



**2021 Management's Discussion and Analysis**

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ROBEX RESOURCES INC. is a Canadian mining operation and exploration company, that operates in Mali, in Africa, whose shares are traded on the Canadian TSX Venture Exchange under the symbol RBX. The Company currently operates the Nampala mine and holds five exploration permits in Mali. ROBEX's priority strategy is to maximize shareholder value by managing its existing assets and pursuing opportunities for strategic growth.

This Management's Discussion and Analysis ("MD&A") is designed to provide the reader with a greater understanding of the Company's business, strategy, and performance, as well as how it manages risk and capital resources. It also aims to show that the Company is a citizen and responsible actor engaged in actions with lasting effects. This MD&A, prepared as of May 2, 2022, is intended to complement and supplement our Annual Audited Consolidated Financial Statements (the "financial statements") as of December 31, 2021. Our financial statements and this MD&A are intended to provide investors with a reasonable basis for assessing our operational results and our financial performance.

Our financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). The presentation currency for the financial statements is the Canadian dollar. The euro and the CFA franc are the functional currencies of the Company. All dollar amounts contained in this MD&A are therefore expressed in Canadian dollars, unless otherwise specified.

This MD&A contains forward-looking statements. Particular attention should be given to the risk factors described in the "Risks and Uncertainties" section and to the "Forward-Looking Statements" section of this document.

Where we say "we", "us", "our", "the Company", "the Group" or "ROBEX", we mean ROBEX RESOURCES INC. and one, more or all its subsidiaries, as the case may be.

## 1. IMPORTANT FACTS

A. 2021 OPERATING AND FINANCIAL RESULTS HIGHLIGHTS

	2021	2020	Variation
Gold ounces produced	46,554	50,348	-8%
Gold ounces sold	46,002	50,963	-10%
<i>(rounded off to the nearest thousand dollars)</i>			
<b>Revenue – Gold sales</b>	<b>103,893,000</b>	120,830,000	-14%
<b>Operating income</b>	<b>37,094,000</b>	48,529,000	-24%
<b>Net income attributable to equity shareholders</b>	<b>15,893,000</b>	44,609,000	-64%
<i>Basic earnings per share</i>	<i>0.026</i>	<i>0.076</i>	-66%
<i>Diluted earnings per share</i>	<i>0.026</i>	<i>0.074</i>	-65%
<b>Adjusted amounts</b>			
Adjusted net income attributable to equity shareholders <sup>1</sup>	29,668,000	45,046,000	-34%
<i>Per share<sup>1</sup></i>	<i>0.049</i>	<i>0.076</i>	-36%
<b>Cash flows</b>			
Cash flows from operating activities <sup>2</sup>	33,768,000	65,090,000	-48%
<i>Per share<sup>1</sup></i>	<i>0.056</i>	<i>0.111</i>	-50%
<b>Total assets</b>	<b>142,668,000</b>	116,774,000	+22%
<b>Total liabilities</b>	<b>44,020,000</b>	25,535,000	+72%
<b>Net debt<sup>3</sup></b>	<b>(9,281,000)</b>	(1,008,000)	N/A
<b>Statistics</b>			
<i>(in dollars)</i>			
Average realized selling price (per ounce)	2,258	2,371	-5%
All-in sustaining cost (per ounce sold) <sup>1</sup>	1,502	1,277	+18%
Adjusted all-in sustaining cost (per ounce sold) <sup>1</sup>	956	797	+20%

<sup>1</sup> Adjusted net income attributable to equity shareholders, adjusted basic earnings per share, operating cash flows per share, all-in sustaining cost and adjusted all-in sustaining cost are non-IFRS financial measures for which there is no standardized definition under IFRS. See the "Non-IFRS Financial Performance Measures" section of this document, on page 42.

<sup>2</sup> Cash flows from operating activities exclude net change in non-cash working capital items.

<sup>3</sup> Refer to "Net Debt Position" section of this document on page 12.

**B. 2021 CORPORATE SUMMARY**

The 2021 production amounts to 46,554 oz in concordance with the revised objective of >45,000 oz. Compared to the year 2020, the lower input grade this year, specifically 0.81 g/t compared to 0.93 g/t, was partially compensated by a better recovery (91.4% vs 88.1%) and an increase in tonnage. Last December, replacing the cyclone pumps allowed us to eliminate the main cause of the 2021 tonnage limitation, enabling us to increase the Nampala production objectives for 2022. We opened four new pits to process the new resources we discovered following our successful 2019 and 2020 exploration campaign. We also reached the transition that will progressively be included in the plant feeding mix.

Considering the production reduction, the gold price decrease and the energy cost increase, the 2021 operational result was CAD 37.1 million compared to CAD 48.5 million in 2020. The 2021 net result of CAD 15.9 million attributable to shareholders (vs CAD 44.6 million in 2020) includes an exceptional CAD 14.3 million tax provision accounted following the receipt of the tax assessment notice by the Malian authorities for the financial years 2016 to 2018, representing the most probable cash outflow as of today.

In order to develop our licenses, we started exploration work (geochemistry, geophysics reinterpretation, surface sampling) on the Senegalese-Malian shear zone (Sanoula and Diagounte), and on the licenses neighbouring Nampala (Mininko and Gladie). Reverse circulation (RC) and diamond drillings have started at the beginning of the year 2022 with the objective of increasing the resources. A complete redesign of our exploration process is in progress with the Sycamore Mining Ltd ("Sycamore") geologists' team.

During the year 2021, management dedicated substantial efforts to finalizing a major first step in the Group's development. This work resulted in the merger of Robex with Sycamore with the objective of creating a large low-cost, multi-asset and multi-jurisdictions gold producer in West Africa. On April 20, 2022, the Company closed a Share Purchase Agreement ("SPA") in which the Company will issue 403,600,000 common shares (minus the closing adjustments such as potential liabilities) in Robex's share capital in exchange for 100% of outstanding Sycamore stocks. The closing is expected before the end of the second quarter of 2022.

C. 2022 OUTLOOK AND STRATEGY<sup>1</sup>: A YEAR OF TRANSFORMATIONS

After the 2017 Nampala startup, the doubling of the resources and the 2020 dividends, the Company progressed once again in 2022 with the Kiniero project located in the Republic of Guinea. This combination has already considerably reinforced our technical teams and will allow us to maximize our properties in Mali, including the Nampala mine which will remain a key asset in the Company's development. Concomitantly with the legal work for completing the transaction, the objectives of the Company for 2022 are the following:

- **Sycamore Integration:** Robex will integrate the Sycamore teams into its structure with the deployment of all its HR, environmental, security, accounting, and IT systems procedures. We will establish a close collaboration between both mining sites to share best practices and train all collaborators.
- **Preparation of the Kiniero construction phase:** All teams are working on completing the pre-feasibility study ("PFS") compliant with the Canadian NI 43-101 norm, planned for the second quarter of 2022. This study will be followed by a feasibility study ("FS") in order to start the construction of the plant. Much work is required, notably definition drillings and engineering, which will continue throughout the year.
- **Nampala performance improvement:** The optimization of the mining plan is now ongoing which is a priority for the Company. The objective is to maximize the cash flow to support the Group's growth.
- **Contribution to the environment:** The solar power plant will start up at the end of the second quarter, which will significantly reduce our emissions by 3,000 tons of CO2, saving 1,147,000 litres of fuel, while improving our production costs.
- **Exploration in Mali and Guinea:** The exploration is back at the core of the strategy to identify new targets and new treatable reserves at the Nampala plant and the future Kiniero plant.
- **Capitals Market:** Robex wishes to improve its communication with investors and financial intermediaries to increase stock liquidity in the short term. The Group is considering the possibility of "graduating" at TSX in order to attract a greater number of investors.

Our forecasts for the year 2022 are the following:

	2021 Achievements	2022 Forecasts
<b>Nampala Mine</b>		
Gold production	46,554 ounces	> 50,000 ounces
All-in sustaining cost ("AISC") <sup>2</sup> (per ounce sold)	1,502 CAD (1,199 USD <sup>3</sup> )	< 1,500 CAD (1,197 USD <sup>3</sup> )
<b>Immobilization expenses (included in the AISC)</b>		
Maintenance immobilization expenses	6.1 million CAD	4.9 million CAD
Stripping costs	21.9 million CAD	15.5 million CAD
	28.0 million CAD	20.4 million CAD

<sup>1</sup> This section contains forward-looking statements. Refer to the "Forward-Looking Statements" section on page 45 of this document for further details on forward-looking statements.

<sup>2</sup> All-in sustaining cost is a non-IFRS financial measures for which there is no standardized definition under IFRS. See the "Non-IFRS Financial Performance Measures" section of this document, on page 42.

<sup>3</sup> The amounts in Canadian dollars have been converted to American dollars according to the average yearly rate for 2021, which is 0.7980.

The Group's administrative costs are estimated at CAD 13.3 million for 2022.

Many assumptions have been considered while preparing the 2022 forecasts, including:

- Gold price: CAD 2.185 per ounce
- Fuel price: CAD 1.55 per litre
- EUR/CAD exchange rate: 1.3675

#### D. KEY ECONOMIC FACTORS

##### ✦ PRICE OF GOLD

During the fiscal year ended December 31, 2021, the price of gold in US dollars, based on the *London Gold Fixing Price*, fluctuated from a high of USD 1,942 to a low of USD 1,701 per ounce (high of CAD 2,482 to a low of CAD 2,145 per ounce). The average market gold price for the fiscal year ended on December 31, 2021 was of CAD 2,255 per ounce compared to CAD 2,409 per ounce for the same period in 2020, representing a decrease of CAD 154.

(in dollars per ounce)	2021					2020
	Q4	Q3	Q2	Q1	Year	Year
Average London Gold Fixing Price USD	1,797	1,789	1,813	1,796	1,799	1,800
Average London Gold Fixing Price CAD	2,266	2,253	2,227	2,274	2,255	2,409
Average realized selling price CAD	2,266	2,269	2,219	2,281	2,258	2,371

##### ✦ COST PRESSURES

Our operation, like the entire mining sector, is greatly affected by pressures on the costs of development and operation. Since our mining activities consume large amounts of energy, a change in fuel price can have a significant impact on our operations and associated financial results. The situation is the same for most of our chemicals such as lime, cyanide and coal.

The Group purchases our fuel exclusively from the company Vivo Energy Mali in CFA francs, the local currency in Mali, at a price based on the price fixed by the director of the Malian Office of Petroleum Products (ONAP). The average price fixed by the director of ONAP was FCFA 593 per litre (equivalent to CAD 1.34) for the year ended December 31, 2021, compared to FCFA 616 per litre (equivalent to CAD 1.44) for the same period in 2020.

The startup of the solar power plant confirms afterwards the relevancy of the choice of this investment since it will reduce the impact of the increase in fuel prices and prove our environmental commitment.

##### ✦ FOREIGN CURRENCIES

Our mining operation and exploration activities are carried out in Mali, in West Africa. As a result, a portion of operating costs and capital expenditures is denominated in foreign currencies, mainly in euros. The FCFA is currently at a fixed rate of FCFA 655.957 for 1 euro, and therefore fluctuates according to the euro.

During the fiscal year ended December 31, 2021, the Canadian dollar gained value compared to the Euro during the same period in 2020. As majority of our costs are denominated in foreign currencies other than the Canadian dollar, the foreign exchange fluctuation positively impacted our all-in sustaining cost<sup>1</sup>.

<sup>1</sup> The all-in sustaining cost is a non-IFRS financial measure for which there is no standardized definition under IFRS. See the "Non-IFRS Financial Performance Measures" section of this document, on page 42.

The exchange rates between the Euro (EUR) and the Canadian Dollar (CAD) are as follows:

EUR / CAD	2021	2020
March 31 (closing)	1.4759	1.5584
June 30 (closing)	1.4699	1.5305
September 30 (closing)	1.4801	1.5631
December 31 (closing)	1.4391	1.5608
First quarter (average)	1.5251	1.4826
Second quarter (average)	1.4802	1.5256
Third quarter (average)	1.4851	1.5575
Fourth quarter (average)	1.4408	1.5537
Year (average)	1.4828	1.5298

## 2. CONSOLIDATED FINANCIAL RESULTS

### A. RESULTS

	2021	2020
Gold ounces produced	46,554	50,348
Gold ounces sold	46,002	50,963
<i>(rounded off to the nearest thousand dollars)</i>		
<b>Revenue – Gold sales</b>	<b>103,893,000</b>	120,830,000
Mining operation expenses	(34,633,000)	(31,550,000)
Mining royalties	(3,207,000)	(2,915,000)
Administrative expenses	(17,443,000)	(16,349,000)
Depreciation of property, plant and equipment and amortization of intangible assets	(11,516,000)	(20,913,000)
Stock-based compensation expense	---	(574,000)
<b>Operating income</b>	<b>37,094,000</b>	48,529,000
Financial expenses	(939,000)	(1,146,000)
Foreign exchange gain (loss)	508,000	194,000
Write-off of property, plant and equipment and amortization of intangible assets	(6,000)	(57,000)
Other income	122,000	62,000
Income (recovery) tax expense	(20,658,000)	(2,556,000)
<b>Net income</b>	<b>16,121,000</b>	45,026,000
<b>Net income attributable to equity shareholders</b>	<b>15,893,000</b>	44,609,000
<i>Basic earnings per share</i>	<i>0.026</i>	<i>0.076</i>
<i>Diluted earnings per share</i>	<i>0.026</i>	<i>0.074</i>
<b>Adjusted amounts</b>		
Adjusted net income attributable to equity shareholders <sup>1</sup>	29,668,000	45,046,000
<i>Per share<sup>1</sup></i>	<i>0.049</i>	<i>0.076</i>
<b>Cash flows</b>		
Cash flows from operating activities <sup>2</sup>	33,768,000	65,090,000
<i>Per share<sup>1</sup></i>	<i>0.056</i>	<i>0.111</i>

<sup>1</sup> Adjusted net income attributable to equity shareholders, adjusted basic earnings per share and operating cash flows per share are non-IFRS financial measures for which there is no standardized definition under IFRS. See the "Non-IFRS Financial Performance Measures" section of this document, on page 42.

