



**Management's Discussion and Analysis**  
Second quarter ended June 30, 2022

|  |           |
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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. This MD&A, prepared as of August 29, 2022, is intended to complement and supplement our Condensed Interim Consolidated Financial Statements (the "financial statements") as of June 30, 2022. 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. SECOND QUARTER OF 2022 OPERATING AND FINANCIAL RESULTS HIGHLIGHTS

|  | Quarters ended June 30, |                           | Variation        |
|--|-------------------------|---------------------------|------------------|
|  | 2022                    | 2021                      |                  |
| Gold ounces produced   | 12,185                  | 11,124                    | +9.5%            |
| Gold ounces sold   | 10,981                  | 11,739                    | -6.5%            |
| (rounded off to the nearest thousand dollars)                        |                         |                           |                  |
| <b>Revenue – Gold sales</b>  | <b>26,359,000</b>       | 26,051,000                | +1.2%            |
| <b>Operating income</b>  | <b>11,502,000</b>       | 9,821,000                 | +17.1%           |
| <b>Net income attributable to equity shareholders</b>                | <b>7,818,000</b>        | 9,395,000                 | -16.8%           |
| <i>Basic earnings per share</i>                                      | <i>0.013</i>            | <i>0.016</i>              | -18.8%           |
| <i>Diluted earnings per share</i>                                    | <i>0.013</i>            | <i>0.016</i>              | -18.8%           |
| <b>Adjusted amounts</b>  |                         |                           |                  |
| Adjusted net income attributable to equity shareholders <sup>1</sup> | 7,706,000               | 9,281,000                 | -17.0%           |
| <i>Per share<sup>1</sup></i>   | <i>0.013</i>            | <i>0.015</i>              | -17.0%           |
| <b>Cash flows</b>  |                         |                           |                  |
| Cash flows from operating activities <sup>2</sup>                    | 12,176,000              | 12,387,000                | -1.7%            |
| <i>Per share<sup>1</sup></i>   | <i>0.020</i>            | <i>0.021</i>              | -1.8%            |
| <b>Statistics</b>  |                         |                           |                  |
| (in dollars)   |                         |                           |                  |
| Average realized selling price (per ounce)                           | 2,400                   | 2,219                     | +8.2%            |
| All-in sustaining cost (per ounce sold) <sup>1</sup>                 | 1,540                   | 1,560                     | -1.3%            |
| Adjusted all-in sustaining cost (per ounce sold) <sup>1 3</sup>      | 937                     | 912                       | +2.7%            |
|  | <b>As at June 30,</b>   | <b>As at December 31,</b> |                  |
|  | <b>2022</b>             | <b>2021</b>               | <b>Variation</b> |
| <b>Total assets</b>  | <b>142,630,000</b>      | 142,668,000               | 0.0%             |
| <b>Total liabilities</b>   | <b>29,650,000</b>       | 44,020,000                | -32.6%           |
| <b>Net debt (cash)<sup>4</sup></b>                                   | <b>(2,558,000)</b>      | (9,281,000)               | -72.4%           |

<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 34.

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

<sup>3</sup> Adjusted all-in sustaining cost excludes stripping cost and exploration expenses.

<sup>4</sup> Refer to "Net Debt (Cash) Position" section of this document on page 13.

## B. QUATERLY CORPORATE SUMMARY

### Operations:

The number of ounces produced was 12,185, a 9.5% increase compared to the same quarter last year. The operational improvements completed by our teams have allowed us to continue to optimize the Nampala plant's processing capacity. The installation of the new trommel at the beginning of June made it possible to increase production by improving plant availability.

In accordance with the new mining plan, the stripping ratio has slightly decreased (4.1 compared to 4.8 for the same period in 2021), prompting a 1,3% decrease in the all-in sustaining cost (per ounce sold)<sup>1</sup>, going from \$1,560 to \$1,540.

### Exploration:

Robex continued major exploration work on all of its permits during Q2 of 2022, including licence-wide soil geochemistry (BLEG), geophysical reinterpretations, remote sensing, surface rock chip sampling and drilling, including reverse circulation (RC) and diamond drilling (DD). This exploration works was completed on each of the Senegalese-Malian shear zone licence areas (Sanoula and Diangounté) as well as on the licences neighbouring Nampala (Mininko and Gladié). RC and DD started at the beginning of the year with the objective of increasing the overall resource. A compilation of the geological work will be done during the third quarter to establish our 2023 exploration program combined with that of Kiniéro.

### Finance:

A higher grade (0.84 g/t compared to 0.82 g/t for the same period in 2021) and a slight increase in the average gold selling price (\$2,400 per ounce compared to \$2,219 for the same period in 2021) resulted in a 17% increase in the operating income. While improving its cash flow, the Group continues to reduce its debt with a net cash position<sup>2</sup> of \$2.6 million as at June 30, 2022, compared to \$3.1 million as at March 31, 2022.

### Transaction:

The Company continued its efforts to complete the pre-feasibility study for the Kiniéro project in Guinea which was announced on August 29. To close the transaction, accounting work, as well as the integration of Sycamore's teams and processes, is underway with a view to satisfying all conditions precedent to the completion of the transaction. The Group's objective is to close this transaction with Sycamore Mining Ltd before the end of the third quarter.

## C. OUTLOOK AND STRATEGY FOR THE REST OF THE YEAR 2022<sup>3</sup>: A YEAR OF TRANSFORMATIONS

The merger with Sycamore Mining Ltd in 2022 marks a major change in the dimension of the Robex group. This merger brings the Group into an intense phase of operational, accounting and financial integration. As the construction of Kiniéro accelerates, the Group is focused on organizing the company to support the construction phase of the project and achieve the target for first casting at Kiniéro in the first quarter of 2024. Nampala already benefits from the addition of a strengthened technical and management team which should reposition Nampala with a view to growth. Our 2022 objectives revolve around the following points:

<sup>1</sup> All-in sustaining cost is 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 34.

<sup>2</sup> Refer to "Net Debt (Cash) Position" section of this document on page 13.

<sup>3</sup> This section contains forward-looking statements. Refer to the "Forward-Looking Statements" section on page 37 of this document for further details on forward-looking statements.

- **Sycamore Integration:** Robex has already integrated the Sycamore teams into a new structure based in the UK. New recruitments have been made in Guinea to continue the engineering work and ramp up for the construction of the plant. The financial teams have also been strengthened in Quebec and Guinea to duplicate the accounting and financial structure of Nampala in Mali. Important legal documentation is being prepared to finalize the integration and close the transaction, which we anticipate in Q3 2022. Significant accounting consolidation work will also have to be carried out in 2022 in collaboration with our auditors.
- **Preparation of the Kiniéro Construction Phase:** The finalization of the pre-feasibility study is an important step for 2022 and will continue with the pre-construction study with a view to accelerating work on site. To meet the schedule for the first casting in the first quarter of 2024, we have recently placed an order for the acquisition of a 7.8 Kw semi-autogenous mill which will be delivered next year. A set of equipment with a long lead time will also be ordered. Purchasing procedures and control software will be deployed to keep costs and deadlines under control. In addition, the group has already started discussions with financial partners to obtain financing in order to accelerate construction.
- **Nampala Performance Improvement:** With the integration of Sycamore teams, work to improve procedures and understanding of the Nampala deposit is underway. A drilling campaign will continue in order to understand the pit extensions and the potential for increased mine life. Thanks to the installation of the new trommel we have the ability to deal with the transition and optimize our recovery rate. This work to improve the mine and the plant will continue in 2022.
- **Contribution to the Environment:** The solar power plan was commissioned in the second quarter of 2022 and has already reached a peak production of 2.3 MWH. We still need to integrate the batteries, which will provide stability and improve the penetration rate of the solar power plant. Over the rest of the year, the VIVO Energy and Robex teams will strive to optimize the solar/thermal ratio and energy storage in order to make the most of this renewable energy. In parallel, we will work on the Kiniéro solar power plant which will have an installed capacity of 18 MW and a battery storage of 30 MWh and will benefit from the operational experience acquired with Nampala in 2022.
- **Exploration in Mali and Guinea:** We continue our work of interpreting the geology of Guinea and Mali assets. We have already seen improved practices between the two operations and this will lead to better targeting of the Nampala 2023 exploration cycle currently being developed.
- **Capital Market:** We have chosen Renmark Financial Communications Inc. ("Renmark") to improve our financial communication. As announced during our general meeting, we intend to graduate on the TSX as soon as the transaction is closed and to continue our marketing actions in order to improve the liquidity of the share.

