusted, as required, for any legal or regulatory changes, increases or decreases to environmental disturbances, or current market discount rates and liability-specific risks. The liability is accreted over time to reflect the unwinding of the discount, and upon entering the production phase, the asset is amortized over its remaining useful life using the units of production method based on mineral reserves.

(i) Impairments

(1) Financial assets at amortized cost

At each reporting date, the Company assesses whether there has been a significant increase in credit risk that would provide objective evidence that a financial asset at amortized cost is impaired. The Company recognizes a loss allowance for expected credit losses on its financial assets. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

(2) Non-financial assets

At each reporting date, the Company reviews its mineral properties, plant and equipment at the cash generating unit ("CGU") level to determine whether there is any indication that these assets are impaired. If any such indication exists, the recoverable amount of the relevant CGU is estimated in order to determine the extent of impairment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Company's principal CGU is Bomboré.

Impairment of a CGU is assessed when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount, being the higher of the value in use and the fair value less costs to sell. In assessing value in use, the estimated future cash flows associated with the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For fair value less costs to sell, the Company uses discounted cash flow techniques to determine fair value when it is not possible to determine fair value either by quotes from an active market or a binding sales agreement. Discounted cash flow techniques require management to make estimates and assumptions concerning future production revenues and expenses. The determination of discounted cash flows is dependent on many factors, including future metal prices, the amount of reserves, the cost of bringing the project into production, production schedules, production costs, sustaining capital expenditures and site rehabilitation costs. If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount with the impairment recognized in profit and loss. As at December 31, 2022 and 2021 and for the years then ended, no facts and circumstances were identified that would suggest the carrying amount of the Bomboré CGU may exceed its recoverable amount.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there had been a change in the estimates used to determine the recoverable amount. If an impairment is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, subject to the amount not exceeding the carrying amount that would have been determined had impairment not been recognized for the asset in prior periods. Capitalized mineral property rights are tested for impairment before the assets are transferred to the mineral property costs upon achieving technical and commercial feasibility.

(j) Provisions

Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of past events for which it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the present value of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

(k) Income taxes

Income tax expense consists of current and deferred income taxes and includes all domestic and foreign taxes based on taxable profits. Current and deferred income taxes are included in profit and loss except to the extent that they relate to a business combination or items recognized directly in equity or other comprehensive income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income (loss) for the current period and any adjustment to income taxes payable or receivable in previous periods. Current income taxes are determined based on enacted or substantively enacted tax rates and laws at the end of the current financial reporting year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income taxes are determined using the liability method where there are differences between the carrying amounts and tax bases of assets and liabilities, and unused tax losses and credits. Deferred tax liabilities and assets are measured by applying tax rates that are expected to apply when the amounts are realized or settled respectively, based on enacted or substantively enacted tax rates and laws at the end of the current financial reporting year. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be realized and is later reduced if the Company determines it is no longer probable to be realized. The Company has not currently recognized any deferred tax assets or liabilities. In particular, no deferred tax asset has been recognized in respect of tax loss carry-forwards or deductible temporary differences as it is not probable at the end of the financial reporting year that future taxable profits will be available such that a tax asset can be realized.

(l) Share-based compensation

(1) Stock Options

Compensation costs are measured at the grant date based on the fair value of the award and are recognized on a graded basis over the vesting period in profit and loss, with a corresponding increase to reserves. Upon exercise, common shares are issued from treasury and the amount reflected in reserves is credited to share capital, in addition to the exercise proceeds received.

The Black-Scholes option pricing model is used to determine the fair value of new grants. This model incorporates subjective assumptions, including volatility and expected life. At the end of each reporting period, the Company revises its estimate of the number of options expected to vest. The impact of the revision, if any, is recognized in profit and loss, with a corresponding adjustment to reserves.

Options issued to non-employees are measured based on the fair value of the services received at the date of receiving those services. If the fair value of the goods or services cannot be estimated reliably, the options are measured by determining the fair value of the options granted using the Black-Scholes option pricing model.

(2) Restricted Share Units

Restricted share units (“RSUs”) are measured at grant date based on the fair value of the award. RSUs may be redeemed in shares or cash at the Company’s option. The expense for RSUs to be redeemed in shares is recognized on a graded basis over the vesting period in profit and loss, with a corresponding increase to reserves. RSUs to be redeemed in cash are recognized as a liability and adjusted at each reporting date for changes in fair value. The Company intends to equity settle its RSUs.

(3) *Deferred Share Units*

Deferred share units (“DSUs”) are measured at grant date based on the fair value of the award. DSUs may be redeemed in shares or cash at the Company’s option. The expense for DSUs to be redeemed in shares is recognized immediately in profit and loss, with a corresponding increase to reserves, as the DSUs are fully vested on the grant date. DSUs to be redeemed in cash are recognized as a liability and adjusted at each reporting date for changes in fair value. The Company intends to equity settle its DSUs.

(m) Revenue recognition

Revenue is generated from the sale of refined gold. The Company produces doré bars which are further processed to produce refined metal for sale. The Company’s performance obligations relate primarily to the delivery of mine production in refined form to its customers.

Revenue is recognized when control is transferred to the customer. In determining whether the Company has satisfied a performance obligation, the Company considers whether (i) the Company has a present right to payment, (ii) the Company has transferred physical possession of the metal to the customer; (iii) the customer has the significant risks and rewards of ownership of the metal; and (iv) the customer has legal title to the metal.