<sup>2</sup> Cash flows from operating activities exclude net change in non-cash working capital items.



**Comments:**

- In 2021, gold sales amounted to \$103,893,000 compared to \$120,830,000 in 2020. This 14% decrease is due to a 5% lower average realized selling price (\$2,258 per ounce compared to \$2,371 in 2020) as well as a decrease in the number of ounces of gold sold (46,002 ounces of gold sold compared to 50,963 in 2020), resulting from lower production in 2021 (46,554 ounces of gold produced compared to 50,348 in 2020). The increase in treated ore tonnage, especially at the end of the year, and the improvement of the recovery only partially compensated for the decrease of the ore grade. The difference between the amount of gold ounces sold and the amount of gold ounces produced during the periods is due to the shipment timing.
- In 2021, mining operation expenses were \$34,633,000, or \$753 per ounce sold, while in 2020, they amounted to \$31,550,000, or \$619 per ounce sold. During 2021, operations were mainly carried out at the surface of the four new pits around the main pit. The 22% increase in mining operating expenses per ounce sold is therefore due in part to the increased distance to be covered by the ore between the new pits and the plant. In addition, the lower average feed grades inevitably required processing a larger amount of ore to produce an ounce of gold. However, this decline in grades (0.81 g/t compared to 0.93 g/t) was included in the mining plan.
- The increase in mining royalties in 2021 is justified by an upward revision of the gold selling price from Nampala to the Trading house, to which the government royalty rate of 3% is applied in Mali.
- In 2021, administrative expenses amounted to \$17,443,000 compared to \$16,349,000 in 2020, representing a 7% increase. As part of the unexpected tax adjustment in 2021, the Company hired tax advisors for an amount of \$1,388,000 to assist in its efforts to challenge the merits of the adjustment, since the Company vigorously defends its positions.
- Reduced depreciation of property, plant and equipment and amortization of intangible assets in 2021 is partially due to the new mineral resources estimates published in October 2020 and March 2021, which have extended the life of the Nampala mine, and therefore slowed down the amortization pace. Furthermore, the lower gold production in 2021 resulted in the reduction of the fixed asset amortization calculated according to the production unit method.
- In 2021, the financial expenses were \$939,000 compared to \$1,146,000 in 2020. This 18% decrease stems from the fact that the Company's average bank debt in 2021 was lower than in 2020.
- In 2021, we recorded foreign exchange gains of \$508,000 as a result of the revaluation of our monetary assets and liabilities and our financial instruments denominated in currencies other than the Company's functional currency which is the Euro (foreign exchange gains of \$194,000 in 2020).
- In 2021, we recorded an income tax expense of \$20,658,000 (income tax expense of \$2,556,000 in 2020) including:
  - A deferred tax expense of \$4,659,000 (\$1,788,000 in 2020) following an increase in existing temporary differences between the book value of property, plant and equipment and their tax value in Mali;
  - A current tax expense of \$16,000,000 (\$768,000 in 2020), including a provision of \$14,276,807 for a tax adjustment on prior years<sup>1</sup>.
- In 2021, net income attributable to non-controlling interest (10% interest in Nampala S.A. owned by the Government of Mali) was \$228,000 compared to a net income of \$417,000 in 2020.

<sup>1</sup> The nature and extent of the risks arising from this tax adjustment are described in note 24 of our financial statements.

**B. RESULTS BY OPERATING SEGMENT**

	2021	2020
(rounded off to the nearest thousand dollars)	\$	\$
Mining Operation (Gold)	43,145,000	56,707,000
Mining Exploration	(34,000)	(11,000)
Corporate management	(6,017,000)	(8,167,000)
<b>Operating income</b>	<b>37,094,000</b>	<b>48,529,000</b>

**C. COMPREHENSIVE INCOME**

For the year ended December 31, 2021, other comprehensive income is summarized by a negative foreign exchange difference of \$8,773,000, reflecting the impact of the change in the exchange rate between the Euro, the FCFA (our functional currencies) and the Canadian dollar (our reporting currency) on our non-monetary assets and liabilities (positive foreign exchange difference of \$5,830,000 in 2020).

**D. FINANCIAL POSITION**

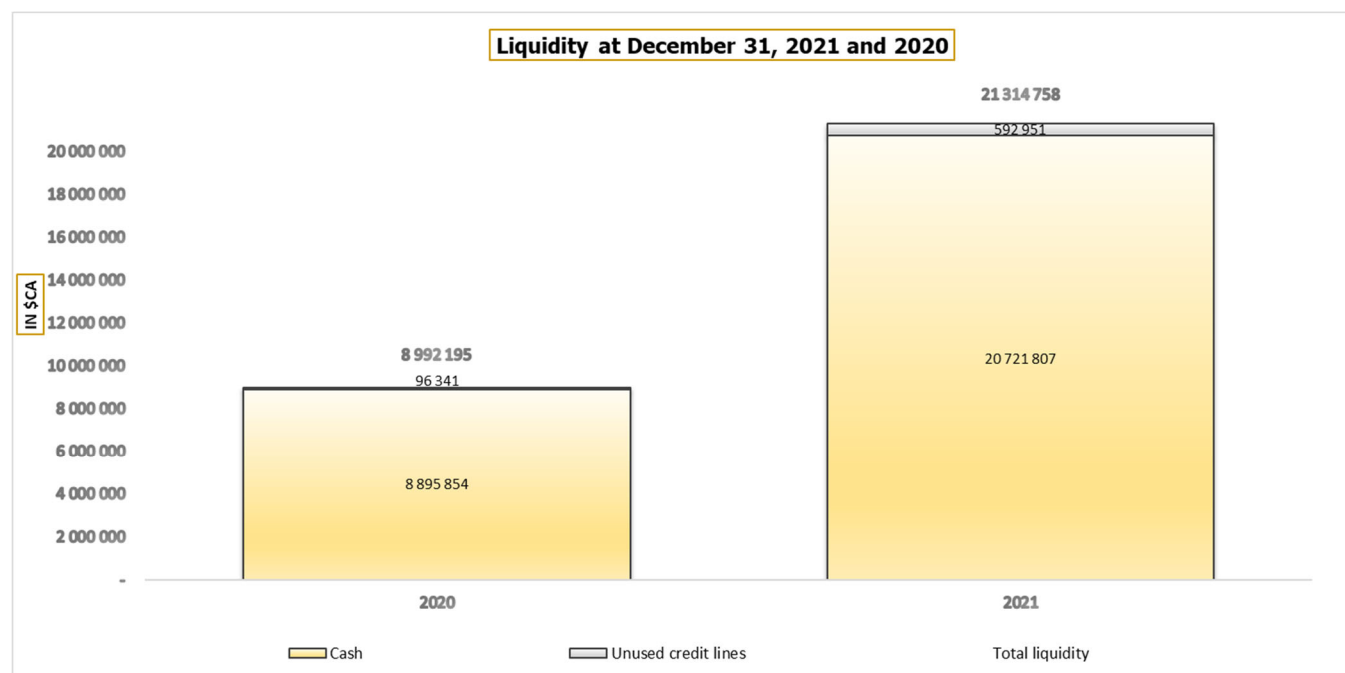
	2021	2020
(rounded off to the nearest thousand)	\$	\$
Current assets	41,245,000	28,155,000
Property, plant and equipment	90,605,000	77,260,000
Other non-current assets	10,818,000	11,359,000
<b>Total assets</b>	<b>142,668,000</b>	<b>116,774,000</b>
Current liabilities	35,454,000	19,343,000
Non-current liabilities	8,566,000	6,192,000
<b>Total liabilities</b>	<b>44,020,000</b>	<b>25,535,000</b>
<b>Equity attributable to shareholders</b>	<b>97,418,000</b>	<b>90,140,000</b>
Non-controlling interest	1,230,000	1,099,000
<b>Total equity and liabilities</b>	<b>142,668,000</b>	<b>116,774,000</b>

As of December 31, 2021, our total assets were \$142,668,000 compared to \$116,774,000 as of December 31, 2020. This increase is mainly explained by an increase in the cash balance of \$11,826,000 and the net value of property, plant and equipment of \$13,345,000, including among other things the production expenses capitalized as stripping cost and the exploration costs on the Nampala operating permit.

As of December 31, 2021, our total liabilities were \$44,020,000 compared to \$25,535,000 as of December 31, 2020. The increase in current liabilities includes a used balance of \$6,660,000 on authorized lines of credit (\$1,087,000 as of December 31, 2020) and an increase in accounts payable of \$10,560,000, including, among other things, a balance due to the state of \$7,715,000 on the tax provision for prior years' adjustments.

The authorized lines of credit will expire in September and November 2022 and the Company intends to renew them. The following table presents the debt maturity on December 31, 2021:

	2022	2023	2024
(arrondis au millier près)	\$	\$	\$
Lines of credit	6,660,000	---	---
Long-term debt	4,569,000	266,000	52,000
Lease obligations	81,000	7,000	---
<b>Total</b>	<b>11,310,000</b>	<b>273,000</b>	<b>52,000</b>



**E. CASH FLOWS**

The following table summarizes our cash flows:

	2021	2020
(rounded off to the nearest thousand)	\$	\$
Operating activities		
Operations	33,768,000	65,090,000
Working capital items	10,155,000	(1,626,000)
	43,923,000	63,466,000
Financing activities	4,179,000	(39,741,000)
Investing activities	(34,875,000)	(30,196,000)
Change in cash during the year	13,227,000	(6,471,000)
Effect of exchange rate changes on cash	(1,402,000)	1,769,000
<b>Cash at the beginning of the year</b>	<b>8,897,000</b>	<b>13,599,000</b>
<b>Cash at the end of the year</b>	<b>20,722,000</b>	<b>8,897,000</b>

**▣ OPERATING ACTIVITIES****Operations**

For the year ended December 31, 2021, operating activities, before working capital items, generated positive cash flows of \$33,768,000 compared to \$65,090,000 in 2020. This downward variation is mainly due to the decrease in revenues from gold sales of \$16,937,000 and the recognition of a provision for tax adjustments for years prior to 2021 of \$14,277,000.

**Working Capital Items**

Working capital items generated cash of \$10,155,000 in 2021, mainly due to the increase in accounts payable partly offset by the increase in inventories. In 2020, working capital items required cash of \$1,626,000. Additional information on the net change in non-cash working capital items is provided in note 20 to the financial statements.

**▣ FINANCING ACTIVITIES**

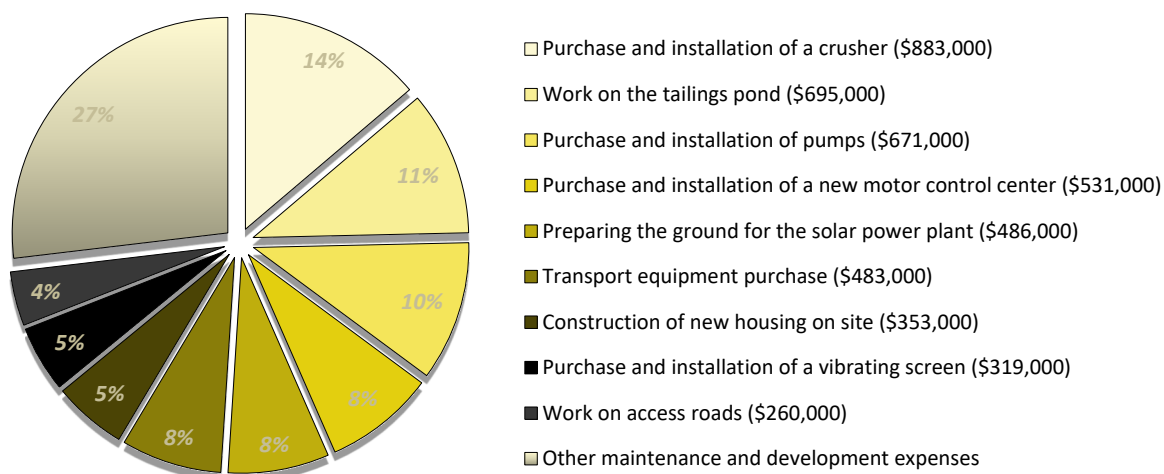
For the year ended December 31, 2021, cash flows generated by financing activities amounted to \$4,179,000 compared to cash flows required of \$39,741,000 in 2020. In 2021, the Company obtained bank financing from the local banks for a total amount of \$4,080,000 and used its lines of credit for an additional amount of \$5,622,000. In return, an amount of \$5,452,000 was repaid on long-term debt, in accordance with the repayment schedules.