Our forecasts for 2022 are unchanged:

|   | Q1 and Q2 2022 Achievements         | 2022 Forecasts                      |
|---|-------------------------------------|-------------------------------------|
| <b>Nampala Mine</b>   |                                     |                                     |
| Gold production   | 24,274 ounces                       | > 50,000 ounces                     |
| All-in sustaining cost ("AISC") <sup>1</sup> (per ounce sold) | 1,332 CAD (1,048 USD <sup>2</sup> ) | 1,500 CAD (1,185 USD <sup>2</sup> ) |

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

<sup>1</sup> 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 34.

<sup>2</sup> The amounts in Canadian dollars have been converted to American dollars according to the average rate for the first half of 2022, which is 0.7866.

**D. KEY ECONOMIC FACTORS****⌘ PRICE OF GOLD**

During the quarter ended June 30, 2022, the price of gold in US dollars, based on the *London Gold Fixing Price*, fluctuated from a high of USD 1,987 to a low of USD 1,807 per ounce (high of CAD 2,507 to a low of CAD 2,315 per ounce). The average market gold price for the second quarter of 2022 was of CAD 2,393 per ounce compared to CAD 2,227 per ounce for the same period in 2021, representing an increase of CAD 166.

| (in dollars per ounce)               | 2022  |       | 2021  |       |
|--------------------------------------|-------|-------|-------|-------|
|                                      | Q2    | Q2    | Q2    | Q1    |
| Average London Gold Fixing Price USD | 1,875 | 1,879 | 1,813 | 1,796 |
| Average London Gold Fixing Price CAD | 2,393 | 2,381 | 2,227 | 2,274 |
| Average realized selling price CAD   | 2,400 | 2,365 | 2,219 | 2,281 |

**⌘ 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 776 per litre (equivalent to CAD 1.61) for the quarter ended June 30, 2022, compared to FCFA 593 per litre (equivalent to CAD 1.34) for the same period in 2021.

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 and FCFA, which are the functional currencies of the Company. The FCFA is currently at a fixed rate of FCFA 655.957 for 1 euro, and therefore fluctuates according to the euro.

During the quarter ended June 30, 2022, the Canadian dollar gained value compared to the Euro during the same period in 2021. 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>.

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

| EUR / CAD                | 2022   | 2021   |
|--------------------------|--------|--------|
| June 30 (closing)        | 1.3467 | 1.4699 |
| December 31 (closing)    | ---    | 1.4391 |
| Second quarter (average) | 1.3587 | 1.4802 |

<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 34.

## 2. CONSOLIDATED FINANCIAL RESULTS

### A. RESULTS

|   | Quarters ended<br>June 30, |              | Halves ended<br>June 30, |              |
|---|----------------------------|--------------|--------------------------|--------------|
|   | 2022                       | 2021         | 2022                     | 2021         |
| Gold ounces produced  | 12,185                     | 11,124       | 24,274                   | 21,766       |
| Gold ounces sold  | 10,981                     | 11,739       | 24,652                   | 23,241       |
| <i>(rounded off to the nearest thousand dollars)</i>                                |                            |              |                          |              |
| <b>Revenue – Gold sales</b>   | <b>26,359,000</b>          | 26,051,000   | <b>58,692,000</b>        | 52,292,000   |
| Mining operation expenses   | (7,425,000)                | (8,892,000)  | (16,359,000)             | (18,080,000) |
| Mining royalties  | (811,000)                  | (653,000)    | (1,813,000)              | (1,309,000)  |
| Administrative expenses   | (4,171,000)                | (3,479,000)  | (8,745,000)              | (7,193,000)  |
| Depreciation of property, plant and equipment and amortization of intangible assets | (2,450,000)                | (3,206,000)  | (4,910,000)              | (5,854,000)  |
| <b>Operating income</b>   | <b>11,502,000</b>          | 9,821,000    | <b>26,865,000</b>        | 19,856,000   |
| Financial expenses  | (79,000)                   | (221,000)    | (316,000)                | (410,000)    |
| Foreign exchange gain   | 134,000                    | 114,000      | 245,000                  | 220,000      |
| Radiation property, plant and equipment   | (22,000)                   | ---          | (22,000)                 | ---          |
| Other income  | 17,000                     | 29,000       | 43,000                   | 47,000       |
| Income tax expense  | (3,238,000)                | (278,000)    | (5,134,000)              | (425,000)    |
| <b>Net income (loss)</b>  | <b>8,314,000</b>           | 9,465,000    | <b>21,681,000</b>        | 19,288,000   |
| <b>Net income attributable to equity shareholders</b>                               | <b>7,818,000</b>           | 9,395,000    | <b>20,323,000</b>        | 19,105,000   |
| <i>Basic earnings per share</i>   | <i>0.013</i>               | <i>0.016</i> | <i>0.034</i>             | <i>0.032</i> |
| <i>Diluted earnings per share</i>   | <i>0.013</i>               | <i>0.016</i> | <i>0.034</i>             | <i>0.032</i> |
| <b>Adjusted amounts</b>   |                            |              |                          |              |
| Adjusted net income attributable to equity shareholders <sup>1</sup>                | <b>7,706,000</b>           | 9,281,000    | <b>20,100,000</b>        | 18,885,000   |
| <i>Per share<sup>1</sup></i>  | <i>0.013</i>               | <i>0.015</i> | <i>0.033</i>             | <i>0.031</i> |
| <b>Cash flows</b>   |                            |              |                          |              |
| Cash flows from operating activities <sup>2</sup>                                   | <b>12,176,000</b>          | 12,387,000   | <b>28,657,000</b>        | 23,914,000   |
| <i>Per share<sup>1</sup></i>  | <i>0.020</i>               | <i>0.021</i> | <i>0.048</i>             | <i>0.040</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 34.

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



**Comparison of the first quarter of 2022 and the first quarter of 2021:**

- For the quarter ended June 30, 2022, gold sales amounted to \$26,359,000 compared to \$26,051,000 for the same period in 2021. This 1.2% increase is due to a 8% higher average realized selling price (\$2,400 per ounce compared to \$2,219 for the same period in 2021) offset by a decrease in the number of ounces of gold sold (10,981 ounces of gold sold compared to 11,739 for the same period in 2021). 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.
- For the second quarter of 2022, mining operation expenses were \$7,425,000, or \$676 per ounce sold, while for the same period in 2021, they amounted to \$8,892,000, or \$757 per ounce sold. This 17% decrease in mining operating expenses per ounce sold is the result of the increase in average grades processed (0.84 g/t compared to 0.82 g/t) and improvements made to the production circuit reducing equipment maintenance costs.
- The increase in mining royalties in the second quarter of 2022 is a direct consequence of the increase in the average price of gold sold.
- For the quarter ended June 30, 2022, administrative expenses amounted to \$4,171,000 compared to \$3,479,000 for the same period in 2021, representing a 20% increase. 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.
- For the second quarter of 2022, the financial expenses were \$79,000 compared to \$221,000 for the same period in 2021. This 64% decrease is due to the Company's debt reduction.
- For the second quarter of 2022, we recorded foreign exchange gains of \$134,000 following 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 \$114,000 for the second quarter of 2021).
- As a result of an increase in the existing temporary differences between the book value of fixed assets and their tax value, we recorded a deferred tax expense of \$1,433,000. In addition, as the tax benefit increased, mainly due to the increase in the sale price, a consequent current income tax expense of \$1,805,000 was recognized for the second quarter of 2022 (expense of \$582,000 for the same period in 2021).
- For the quarter ended June 30, 2022, net income attributable to non-controlling interest (10% interest in Nampala S.A. owned by the Government of Mali) was \$496,000 compared to a net income of \$70,000 for the same period in 2021.