The sales price is fixed on the date of sale based on spot price or by mutual agreement. The Company recognizes revenue from sales of gold at the time when control transfers to the customer, which typically coincides with the date that the customer remits payment. Under certain contracts with customers the transfer of control may occur when the gold is in transit from the mine to the refinery. At this point in time, the customer has legal title to and the risk and rewards of ownership of the gold; therefore, the customer is able to direct the use of and obtain substantially all of the remaining benefits from the gold.

(n) Share capital

The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issuance of common shares are shown in equity as a deduction from the proceeds of issuance.

(o) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net income (loss) attributable to common shareholders of the Company by the weighted-average number of outstanding common shares for the year.

Diluted earnings (loss) per share is computed by dividing the net income (loss) attributable to the common shareholders of the Company by the weighted-average number of outstanding common shares for the year including all additional common shares that would have been outstanding if potentially dilutive equity instruments were converted to common shares. The weighted average number of common shares used to calculate the dilutive effect assumes that the proceeds that could be obtained upon exercise of stock options, RSUs, DSUs, and warrants would be used to purchase common shares at the average market price during the period, and the Convertible Note Facility was converted at the Conversion Price.

In periods where a net loss is incurred, basic and diluted loss per share is the same as the effect of outstanding stock options, warrants, RSUs, and DSUs would be anti-dilutive.

(p) Changes in accounting standards

Issued and adopted - Amendments to IAS 16: Proceeds before Intended Use

The IASB issued an amendment to IAS 16, Property, Plant and Equipment to prohibit deducting from property, plant and equipment amounts received from selling items produced while preparing an asset for its intended use. Instead, sales proceeds and related costs must be recognized in profit or loss. The amendment requires companies to distinguish between costs associated with producing and selling items before the item of property, plant and equipment is available for use and costs associated with making the item of property, plant and equipment available for its intended use. The Company adopted the amendment effective January 1, 2022 and recognized sales proceeds and production and selling costs upon commencement of gold production at Bomboré in the Consolidated Statements of Income and Loss.

Issued but not yet effective - Amendments to IAS 1 – Presentation of Financial Statements

In January 2020 and October 2022, the IASB issued an amendment to IAS 1, Presentation of Financial Statements, to clarify the requirements under the standard for classifying a liability as non-current in nature. The amendments include:

- Specifying that an entity's right to defer settlement must exist at the end of the reporting period;
- Clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
- Specifying that covenants whose compliance is assessed after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, disclosure of information about these covenants in the notes to the financial statements is required ; and
- Clarifying if the settlement of a liability refers to the transfer of cash, equity instruments, other assets or services.

The Company will perform an assessment of the amendments on its financial statements prior to the effective date of January 1, 2024. Based on the currently available information, the Company does not anticipate any material impact from these amendments on its financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts of assets, liabilities and expenses. Actual outcomes could differ from these estimates and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which estimates are revised and in any future period affected.

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

Commercial Production

The determination of when a mine enters the commercial production stage is a significant judgment. The development phase ends and the production phase begins when the mine is in the condition necessary for it to be capable of operating in the manner intended by management. Various relevant criteria are considered to assess when the mine is substantially complete and ready for its intended use. Management examines the following factors when making that judgment:

- All major capital expenditures to bring the mine to the condition necessary for it to be capable of operating in the manner intended by management have been completed;
- The completion of a reasonable period of testing of the mine plant and equipment;
- The mill has reached a pre-determined percentage of design capacity and mineral recoveries are near the expected production levels; and
- The ability to sustain ongoing production of ore.

Upon achieving commercial production, costs are transferred from assets under construction into the appropriate asset classification such as inventory, mineral properties, property, plant and equipment.

Following the adoption of the amendment to IAS 16, *Property, Plant and Equipment* (“IAS 16”), as disclosed in Note 3(p), pre-commercial production sales of gold and silver, and related costs while bringing the mine into a condition necessary for it to be capable of operating in the manner intended by management, are recognized in profit or loss. The Company measures the cost of those items by applying the measurement requirements of IAS 2, *Inventories*.

Development expenditures incurred during the production phase to provide access to ore reserves in future periods; expand existing capacity; or generally provide future economic benefits will continue to be capitalized under the Company’s accounting policies for development costs, and mineral properties, plant and equipment.

The Company achieved commercial production on December 1, 2022, based on achieving 30 consecutive days of mill throughput, exceeding 70% of nominal nameplate capacity of 14,250 tonnes per day (“tpd”) and recovery reaching design levels of 90%. During November 2022, the mill processed 364,123 ore tonnes (12,137 tpd) at a recovery rate of 91%.

Going concern

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

The Company has historically raised funds to conduct its activities and to execute its business plans through debt or equity issuances, the exercise of warrants and options, or through the sale of royalties or related interests. The Company declared commercial production on December 1, 2022 and recognized $43,431,156 of revenue on the sale of 24,676 gold ounces during the fourth quarter of 2022. While the Company believes its gold production will continue to provide adequate operating cash flow to fund its capital and exploration expenditures, service scheduled debt repayments, and meet working capital requirements, there can be no assurance of continued operational success. The

(Expressed in United States dollars)

Company expects to fund its ongoing costs over the next twelve months with (1) cash on hand and (2) cash generated from operations. After considering its plans to mitigate the going concern risk, management has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern for a period of twelve months from the balance sheet date.

Inventory valuation

All inventory is valued at the lower of average cost or net realizable value. Management is required to make various estimates and assumptions to determine the value of stockpiled ore, gold-in-circuit and finished goods inventory. The estimates and assumptions included surveyed quantities of stockpiled ore, in-circuit volumes, contained metal content, recoverable metal content, costs to recover saleable metal and metal prices. Changes in these estimates can result in changes to the carrying amounts of inventories and mine operating costs in future periods.