✧ INVESTING ACTIVITIES

In 2021, cash flows used in investing activities was \$34,875,000 compared to \$30,196,000 in 2020 and are distributed as detailed below:

	2021	2020
(rounded off to the nearest thousand)	\$	\$
<b>Immobilization expenses</b>		
Maintenance and development (see chart below for details)	<b>(6,402,000)</b>	(6,240,000)
Stripping costs	<b>(21,937,000)</b>	(16,415,000)
	<b>(28,339,000)</b>	(22,655,000)
<b>Exploration expenses</b>		
Nampala mine	<b>(3,147,000)</b>	(8,004,000)
Other permits	<b>(2,005,000)</b>	(282,000)
	<b>(5,152,000)</b>	(8,286,000)
<b>Other variations</b>		
Decrease (increase) of paid deposits	<b>334,000</b>	(1,109,000)
Increase (decrease) in purchases of property, plant and equipment in accounts payable	<b>(1,718,000)</b>	1,854,000
	<b>(1,384,000)</b>	745,000
<b>Total</b>	<b>(34,875,000)</b>	<b>(30,196,000)</b>

**Breakdown of main maintenance and development capital expenditures in 2021**



**F. NET DEBT POSITION**

The following table summarizes the Company's net debt position as of December 31, 2021, and 2020:

	2021	2020
(arrondis au millier près)	\$	\$
Lines of credit	6,660,000	1,086,000
Debt	4,695,000	6,500,000
Lease obligations	86,000	302,000
Less : Cash	(20,722,000)	(8,896,000)
<b>Net debt</b>	<b>(9,281,000)</b>	<b>(1,008,000)</b>

**G. OTHER ELEMENTS**

**✕ CONTRACTUAL OBLIGATIONS**

**Asset Retirement Obligations**

The Company's operations are subject to various laws and regulations relating to provisions for environmental restoration and closure for which the Company estimates future costs. The Company establishes a provision based on the best estimate of the future costs for the reclamation of mine sites and associated production facilities on an up-to-date basis.

As of December 31, 2021, the provision for the future dismantling of the facilities under construction at the Nampala site amounted to \$378,000 (\$424,000 as of December 31, 2020). This decrease is because the mine life of the Nampala mine has been extended following the new mineral resource estimate published last March.

**Government Royalties**

In Mali, the rate of mining royalties on volumes shipped is 3%. For the year ended December 31, 2021, mining royalties of \$2,455,000 were registered as expenses (\$2,080,000 in 2020).

**Net Smelter Royalties ("NSR")**

We are subject to NSR royalties ranging from 1% to 2% on our different exploration properties. NSR royalties will only come into effect when we obtain an operating license on these properties.

For the operating license for gold and minerals on a portion of the Mininko property, NSR royalties of \$752,000 were recorded as expenses for the year ended December 31, 2021 (\$836,000 in 2020).

**Purchase Obligations**

As of December 31, 2021, the Company has engaged with various unrelated vendors to purchase property, plant and equipment in the amount of \$2,150,000 (\$2,804,000 as of December 31, 2020) and supplies and spare parts inventory in the amount of \$4,423,000 (\$5,516,000 as of December 31, 2020).

### Payments for the Maintenance of Mineral Rights

In the normal course of business, in order to obtain and retain all of the benefits associated with the holding of our mining licenses, we must commit ourselves to invest a predetermined amount in the exploration and development of the lands covered by the permits that we hold over the period of validity of these licenses. In addition, we are required to make annual payments to retain certain property titles. As of December 31, 2021, we respected all the obligations arising from the holding of our licenses in all their significant respects.

### ✘ NEWS ACCOUNTING STANDARDS

New standards and amendments to existing standards have been issued and their adoption is mandatory for fiscal years after December 31, 2021. Management has not yet determined the impact, if any, on the Company. These new accounting standards adopted and standards issued but not yet effective are described in note 4 to our consolidated audited financial statements as of December 31, 2021.

### ✘ CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of our financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continually evaluated and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates and assumptions that could result in material adjustments to our financial statements are described in note 5 of our financial statements.

### ✘ FINANCIAL INSTRUMENTS

The nature and extent of risks arising from financial instruments are described in note 25 of our financial statements.

### ✘ RELATED PARTY TRANSACTIONS

A related party is considered to include shareholders, affiliates, associates and entities under common control with the Company and members of key management personnel.

Transactions between related parties are disclosed in note 26 to our financial statements.

### ✘ SUBSEQUENT EVENT

On April 20, 2022, the Company entered into a Share Purchase Agreement ("SPA") in which the Company will issue a maximum of 403,600,000 common shares (less closing adjustments such as potential liabilities) in the share capital of Robex in exchange for 100% of the outstanding shares of Sycamore.

Pursuant to the terms of the SPA, the shares will be issued as follows:

- 242,160,000 Robex shares due at closing;
- upon approval of the closing financial statements, a maximum of 60,540,000 Robex shares less a number of Robex Shares equal to the aggregate amount of liabilities of Sycamore (on a consolidated basis); and
- 100,900,000 shares of Robex less such number of Shares equal to certain liabilities of Sycamore or the sellers not addressed in (i) to be issued once a "Convention d'établissement" signed with the Government of Guinea providing for the conditions under which the Kiniero Project will be operated or (ii) another binding document addressing such liabilities

Closing expected to occur before end of Q2 2022.

The completion of the Transaction is subject to a number of conditions precedent including, but not limited to: (i) the receipt by Robex of a NI43-101 technical report on the Kiniero Project and the acceptance of same by the TSX Venture Exchange (the Exchange); and (ii) the approval of the Transaction by the Exchange.

### 3. FOURTH QUARTER FINANCIAL AND OPERATING RESULTS

During the fourth quarter of 2021, we realized gold sales of \$34,929,000 and registered an operational result of \$13,241,000, compared to gold sales amounting to \$28,388,000 and an operational result of \$11,129,000 for the same period in 2020. The increase of our operational result is notably due to the increase in production, which is 13,471 ounces of gold compared to 10,803 ounces of gold for the same period in 2020. In addition, during the fourth quarter of 2021, the Company sold the 3,834 ounces of gold bullion inventory held as of September 30, 2021.

Besides, the Nampala mine realized new tonnage records at the end of the year, amounting to 192,024 tonnes treated monthly for a daily average of 6,194 tonnes in December. Last December, the replacement of the cyclone pumps allowed us to eliminate the main tonnage limitation in 2021.



#### 4. QUARTELY RESULTS

	2021					2020				
	Q4	Q3	Q2	Q1	Year	Q4	Q3	Q2	Q1	Year
<i>(in thousands of dollars, except for amounts per share)</i>										
<b>Results</b>										
Revenue – Gold sales	34,929	16,672	26,051	26,241	103,893	28,388	45,864	15,714	30,864	120,830
Net income (loss)	(7,117) <sup>1</sup>	3,950	9,465	9,823	16,121	11,558	23,897	(144)	9,715	45,026
Attributable to										
- Shareholders	(7,339)	4,127	9,395	9,710	15,893	11,410	23,195	338	9,666	44,609
- Non-controlling interest	222	(177)	70	113	228	148	702	(482)	49	417
Basic earnings per share	(0,012)	0.007	0.016	0.016	0,026	0.019	0.039	0.001	0.017	0.076
Diluted earnings per share	(0,012)	0.007	0.016	0.016	0,026	0.019	0.039	0.001	0.016	0.074
Cash flows from operating activities <sup>2</sup>	4,647	5,207	12,388	11,526	33,768	10,825	28,058	7,458	18,749	65,090
<b>NAMPALA</b>										
<b>Operating Data</b>										
Ore mined (tonnes)	548,485	484,359	507,986	477,350	2,018,180	488,413	406,005	456,091	502,280	1,852,789
Ore processed (tonnes)	519,749	481,690	474,435	472,410	1,948,284	487,771	438,367	483,460	476,720	1,886,318
Head grade (g/t)	0.88	0.79	0.82	0.76	0.81	0.78	0.86	1.00	1.10	0.93
Recovery (%)	91.6%	92.1%	89.2%	92.8%	91.4%	88.0%	88.2%	89.5%	88.8%	89.1%
Gold ounces produced	13,471	11,317	11,124	10,642	46,554	10,803	10,706	13,921	14,918	50,348
Gold ounces sold	15,413	7,348	11,739	11,502	46,002	11,696	18,121	6,500	14,646	50,963
<b>Statistics (in Canadian dollars)</b>										
Average realized selling price (per ounce)	2,266	2,269	2,219	2,281	2,258	2,427	2,531	2,418	2,107	2,371
Cash operating cost (per tonne processed) <sup>3</sup>	16	19	18	18	18	18	20	15	17	17
Total cash cost (per ounce sold) <sup>2</sup>	821	790	813	856	823	845	678	631	560	676
All-in sustaining cost (per ounce sold) <sup>2</sup>	1257	1,559 <sup>4</sup>	1,560	1,732	1,502	1,989	1,072	1,261 <sup>5</sup>	968	1,277
Administrative expenses (per ounce sold)	241	449 <sup>4</sup>	187	195	249	215	116	392 <sup>5</sup>	113	173
Depreciation of property, plant and equipment and intangibles assets (per ounce sold)	178	393 <sup>4</sup>	272	229	249	275	192	1,040 <sup>5</sup>	504	409

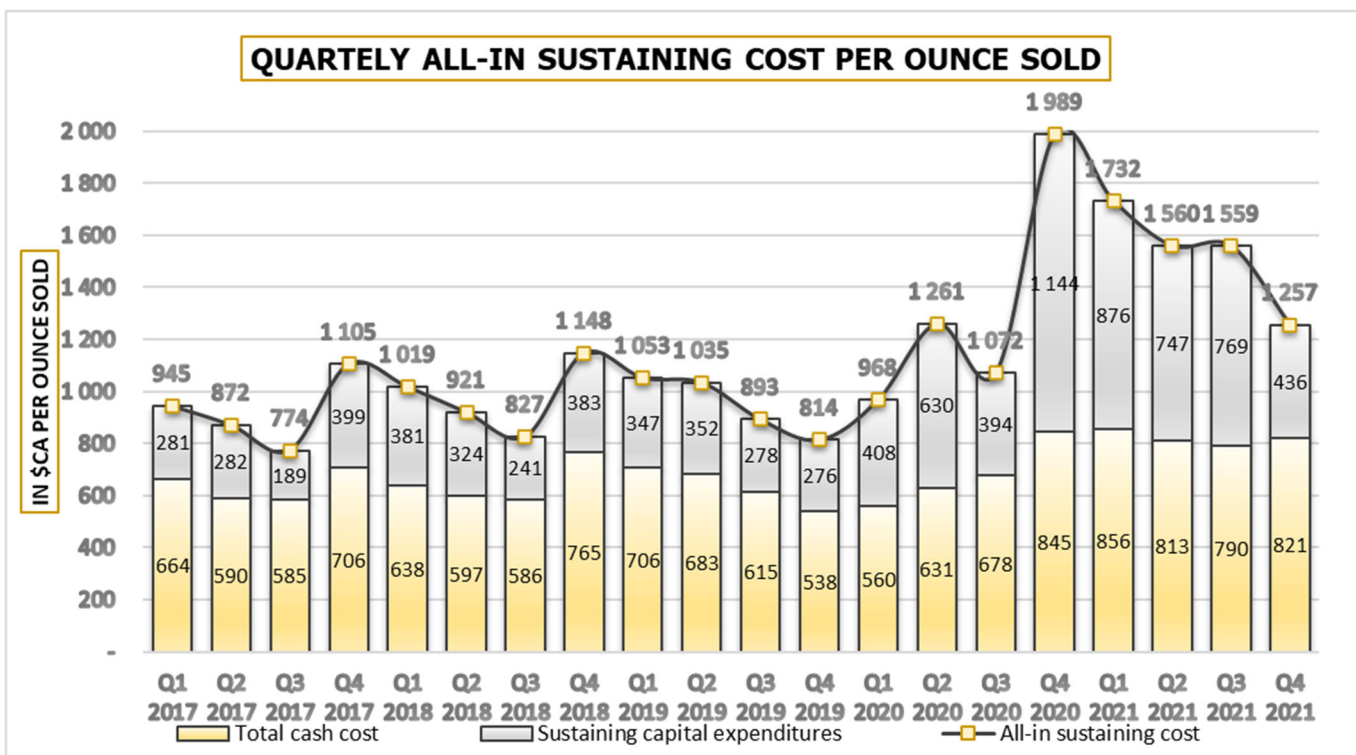
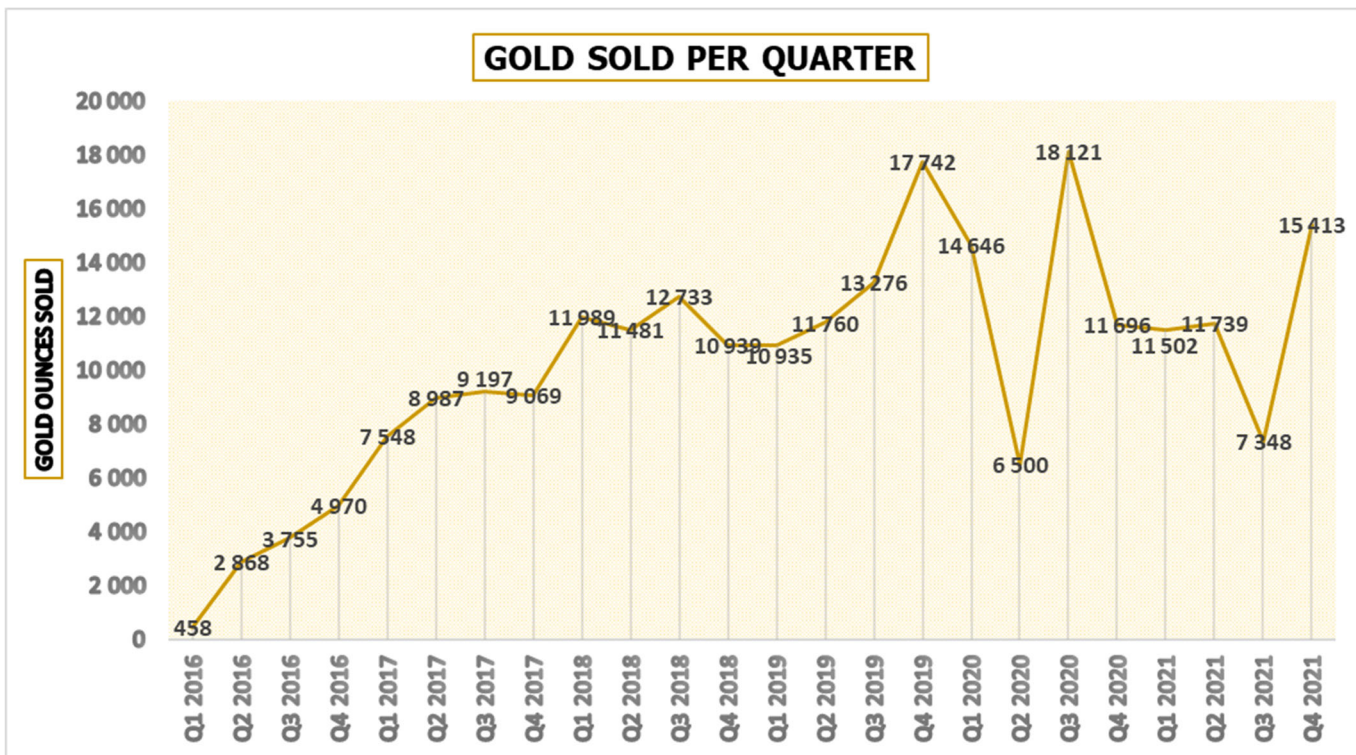
<sup>1</sup> For the fourth quarter of 2021, net income includes a provision for a tax adjustment for prior years of \$14,276,807.