**Comparison of the first half of 2022 and the first half of 2021:**

- For the half-ended June 30, 2022, gold sales amounted to \$58,692,000 compared to \$52,292,000 for the same period in 2021. This 12% increase is attributable to a greater quantity of gold ounces sold (24,652 gold ounces sold compared to 23,241 for the same period in 2021) as well as a higher average realized selling price (\$2,381 per ounce comparatively to \$2,250 for the same period in 2021). The difference between the number of gold ounces sold and the number of gold ounces produced during the periods is due to the timing of shipments, but also to cash management.
- For the first half of 2022, mining operation expenses were \$16,359,000, or \$664 per ounce sold, compared to \$18,080,000, or \$778 per ounce sold for the same period in 2021. For the first six months of 2022, the higher average headed grades allowed less ore to be processed to produce one ounce of gold (0.83 g/t compared to 0.79 g/t for the same period in 2021). This higher grade is explained by the fact that during the first half of 2021, operations were mainly carried out on the surface of the four new pits around the main pit.
- The increase in mining royalties in the first half of 2022 is a direct consequence of the increase in the quantity of gold ounces sold, but also of a higher average realized selling price.
- Administrative expenses for the first half of 2022 are higher than in 2021 for the same period, representing \$8,745,000 compared to \$7,193,000. Among other things, the institutional and social crisis in Mali led the Company to significantly strengthen security at the mine site and therefore allocate a considerably large budget to that area. In addition, as part of the unexpected tax adjustment in 2021, the Company hired, during the first quarter of 2022, tax advisors for an amount of \$426,000 to assist in its efforts to challenge the merits of the adjustment and to vigorously defend its positions.
- The financial expenses were \$316,000 for the first half of 2022 compared to \$410,000 for the same period in 2021. This 23% decrease is also due to the Company's debt reduction.
- For the half-ended June 30, 2022, we recorded an income tax expense of \$5,134,000 (expense of \$425,000 for the same period in 2021). The income tax expense consists of expense on the taxable income of the Nampala subsidiary of \$4,418,000 and a deferred tax expense as a result of an increase in existing temporary differences between the capital asset book value and their tax value of \$716,000.
- For the first half of 2022, net income attributable to non-controlling interest was \$1,358,000 compared to a net result of \$183,000 for the same period in 2021.

**B. RESULTS BY OPERATING SEGMENT**

|   | Quarters ended<br>June 30, |                  | Halves ended<br>June 30, |                   |
|---|----------------------------|------------------|--------------------------|-------------------|
|   | 2022                       | 2021             | 2022                     | 2021              |
| (rounded off to the nearest thousand dollars) | \$                         | \$               | \$                       | \$                |
| Mining operations (gold)                      | 13,082,000                 | 11,120,000       | 29,858,000               | 22,641,000        |
| Mining exploration                            | (14,000)                   | (4,000)          | (21,000)                 | (8,000)           |
| Corporate management                          | (1,566,000)                | (1,295,000)      | (2,972,000)              | (2,777,000)       |
| <b>Operating income</b>                       | <b>11,502,000</b>          | <b>9,821,000</b> | <b>26,865,000</b>        | <b>19,856,000</b> |

**C. COMPREHENSIVE INCOME**

For the quarter ended June 30, 2022, other comprehensive income is summarized by a negative foreign exchange difference of \$3,223,000, 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 (negative foreign exchange difference of \$618,000 for the quarter ended June 30, 2021).

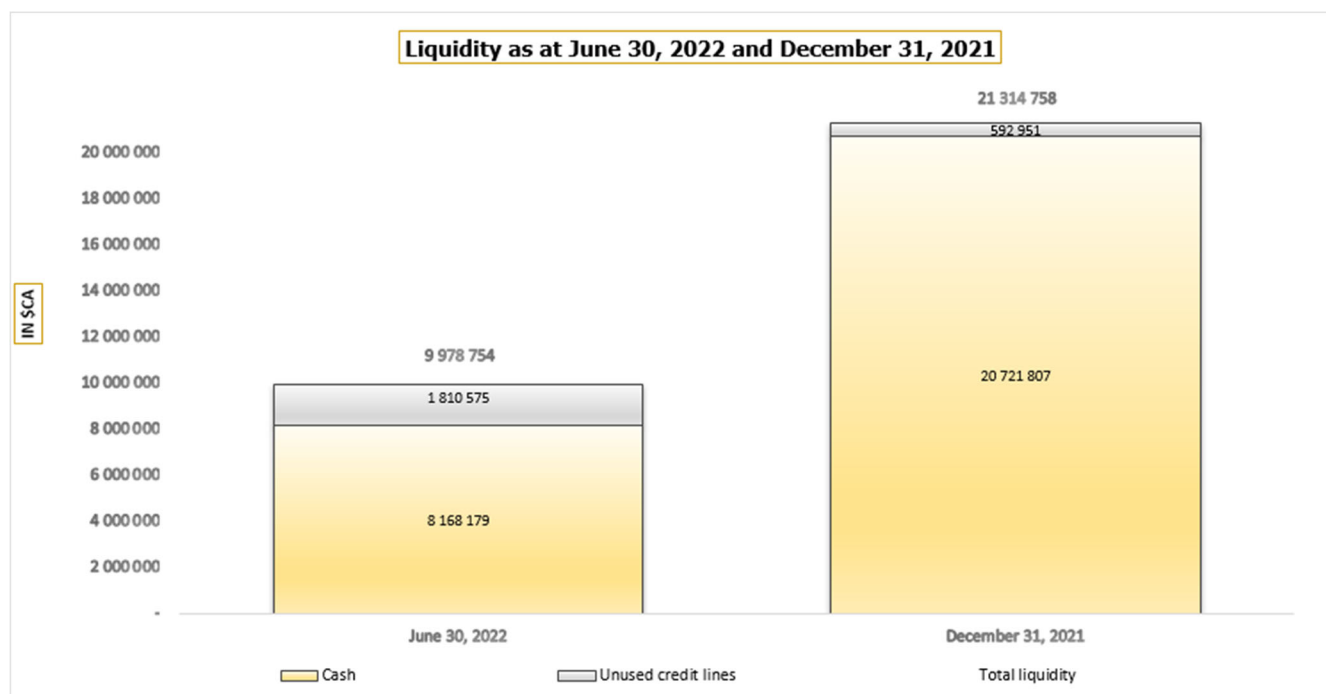
For the six-month period ended on June 30, 2022, other comprehensive income is was a negative foreign exchange difference of \$7,474,000 (negative foreign exchange difference of \$6,510,000 for the same period in 2021).

**D. FINANCIAL POSITION**

|  | As at June 30,<br>2022 | As at December 31,<br>2021 |
|--|------------------------|----------------------------|
| (rounded off to the nearest thousand)      | \$                     | \$                         |
| Current assets                             | 38,108,000             | 41,245,000                 |
| Property, plant and equipment              | 94,285,000             | 90,605,000                 |
| Other non-current assets                   | 10,237,000             | 10,818,000                 |
| <b>Total assets</b>                        | <b>142,630,000</b>     | <b>142,668,000</b>         |
| Current liabilities                        | 20,995,000             | 35,454,000                 |
| Non-current liabilities                    | 8,655,000              | 8,566,000                  |
| <b>Total liabilities</b>                   | <b>29,650,000</b>      | <b>44,020,000</b>          |
| <b>Equity attributable to shareholders</b> | <b>110,455,000</b>     | <b>97,418,000</b>          |
| Non-controlling interest                   | 2,525,000              | 1,230,000                  |
| <b>Total equity and liabilities</b>        | <b>142,630,000</b>     | <b>142,668,000</b>         |

As at June 30, 2022, our total assets were \$142,630,000 compared to \$142,668,000 as at December 31, 2021. A decrease of the cash balance of \$12,554,000 is explained by an increase of the receivable VAT by \$1,070,000 and an amount to receive from Sycamore Mine Guinée SAU of \$3,463,000 (This receivable is related to the transaction).