Mineral reserves and resources

Determining mineral reserves and resources is a complex process involving numerous variables and is based on a professional evaluation using accepted international standards for the assessment of mineral reserves. Estimation is a subjective process, and the accuracy of such estimates is a function of the quantity and quality of available data, the assumptions made and judgment used in engineering and geological interpretation. Mineral reserve estimation may vary as a result of changes in the price of gold, production costs, and with additional knowledge of the ore deposits and mining conditions. Changes to management's assumptions, including economic assumptions such as gold prices and market conditions, could have a material effect in the future on the Company's results and financial position. The mineral reserves used for depletion is based on the oxide mineral reserves as the sulphide expansion to process sulphide reserves has not yet occurred.

Determination of functional currency

Management has made determinations with respect to its functional currency in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates* based on the primary economic environment in which the entities operate and has determined that the current functional currency of the Company, including all subsidiaries is the US dollar.

Environmental rehabilitation costs

The provisions for rehabilitation are based on the expected costs of environmental rehabilitation and inputs used to determine the present value of such provisions and the related accretion expense using the information available at the reporting date. To the extent the actual costs differ from these estimates, adjustments will be recorded and the profit or loss and future cashflows may be impacted.

5. INVENTORIES

As at	**December 31, 2022**	December 31, 2021
Stockpiled ore	**$43,406,177**	-
Gold-in-circuit	**2,552,894**	-
Finished goods	**309,745**	-
Materials and supplies	**3,870,760**	356,961
Total inventories	**$50,139,576**	$356,961
Less long-term stockpiled ore	**(37,410,620)**	-
Current inventories	**$12,728,956**	$356,961

On December 1, 2022, upon achievement of commercial production, $42,411,950 of stockpiled ore was transferred out of Mine Under Development and into inventories. At December 31, 2022, stockpiled ore with a carrying value of $37,410,620 was classified as long-term.

(Expressed in United States dollars)

The cost of inventories recognized as expense in the year ended December 31, 2022 was $21,328,966 (December 31, 2021 - $nil) and was included in operating expenses.

At December 31, 2022, $257,209 (December 31, 2021 - $nil) of non-cash costs such as depreciation and depletion were included in inventory.

6. OTHER CURRENT ASSETS

As at	December 31, 2022	December 31, 2021
Prepaid expenses	**$3,237,990**	$2,301,345
Deposits	**739,143**	55,531
Taxes receivables	**2,282,253**	68,162
Other receivables	**3,074,128**	245,229
Total other current assets	**$9,333,514**	$2,670,267

Taxes receivables is primarily related to Value added tax ("VAT") amounts paid to vendors for goods and services purchased in Burkina Faso. These balances are expected to be collected in the next twelve months.

7. DEFERRED FINANCING COSTS

	Senior debt facility - medium-term	Senior debt facility - short-term	Convertible note facility	Total
Balance at January 1, 2021	-	-	-	-
Additions	4,549,451	454,945	1,166,432	**6,170,828**
Transaction costs allocated to debt	(1,299,843)	-	(1,022,742)	**(2,322,585)**
Transaction costs allocated to equity	-	-	(143,690)	**(143,690)**
December 31, 2021	**$3,249,608**	**$454,945**	-	**$3,704,553**
Additions	312,704	435,277	-	**747,981**
Transaction costs allocated to debt	(3,562,312)	(890,222)	-	**(4,452,534)**
Balance at December 31, 2022	-	-	-	-

For the year ended December 31, 2022, the Company made drawdowns totalling CFA 47.5 billion ($77.4 million) under the Senior Debt Facility. Deferred financing costs of $4,452,534 were allocated to these drawdowns.

For the year ended December 31, 2021, the Company made its first drawdown totaling CFA 10.0 billion ($17.2 million) under the Senior Debt Facility. Deferred financing costs of $1,299,843 were allocated to this drawdown.

8. MINERAL PROPERTIES, PLANT AND EQUIPMENT

Cost and accumulated depreciation	Land and Mineral Properties	Plant and Infrastructure	Buildings and Leasehold Improvements	Vehicles and equipment	Construction in progress	Mine under development	Total
Cost							
January 1, 2021	**$909,105**	**-**	**$5,071,613**	**$4,034,928**	**-**	**-**	**$10,015,646**
Additions	-	-	502,652	1,743,552	1,784,520	92,043,180	96,073,904
Disposals	-	-	-	(6,348)	-	-	(6,348)
Transfer	-	-	945,366	520,237	(1,465,603)	-	-
Foreign currency translation	11,324	-	(145,923)	(128,976)	(16,170)	(207,576)	(487,321)
December 31, 2021	**$920,429**	**-**	**$6,373,708**	**$6,163,393**	**$302,747**	**$91,835,604**	**$105,595,881**
Additions	48,916	63,976	4,792	1,688,337	1,598,573	129,035,872	132,440,466
Disposals	-	-	-	(6,597)	-	(17,069)	(23,666)
Transfer to Stockpile Inventory	-	-	-	-	-	(42,411,950)	(42,411,950)
Transfer	17,503,362	149,775,487	1,564,433	4,081,862	5,517,313	(178,442,457)	-
December 31, 2022	**$18,472,707**	**$149,839,463**	**$7,942,933**	**$11,926,995**	**$7,418,633**	**-**	**$195,600,731**

(Expressed in United States dollars)