<sup>2</sup> Cash flows from operating activities exclude net change in non-cash working capital items.

<sup>3</sup> Cash operating cost, total cash cost and all-in sustaining cost are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS Financial Performance Measures" section of this document, on page 42.

<sup>4</sup> For the third quarter of 2021, all-inclusive maintenance cost per ounce sold, administrative expenses per ounce sold and fixed assets depreciation per ounce sold are significantly impacted by gold bars inventories of 3,834 ounces as of September 30, 2021, which was only sold in the fourth quarter of 2021.

<sup>5</sup> For the second quarter of 2020, the all-in sustaining cost per ounce sold, the administrative expenses per ounce sold and the depreciation of property, plant and equipment per ounce sold are impacted notably by the inventory of gold ingots of 7,831 ounces as of June 30, 2020, which was sold during the third quarter of 2020.



## 5. OPERATIONS

### A. MINING OPERATIONS (GOLD)

	2021	2020
<b>Operating Data</b>		
Ore mined (tonnes)	2,018,180	1,852,789
Ore processed (tonnes)	1,948,284	1,886,318
Waste mined (tonnes)	8,290,782	6,193,081
Operational stripping ratio	4.1	3.3
Head grade (g/t)	0.81	0.93
Recovery	91.4%	89.1%
Gold ounces produced	46,554	50,348
Gold ounces sold	46,002	50,963
<b>Financial Data</b>		
<i>(rounded off to the nearest thousand dollars)</i>		
<b>Revenue – Gold sales</b>	<b>103,893,000</b>	120,830,000
Mining operation expenses	(34,633,000)	(31,550,000)
Mining royalties	(3,207,000)	(2,915,000)
Administrative expenses	(11,456,000)	(8,809,000)
Depreciation of property, plant and equipment and amortization of intangible assets	(11,452,000)	(20,849,000)
<b>Segment operating income</b>	<b>43,145,000</b>	56,707,000
<b>Statistics</b>		
<i>(in dollars)</i>		
Average realized selling price (per ounce)	2,258	2,371
Cash operating cost (per tonne processed) <sup>1</sup>	18	17
Total cash cost (per ounce sold) <sup>1</sup>	823	676
All-in sustaining cost (per ounce sold) <sup>1</sup>	1,502	1,277
Adjusted all-in sustaining cost (per ounce sold) <sup>1</sup>	956	797
Administrative expenses (per ounce sold)	249	173
Depreciation of property, plant and equipment and amortization of intangible assets (per ounce sold)	249	409

<sup>1</sup> Cash operating cost, total cash cost, all-in sustaining cost and adjusted all-in sustaining cost are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS Financial Performance Measures" section of this document, on page 42.

**Comments:**

- The quantity of ore mined was 2,018,180 tonnes in 2021 compared to 1,852,789 tonnes in 2020, a 9% increase.
- The quantity of waste mined was 8,290,782 tonnes in 2021, corresponding to an operational stripping ratio of 4.1, compared to 6,193,081 tonnes in 2020, corresponding to an operational stripping ratio of 3.3. The increase of this average ratio for 2021 is due to the execution of large amounts of stripping work.
- In 2021, the Nampala plant managed to process a larger quantity of ore, which totaled 1,948,284 tonnes compared to 1,866,318 tonnes in 2020. The installation of new equipment in 2021 enabled us to increase the processing capacity of the plant. However, the ore processed during 2021 was surface ore that has been notably harder to process.
- In 2021, the Nampala mine produced 46,554 ounces of gold compared to 50,348 ounces of gold in 2020, a 8% decrease. Gold production has been harder because the grades of the ore in the top strips of the new pits in development are lower than the grade of the ore at the bottom of the main pit. The average grade of the treated ore has therefore been 0.81 g/t in 2021 compared to 0.93 g/t in 2020. Despite the decrease of the feeding grade, recovery has been improved (91.4% compared to 89.1%).
- Administrative expenses amounted to \$11,456,000 in 2021 compared to \$8,809,000 in 2020. The institutional and social crisis in Mali, among other things, led the Company to significantly strengthen security at the mine site and therefore allocate a considerably large budget to that area. Furthermore, in connection with the unexpected tax adjustment in 2021, the Company hired fiscal advisors for an amount of \$1,388,000 to assist in its efforts to challenge the merits of the adjustment, as the Company vigorously defends its position.
- The decrease in fixed asset amortization reflects the prospective application of adding new resources and reserves on July 31, 2020, and February 15, 2021, extending the remaining mine lifespan. Furthermore, the lower gold production in 2021 has had the effect of reducing fixed asset amortization calculated using the units of production method.
- The increase in the all-in sustaining cost<sup>1</sup> (\$1,502 compared to \$1,277 per ounce sold in 2020) is explained by an increase in the total cash cost<sup>1</sup> (\$823 compared to \$676 per ounce sold for the same period in 2020), but also by production costs capitalized as higher stripping costs (\$21,937,000 compared with \$16,415,000 in 2020). Among other things, the exploration of the new pits around the main pit required production drilling and blasting operations on the pit crust to reach the ore.

<sup>1</sup> The all-in sustaining cost and total cash cost are non-IFRS financial measures for which there is no standardized definition under IFRS. See the "Non-IFRS Financial Performance Measures" section of this document, on page 42.

**B. MINERAL RESOURCES AND RESERVES: NAMPALA****2021 Mineral Resource Estimate<sup>1</sup>**

Category	Cut-off Au (g/t)	Weathering type	Tonnage (000 t)	Grade Au (g/t)	Metal content Au (000 oz)
Indicated	0.25	Oxide	22,836	0.64	473
	0.33	Transition	7,039	0.84	190
	0.71	Fresh rock	2,407	1.41	109
	Subtotal		32,282	0.74	772
Inferred	0.25	Oxide	191	0.45	3
	0.33	Transition	85	0.78	2
	0.71	Fresh rock	280	1.24	11
	Subtotal		555	0.90	16
<b>Total</b>			<b>32,838</b>	<b>0.75</b>	<b>788</b>

The independent and qualified persons for the Mineral Resource estimate are Mr. Denis Boivin, B.Sc., Geo. (OGQ #816) and Mr. Richard Barbeau, Mining Eng. (OIQ #36572), and **the effective date of the estimate is February 15, 2021.**

**2020 Mineral Reserve Estimate<sup>1</sup>**

Weathering type	Probable Mineral Reserve			
	Cut-off Au (g/t)	Tonnage (000 t)	Grade Au (g/t)	Metal content Au (000 oz)
Oxide	0.28	15,291	0.69	339
Upper transition	0.31	1,857	0.87	52
<b>Total</b>		<b>17,147</b>	<b>0.71</b>	<b>391</b>

The independent and qualified persons for the Mineral Reserve Estimate, as defined by NI 43-101, are Mr. Denis Boivin, B.Sc., Geo. (OGQ #816) and Mr. Mario Boissé, Mining Eng. (OIQ #130715), and **the effective date of the estimate is July 31, 2020.**

All the economic parameters were published on March 30, 2021, in the press release that you can find on our website.

<sup>1</sup> See the last annual MD&A to obtain all the notes regarding the tables.

## C. EXPLORATION

### ✦ MINING PROPERTIES

On April 8, 2022, the Gladie permit Cession Order, which officially allocates the possession of this permit to the Company, was obtained. Robex therefore currently holds five exploration permits, all located in Mali, in West Africa. Three of Robex's permits are situated in southern Mali (Mininko, Kamasso and Gladié), while the other two are located in the western part of the country (Sanoula and Diangounté).

### ✦ 2022 EXPLORATION PROGRAM

The Geology Department is in the process of restructuring its exploration process to include the new Kiniero asset, located in the Republic of Guinea, with those in Mali. The Group will now have four main exploration targets:

- 1) **West Mali (Sanoula and Diangounté):** Permit- scale exploration of both properties has recently been completed. This program included recalculation and interpretation of airborne magnetic and radiometric data, sourcing recent panchromatic high resolution satellite imagery and Sentinel-2 DEM data. Detailed BLEG sampling was completed over both permits, and results for Sanoula (highly encouraging) have already been received. Geological recognition mapping identified concordant silicifications and clay alterations, targeted from the geophysical dataset. In 2022, the work program will include RC drilling exploration coupled with surface mapping and sampling programs.
- 2) **East Mali (Mininko, Gladie and Kamasso):** A complete reassessment of the geological configuration of these respective properties was completed, using reprocessed airborne magnetic and radiometric data, as well as electromagnetic data for the Mininko and Gladie permits. A new GIS drawing covering the project, with high resolution panchromatic satellite imagery and Sentinel-2 DEM data, served as the basis for the geophysical interpretation. The discovery of a series of high-quality anomalies drove the decision to cover the northern permits (Mininko and Gladié) with complete BLEG coverage. A series of clearly and structurally controlled Au-type anomalies have been identified. Drilling began at the end of the period covered by this report on the first Mininko anomaly, and will continue to include a series of significant anomalies identified on the Gladie permit.
- 3) **Guinea (Kiniero and Mansounia):** At Kiniero and Mansounia, Sycamore proceeded with exploration drill programs and resource definition progressed alongside the identification of targets in brownfields. The integrated permits package was covered by an extensive LiDAR survey program to establish a geodetic framework for planning the mine's exploration and exploitation. BLEG programs were executed over brownfield and resource extension targets and have provided control for step out resource drilling at Sabali Extension.
- 4) **Guinea (Mansounia North and Southeast Gobelé A Sector ("SGA")):** The Sycamore geological team was able to locate historical aerial magnetic datasets for both properties and this data has recently been reanalyzed and reinterpreted. This work has generated several additional exploration targets and provided additional control enhancing the interrogation of BLEG results. Drill testing on the first target south of the historic SGA pit detected an extensive zone of potassic alteration, pervasive silicification and multiple phases of sulphuric mineralization.

Resource drilling at Sabali has been ongoing, and the next increase in the Resource and first Reserves will be reported later in the year. The first deep exploration drillhole at SGA and testing of the new model by the geology team intersected 3 zones of high-grade mineralization. A high-performance multipurpose drill rig (RC and diamond) is currently on-site. This machine will allow the geological team to carry out a detailed appraisal of the target and its economic potential.

Exploration has advanced through the central area of the Kiniero permit, with extensions of the BLEG sampling program and modelling of airborne magnetic anomalies. This area will be ready for exploration drilling in 2022.

#### D. THE TRADING HOUSE

On June 5, 2014, the Company announced that it had finalized the implementation of the corporate structure related to the Trading House (defined hereunder) together with its marketing strategy related to the sale of the gold produced at the gold mine in Nampala, Mali (the "Mine").

The legal control of the Trading House will rest in a trust formed under the laws of Gibraltar, the Golden International Income Trust (the "Trust"), of which the sole beneficiary is the Company. The Trust is also controlled by a protector, who is acting pursuant to the terms of a supervision and control policy (the "Supervision and Control Policy") under which the protector must report annually at the Company's annual shareholders' meeting.

Under the Gold Loan, Nampala S.A. must deliver to the Trading House possession of all gold bars extracted from the Mine, over a five-year period, to repay the capital and interest owed under the Gold Loan by Nampala S.A. to the Trading House. The Trading House will manage gold refining by contracting with refiners located in Europe, in order to subsequently sell the refined gold directly to the international market. This follows the example of major mining corporations.