As at June 30, 2022, our total liabilities were \$29,650,000 compared to \$44,020,000 as at December 31, 2021. The current liabilities decrease is mainly explained by a decrease in accounts payable of \$8,769,000 including, among other things, the almost complete reimbursement of the prior years' tax adjustments due to the Malian state.



### E. CASH FLOWS

The following table summarizes our cash flows:

|   | Quarters ended<br>June 30, |                   | Halves ended<br>June 30, |                   |
|---|----------------------------|-------------------|--------------------------|-------------------|
|   | 2022                       | 2021              | 2022                     | 2021              |
| (rounded off to the nearest thousand dollars) | \$                         | \$                | \$                       | \$                |
| Operating activities                          |                            |                   |                          |                   |
| Operations                                    | 12,176,000                 | 12,388,000        | 28,656,000               | 23,914,000        |
| Working capital items                         | (2,900,000)                | (1,788,000)       | (18,276,000)             | (1,135,000)       |
|   | 9,276,000                  | 10,600,000        | 10,380,000               | 22,779,000        |
| Financing activities                          | 3,002,000                  | 1,886,000         | (16,146,000)             | 588,000           |
| Investing activities                          | (9,638,000)                | (10,355,000)      | (5,212,000)              | (21,058,000)      |
| Change in cash during the period              | 2,640,000                  | 2,131,000         |                          | 2,309,000         |
| Effect of exchange rate changes on cash       | (354,000)                  | (196,000)         | (1,576,000)              | (1,051,000)       |
| <b>Cash at the beginning of the period</b>    | <b>5,882,000</b>           | <b>8,219,000</b>  | <b>20,722,000</b>        | <b>8,896,000</b>  |
| <b>Cash at the end of the period</b>          | <b>8,168,000</b>           | <b>10,154,000</b> | <b>8,168,000</b>         | <b>10,154,000</b> |

## ✦ OPERATING ACTIVITIES

### Comparison of the second quarter of 2022 and the second quarter of 2021:

#### Operations

For the quarter ended June 30, 2022, operating activities, before working capital items, generated positive cash flows of \$12,176,000 compared to \$12,388,000 for the same period in 2021.

#### Working Capital Items

The working capital items required cash of \$2,900,000 during the second quarter of 2022, mainly due to the decrease in accounts payable and the increase in inventories partly compensated by the decrease in accounts receivable. In the second quarter of 2021, the working capital items required liquidities of \$1,788,000. Additional information on the net change in non-cash working capital items is provided in note 15 of the financial statements.

### Comparison of the first half of 2022 and the first half of 2021:

#### Operations

For the half-ended June 30, 2022, operating activities, before working capital items, generated positive cash flows of \$28,656,000 compared to \$23,914,000 for the same period in 2021.

#### Working Capital Items

Working capital items required cash of \$18,276,000 during the first half of 2022, mainly due to the increase in accounts receivable and the decrease in accounts payable. An amount to be received from Sycamore Mine Guinée SAU of \$3,291,000 as well as the incapacity to retrieve the VAT to be received in Mali (an amount of \$7,962,000 to be received) explain this increase. In accounts payable, the amount due to the state decreased significantly as a payment relating to the tax adjustment of \$7,681,000 was made. During the first half of 2021, working capital items required cash of \$1,135,000. Additional information on the net change in non-cash working capital items is provided in note 15 of the financial statements.

## ✦ FINANCING ACTIVITIES

For the quarter ended June 30, 2022, cash flows generated by financing activities amounted to \$3,002,000 compared to \$1,886,000 for the same period in 2021. During the second quarter of 2022, the Company used its lines of credit for an additional amount of \$4,233,000 offset by the repayment of its bank loans for an amount of \$1,338,000, in accordance with the repayment schedules.

For the six-month period ended June 30, 2022, cash flows required for financing activities amounted to \$5,212,000 compared to cash flows generated of \$588,000 for the same period in 2021. During the first half of 2022, the Company reduced the use of its lines of credit for an amount of \$2,059,000 and repaid its long-term debt for an amount of \$3,232,000, in accordance with the repayment schedules.

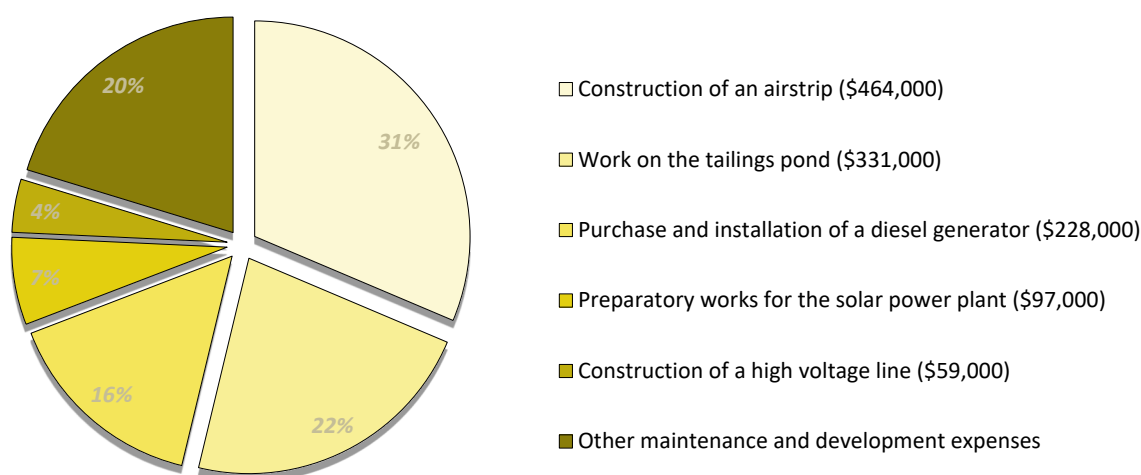
## ✧ INVESTING ACTIVITIES

For the quarter ended on June 30, 2022, cash flows used in investing activities was \$9,638,000 comparatively to \$10,355,000 for the same period of 2021.

For the half-ended June 30, 2022, cash flows used in investing activities was \$16,146,000 comparatively to \$21,058,000 for the same period in 2021. Maintenance and development capital expenditures are mainly to the construction of the airstrip, the construction of a new cell in the tailing facility, the acquisition of material for the plant (trommel) and the purchase of generating sets.

|  | Quarters ended<br>June 30, |                     | Halves ended<br>June 30, |                     |
|--|----------------------------|---------------------|--------------------------|---------------------|
|  | 2022                       | 2021                | 2022                     | 2021                |
| (rounded off to the nearest thousand dollars)                              | \$                         | \$                  | \$                       | \$                  |
| <b>Immobilization expenses</b>   |                            |                     |                          |                     |
| Maintenance and development (see chart below for details)                  | (1,981,000)                | (1,158,000)         | (3,693,000)              | (3,479,000)         |
| Stripping costs  | (6,277,000)                | (6,586,000)         | (10,581,000)             | (13,428,000)        |
|  | (8,258,000)                | (7,744,000)         | (14,274,000)             | (16,907,000)        |
| <b>Exploration expenses</b>  |                            |                     |                          |                     |
| Nampala mine   | (344,000)                  | (1,029,000)         | (344,000)                | (1,996,000)         |
| Other permits  | (1,166,000)                | (810,000)           | (1,482,000)              | (1,622,000)         |
|  | (1,510,000)                | (1,839,000)         | (1,826,000)              | (3,618,000)         |
| <b>Other variations</b>  |                            |                     |                          |                     |
| Decrease (increase) of paid deposits                                       | 250,000                    | (139,000)           | (9,000)                  | 569,000             |
| Decrease in purchases of property, plant and equipment in accounts payable | (120,000)                  | (633,000)           | (37,000)                 | (1,102,000)         |
|  | 130,000                    | (772,000)           | (46,000)                 | (533,000)           |
| <b>Total</b>   | <b>(9,638,000)</b>         | <b>(10,355,000)</b> | <b>(16,146,000)</b>      | <b>(21,058,000)</b> |