Accumulated depreciation	Land and Mineral Properties	Plant and Infrastructure	Buildings and Leasehold Improvements	Vehicles and equipment	Construction in progress	Mine under development	Total
January 1, 2021	**-**	**-**	**$4,047,546**	**$3,416,715**	**-**	**-**	**$7,464,261**
Depreciation	-	-	515,821	560,392	-	-	1,076,213
Disposals	-	-	6,348	(6,348)	-	-	-
Foreign currency translation	-	-	(123,397)	(101,787)	-	-	(225,184)
December 31, 2021	**-**	**-**	**$4,446,318**	**$3,868,972**	**-**	**-**	**$8,315,290**
Depreciation	268,105	2,386,037	387,112	907,819	-	-	3,949,073
Disposals	-	-	-	(6,597)	-	-	(6,597)
December 31, 2022	**$268,105**	**$2,386,037**	**$4,833,430**	**$4,770,194**	**-**	**-**	**$12,257,766**
Carrying amounts							
December 31, 2021	$920,429	-	$1,927,390	$2,294,421	$302,747	$91,835,604	$97,280,591
December 31, 2022	**$18,204,602**	**$147,453,426**	**$3,109,503**	**$7,156,801**	**$7,418,633**	**$-**	**$183,342,965**

Bomboré, Burkina Faso

The Company's only material mineral property is the Bomboré mine.

For the year ended December 31, 2022, $13,475,759 of borrowing costs (December 31, 2021 - $1,059,678) and $1,060,590 of depreciation (December 31, 2021 - $818,372) directly attributable to the mine are included in mine under development. After commercial production was declared on December 1, 2022, all borrowing costs, depletion and depreciation have been recognized in the Consolidated Statements of Income (Loss) and Comprehensive Income (Loss).

9. TRADE AND OTHER PAYABLES

As at	**December 31, 2022**	December 31, 2021
Trade payables	**$17,481,798**	$6,309,167
Accrued liabilities	**19,646,523**	12,669,742
Lease liability, short-term portion (Note 12)	**203,055**	137,082
Taxes payable	**672,585**	243,324
Total trade and other payables	**$38,003,961**	$19,359,315

10. WARRANT LIABILITY

	Warrants	**Warrant Liability**	**Warrant FVTPL**
	#	$	$
January 1, 2022	**17,685,450**	**$8,633,726**	**-**
Exercised	(9,108,752)	(3,976,567)	**-**
Fair value gain on re-measurement	-	(1,872,107)	1,872,107
December 31, 2022	**8,576,698**	**$2,785,052**	**$1,872,107**

A total of 9,108,752 warrants were exercised in the year ended December 31, 2022 for proceeds of $5,609,448. The fair value of the warrants on the dates they were exercised of $3,976,567 was transferred to share capital.

As at December 31, 2022, the weighted average remaining contractual life of the warrants is 0.08 years (December 31, 2021 – 1.08 years).

(Expressed in United States dollars)

11. LOANS AND BORROWINGS

As at	December 31, 2022	December 31, 2021
Senior Debt Facility		
Senior debt principal (Note 11(a))	**$94,600,000**	$17,200,000
Transaction costs (Note 7)	**(5,752,376)**	(1,299,842)
Senior Debt Facility, net of transaction costs	**88,847,624**	15,900,158
Accumulated accretion	**2,889,018**	4,200
Foreign exchange	**(559,796)**	100,000
Senior Debt Facility, amortized cost	**$91,176,846**	$16,004,358
Convertible Note Facility		
Convertible note principal (Note 11(b))	**$35,000,000**	$35,000,000
Transaction costs (Note 7)	**(1,166,432)**	(1,166,432)
Convertible note equity component	**(4,167,952)**	(4,167,952)
Convertible Note Facility, net of transaction costs	**29,665,616**	29,665,616
Accumulated accretion	**997,954**	156,770
Convertible Note Facility, amortized cost	**30,663,570**	$29,822,386
Total loans and borrowings	**$121,840,416**	$45,826,744
Less: current portion, Senior Debt Facility	**(32,989,899)**	-
Total non-current portion, loans and borrowings	**$88,850,517**	$45,826,744

The Company capitalized to mine under development, the following finance costs for the years ended December 31:

	2022	2021
Interest expense	**$7,454,487**	$624,651
Accretion	**3,515,188**	160,970
Other finance costs	**2,506,084**	274,057
Total finance costs	**$13,475,759**	$1,059,678

(a) Senior debt facility

The Senior Debt Facility is a project-level debt with Coris Bank International SA ("Coris") and is divided into a medium-term loan and a short-term loan. The medium-term loan of CFA 40.0 billion bears interest at 9.0% per annum and is repayable in monthly principal instalments starting in October 2023 and matures in September 2026. The short-term loan of CFA 17.5 billion bears interest at 8.5% per annum, has a term of 12 months from first drawdown, and will mature on June 28, 2023. The Senior Debt Facility is secured by a pledge of assets of the Bomboré mine and a parental guarantee.

On February 25, 2022, the Company made its second drawdown of CFA 10.0 billion ($17.3 million) from the Senior Debt Facility medium-term loan.

On April 21, 2022, the Company made its third drawdown of CFA 15.0 billion ($24.8 million) from the Senior Debt Facility medium-term loan.

On June 28, 2022, the Company made its first drawdown of CFA 5.0 billion ($8.0 million) from the Senior Debt Facility short-term loan.

(Expressed in United States dollars)

On June 30, 2022, the Company closed on its loan amendment with Coris to increase the principal on the medium-term loan from CFA 35.0 billion to CFA 40.0 billion. Concurrent with the closing of this amendment, the Company drew on this principal increase of CFA 5.0 billion ($8.0 million).