The Trading House distributes the profits to the Company by way of intercompany dividends. Following the repayment of the Loan, the Trading House will benefit from the Gold Supply Agreement, pursuant to the same terms and conditions as the Loan.

On December 6, 2018, an agreement was reached between the Trading House and Nampala S.A. giving rise to a new loan of EUR 7,622,451 (CAD 11.6 million), through a gold stream credit agreement ("gold loan"). This financing of the gold loan, similar to the financing of the 2014 gold loan, allowed Nampala S.A. to complete its financing structure with a favourable interest rate on this financing at 5% (compared to 11% in 2014). This transaction also includes the increase in the capitalization of the Trading House of a total amount of EUR 7,622,451, paid by the Company on December 6, 2018. As part of this loan, Nampala S.A. will deliver to the Trading House all gold bullion extracted from the mine over a period of seven years, in payment of the capital and interest due under the gold loan.

## 6. CORPORATE SOCIAL RESPONSIBILITY

### A. ENVIRONMENTAL, SOCIAL AND GOVERNANCE INDICATORS ("ESG")

#### ✦ ENVIRONMENT

##### Monitoring Program

The Health, Safety and Environment ("HSE") department conducts continuous mine site environmental monitoring. During the year 2021, the strategic objectives have been updated in order to ensure the continuity of the Company's commitment to promote an environmental culture allowing for the protection of the environment and the prevention of any pollution. No negative significative event is to be noted for this period.

##### Wastewater Recycling

Water being a scarce natural resource in Mali, the plant's process water operates in a closed circuit. During the decantation process, the water is distributed in a tailings pond and was subject to technical controls. Furthermore, again with the objective of better managing wastewater, two new septic tanks have been built and an area for the cleaning of the big machines is currently being constructed.

##### Waste Incineration

In 2020, following a comprehensive environmental impact audit conducted at Nampala's request, in conjunction with the Direction Nationale de la Géologie et des Mines ("DNGM"), an action plan had been put in place to complete the actions already undertaken and which have reached a level of compliance that exceeds the simple legal requirements. In particular, Nampala continued to build a waste storage and disposal center with the installation of an incinerator in 2021. This project was completed at the beginning of 2022 and completes the polluted water treatment station, the waste oil stocking structure, as well as the garbage sorting policy with color codes.

##### Yearly Reforestation Campaign

Each year, Nampala plants trees as part of its reforestation campaigns. The main objectives of these campaigns are the following:

- To plant and maintain the vegetation in the communities neighbouring the mine;
- To promote the environmental culture by involving the community actors in the reforestation process;
- To increase the green spaces around the mine;
- To compensate for the deforested spaces within the mine;
- To combat erosion and climate changes;
- To cement the relationship between the mine and the surrounding villages; and
- To partially offset the company's carbon print.



During 2021, the Company planted 1,000 young plants within the mine, 3,000 plants in the N'Golola village and 4,922 plants in the N'Tjikouna rural community, thus reforesting approximately 9 hectares.



✦ SOCIAL

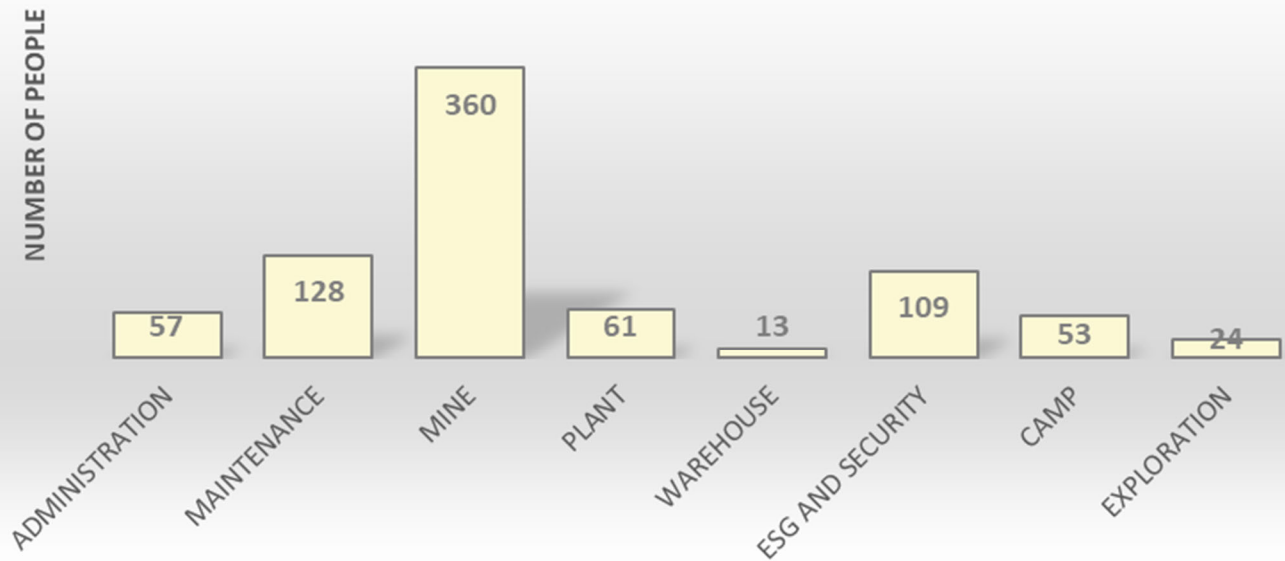
**Personnel Demographics**

As of December 31, 2021, the Company employed 805 workers, including subcontractors, 34% of whom were Nampala employees. The average employee age was 37 years, and the majority were under 40 years old. Also, 7 workers are older than 55 years old even though they could retire, since this is the legal retirement age in Mali for some categories of workers.

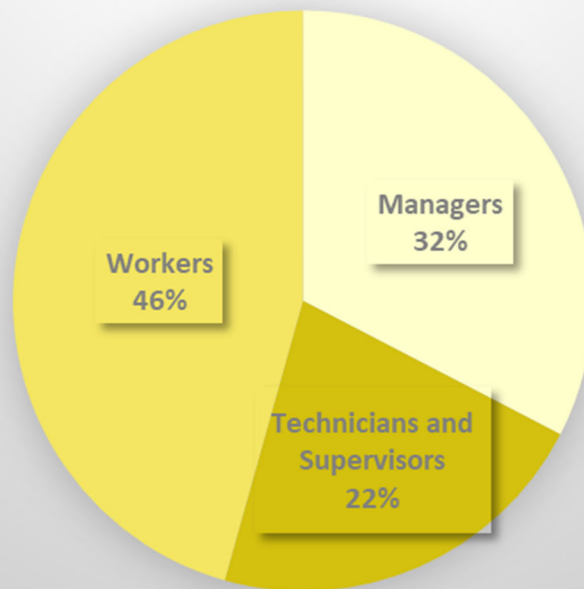
Since September 2016, Nampala has employed some of its workers through a staffing agency (Talents Plus Conseil Mali SARL, hereafter "Talents Plus"). These contract staff enjoy the same benefits as Nampala employees, such as salary scales, continuous training programs and medical follow-ups.

	2021	2020
Nampala	274	282
Trainees	2	10
Talent Plus	66	43
Subcontractors	463	537
<b>Total</b>	<b>805</b>	<b>872</b>

**BREAKDOWN OF THE GLOBAL WORKFORCE BY DEPARTMENT AS OF DECEMBER 31, 2021**



**BREAKDOWN OF THE GLOBAL WORKFORCE BY CATEGORIES AS OF DECEMBER 31, 2021**



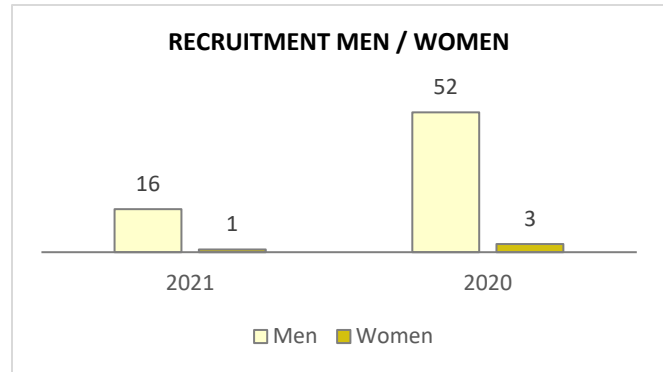
Since the start of operations, we have focused on local recruitment and training to demonstrate our commitment to Mali. Today, we are happy to report that:

- 95% of the Nampala workers are Malian nationals;
- 34% of the workforce are from the surrounding villages;
- 31% of the workforce are from the Sikasso region;
- 5% of the total workforce in Nampala are women;
- 78% of the 45 managers are Malian, including 2 women; and
- 100% of the managers in the eight subcontracting structures are Malian.

**Personnel Recruitment**

Nampala hired a number of staff in 2021 in compliance with the recruitment policy:

Employment category	Sex	Quantity	Total
Workers	Men	6	7
	Women	1	
Supervisors	Men	0	0
	Women	0	
Managers and technicians	Men	10	10
	Women	0	
<b>Total</b>	<b>Men</b>	<b>16</b>	<b>17</b>
	<b>Women</b>	<b>1</b>	
	<b>Total</b>	<b>17</b>	



In compliance with the Company’s human resources development policy, the Company prioritizes hiring trainees when a position becomes available. Job postings are published in the Mine, with local agencies and in the villages.

**Health**

Since January 2017, the Nampala mine has provided health care coverage for all Nampala employees, including their respective legally dependent family members.

Furthermore, we have excellent collaboration with the INPS (“Institut National de Prévoyance Sociale”) and the AMO (“Assurance Maladie Obligatoire”). To this end, we declare all workers to the INPS at the beginning of the contract and to the AMO when the contribution period reaches six months as required by law.

To monitor and improve the health of our employees and subcontractors we have started medical records and regular medical visits at site.

**Staff training:**

As part of Nampala’s training policy, all employees have access to training on various subjects. This training provides the workers with better tools to achieve safety and production objectives.

2021 Training	Total in hours	Total participants	Workers	Supervisors	Managers and technicians
Software	1,362	198	0	2	196
Plant	1,080	120	19	101	0
Food safety	720	30	0	30	0
Safety (risk prevention)	398	76	36	20	20
Mobil equipment	374	15	0	15	0
Management	353	113	30	27	56
Electricity	300	26	0	0	26
Communautory development	139	27	0	0	27
Maintenance	118	51	45	6	0
Health	78	27	0	0	27
Security	33	11	0	11	0
Gestures and postures	14	7	0	0	7

**Occupational Accidents**

No work accident has been observed on the Nampala site since February 1, 2021, when a subcontractor suffered a minor injury.

**Work Schedules**

Since operations run 24 hours a day, 7 days a week, the mine site has 2 shifts, including a day shift from 7 a.m. to 6 p.m. and an evening shift from 6 p.m. to 6 a.m., for the pit, plant and maintenance departments. For the other departments, the work schedule is from 7 a.m. to 5 p.m. Senior management has implemented a break and rest system for all personnel.

**Personnel Evaluations**

Worker evaluations are an effective way to take stock of a company’s human resources situation. Evaluation results also allow managers to clarify the direction of their management strategies, advancement opportunities, promotions, and the organization of training, among other things.

The 2019 personnel evaluations were a framework to first measure efforts and possible advancements, but also to qualify workers’ raises. After the 2020 evaluations, we gave some workers raises. In 2021, 16% of the workers obtained a promotion following evaluations. Furthermore, the HR management is working on implementing a productivity management policy in order to obtain more commitments from social partners.

**Democratic Organization of Elections**

Since the creation of Nampala, the Company has maintained a strong social dialogue and active relations with the main mining unions in Mali. We currently have three unions on-site: the SECMIMA, the CSTM and the SYLTMIN.

In December 2020, an election has been organized to elect staff representatives and the Hygiene and Security Committee for a mandate of three years, according to the legal and regulatory dispositions.

**Internal Human Resources Department ("HR Department")**

The HR Department's objective is to mobilize and develop the Company's human capital to achieve greater productivity and a better quality of work. Its main objectives are to enhance skills, motivation, information and organization. The HR Department also addresses the relationship between the organization and its employees, from recruitment to when the employee leaves the Company.

In addition to managing personnel, the department implements the Company's strategy daily, managing and supporting personnel through changes made, with training policies, pay raises, annual skills assessment, etc. It administers the daily operations, manages conflicts, handles payroll and administrative tasks and meets legal obligations such as registering new workers with the INPS and AMO.

It ensures that social institutions function properly. The HR Department ensures that the community of workers functions smoothly and respectfully.

**Social Relations**

The relations with labour and mining institutions (Direction Régionale des Transports, Institut National de la Prévoyance Sociale, Assurance Maladie Obligatoire, Direction des Recherches Géologiques et Minières, Direction Nationale de la Géologie et des Mines) are cordial. Nampala continues its dialogue efforts with the workers representatives with the objective of maintaining good relationships with all its collaborators.

**✧ GOVERNANCE**

A health and safety committee verifies and monitors worker conditions every year; it has equal labour/management representation. The Company tracks all operations through an Enterprise Resource Planning (ERP) system that undergoes regular backup. This ERP ensures high operational transparency. Payroll is tracked with Malian software. Administrators are informed and consulted on operations in addition to regular meetings.

## B. CONTRIBUTIONS TO MALI

In West Africa, mines are criticized for not contributing enough to the economies of those countries in which they operate.