### Breakdown of main maintenance and development capital expenditures for the second quarter of 2022



## F. NET DEBT (CASH) POSITION

The following table summarizes the Company's net debt (cash) position as at June 30, 2022 and December 31, 2021:

|                            | As at June 30,<br>2022 | As at December 31,<br>2021 |
|----------------------------|------------------------|----------------------------|
| (arrondis au millier près) | \$                     | \$                         |
| Lines of credit            | 4,349,000              | 6,660,000                  |
| Debt                       | 1,224,000              | 4,695,000                  |
| Lease obligations          | 37,000                 | 86,000                     |
| Less: Cash                 | (8,168,000)            | (20,722,000)               |
| <b>Net debt (cash)</b>     | <b>(2,558,000)</b>     | <b>(9,281,000)</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 at June 30, 2022, the provision for the future dismantling of the facilities under construction at the Nampala site amounted to \$374,000 (\$378,000 as at December 31, 2021). This downward variation is due to the foreign exchange difference.

**Government Royalties**

In Mali, the rate of mining royalties on volumes shipped is 3%. For the quarter ended June 30, 2022, mining royalties of \$627,000 were registered as expenses (\$464,000 for the quarter ended June 30, 2021).

For the half-ended June 30, 2022, government royalties of \$1,394,000 have been recorded as an expense (\$931,000 for the half-ended June 30, 2021).

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

We are subject to NSR ranging from 1% to 2% on our different exploration properties. NSR 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 of \$185,000 were recorded as expenses for the quarter ended June 30, 2022 (\$189,000 for the quarter ended June 30, 2021).

For the half-ended June 30, 2022, NSR of \$419,000 were recorded as expenses (\$378,000 for the half-ended June 30, 2021).

**✕ NEW 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 of our audited consolidated financial statements as at 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 audited consolidated financial statements as at December 31, 2021.

**✕ FINANCIAL INSTRUMENTS**

The nature and extent of risks arising from financial instruments are described in note 25 of our audited consolidated financial statements as at December 31, 2021.

**✕ SUBSEQUENT EVENTS**

On July 11, 2022, the Board of Directors granted a total of 6,000,000 stock options at an exercise price of \$0.36, for a contractual life of 5 years.

On August 9, 2022, the Company obtained a line of credit authorized from a Malian bank for a maximum amount of \$2,053,029 (1,000,000,000 CFA francs), bearing interest at an annual rate of 8%, due on August 8, 2023.



## 3. QUARTELY RESULTS

|  | 2022    |         | 2021                 |                    |         |         | 2020    |         |
|--|---------|---------|----------------------|--------------------|---------|---------|---------|---------|
|  | Q2      | Q1      | Q4                   | Q3                 | Q2      | Q1      | Q4      | Q3      |
| <i>(in thousands of dollars, except for amounts per share)</i>                       |         |         |                      |                    |         |         |         |         |
| <b>Results</b>   |         |         |                      |                    |         |         |         |         |
| Revenue – Gold sales   | 26,359  | 32,333  | 34,929               | 16,672             | 26,051  | 26,241  | 28,388  | 45,864  |
| Net income (loss)  | 8,314   | 13,367  | (7,117) <sup>1</sup> | 3,950              | 9,465   | 9,823   | 11,558  | 23,897  |
| Attributable to  |         |         |                      |                    |         |         |         |         |
| - Shareholders   | 7,818   | 12,505  | (7,339) <sup>1</sup> | 4,127              | 9,395   | 9,710   | 11,410  | 23,195  |
| - Non-controlling interest   | 496     | 862     | 222                  | (177)              | 70      | 113     | 148     | 702     |
| Basic earnings per share   | 0.013   | 0.021   | (0.012) <sup>1</sup> | 0.007              | 0.016   | 0.016   | 0.019   | 0.039   |
| Diluted earnings per share   | 0.013   | 0.021   | (0.012) <sup>1</sup> | 0.007              | 0.016   | 0.016   | 0.019   | 0.039   |
| Cash flows from operating activities <sup>2</sup>                                    | 12,176  | 16,480  | 4,647 <sup>1</sup>   | 5,207              | 12,388  | 11,526  | 10,825  | 28,058  |
| <b>NAMPALA</b>   |         |         |                      |                    |         |         |         |         |
| <b>Operating Data</b>  |         |         |                      |                    |         |         |         |         |
| Ore mined (tonnes)   | 643,451 | 638,772 | 548,485              | 484,359            | 507,986 | 477,350 | 488,413 | 406,005 |
| Ore processed (tonnes)   | 515,979 | 509,374 | 519,749              | 481,690            | 474,435 | 472,410 | 487,771 | 438,367 |
| Head grade (g/t)   | 0.84    | 0.82    | 0.88                 | 0.79               | 0.82    | 0.76    | 0.78    | 0.86    |
| Recovery (%)   | 87.7%   | 90.1%   | 91.6%                | 92.1%              | 89.2%   | 92.8%   | 88.0%   | 88.2%   |
| Gold ounces produced   | 12,185  | 12,089  | 13,471               | 11,317             | 11,124  | 10,642  | 10,803  | 10,706  |
| Gold ounces sold   | 10,981  | 13,671  | 15,413               | 7,348              | 11,739  | 11,502  | 11,696  | 18,121  |
| <b>Statistics</b> <i>(in Canadian dollars)</i>                                       |         |         |                      |                    |         |         |         |         |
| Average realized selling price (per ounce)   | 2,400   | 2,365   | 2,266                | 2,269              | 2,219   | 2,281   | 2,427   | 2,531   |
| Cash operating cost (per tonne processed) <sup>3</sup>                               | 17      | 17      | 16                   | 19                 | 18      | 18      | 18      | 20      |
| Total cash cost (per ounce sold) <sup>3</sup>  | 750     | 727     | 821                  | 790                | 813     | 856     | 845     | 678     |
| All-in sustaining cost (per ounce sold) <sup>3</sup>                                 | 1,540   | 1,166   | 1257                 | 1,559 <sup>4</sup> | 1,560   | 1,732   | 1,989   | 1,072   |
| Administrative expenses (per ounce sold)   | 238     | 232     | 241                  | 449 <sup>4</sup>   | 187     | 195     | 215     | 116     |
| Depreciation of property, plant and equipment and intangible assets (per ounce sold) | 221     | 179     | 178                  | 393 <sup>4</sup>   | 272     | 229     | 275     | 192     |