On August 24, 2022, the Company made its second drawdown of CFA 12.5 billion ($19.3 million) from the Senior Debt Facility short-term loan. The Senior Debt Facility was fully drawn upon this last drawdown.

(b) Convertible note facility

The Convertible Note Facility bears interest at 8.5% per annum, has a term of 5 years, and matures on October 15, 2026. Interest is payable quarterly and up to 75% in common shares at the Company's option and is convertible at the option of the holder at any time at the conversion price of $1.08 per share ("Conversion Price"). The note is non-callable with principal due on maturity. The Company may elect to convert up to 50% of the outstanding principal at the Conversion Price when commercial production has been achieved and if over 20 consecutive trading days within three months from the proposed date of conversion, the volume-weighted average price of the Company's common shares exceeds a 50% premium to the Conversion Price.

During 2022 the Company issued 2,005,850 shares as payment for $2,121,215 of interest.

12. LEASES

Lease liabilities recognized at December 31, 2022 and 2021 are as follows:

	2022	**2021**
Balance at the beginning of the year	**$578,513**	$167,632
Additions	**652,256**	468,917
Payments of lease liabilities	**(257,055)**	(86,549)
Interest expense on lease liabilities	**93,298**	28,773
Foreign currency translation	**(36,628)**	(260)
Balance, end of year	**$1,030,384**	$578,513
Less current portion (Note 9)	**(203,055)**	(137,082)
Non-current portion of lease liabilities, end of year	**$827,329**	$441,431

The Company made lease payments of $2,342,390 (2021: $307,320) of which $2,085,335 (2021: $220,681) related to short-term leases.

The Company's right-of-use assets are included in mineral properties, plant and equipment in the following categories:

	Building	**Vehicles and Equipment**	**Total**
Balance, January 1, 2021	**$148,259**	**$6,109**	**$154,368**
Additions	468,917	-	468,917
Depreciation for the year	(167,596)	(4,857)	(172,453)
Foreign currency translation	581	(106)	475
Balance, December 31, 2021	**$450,161**	**$1,146**	**$451,307**
Additions	-	692,401	692,401
Depreciation for the year	(74,915)	(76,656)	(151,571)
Balance, December 31, 2022	**$375,246**	**$616,891**	**$992,137**

(Expressed in United States dollars)

13. SILVER STREAM LIABILITY

As at	December 31, 2022	December 31, 2021
Opening balance	**$7,688,638**	-
Carrying amount at initial recognition	**-**	$7,150,000
Revenue recognized on silver ounces delivered	**(20,112)**	-
Fair value (gain) loss on re-measurement	**(1,411,960)**	538,638
Closing balance	**$6,256,566**	$7,688,638

In 2021, the Company sold 50% of future silver production from Bomboré over the life of mine for no additional proceeds in exchange for an upfront payment of $7,150,000 ("Silver Stream"). Under the Silver Stream, the Bomboré mine will make minimum annual deliveries of 37,500 ounces of silver to the stream holder commencing from the date of commercial production. If annual silver deliveries are below this minimum, the Company will make an initial catch-up payment only on the later of: (a) the fifth anniversary from the date of the initial silver delivery under the Silver Stream, and (b) repayment of the Senior Debt Facility, to ensure that the aggregate minimum annual payments have been satisfied for each of the preceding years. Thereafter, the Company will make shortfall payments, if required, on an annual basis until the cumulative delivery or payment of 375,000 ounces of silver has been reached after which the minimum annual delivery guarantee will no longer apply.

The Silver Stream is treated as a financial liability measured at fair value through profit or loss.

14. ENVIRONMENTAL REHABILIATION PROVISION

As at	December 31, 2022	December 31, 2021
Opening balance	**$4,672,139**	-
Obligations incurred	**11,770,884**	4,672,139
Change in estimate	**(4,590,161)**	-
Accretion	**388,361**	-
Closing balance	**$12,241,223**	$4,672,139

The increase in the environmental rehabilitation provision obligations for the year ended December 31, 2022 is predominantly related to the ongoing disturbances being incurred at the Bomboré mine site. The majority of rehabilitation expenditures are expected to occur towards the end of the mine life. The Company measures the provision at the expected value of future cash flows including inflation rates of approximately 2.0% (December 31, 2021 – 2.73%) discounted to the present value using average discount rates of 3.75% (December 31, 2021 – 2.01%). The undiscounted cash flows related to the environmental rehabilitation provision as of December 31, 2022 totalled $22.1 million (December 31, 2021 - $6.1 million).

15. SHARE CAPITAL

(a) Capital stock

Authorized capital stock consists of an unlimited number of common shares, without par value.

(b) Stock options

The following table summarizes the number of stock options that the Company has outstanding at December 31, 2022 including details of options granted, exercised, expired and forfeited during the year:

(Expressed in United States dollars)