The table below describes the taxation amounts paid directly by the Nampala mine to the Malian government in fiscal terms:

	2021	2020
(rounded off to the nearest thousand) <sup>1</sup>	\$	\$
Tax adjustment for prior years	6,741,000	---
Value-Added Tax (VAT) amounts outstanding	5,020,000	7,128,000
Import duties	3,476,000	3,037,000
Special Tax for certain products ( <i>Impôt spécial sur certains produits</i> - ISCP)	1,802,000	2,305,000
Wage taxes and charges	1,110,000	1,040,000
Tax deducted at source	913,000	1,038,000
Income Tax	841,000	1,466,000
Export duties	662,000	597,000
Tax on fixed assets	664,000	552,000
<b>Total</b>	<b>21,229,000</b>	<b>17,163,000</b>

In addition to its tax obligations, the Nampala mine endeavours to be a responsible mine that seeks out long-term solutions.

## C. COVID-19 RESPONSE

The Nampala mine implemented a monitoring and prevention program, which it has followed since the beginning of the COVID-19 pandemic. In 2020, this program went as far as total lockdown. Since then, the mine has resumed "almost normal" operations but under great vigilance. Although we must not let our guard down, the Malian crisis has not yet had the uncontrolled aspect that some people feared. This situation may develop unfavourably, particularly with the variants.

As the crisis is not over, the mine remains very cautious and is carrying out numerous protection and monitoring measures; it is partnering with the Bamako health authorities and is carrying out the same protective measures as elsewhere in the world (screening, hygiene and safety measures, reminders of measures and precautions).

<sup>1</sup> The amounts paid in CFA francs were converted in line with the year's average annual rate i.e., 442.593 for 2021 and 429.067 for 2020.

#### D. MINE-SCHOOL

The Nampala mine believes that its most significant contribution to sustainable and responsible development is to help its Malian employees obtain or complete their professional qualifications, thereby ensuring long careers within the Company. Therefore, the Nampala mine is often presented in Mali by many stakeholders as a mine-school.

In 2019, a training center was created with a specialized employee, dedicated full-time to running it. The centre offers many diversified types of continuous courses. Depending on the subject matter, the training may also be provided to the employees of subcontractors. Furthermore, several Malian managers at the mine have been trained in Canada and France.

The result of these efforts has been that the mine's managers are mostly Malian, something which the Company can be proud of. One direct impact of this policy has been that the number of expatriates has been reduced, and the upper reaches of the organizational chart for the Nampala site is composed mainly of Malian and sub-region managers.

But the Nampala mine is also supporting those with the greatest learning needs. To this end, since 2019, the Company has established a literacy program for the mine's adults and for people with community responsibilities, in cooperation with the Government of Switzerland.

This center radically improves the prospects of employees recruited from the villages and will provide access to knowledge to those who are most active in town and village lives. Another impact of this center is that it has created a meeting place where mine employees and the main actors of local life can get to know each other better, which helps avoid tensions.

It is obvious that this mine-school is a modern, sustainable, and responsible action that will have long-lasting impacts on the life of the people who have already benefited from it and who will benefit from it.

**E. NEW PROJECTS IMPLEMENTED IN 2021 FOR NEIGHBOURING POPULATIONS**

<b>Category</b>	<b>Robex actions</b>
<b>Education and training</b>	<p>Phase 2 of the literacy program within the mine and for the communities and the employees of the mine, consisting of trainings focused on revenue-generating activities and on modern and commercial agriculture.</p> <p>Training community leaders and internal trainers at the mine on the dangers related to gold washing, as well as on promoting modern and commercial agriculture, with the objective of training hundreds of gold washers in the course of 2022.</p> <p>Enrolling youth from the Nampala, Ntjikouna and Finkolo villages in professional trainings in automobile mechanics and electromechanics at the Sikasso Jean Bosco Centre.</p>
<b>Health</b>	Continuing the training program started at the beginning of the previous year for the healthcare staff in the neighbouring communities by a medical team from Bamako with the objective of tackling COVID-19.
<b>Infrastructure</b>	<p>Watering and molasses spreading on the roads between the villages.</p> <p>Maintaining the Finkolo community mosque and healthcare centre access paths.</p>
<b>Religion</b>	Financially supporting the Nouridine Muslim religious education centre in Nièna and the Koran reading in Nampala.
<b>Sports</b>	<p>Supporting of cycling competition organization in Nièna, Nampala and Finkolo.</p> <p>Supporting the Finkolo sports committee for the municipality's participation in the Sikasso league football competition.</p>
<b>Support for local women's associations</b>	<p>Supporting a women's garden product purchase partnership.</p> <p>Delivering 3 sewing machines as well as fabrics to women's associations for making masks to protect against Covid-19.</p> <p>Creating two community gardens of about 2 hectares, each including two drilling sites, two water towers and two fences as well as supplemental irrigation installations for the women of Nampala and Ntjikouna.</p> <p>Initiating contact between women in Nampala and Ntjikouna and an agronomy firm specialized in gardening for higher yields and improved profitability of the agricultural products and a better market control.</p> <p>Supporting women in Finkolo to install drilling sites and a water tower in their rice processing facility.</p> <p>Supporting women in the Ntjikouna and Nampala villages by supplying gumbo seeds and women in the Finkolo coop by supplying rice seeds.</p> <p>Improving the women restaurant in Finkolo.</p>
<b>Support for youth associations</b>	<p>Providing technical and financial support to create three economic interest groups for young people in the Finkolo, Nampala and Ntjikouna villages.</p> <p>Financial supporting to the youth associations to allow the young people to create profitable activities and to support local employment.</p> <p>Organizing a training campaign, which is scheduled for the first quarter of 2022, for 300 young people explaining the dangers of gold washing as well as promoting modern and commercial agriculture.</p>
<b>Others</b>	Distributing fans to the communities.



## F. ESTABLISHED CHARTERS AND POLICIES

Since the plant's inception, ROBEX has striven to operate with a high level of social responsibility. We have established charters and policies that we scrupulously apply and regularly update. These can be found on our website at [www.robexgold.com](http://www.robexgold.com).

Moreover, since April 4, 2014, ROBEX has adhered to the UN Global Compact, which espouses these 10 principles.

UN Global Compact Principles	ROBEX actions
1. Businesses should support and respect the protection of internationally proclaimed human rights.	Establishment of a responsible purchasing charter as an addendum to the main contracts.
2. Make sure that they are not complicit in human rights abuses.	Raising human rights awareness among security teams. The mine employs only adults who are paid according to a scale based on the collective agreement for the mining industry in Mali. We do not tolerate any human rights violations.
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	The Nampala mine has three union organizations. Several raises were implemented. The right to strike has been exercised and respected.
4. Uphold the elimination of all forms of forced and compulsory labour.	Every worker has an employment contract approved by the labour directorate (an administrative department).
5. Uphold the effective abolition of child labour.	Children are prohibited from working in the mine.
6. Uphold the elimination of discrimination in respect of employment and occupation.	The Nampala mine employs Malians in the highest positions. Due to staff turnover, Malians often manage the Nampala mine.
7. Businesses should support a precautionary approach to environmental challenges.	There is specific environmental monitoring within the HSE (Health, Safety and Environment department). The mine has conducted an environmental audit and is following up on its recommendations.
8. Undertake initiatives to promote greater environmental responsibility.	The mine publishes water data in the communities.
9. Encourage the development and diffusion of environmentally friendly technologies.	The mine is developing a solar power plant that will reduce greenhouse gases.
10. Businesses should work against corruption in all its forms, including extortion and bribery.	The mine has established an ethics charter and a dedicated address for disclosing facts that may constitute prohibited situations.

Nampala has been certified ISO 45001:2018 since April 12, 2021. Moreover, we are proud to be the first mine in Mali to obtain this certification. The International Labour Organization has also certified the HSE personnel.

An anti-corruption code of conduct is regularly distributed, mainly at the Nampala mine, in order to reiterate the rigor we must observe in this area.

## 7. RISKS AND UNCERTAINTIES

As a mining company, we face the financial and operational risks inherent to the nature of our activities. These risks may affect our financial condition and results of operation. As a result, an investment in our common shares should be considered speculative. Prospective purchasers or holders of our common shares should give careful consideration to all of our risk factors.

### A. FINANCIAL RISKS

#### **Fluctuation in Gold Prices**

The profitability of our operations will be significantly affected by changes in the market price of gold. Gold production from mining and the willingness of third parties, such as central banks, to sell and lease gold have an impact on the gold supply.

The demand for gold can be influenced by economic conditions, the attractiveness of gold as an investment vehicle and the strength of the US dollar. Other factors include interest and exchange rates, inflation and political stability. The overall incidence of these factors is impossible to predict accurately.

In addition, the price of gold has, on some occasions, been subject to very rapid short-term variations due to speculative activities. Fluctuations in gold prices can have a significant adverse impact on our financial situation and on our operating income.

#### **Fluctuation in Petroleum Prices**

Because we use petroleum fuel to power our mining equipment and to generate electrical energy to power our mining operations, an increase in our financial condition and results of operation may be materially adversely affected by rising petroleum prices.

#### **Exchange Rate Fluctuations**

Our operations in Mali are subject to currency fluctuations that may materially adversely affect our financial condition and results of operation. Gold is currently sold in euros, and the majority of our costs are calculated in FCFA. The exchange rate between the Euro and the FCFA is set by the European Central Bank and has remained unchanged for the last ten years at a rate of FCFA 655.957 for 1 euro. However, some of our costs are incurred in other currencies, such as the US dollar and the Canadian dollar.

The appreciation of other currencies against the Euro can increase the cost of exploration and production in Canadian dollar terms, which could materially adversely affect our financial condition and results of operation.

#### **Interest Rate Fluctuations**

All of the Company's financial instruments and their lines of credit and long-term debt bear interest at a fixed rate and are therefore not exposed to interest rate risk.

#### **Access to Debt Financing**

The Company's activities depend on its ability to continue to have the necessary financing through borrowing. While management has been successful in securing funding in the past, there is no guarantee of future success, and there can be no assurance that these funding sources or initiatives will be available to the Company or available on terms acceptable to the Company.

## B. OPERATIONAL RISKS

### **Uncertainty of Reserve and Resource Estimates**

Reserves and resources are estimates based on limited information acquired through drilling and various sampling methods. No assurance can be given that anticipated tonnages and grades will be achieved or that level of recovery will be realized. The ore grade actually recovered may differ from the estimated grades of the reserves and resources. Such figures have been determined based upon assumed gold prices and operating costs.

Future production could differ drastically from what is foreseen in the reserve estimates, particularly for the following reasons:

- Mineralization or formations could differ from those predicted by drilling, sampling and similar examinations;
- Increases in operating mining costs and processing costs could materially adversely affect reserves;
- The grade of the reserves may vary significantly from time to time and there is no assurance that any particular level of gold may be recovered from the reserves; and
- A decline in the market price of gold may render the mining of some or all of the reserves uneconomic.

Any of these factors may translate into increased costs or a reduction in our estimated reserves. Short-term factors, such as the need for the additional development of a deposit or the processing of new or different grades, may impair our profitability. Should the market price of gold fall, we could be required to materially write down our investment in mining properties or delay or discontinue production or the development of new projects.

### **Production and Cost Estimates**

No assurance can be given that the intended or expected production schedules or the estimated cash costs and capital expenditures will be achieved. Failure to achieve production or cost estimates or material increases in costs could have an adverse impact on our future cash flows, profitability, results of operations and financial condition.

Many factors may cause delays or cost increases, including labour issues, disruptions in power, transportation or supplies, and mechanical failure. In addition, short-term operating factors, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause a mining operation to be unprofitable in any particular period.

Furthermore, our activities may be subject to prolonged disruptions due to weather conditions. Hazards, such as unusual or unexpected formations, rock bursts, pressures, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material.

Our cost to produce an ounce of gold is further dependent on a number of factors, including the grade of the reserves, recovery and processing capacity, the cost of raw materials, inflationary pressures in general, and exchange rates. Our future performance may therefore differ materially from the estimated return. Since these factors are beyond our control, there can be no assurance that our cost will be similar from year to year.

### **Nature of Mineral Exploration and Mining**

Our profitability is significantly affected by our exploration and development programs. The exploration and development of mineral deposits involves significant risks over a long period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a gold-bearing structure may result in substantial rewards, few properties explored are ultimately developed into mines. Major expenses may be required to establish and replace reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that our current or proposed exploration programs will result in profitable commercial mining operations.

Whether a gold deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to taxes, royalties, infrastructure, land use, import and export of gold, revenue repatriation and environmental protection. The effects of these factors cannot be accurately predicted, but the combination of these factors may preclude us from receiving an adequate return on invested capital. Our operations are, and will continue to be, subject to all of the hazards and risks normally associated with the exploration, development and production of gold, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage.

#### **Risk Related to External Contractors**

Under mining services contracts, pit operations are carried out by external contractors. As a result, our operations are subject to risks, some of which are beyond our control, including:

- Inability to replace the contractor and its operating equipment in the event that either party terminates the agreement;
- Reduced control over certain aspects of the operations that are the responsibility of the contractor;
- Failure by the contractor to fulfil its obligation under the mining services contract;
- An interruption of operations in the event that the contractor ceases to operate due to insolvency or other circumstances;
- The contractor's failure to comply with the applicable legal and regulatory requirements under its responsibility; and
- The entrepreneur's problems in managing his workforce, a labour dispute or other related to his employees.