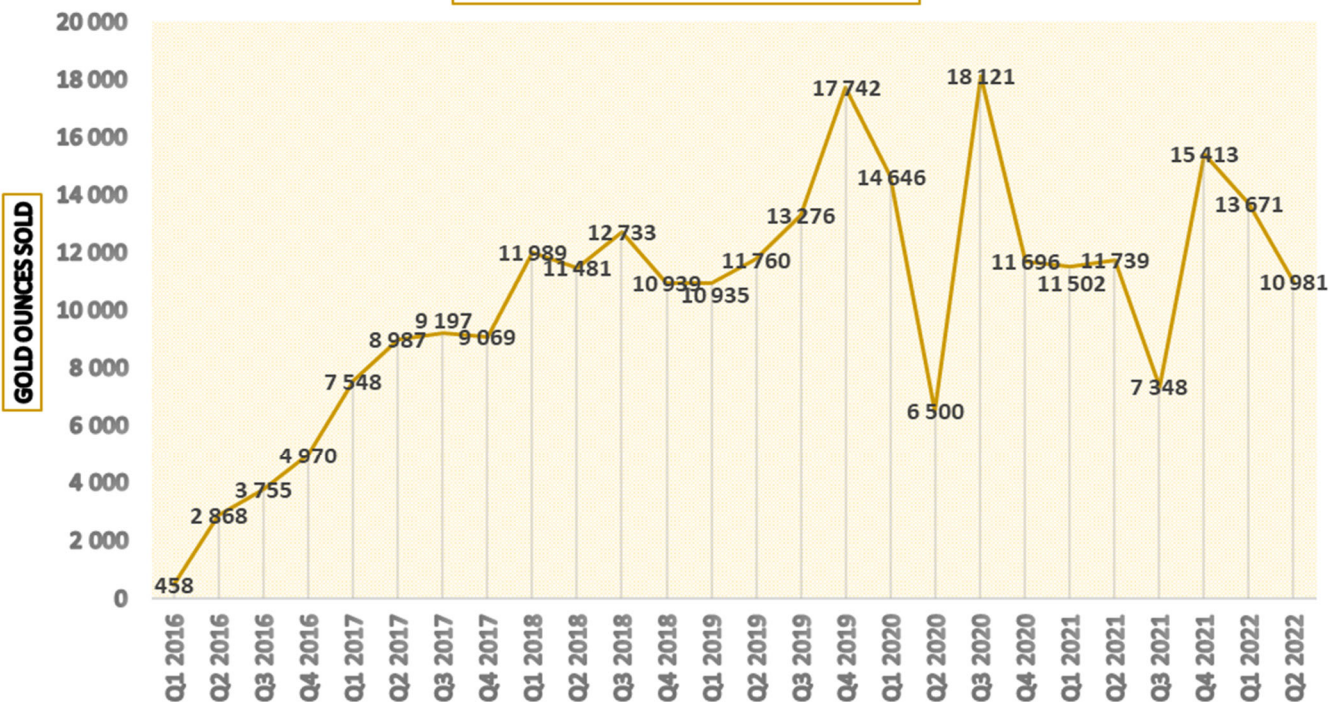
<sup>1</sup> For the fourth quarter of 2021, net income includes a provision for a tax adjustment for prior years of \$14,276,807.

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

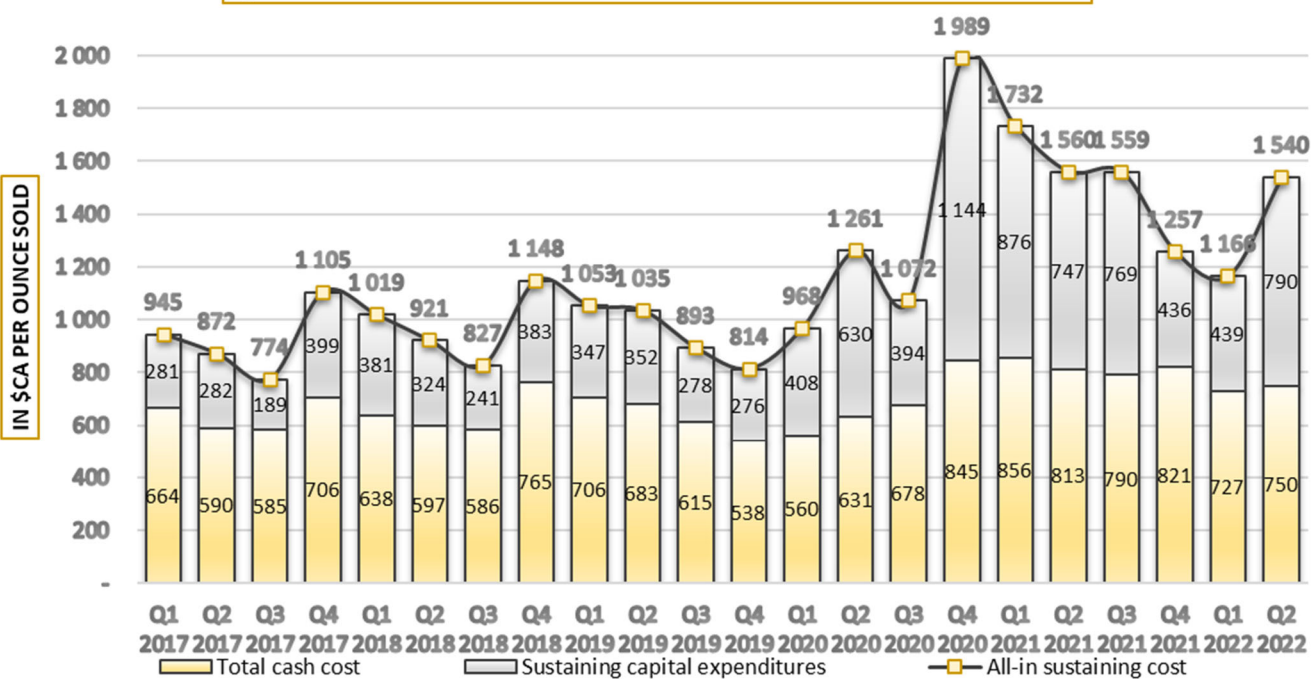
<sup>3</sup> Cash operating cost, total cash cost and all-in sustaining cost are non-IFRS financial performance measures with no standard definition under IFRS. See the "Non-IFRS Financial Performance Measures" section of this document, on page 34.

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

**GOLD SOLD PER QUARTER**



**QUARTELY ALL-IN SUSTAINING COST PER OUNCE SOLD**



## 4. OPERATIONS

A. MINING OPERATIONS (GOLD)

|  | Quarters ended<br>June 30, |            | Halves ended<br>June 30, |            |
|--|----------------------------|------------|--------------------------|------------|
|  | 2022                       | 2021       | 2022                     | 2021       |
| <b>Operating Data</b>  |                            |            |                          |            |
| Ore mined (tonnes)   | 643,451                    | 507,986    | 1,282,223                | 985,336    |
| Ore processed (tonnes)   | 515,979                    | 474,435    | 1,025,353                | 946,845    |
| Waste mined (tonnes)   | 2,608,623                  | 2,413,671  | 4,683,224                | 5,133,709  |
| Operational stripping ratio  | 4.1                        | 4.8        | 3.7                      | 5.2        |
| Head grade (g/t)   | 0.84                       | 0.82       | 0.83                     | 0.79       |
| Recovery   | 87.7%                      | 89.2%      | 88.9%                    | 90.9%      |
| Gold ounces produced   | 12,185                     | 11,124     | 24,274                   | 21,766     |
| Gold ounces sold   | 10,981                     | 11,739     | 24,652                   | 23,241     |
| <b>Financial Data</b>  |                            |            |                          |            |
| (rounded off to the nearest thousand dollars)  |                            |            |                          |            |
| <b>Revenue – Gold sales</b>  | <b>26,359,000</b>          | 26,051,000 | <b>58,692,000</b>        | 52,292,000 |
| Mining operation expenses  | 7,425,000                  | 8,892,000  | 16,359,000               | 18,080,000 |
| Mining royalties   | 811,000                    | 653,000    | 1,813,000                | 1,309,000  |
| Administrative expenses  | 2,609,000                  | 2,196,000  | 5,787,000                | 4,440,000  |
| Depreciation of property, plant and equipment and amortization of intangible assets                  | 2,432,000                  | 3,190,000  | 4,875,000                | 5,822,000  |
| <b>Segment operating income</b>  | <b>13,082,000</b>          | 11,120,000 | <b>29,858,000</b>        | 22,641,000 |
| <b>Statistics</b>  |                            |            |                          |            |
| (in dollars)   |                            |            |                          |            |
| Average realized selling price (per ounce)   | 2,400                      | 2,219      | 2,381                    | 2,250      |
| Cash operating cost (per tonne processed) <sup>1</sup>   | 17                         | 18         | 17                       | 18         |
| Total cash cost (per ounce sold) <sup>1</sup>  | 750                        | 813        | 737                      | 834        |
| All-in sustaining cost (per ounce sold) <sup>1</sup>   | 1,540                      | 1,560      | 1,332                    | 1,645      |
| Adjusted all-in sustaining cost (per ounce sold) <sup>1</sup>  | 937                        | 912        | 889                      | 981        |
| Administrative expenses (per ounce sold)   | 238                        | 187        | 235                      | 191        |
| Depreciation of property, plant and equipment and amortization of intangible assets (per ounce sold) | 221                        | 272        | 198                      | 251        |

<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 34.