Grant date	Expiry date	Exercise price	Opening balance	Activity during the period: Granted	Exercised	Expired/ Forfeited	Closing balance	Vested and exercisable
		C$	#	#	#	#	#	#
02/08/2016	02/08/2026	0.30	890,000	-	-	-	890,000	890,000
06/23/2017	06/23/2027	0.78	4,200,000	-	-	-	4,200,000	4,200,000
07/17/2017	07/17/2027	0.78	300,000	-	-	-	300,000	300,000
01/11/2018	01/11/2028	0.81	1,193,500	-	-	-	1,193,500	1,193,500
07/23/2018	07/23/2023	0.80	2,430,000	-	-	-	2,430,000	2,430,000
07/23/2018	08/31/2022	0.80	83,334	-	83,334	-	-	-
07/23/2018	10/31/2022	0.80	166,666	-	166,666	-	-	-
02/21/2019	02/21/2024	0.53	2,896,666	-	-	-	2,896,666	2,896,666
02/21/2019	09/30/2023	0.53	350,000	-	-	-	350,000	350,000
04/17/2019	04/17/2024	0.53	550,000	-	-	-	550,000	550,000
04/23/2019	04/23/2024	0.53	200,000	-	-	-	200,000	200,000
11/21/2019	02/15/2022	0.62	400,000	-	400,000	-	-	-
11/21/2019	03/31/2023	0.62	400,000	-	-	-	400,000	400,000
05/05/2020	05/05/2025	0.54	4,324,334	-	-	-	4,324,334	4,324,334
05/05/2020	10/31/2024	0.54	516,000	-	-	-	516,000	516,000
05/05/2020	02/15/2022	0.54	66,666	-	66,666	-	-	-
02/12/2021	02/12/2026	1.05	200,000	-	-	-	200,000	133,333
03/30/2021	03/30/2026	1.05	1,201,000	-	-	-	1,201,000	800,661
03/30/2021	12/31/2024	1.05	71,000	-	-	23,667	47,333	47,333
03/30/2021	02/15/2022	1.05	23,666	-	23,666	-	-	-
03/30/2021	03/31/2023	1.05	100,000	-	-	-	100,000	66,666
07/12/2021	07/12/2026	1.42	200,000	-	-	200,000	-	-
11/01/2021	11/01/2026	1.20	600,000	-	-	-	600,000	300,000
12/22/2021	12/22/2026	1.25	629,666	-	-	-	629,666	419,776
12/22/2021	12/31/2024	1.25	30,105	-	-	20,070	10,035	10,035
02/03/2022	02/03/2027	1.18	-	603,965	-	-	603,965	201,322
03/09/2022	03/09/2027	1.50	-	150,000	-	-	150,000	50,000
04/11/2022	04/11/2027	1.60	-	200,000	-	-	200,000	66,666
06/24/2022	06/24/2027	1.32	-	84,057	-	-	84,057	28,019
Totals			**22,022,603**	**1,038,022**	**740,332**	**243,737**	**22,076,556**	**20,374,311**
Weighted average exercise price			**C$0.71**	**C$1.32**	**C$0.69**	**C$1.37**	**C$0.73**	**C$0.69**

The Black-Scholes option valuation model input factors for stock options granted in 2022 were as follows:

Grant date	Expiry date	Grant date market price	Exercise price	Weighted average value per stock option: Risk-free interest rate	Expected life	Expected volatility	Dividend yield	Grant date fair value
		C$	C$	%	(in years)	%	%	C$
02/03/2022	02/03/2027	1.15	1.18	0.95	3.0	67.24	-	0.53
03/09/2022	03/09/2027	1.50	1.50	1.49	3.0	66.70	-	0.72
04/11/2022	04/11/2027	1.60	1.60	2.21	3.0	67.22	-	0.73
06/24/2022	06/24/2027	1.32	1.32	2.48	3.0	66.64	-	0.60

The outstanding options as at December 31, 2022 have a weighted average remaining contractual life of 2.71 years (December 31, 2021 – 3.57 years).

(Expressed in United States dollars)

(c) Restricted Share Units ("RSUs") and Deferred Share Units ("DSUs")

	RSUs		DSUs	
	Outstanding	**Vested**	**Outstanding**	**Vested**
	#	#	#	#
December 31, 2021	2,851,164	437,000	398,000	398,000
Granted	65,000	-	627,418	627,418
Vested	-	1,340,396	-	-
Redeemed	(574,000)	(574,000)	-	-
Forfeited	(186,372)	-	-	-
December 31, 2022	**2,155,792**	**1,203,396**	**1,025,418**	**1,025,418**

RSUs

Each RSU is redeemable into one common share of the Company.

On February 3, 2022, the Company granted 35,000 RSUs with a grant date fair value of C$1.18 each to an employee of the Company. The RSUs will vest in one installment on August 26, 2023.

On April 11, 2022, the Company granted 30,000 RSUs with a grant date fair value of C$1.60 to an employee of the Company. The RSUs will vest in equal installments on the first and second anniversaries of the grant date.

During 2022, 186,372 unvested RSUs were forfeited by former employees of the Company.

DSUs

Each DSU is redeemable into one common share of the Company.

On February 3, 2022, the Company granted 550,765 DSUs to directors of the Company. The DSUs are fully vested on the grant date at the fair value of C$1.18 each.

On June 24, 2022, the Company granted 76,653 DSUs to a director of the Company. The DSUs are fully vested on the grant date at the fair value of C$1.32 each.

(d) Share-based compensation

Share-based compensation by incentive instruments for the years ended December 31 were as follows:

	2022	2021
Stock options	**$838,532**	$934,640
Restricted share units	**1,032,607**	1,072,801
Deferred share units	**592,513**	288,073
Total share-based compensation	**$2,463,652**	$2,295,514
Less amount capitalized to mine under development	**(612,362)**	(517,449)
Share-based compensation, net of capitalized portion	**$1,851,290**	$1,778,065

Share-based compensation capitalized relates to employees who contribute directly to the development and construction of the Bomboré project.