In addition, we may incur liability to third parties as a result of the actions of a contractor. Although the mining contractors involved in these projects are well established and reputable, the occurrence of one or more of these risks could have a significant adverse impact on our financial situation and our results of operation.

#### **Limited Property Portfolio**

Currently, our only mineral property in operation is our Nampala mine in Mali. If we do not acquire or develop new mineral properties, any adverse development affecting our Nampala property could have a material adverse effect on our financial condition and results of operation.

#### **Depletion of our Mineral Reserves**

We must continually replace mining reserves depleted by production to maintain production levels over the long term. This is done by expanding known mineral reserves or by locating or acquiring new mineral deposits. There is, however, a risk that depletion of reserves will not be offset by future discoveries. Exploration for minerals is highly speculative in nature and involves many risks. Many, if not most, gold projects are unsuccessful, and there are no assurances that current or future exploration programs will be successful. In addition, significant costs are incurred to build up mineral reserves, to open new pits and to construct mining and treatment facilities.

#### **Water Supply**

The mining operations we exercise at the Nampala mine in our installations require significant quantities of water for mining, ore processing and related support facilities. Continuous production at our mines is dependent on our ability to access an adequate water supply. An insufficient water supply, as a result of new regulations or otherwise, could materially adversely affect our financial condition and results of operation.

### **Fluctuation in the Price of Energy and Other Commodities**

The profitability of our mining operations activities is affected by the market price and availability of commodities that are consumed or otherwise used in connection with our operations such as diesel, fuel, steel, concrete and chemical products (including cyanide). Prices of such commodities are affected by factors that are beyond our control. An increase in the cost or decrease in the availability of needed commodities may materially adversely affect our financial condition and results of operation.

### **Licenses and Permits**

We require licenses and permits from various governmental authorities. We believe that we hold all necessary licenses and permits under applicable laws and regulations in respect of our properties and that we presently comply in all material respects with the terms of such licenses and permits.

Such licenses and permits, however, are subject to change in various circumstances. There can be no guarantee that we will be able to obtain or maintain all necessary licenses and permits that may be required to continue to operate our current undertakings to explore and develop properties or commence construction or operation of mining facilities and properties under exploration or development. Failure to obtain new licenses and permits or successfully maintain current ones may materially adversely affect our financial condition and results of operation.

### **Political Risk, Terrorist Risk and Armed Banditry**

While the Government of Mali has supported the development of its natural resources by foreign companies, there is no assurance that the government will not in the future adopt different policies or new interpretations respecting foreign ownership of mineral resources, rates of exchange, environmental protection, labor relations, conditions of mining codes and repatriation of income or return of capital. Any limitation on transfer of cash or other assets between ROBEX and our subsidiaries could restrict our ability to fund our operations, or it could materially adversely affect our financial condition and results of operation.

Moreover, mining tax regimes in foreign jurisdictions are subject to differing interpretations and constant changes and may not include fiscal stability provisions. Our interpretation of taxation law, including fiscal stability provisions, as applied to our transactions and activities may not coincide with that of the tax authorities. As a result, taxes may increase and transactions may be challenged by tax authorities and our operations may be assessed, which could result in significant taxes, penalties and interest. We may also encounter difficulties in obtaining reimbursement of refundable tax from tax authorities. The possibility that the government may adopt substantially different policies or interpretations, which might extend to the expropriation of assets, cannot be ruled out.

We may also encounter difficulties in obtaining reimbursement of refundable tax from fiscal authorities, including with respect to value added taxes ("VAT"). Prolonged delays in the receipt of VAT could materially adversely affect our financial condition and results of operation.

Political risk also includes the possibility of civil disturbances and political instability in our or neighbouring countries as well as threats to the security of our mines and workforce due to political unrest, civil wars or terrorist attacks. Any such activity may disrupt our operations, limit our ability to hire and keep qualified personnel as well as restrict our access to capital.

It should be noted that the situation in Mali is deteriorating, as well as in neighbouring Burkina Faso and more generally in the Sub-Saharan arc. The degradation shared with the rest of the Sahel is of several types, notably with destabilization in the centre of the country, which is moving closer to Bamako, and with infiltrations in the east linked to the unrest in Burkina Faso, and infiltrations in the south at the border with Ivory Coast; social instability and political difficulties of all types. The country saw the emergence of ethnic conflicts that did not exist and the presence of armed banditry, particularly on the roads because of the presence of numerous weapons and militias and incidents are increasing in the Sikasso region. Due in

part to the dependence on local forces and authorities, and despite the efforts that have been made, we cannot guarantee that site and personnel safety can always be assured without difficulty.

### **Compliance, Fraud and Security Issues**

If, as any company, the company must ensure the risks of fraud, the nature of its activity (gold production) and its environment of extreme poverty and instabilities. A fierce struggle is carried out daily on some of these aspects and the mine has completed its supervision with a specialized mining security framework with experience in Africa.

Also, the Company undertook a policy of consolidation of compliance, in particular by setting up a policy called AFP (Anti-Fraud Procedure) based on the 2013 COSO benchmark.

A gendarmerie is installed at the entrance of the mine. The site is monitored by several dozen digital cameras and patrolled by several dozen guards. The National Guard and the Nampala mine have also just signed an agreement to set up a National Guard group on the site in addition to the gendarmerie.

For several months now, one or more armed bands have been operating at a distance that is constantly moving closer to the area where the Nampala mine is located. Many actions are carried out.

However, the Company must constantly adapt and there is no guarantee that the actions taken will be perfectly effective.

### **Title Matters**

Title to mineral projects and exploration and exploitation rights involves certain inherent risks due to the potential for problems arising from the ambiguous historical characteristics of mining projects. While we have no reason to believe that the existence and extent of any mining property in which we have an interest is in doubt, title to mining properties is subject to potential claims by third parties, and no guarantees can be provided that there are no unregistered agreements, claims or defects which may result in our titles being challenged.

In addition, the failure to comply with all applicable laws and regulations, including failure to pay taxes and carry out and file assessment work within applicable time periods, may invalidate title to all or portions of the properties covered by our permits and licenses.

### **Suppliers Risk**

We are dependent on various services, equipment, supplies and parts to carry out our operations. The shortage of any needed good, part or service may cause cost increases or delays in delivery time, thereby materially adversely affecting our production schedules as well as financial condition and results of operations.

In addition, we may incur liability to third parties as a result of the actions of a contractor. The occurrence of one or more of these risks could have a material adverse effect on our financial condition and results of operation.

### **Competition**

The mineral exploration and mining business is competitive in all of its phases. We compete with numerous other companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive mineral properties, equipment and human resources. There is no assurance that we will continue to be able to compete successfully with our competitors.

### Qualified and Key Personnel

In order to operate successfully, we must find and retain qualified employees with strong knowledge and expertise in the mining environment. ROBEX and other companies in the mining industry compete for qualified and key personnel, and if we are unable to attract and retain qualified personnel or fail to establish adequate succession planning strategies, our financial condition and results of operations could be materially adversely affected.

### Labour Relations

We are dependent on our workforce to extract and process minerals. Our relations with our employees may be impacted by changes in labour relations which may be introduced by, among others, employee groups, unions and governmental authorities. Furthermore, some of our employees are represented by labour unions under collective labour agreements. We may find ourselves in the need to satisfactorily renegotiate our collective labour agreements upon their expiration. In addition, existing labour agreements may not prevent a strike or work stoppage at our facilities in the future. Labour disruptions could have a material adverse impact on our financial condition and results of operation.

### Environmental Risks, Hazards and Costs

All phases of our operations are subject to environmental regulation. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. Environmental hazards which are unknown to us at present and which have been caused by previous or existing owners or operations of the properties may exist on our properties. Failure to comply with applicable environmental laws and regulations may result in enforcement actions and may include corrective measures that require capital expenditures or remedial actions. There is no assurance that future changes in environmental laws and regulations and permits governing operations and activities of mining companies, if any, will not materially adversely affect our financial condition and results of operations.

Mining production involves the use of sodium cyanide, which is a toxic material. Should sodium cyanide leak or otherwise be discharged from the containment system, we may become subject to liability for clean-up work that may not be insured. While all steps have been taken to prevent discharges of pollutants into ground water and the environment, we may become subject to liability for hazards that may also not be insured.

In addition, natural resource companies are required to conduct their operations and rehabilitate the lands that they mine in accordance with applicable environmental regulations. Our estimates of the total ultimate closure and rehabilitation costs may be materially different from these actual costs. Any underestimated or unanticipated rehabilitation cost could materially adversely affect our financial condition and results of operations.

### Insufficient Insurance

While we may obtain insurance against certain risks in such amounts as we consider adequate, available insurance may not cover all the potential risks associated with a mining company's operations. We may also be unable to maintain insurance to cover insurable risks at economically feasible premiums, and insurance coverage may not be available in the future or may not be adequate to cover any resulting loss. Moreover, insurance that covers risks such as mill sites, environmental pollution, waste disposal or other hazards as a result of exploration and production is not generally available to gold mining companies on acceptable terms. The potential costs which may be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, materially adversely affecting our financial condition and results of operations.

### Resource Nationalism

As African governments continue to struggle with deficits and depressed economies, the gold mining sector has been targeted to raise revenues. Governments are continually assessing the terms for a mining company to exploit resources in their countries. If translated into applicable law, the trend in resource nationalism could materially adversely affect our financial condition and results of operations. Many projects and new texts create concerns.

### Relations with Surrounding Communities

Natural resource companies increasingly face public scrutiny of their activities. We are under pressure to demonstrate that, as we seek to generate satisfactory returns for our shareholders, other stakeholders including local governments and the communities surrounding our mine in Mali.

The potential consequences of these pressures include reputational damage, lawsuits, increasing social investment obligations and pressure to increase taxes and royalties payable to local governments and surrounding communities. These pressures may also impair our ability to successfully obtain the permits and approvals required for our operations.

In addition, our properties in Mali may be subject to the rights or asserted rights of various community stakeholders. Moreover, artisanal miners may make use of some or all of our properties, which would interfere with exploration and development activities on such properties.

### Reliance on Information Technology Systems

Our operations are dependent upon information technology systems. These systems are subject to disruption, damage or failure from a variety of sources. Failures in our information technology systems could translate into production downtimes, operational delays, compromising of confidential information or destruction or corruption of data. Accordingly, any failure in our information technology systems could materially adversely affect our financial condition and results of operations. Information technology systems failures could also materially adversely affect the effectiveness of our internal controls over financial reporting. An action has been carried out for several years to reduce the risk of data loss, but there is no guarantee that this action will be fully effective.

### Cybersecurity Threats

Our operations depend, in part, on how well we and our suppliers protect networks, technology systems and software against damage from a number of threats, including viruses, security breaches and cyberattacks. Cybersecurity threats include attempts to gain unauthorized access to data or to automated network systems and the manipulation or improper use of information technology systems. The failure of any part of our information technology systems could, depending on the nature of any such failure, materially adversely impact our reputation, financial condition and results of operations. Although we have not to date experienced any material losses relating to cyberattacks or other information security breaches, there can be no assurance that we will not incur such losses in the future. Our risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As cyber threats continue to evolve, we may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any system vulnerabilities.

### Litigation

All industries, including the mining industry, are subject to legal claims with and without merit. We have in the past been, currently are, and may in the future be involved in various legal proceedings. While we believe it is unlikely that the final outcome of these legal proceedings will have an adverse material effect on our financial condition and results of operations, defence costs will be incurred, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular or several combined legal proceedings will not have a material adverse effect on our financial condition and results of operations.



In October 2020, the Company was informed that a very small group of minority shareholders had filed an application for a remedial order with the Québec Superior Court based on unsubstantiated allegations regarding, among other things, executive remuneration and past financings. The Company, its directors, officers and the Cohen family are implicated. ROBEX decided to vigorously challenge the claim and set the record straight under the applicable procedure. The Company emphasizes that it follows securities regulations in a manner that is respectful of minority shareholders. Among other things, any material items that should have been brought to the attention of shareholders were disclosed in a timely and complete manner without any objection from shareholders. The Company considers this action frivolous and unfounded and will demonstrate not only to the Court the unreasonable nature of this procedure, but also will consider taking further legal actions to recoup in full the legal cost incurred to date.

#### **Anti-Corruption Laws**

We operate in jurisdictions that have experienced governmental and private sector corruption to some degree. We are required to comply with the Corruption of Foreign Public Officials Act (Canada), which has recently seen an increase in both the frequency of enforcement and severity of penalties. Although we adopted a formal anti-corruption policy and our Code of Conduct mandates compliance with anti-corruption laws, there can be no assurance that our internal control policies and procedures will always protect us from recklessness, fraudulent behaviour, dishonesty or other inappropriate acts. Violation or alleged violation of anti-corruption laws could lead to civil and criminal fines and penalties, reputational damage and other consequences that may materially adversely affect our financial condition and results of operations.

#### **Coronavirus Pandemic (COVID-19)**

The health crisis we are facing worldwide is unprecedented and therefore its effects are largely unpredictable. This pandemic will not spare any country. In West Africa, more than elsewhere, the local medical infrastructure is very fragile. In the midst of an unprecedented crisis, governments are more likely to take unexpected or sudden and unavoidable decisions.

Besides the health issues affecting the workers of companies and their subcontractors, many local or global issues may arise, in particular disruption of supplies, transport, exports and border shutdown. Companies may also be affected, or neighbouring communities may be affected, resulting in production interruptions and social unrest.