**Comparison of the second quarter of 2022 and the second quarter of 2021:**

- The quantity of ore mined was 643,451 tonnes for the second quarter of 2022 compared to 507,986 tonnes for the same period in 2021. An increase in the amount mined was expected in the mining plan for the second quarter of 2022.
- The quantity of waste mined was 2,608,623 tonnes for the second quarter of 2022, corresponding to an operational stripping ratio of 4.1, compared to 2,413,671 tonnes for the same period in 2021, corresponding to an operational stripping ratio of 4.8. A decrease in this ratio was expected in the mining plan for the second quarter of 2022.
- During the second quarter of 2022, the Nampala plant processed a greater quantity of ore, 515,979 tonnes compared to 474,435 tonnes for the same period in 2021. The installation of the new trommel, at the beginning of June, made it possible to better exploit the capacity of the crusher and thus optimize the production circuit.
- During the second quarter of 2022, the Nampala mine produced 12,185 ounces of gold compared to 11,124 ounces of gold for the same period in 2021. The 9.5% increase is explained by the higher average grade of the ore processed, 0.84 g/t compared to 0.82 g/t for the same period in 2021, and by the greater quantity of ore processed.
- Administrative expenses amounted to \$2,609,000 for the second quarter of 2022 compared to \$2,196,000 for the same period in 2021. The increase in the price of gasoil as well as the continuity of the construction works on a bridge in Finkolo, a project with a social impact for the communities, explain the increase in administrative costs.
- The decrease in the all-in sustaining cost<sup>1</sup> (\$1,540 per ounce sold for the second quarter of 2022 compared to \$1,560 per ounce sold for the same period in 2021) is explained by a decrease in the total cash cost<sup>1</sup> (\$750 compared to \$813 per ounce sold for the same period in 2021), but also by lower production expenses capitalized as stripping cost (\$6,277,000 compared to \$6,586,000 for the quarter ended June 30, 2021).

<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 34.

**Comparison of the first half of 2022 and the first half of 2021:**

- The quantity of ore mined was 1,282,223 tonnes for the first half of 2022 compared to 985,336 tonnes for the same period in 2021, a 30% increase.
- The quantity of waste mined was 4,683,224 tonnes for the half-ended June 30, 2022, corresponding to an operational stripping ratio of 3.7, compared to 5,133,709 tonnes for the same period in 2021, corresponding to an operational stripping ratio of 5.2. The 30% increase in the quantity of ore mined and the 9% decrease in waste mined explain the decrease in the stripping ratio.
- During the first half of 2022, the Nampala plant processed a greater quantity of ore, 1,025,353 tonnes compared to 946,845 tonnes for the same period in 2021. Improved plant availability and trommel replacement contributed to this increase.
- During the first six months of 2022, the Nampala mine produced 24,274 ounces of gold compared to 21,766 ounces of gold for the same period in 2021, a 12% increase. The increase in gold production was mainly caused by higher grade. The average grade of processed ore was therefore 0.83 g/t in the first half of 2022 compared to 0.79 g/t for the same period in 2021.
- Administrative expenses amounted to \$5,787,000 for the half-ended June 30, 2022, compared to \$4,440,000 for the same period in 2021. The price of gasoil has undergone a sharp increase of approximately 35% (\$1.25 per liter compared to \$0.92 per liter for the same period in 2021). In addition, the continuity of construction work of a bridge in Finkolo and the increase in mine safety staff explain the increase in administrative costs.
- The decrease in fixed asset amortization reflects the prospective application of adding new resources and reserves, thus extending the mine life.
- The decrease in the all-in sustaining cost<sup>1</sup> (\$1,332 compared to \$1,645 per ounce sold for the same period in 2021) is explained by a decrease in the total cash cost<sup>1</sup> (\$737 compared to \$834 per ounce sold for the same period in 2021), but also by higher production expenses capitalized as stripping cost (\$10,581,000 compared to \$13,428,000 for the same period in 2021). This decrease comes from the opening of new pits around the main pit in 2021, which required production drilling and blasting 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 34.

**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 2020 annual MD&A to obtain all the notes regarding the tables.

## C. EXPLORATION

### ✦ MINING PROPERTIES

On April 8, 2022, the Gladié 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 PROGRAMME

In preparation for the closing of the transaction, the Geology Department is in the process of restructuring its exploration strategy to include the new Kiniéro asset, located in the Republic of Guinea, with those in Mali. Following the closing of the transaction, the Group will now have three main exploration assets to explore:

- 1) West Mali (Sanoula and Diangounté):** Permit- scale exploration of both properties has recently been completed. This programme included recalculation and interpretation of airborne magnetic and radiometric data, sourcing recent panchromatic high resolution satellite imagery and Sentinel-2 DEM data and completing a detailed BLEG gold-in-soil sampling campaign over both permits. Results received to date for Sanoula are highly encouraging. Geological recognition mapping identified concordant silicifications and clay alterations, targeted from the geophysical dataset. In 2022, the work programme has included RC drilling exploration (ongoing) coupled with surface mapping and sampling programmes.
- 2) South Mali (Mininko, Gladié and Kamasso):** A complete reassessment of the geological configuration of these adjoining exploration properties was completed during 2022. Remote sensing and structural interpretation were completed using reprocessed airborne magnetic, and radiometric data, LandSat imagery, electromagnetic data, high resolution panchromatic satellite imagery and Sentinel-2 DEM data to create a single contiguous geological interpretation across all license areas. The discovery of a series of pronounced coincident anomalies motivated the requirement to complete BLEG gold-in-soil geochemical sampling campaigns across the Mininko and Gladié permits. A series of structurally controlled anomalies have been identified, with RC drilling commencing at a Mininko anomaly. RC drilling assay results have been received, with significant intersections reported. A series of significant anomalies identified on the Gladié permit will be drilled once the drilling at Mininko has been completed.
- 3) Guinea (Kiniéro and Mansounia):** At the adjoining Kiniéro and Mansounia License areas in Guinea, Sycamore Mining has been proceeding with extensive mine-readiness drilling campaigns, including resource definition drilling at advanced brownfields deposits, diamond core drilling for geology, metallurgy, geotechnical mine studies and SPT civil engineering studies, pitting and legacy stockpile sampling. Reprocessing of historic airborne magnetic and radiometric (Mansounia) datasets has provided a new structural framework at a district scale. An extensive BLEG license-wide gold-in-soil sampling campaign has been running concurrently with all drilling. The programme has footprinted several highly prospective targets identified, which mimic the newly interpreted structural corridors with strong magnetic & radiometric signatures. The prospectivity of the Kiniéro Gold District is well documented, with exploration currently focused at continuing to drill out those deposits to be mined in support of the feasibility study (FS), primarily at SGA and Jean, as well as at the Group's recently discovered Sabali South<sup>1</sup> deposit, which extends into the Mansounia License. Mineral Resources from these deposits will be published in the 2022 pre-feasibility study (PFS).

<sup>1</sup> For more details on the discovery of Sabali South, see the press release of April 20, 2022: <https://robexgold.com/en/actualites/robex-kiniero-gold-district-sabali-south-discovery/>.

#### D. THE TRADING HOUSE

The Trading House is continuing the contract established in 2018 by marketing the gold received from Nampala S.A. outside of Mali by pursuing the best markets and even developing new niche markets. The Trading House sells the physical gold on the international market and distributes all resale profits to the Company by way of intercompany dividends.