(Expressed in United States dollars)

16. INCOME TAXES

The provision for income taxes differs from the expected amount calculated using the combined Canadian federal and provincial statutory income tax rates as follows for the years ended December 31:

	2022	2021
Income (loss) before income taxes	**$1,886,209**	($18,721,131)
Statutory Canadian federal and provincial tax rates	**27.0%**	27.0%
Expected income tax expense (recovery)	**509,276**	(5,054,705)
Impact of foreign tax rates	**68,614**	100,158
Non-deductible expenses	**211,127**	2,755,235
Unrecognized change in Canadian deductible temporary differences	**-**	(384,732)
Unrecognized change in foreign resource-related deductible temporary differences	**-**	(4,835,813)
Unrecognized change in share issuance and borrowing costs	**223,322**	929,590
Unrecognized change in Canadian non-capital loss carry-forwards	**2,901,144**	1,025,171
Unrecognized change in foreign resource-related income tax attributes	**377,545**	5,465,096
Benefit of previously unrecognized deferred income tax assets	**(4,291,028)**	-
Income tax expense	**-**	-

The following deferred tax assets have not been recognized as it is not considered probable that sufficient future taxable profit will be generated to allow these assets to be recovered as at the following dates:

As at	December 31, 2022	December 31, 2021
Canadian non-capital loss carry-forwards	**$11,617,664**	$9,379,705
Foreign resource-related income tax attributes	**31,125,680**	39,875,759
Unamortized share issuance costs deductible for tax purposes	**522,195**	1,261,104
	$43,265,539	$50,516,568

If not utilized, these Canadian non-capital loss carry-forwards expire between 2029 and 2042. The unamortized share issuance costs as at December 31, 2022 will be deductible for Canadian income tax purposes between 2023 and 2025.

The resource-related attributes generated by the Company's foreign subsidiaries are available to reduce future income taxes in Burkina Faso for either a period of five years beginning in the year that production commences, or over the life of mine depending on the nature of the attribute. These deductions are tracked by project and can be applied to reduce future profit earned in Burkina Faso on the same respective projects should they be taken into production or can be used to offset taxable gains realized on permit sales if such a sale is undertaken. The effective corporate income tax rate in Burkina Faso is 27.5% (2021 – 27.5%).

17. SUPPLEMENTAL CASH FLOW INFORMATION

(a) Changes in non-cash operating activities

Supplemental details of the changes in non-cash operating activities for the years ended December 31 were as follows:

	2022	2021
Inventories	**$746**	($7,687)
Other current assets	**(380,235)**	183,223
Trade and other payables	**938,128**	433,177
	$558,639	$608,713

(b) Changes in non-cash investing activities

Supplemental details of the changes in non-cash investing activities for the years ended December 31 were as follows:

	2022	2021
Acquisition of mineral properties, plant and equipment	**$20,257,552**	$19,146,162
	$20,257,552	$19,146,162

(c) Changes in non-cash financing activities

Supplemental details of the changes in non-cash financing activities for the years ended December 31 were as follows:

	2022	2021
Fair value of warrant exercises (Note 10)	**($3,976,567)**	$55,292
Accretion on loans and borrowings (Note 11)	**3,726,002**	160,970
Other finance costs (Note 11)	**803,533**	274,057
Shares issued for interest (Note 11)	**2,121,215**	-
Non-cash and accrued interest (Note 11)	**39,077**	-
Fair value (gain) loss on the silver stream liability (Note 13)	**(1,411,960)**	538,638
	$1,301,300	$1,028,957

18. FINANCIAL INSTRUMENTS AND RISKS

The Company's existing operations involve the exploration, development, and mine operation of its Bomboré mine in Burkina Faso which exposes the Company to a variety of financial instrument related risks. These risks include foreign currency risk, liquidity risk, credit risk and other risks. The Company's board of directors provides oversight for the Company's risk management processes.

(a) Foreign currency risk

The Company is exposed to currency risk due to business transactions in foreign countries. The Company mainly transacts in Canadian dollars, United States dollars, Euros, and CFA. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations may affect the costs that the Company incurs in its operations. There has been no change in the Company's objectives and policies for managing this risk during the year ended December 31, 2022.

The US$ equivalent of the Company's financial instruments by originating denomination currency was as follows:

As at December 31, 2022	**US$**	**C$**	**EUR & CFA[1]**	**Other**	**Total**
Financial assets					
Cash	$87,193	$163,937	$8,898,259	$8,660	$9,158,049
Other current assets	2,811,156	661,688	939,965	17,796	4,430,605
Other financial assets	-	307,011	-	-	307,011
	$2,898,349	$1,132,636	$9,838,224	$26,456	$13,895,665
Financial liabilities					
Trade and other payables	$15,906,535	$2,692,113	$18,197,750	$535,175	$37,331,573
Warrant liability	-	2,785,052	-	-	2,785,052
Loans and borrowings	30,663,570	-	91,176,626	-	121,840,196
Lease liabilities	504,632	322,697	-	-	827,329
Silver stream liability	6,256,566	-	-	-	6,256,566
Net financial instruments	**($50,432,954)**	**($4,667,226)**	**($99,536,152)**	**($508,719)**	**($155,145,051)**

[1] *The financial instruments held in EUR and CFA have been presented together as the CFA is pegged to the EUR.*

(Expressed in United States dollars)

As at December 31, 2021	US$	C$	EUR & CFA[1]	Other	Total
Financial assets					
Cash	$19,719,336	$4,775,870	$11,138,247	$449,527	$36,082,980
Other current assets	7,485	121,830	171,444	-	300,759
Other financial assets	-	403,144	-	-	403,144
	$19,726,821	$5,300,844	$11,309,691	$449,527	$36,786,883
Financial liabilities					
Trade and other payables	$5,710,891	$1,932,301	$9,565,518	$1,907,282	$19,115,992
Warrant liability	-	8,633,726	-	-	8,633,726
Loans and borrowings	29,822,386	-	16,004,358	-	45,826,744
Lease liabilities	-	441,431	-	-	441,431
Silver stream liability	7,688,638	-	-	-	7,688,638
Net financial instruments	**($23,495,094)**	**($5,706,614)**	**($14,260,185)**	**($1,457,755)**	**($44,919,648)**