The Company has set up regular monitoring of the situation in order to adjust the actions to be taken. The mine has put a testing policy in place with Malian infectious disease experts.

At present, we are pleased to note that Mali is mostly spared from the health crisis, and the Nampala mine has had only one case (without contagion), and the same seems to be true for neighbouring villages. But the multiplication of variants prompts vigilance.

#### **Social and Institutional Crisis in Mali**

The military seized power in Mali by replacing the civilian institutions on August 18, 2020, which was followed by serious disorder. The establishment of a military power initially resulted in international sanctions. On May 24 and 25, the government was overthrown again, and the military took over the presidency. The event was almost violence-free at the beginning, but the civil actors involved in politics were somehow impatient and strikes started across the country. Moreover, France withdraws its military participation in Mali, and there is a conflict with France relating to the presence of Russian advisers including by a private military company. In general, the situation in Sub-Saharan Africa continues to deteriorate under pressure from terrorist groups. The situation is tense, so the company is very vigilant. These tensions seem to have reduced the aid that Mali was receiving; they are disrupting the economic activities and the country is therefore in need of money more than ever. ECOWAS has imposed sanctions that appear to target only the leaders of the country. The situation in the country can be felt on the site as people are gradually reducing their respect for authority. For some time now, there has been an upsurge in the activities of armed groups in the country.

**Tax Risks**

Robex conducts business in several jurisdictions and is subject to the taxation laws of these jurisdictions. These taxation laws are complex, subject to varying interpretations and applications by the relevant tax authorities and subject to changes and revisions in the ordinary course of operations. Robex may be challenged by the tax authorities in the countries in which Robex operates, with results that may negatively affect its earnings. Furthermore, changes in taxation law or reviews and assessments could result in higher taxes payable by Robex, which could adversely affect profitability and cash flow. Although the Corporation has tax stability agreements with the Malian Government, there is no certainty that such agreements will be upheld or not withdrawn in the future. The Company's interpretations of the stability agreement and the tax laws may not be the same as those of the regulatory authorities. Consequently, challenges to the Company's interpretations of the stability agreement and the tax laws by regulatory authorities, in addition to changes to the tax laws, could result in significant additional taxes, penalties and interest. The Company is subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest and penalties, which would negatively affect the Company's financial condition and operating results. Changes in tax rules and regulations or in the interpretation of tax rules and regulations by the courts or the tax authorities may also have a substantial negative impact on the Company's business.

**8. SHARE CAPITAL**

As of May 2, 2022, our share capital consisted of 599,878,403 common shares issued and outstanding.

Also, 6,281,163 stock options were granted at an exercise price of \$0.09, \$0.115, and \$0.13, expiring respectively on July 16, 2022, September 23, 2023, and November 28, 2024. Each option entitles the holder to acquire one common share of the Company.

**Shareholding of the Company**

	Current position		Stock options <sup>1</sup> Exercise effects		
	Shares Outstanding	%	Issued Shares	Total Shares Outstanding	% After Exercise
<b>Cohen Group*</b>	394,293,027	65.73%	---	394,293,027	65.05%
<b>Other Shareholders</b>	205,585,376	34.27%	6,281,163	211,866,539	34.95%
<b>Total</b>	<b>599,878,403</b>	<b>100%</b>	<b>6,281,163</b>	<b>606,159,566</b>	<b>100%</b>

\* Members of Cohen Group are Georges Cohen, Julien Cohen, Benjamin Cohen, Johan Contat Cohen, Émilie Cohen and Laetitia Cohen.

On April 20, 2022, the Company closed an SPA in which the Company will issue common share for the acquisition of Sycamore<sup>2</sup>.

<sup>1</sup> Exercising these options would increase the Company's cash flow by \$769,051

<sup>2</sup> Refer to the press release for further details on this transaction

## 9. CONTROLS AND PROCEDURES

### A. DISCLOSURE CONTROLS AND PROCEDURES

We maintain appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, accurate, reliable and timely. The disclosure controls and procedures ("DC&P") are designed to provide reasonable assurance that information required to be disclosed in the annual filings, interim filings or other reports filed under securities legislation is recorded, processed, summarized and reported within the time periods specified by said legislation and include controls and procedures designed to ensure that material information required to be disclosed is accumulated and communicated to management, including its certifying officers, as appropriate, to allow timely decisions regarding required disclosure.

Our President, our Chief Executive Officer (CEO) and our Chief Financial Officer (CFO) have evaluated, or caused the evaluation of, under their direct supervision, the design and operating effectiveness of our DC&P and have concluded as of December 31, 2021 that such DC&P were designed and operating effectively.

### B. INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Management has evaluated the design and operating effectiveness of its ICFR. This evaluation was performed by the President, the CEO and the CFO with the assistance of other management and staff to the extent deemed necessary.

Based on this evaluation, the president, the CEO and the CFO and the concluded that, as of December 31, 2021, the ICFR were appropriately designed, effective and able to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

### C. LIMITATIONS OF CONTROLS AND PROCEDURES

In spite of its evaluation, our management, including the CEO and CFO, believes that any controls and procedures no matter how well designed and operated, can only provide reasonable assurance and not absolute assurance in achieving the desired control objectives. Accordingly, because of the inherent limitations in a control system, misstatements due to error or fraud may occur and not be detected.

## 10. NON-IFRS FINANCIAL PERFORMANCE MEASURES

Some of the indicators used by us to analyse and evaluate our results represent non-IFRS financial measures. These measures are presented as they can provide useful information to assist investors with their evaluation of the Corporation's performance and ability to generate cash flow from its operations. Since the non-IFRS performance measures presented in the below sections do not have any standardized definition prescribed by IFRS, they may not be comparable to similar measures presented by other companies. Accordingly, they are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. For the non-IFRS financial performance measures not already reconciled within the document, we have defined the IFRS financial performance measures below and reconciled them to reported IFRS measures.

### Cash Operating Cost and Cash Operating Cost including Stripping

The tables below present reconciliation between the cash operating cost calculated in accordance with the Gold Institute<sup>1</sup> standards and operating expenses, for the years ended December 31, 2021, and 2020:

	2021	2020
<b>Per tonne processed</b>		
Tonnes of ore processed	1,948,284	1,886,318
(in dollars)		
Mining operation expenses (relating to ounces sold)	37,839,905	34,465,494
Mining royalties	(3,207,100)	(2,915,269)
Effects of inventory adjustments (doré bars, gold in circuit and ore stockpiles)	(44,901)	1,453,919
<b>Operating costs (relating to tonnes processed)</b>	<b>34,587,904</b>	<b>33,004,144</b>
<b>Cash operating cost (per tonne processed)</b>	<b>18</b>	<b>17</b>

	2021	2020
<b>Per tonne processed</b>		
Tonnes of ore processed	1,948,284	1,886,318
(in dollars)		
Stripping cost	21,937,381	16,414,575
Stripping cost (per tonne processed)	11	9
Cash operating cost (per tonne processed)	18	17
<b>Cash operating cost including stripping (per tonne processed)</b>	<b>29</b>	<b>26</b>

<sup>1</sup> The Gold Institute, which ceased operations in 2002, was a non-regulated organization representing a global group of gold producers. The cost standard of production developed by the Gold Institute remains the generally accepted standard for the recording of costs disbursed by gold mining companies.

**Total Cash Cost**

A reconciliation of total cash cost is included in the following table, for the years ended December 31, 2021, and 2020:

	2021	2020
<b>Per ounce sold</b>		
Gold ounces sold	46,002	50,963
(in dollars)		
Mining operation expenses	37,839,905	34,465,494
<b>Total cash cost (per ounce sold)</b>	<b>823</b>	<b>676</b>

**All-in Sustaining Cost and Adjusted All-in Sustaining Cost**

All-in sustaining cost represents the total cash cost plus sustainable capital expenditures and stripping costs presented per ounce sold. The Company classified sustaining capital expenditures which are required to maintain existing operations and capitalized stripping. A reconciliation of all-in sustaining cost and adjusted all-in sustaining cost are included in the following tables, for the years ended December 31, 2021, and 2020:

	2021	2020
Gold ounces sold	46,002	50,963
(in dollars)		
Sustaining capital expenditures	31,213,982	30,596,468
Sustaining capital expenditures (per ounce sold)	679	600
Total cash cost (per ounce sold)	823	676
<b>All-in sustaining cost (per ounce sold)</b>	<b>1,502</b>	<b>1,277</b>

	2021	2020
Gold ounces sold	46,002	50,963
(in dollars)		
Sustaining capital expenditures	31,213,982	30,596,468
Stripping cost	(21,937,381)	(16,414,575)
Exploration expenses	(3,146,804)	(8,003,430)
<b>Adjusted sustaining capital expenditures</b>	<b>6,129,797</b>	<b>6,178,463</b>
Adjusted sustaining capital expenditures (per ounce sold)	133	121
Total cash cost (per ounce sold)	823	676
<b>Adjusted all-in sustaining cost (per ounce sold)</b>	<b>956</b>	<b>797</b>

### Operating Cash Flows per Share

The Company uses cash flows from operating activities, before changes in non-cash working capital, to supplement its consolidated financial statements, and calculates it by not including the period-to-period movement of non-cash working capital items, like accounts receivable, inventories, prepaid expenses, deposits paid and accounts payable.

A reconciliation of cash flows from operating activities, before changes in non-cash working capital, per share is included in the following table, for the years ended December 31, 2021, and 2020:

	2021	2020
Cash flows from operating activities (in dollars)	33,768,201	65,090,056
Weighted average number of outstanding common shares - basic	599,737,408	588,946,537
<b>Operating cash flows per share (in dollars)</b>	<b>0.056</b>	<b>0.111</b>

### Adjusted Accounting Measures

Net income and operating income have been adjusted with items considered temporal and that do not reflect the Company's core mining operations. Reconciliations of adjusted accounting measures is included in the following tables, for the years ended December 31, 2021, and 2020:

	2021	2020
(in dollars)		
Net income attributable to equity shareholders as per IFRS	15,892,676	44,609,088
Stock-based compensation expense	---	573,791
Foreign exchange gain	(507,875)	(193,820)
Write-off of property, plant and equipment and intangible assets	5,951	57,341
Tax provision for adjustments to prior years	14,276,807	---
<b>Adjusted net income attributable to equity shareholders</b>	<b>29,667,559</b>	<b>45,046,400</b>
Weighted average number of outstanding shares	599,737,408	588,946,537
<b>Adjusted basic earnings per share (in dollars)</b>	<b>0.049</b>	<b>0.076</b>

	2021	2020
(en dollars)		
Operating income as per IFRS	37,093,707	48,529,127
Stock-based compensation expense	---	573,791
<b>Adjusted operating income</b>	<b>37,093,707</b>	<b>49,102,918</b>

## 11. ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

This MD&A has been prepared as of May 2, 2022. We present additional information on our company through regular filings of press releases, financial statements and our Annual Information Form on SEDAR ([sedar.com](http://sedar.com)). These documents and other sources of information about the Company may also be found on our website at [robexgold.com](http://robexgold.com).

## 12. FOWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and assumptions and, accordingly, actual results and future events could differ materially from those expressed or implied in such statements. You are hence cautioned not to place undue reliance on forward-looking statements. These forward-looking statements include statements regarding our expectations as to the market price of gold, production targets, timetables, mining operation expenses, capital expenditures and mineral reserve and resource estimates. Forward-looking statements include words or expressions such as "pursuing", "growth", "opportunities", "anticipated", "outlook", "strategy", "will", "estimated", "expected", "in order to", "should", "target", "objective", "intend", and other similar words or expressions. Factors that could cause actual results and events to differ materially from expectations expressed or implied by the forward-looking statements include, among others, the ability to achieve our objective of producing at least 50,000 ounces of gold at the Nampala mine in 2022 at an all-in sustaining cost per ounce sold (or AISC) of less than \$1,500, the ability to maintain a level of administrative burdens similar to that of the year 2021, the ability to achieve our strategic focus, fluctuations in the price of gold, currencies and operating costs, risks related to the mining industry, uncertainty as to calculation of mineral reserves and resources, delays, political and social stability in Africa (including our ability to maintain or renew licenses and permits), and other risks described in ROBEX's documents filed with Canadian securities regulatory authorities. ROBEX disclaims any obligation to update or revise any forward-looking statements, unless required to do so by law.

**CORPORATE INFORMATION****SHARE LISTING**

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**BOARD OF DIRECTORS**

Chairman

Vice-chairman

Other members

Georges Cohen

Richard R. Faucher

Benjamin Cohen, Christian Marti, Claude Goulet, Julien Cohen, Michel Doyon

**AUDIT BOARD**

Chairman of the committee

Other members

Claude Goulet

Julien Cohen, Michel Doyon

**DIRECTION**

President

CEO

CFO & CO

Georges Cohen

Benjamin Cohen

Augustin Rousselet

**AUDITORS**

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**LEGAL COUNSEL**

Norton Rose Fulbright Canada S.E.N.C.R.L., s.r.l., Québec (Quebec)

**QUALIFIED PERSON (NI 43-101)**

Denis Boivin, B.Sc., P.Geo.

Mario Boissé, P.Eng.

Richard Barbeau, P.Eng.

**TRANSFER AGENT**

Computershare Trust Company of Canada, Montréal (Quebec)

599,878,403 shares issued as of May 2, 2022

**INVESTOR RELATIONS**

Aurélien Bonneviot

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