A 10% weakening against the US dollar of the currencies to which the Company had exposure would have had the following effects (a 10% strengthening against the US dollar would have had the opposite effect):

As at	**December 31, 2022**	December 31, 2021
C$	**$466,723**	$570,661
EUR & CFA	**$9,953,615**	$1,426,019
Others	**$50,872**	$145,776

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial obligations as they fall due. The Company manages its liquidity by preparing cash flow forecasts on a regular basis to assess whether the Company will likely have sufficient cash resources to meet its future operational and working capital requirements.

The following table summarizes the contractual maturities of the Company's operating, capital and financing commitments at December 31, 2022, shown in contractual undiscounted cashflows:

	Within 1 year	Between 1 and 5 years	Thereafter	Total
Trade and other payables	$38,003,961	-	-	**$38,003,961**
Capital commitments	1,526,654	-	-	**1,526,654**
Operating commitments	5,582,548	1,500,000	-	**7,082,548**
Lease commitments	104,490	1,040,620	-	**1,145,110**
Senior Debt Facility	42,193,700	71,245,425	-	**113,439,125**
Convertible Note Facility	2,975,000	43,305,548	-	**46,280,548**
Total	**$90,386,353**	**$117,091,593**	**-**	**$207,477,946**

The Senior Debt Facility and the Convertible Note Facility presented include both contractual principal and interest payments and, in the case of the Convertible Note Facility, exclude the exercise of the equity conversion rights.

The Company has a Silver Stream to deliver 50% of future silver production from the Bomboré mine to the stream holder for no further payments.

[1] *The financial instruments held in EUR and CFA have been presented together as the CFA is pegged to the EUR.*

(Expressed in United States dollars)

(c) Credit risk

The Company's cash and trade and other receivables are exposed to credit risk, which is the risk that the counterparties to the Company's financial instruments will fail to discharge their obligations to the Company. The amount of credit risk to which the Company is exposed is considered insignificant as the Company's cash is held with highly rated financial institutions in interest-bearing accounts and the concentration of cash held in any one institution is regularly monitored.

(d) Fair value measurements

The fair value of a financial instrument is measured within a "fair value hierarchy" that prioritizes the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority. The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2: Valuation techniques using input other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3: Valuation techniques using inputs for the asset or liability that are not based on observable market data.

The following table sets forth the Company's financial instruments measured at fair value by level within the fair value hierarchy:

	Level 1	**Level 3**	**December 31, 2022**	Level 1	Level 3	December 31, 2021
Cash	**$9,158,049**	**-**	**$9,158,049**	$36,082,980	-	$36,082,980
Other financial assets	**307,011**	**-**	**307,011**	403,144	-	403,144
Warrant liability	**(2,785,052)**	**-**	**(2,785,052)**	(8,633,726)	-	(8,633,726)
Silver stream liability	**-**	**($6,256,566)**	**($6,256,566)**	-	($7,688,638)	($7,688,638)

The Company did not transfer any assets or liabilities between levels on the fair value hierarchy and has not offset any of its financial assets against its financial liabilities.

19. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration, development, and exploitation of its mineral properties. The Company manages the 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 the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, or increase borrowings. The Company does not currently pay dividends.

The Company considers the components of shareholders' equity, loans and borrowings, and the Silver Stream liability to be its capital, which at December 31, 2022 totalled $207,216,142 (December 31, 2021 - $117,499,305)

The Company is not subject to any externally imposed capital requirements, with the exception of complying with covenants under the Senior Debt Facility and Convertible Note Facility. As at December 31, 2022, the Company was in compliance with these covenants.

20. KEY MANAGEMENT COMPENSATION

Key management and director compensation for the years ended December 31 was as follows:

	2022	2021
Short-term key management personnel compensation and benefits and director fees	**$2,006,835**	$1,809,998
Share-based compensation	**1,716,471**	1,891,718
	$3,723,306	$3,701,716

21. SUBSEQUENT EVENTS

During January 2023, 8,171,288 warrants were exercised at a price of C$0.80 for proceeds of C$6,537,030 (US$4,869,722). On January 29, 2023, 405,410 warrants expired unexercised.

On January 9, 2023, the Company issued 445,803 and 178,321 shares to Resource Capital Fund VII L.P. and Beedie Investments Ltd respectively as payment for interest on the Convertible Note Facility.

On January 19, 2023, 1,960,324 stock options, 839,073 RSUs, and 446,670 DSUs were issued. The stock options are exercisable at C$1.26 each.

In January, February, and March, 2023 447,546 stock options were exercised at a prices of C$0.62 and C$1.05 for total proceeds of C$306,145 (US$223,980), and 150,000 options with an exercise price of C$1.20 were cancelled.

In January, February, and March, 2023, a total of 71,500 RSUs were redeemed for an equal number of common shares of the Company and 35,000 RSUs were cancelled.

On March 8, 2023, the Company completed a non-brokered private placement of 13,000,000 common shares of the Company at a share price of C$1.27 for gross proceeds of C$16,510,000 (US$11,986,821). The net proceeds received from the share issuance was C$15,891,462 (US$11,537,742) after commissions, legal and other fees.