#### 5. 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).

#### 6. 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 in the 2021 annual MD&A on page 22 or on our website at [www.robexgold.com](http://www.robexgold.com).



## 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 neighboring 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 neighboring 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 behavior, 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 neighboring 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 neighboring 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 August 29, 2022, our share capital consisted of 601,203,403 common shares issued and outstanding.

Also, 10,956,163 stock options were granted at an exercise price of \$0.115, \$0.13, and \$0.36 expiring respectively on September 23, 2023, November 28, 2024, and July 11, 2027. Each option entitles the holder to acquire one common share of the Company.

### Shareholding of the Company

|                           | Current position   |             | Stock options <sup>1</sup><br>Exercise effects |                          |                  |
|---------------------------|--------------------|-------------|--|--------------------------|------------------|
|                           | Shares Outstanding | %           | Issued Shares                                  | Total Shares Outstanding | % After Exercise |
| <b>Cohen Group*</b>       | 394,293,027        | 65.58%      | 3,000,000                                      | 397,293,027              | 64.90%           |
| <b>Other Shareholders</b> | 206,910,376        | 34.42%      | 7,956,163                                      | 214,866,539              | 35.10%           |
| <b>Total</b>              | <b>601,203,403</b> | <b>100%</b> | <b>10,956,163</b>                              | <b>612,159,566</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 \$2,802,801.

<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.

There were no major changes to our DC&P during the period from January 1 to June 30, 2022, that had, or could reasonably be expected to have, a major impact on our DC&P.

### 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.

There were no major changes to our ICFR during the period from January 1 to June 30, 2022, that had, or could reasonably be expected to have, a major impact on our ICFR.

### C. LIMITATIONS OF CONTROLS AND PROCEDURES

Despite 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 analyze 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 Cost

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 quarters and halves ended June 30, 2022, and 2021:

|   | Quarters ended<br>June 30, |                  | Halves ended<br>June 30, |                   |
|---|----------------------------|------------------|--------------------------|-------------------|
|   | 2022                       | 2021             | 2022                     | 2021              |
| <b>Per tonne processed</b>  |                            |                  |                          |                   |
| Tonnes of ore processed   | 515,979                    | 474,435          | 1,025,353                | 946,845           |
| (in dollars)  |                            |                  |                          |                   |
| Mining operation expenses (relating to ounces sold)                                 | 8,235,967                  | 9,545,044        | 18,172,079               | 19,388,791        |
| Mining royalties  | (811,084)                  | (652,253)        | (1,813,095)              | (1,308,479)       |
| Effects of inventory adjustments<br>(doré bars, gold in circuit and ore stockpiles) | 1,546,329                  | (585,359)        | 1,186,942                | (1,085,071)       |
| <b>Operating costs (relating to tonnes processed)</b>                               | <b>8,971,212</b>           | <b>8,307,432</b> | <b>17,545,926</b>        | <b>16,995,241</b> |
| <b>Cash operating cost (per tonne processed)</b>                                    | <b>17</b>                  | <b>18</b>        | <b>17</b>                | <b>18</b>         |

|   | Quarters ended<br>June 30, |           | Halves ended<br>June 30, |            |
|---|----------------------------|-----------|--------------------------|------------|
|   | 2022                       | 2021      | 2022                     | 2021       |
| <b>Per tonne processed</b>  |                            |           |                          |            |
| Tonnes of ore processed   | 515,979                    | 474,435   | 1,025,353                | 946,845    |
| (in dollars)  |                            |           |                          |            |
| Stripping cost  | 6,277,606                  | 6,585,709 | 10,581,142               | 13,427,641 |
| Stripping cost (per tonne processed)  | 12                         | 14        | 10                       | 14         |
| Cash operating cost (per tonne processed)                                     | 17                         | 18        | 17                       | 18         |
| <b>Cash operating cost including stripping cost<br/>(per tonne processed)</b> | <b>29</b>                  | <b>32</b> | <b>27</b>                | <b>32</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 quarters and halves ended June 30, 2022, and 2021:

|   | Quarters ended<br>June 30, |            | Halves ended<br>June 30, |            |
|---|----------------------------|------------|--------------------------|------------|
|   | 2022                       | 2021       | 2022                     | 2021       |
| <b>Per ounce sold</b>                   |                            |            |                          |            |
| Gold ounces sold                        | 10,981                     | 11,739     | 24,652                   | 23,241     |
| (in dollars)                            |                            |            |                          |            |
| Mining operation expenses               | 8,235,967                  | 9,545,044  | 18,172,079               | 19,388,791 |
| <b>Total cash cost (per ounce sold)</b> | <b>750</b>                 | <b>813</b> | <b>737</b>               | <b>834</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 quarters and halves ended June 30, 2022, and 2021:

|  | Quarters ended<br>June 30, |              | Halves ended<br>June 30, |              |
|--|----------------------------|--------------|--------------------------|--------------|
|  | 2022                       | 2021         | 2022                     | 2021         |
| Gold ounces sold                                 | 10,981                     | 11,739       | 24,652                   | 23,241       |
| (in dollars)                                     |                            |              |                          |              |
| Sustaining capital expenditures                  | 8,669,674                  | 8,773,471    | 14,671,193               | 18,848,851   |
| Sustaining capital expenditures (per ounce sold) | 790                        | 747          | 595                      | 811          |
| Total cash cost (per ounce sold)                 | 750                        | 813          | 737                      | 834          |
| <b>All-in sustaining cost (per ounce sold)</b>   | <b>1,540</b>               | <b>1,560</b> | <b>1,332</b>             | <b>1,645</b> |

|   | Quarters ended<br>June 30, |                  | Halves ended<br>June 30, |                  |
|---|----------------------------|------------------|--------------------------|------------------|
|   | 2022                       | 2021             | 2022                     | 2021             |
| Gold ounces sold  | 10,981                     | 11,739           | 24,652                   | 23,241           |
| (in dollars)  |                            |                  |                          |                  |
| Sustaining capital expenditures                           | 8,669,674                  | 8,773,471        | 14,671,193               | 18,848,851       |
| Stripping cost  | (6,277,606)                | (6,585,709)      | (10,581,142)             | (13,427,641)     |
| Exploration expenses                                      | (344,007)                  | (1,029,465)      | (344,007)                | (1,996,217)      |
| <b>Adjusted sustaining capital expenditures</b>           | <b>2,048,061</b>           | <b>1,158,297</b> | <b>3,746,044</b>         | <b>3,424,993</b> |
| Adjusted sustaining capital expenditures (per ounce sold) | 187                        | 99               | 152                      | 147              |
| Total cash cost (per ounce sold)                          | 750                        | 813              | 737                      | 834              |
| <b>Adjusted all-in sustaining cost (per ounce sold)</b>   | <b>937</b>                 | <b>912</b>       | <b>889</b>               | <b>981</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 quarters and halves ended June 30, 2022, and 2021:

|  | Quarters ended<br>June 30, |             | Halves ended<br>June 30, |             |
|--|----------------------------|-------------|--------------------------|-------------|
|  | 2022                       | 2021        | 2022                     | 2021        |
| Cash flows from operating activities (in dollars)            | 12,176,285                 | 12,387,450  | 28,657,004               | 23,913,740  |
| Weighted average number of outstanding common shares - basic | 600,157,696                | 599,687,711 | 600,018,821              | 599,594,077 |
| <b>Operating cash flows per share (in dollars)</b>           | <b>0.020</b>               | 0.021       | <b>0.048</b>             | 0.040       |

### 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 quarters and halves ended June 30, 2022, and 2021:

|  | Quarters ended<br>June 30, |             | Halves ended<br>June 30, |             |
|--|----------------------------|-------------|--------------------------|-------------|
|  | 2022                       | 2021        | 2022                     | 2021        |
| (in dollars)   |                            |             |                          |             |
| Net income attributable to equity shareholders as per IFRS     | 7,818,034                  | 9,395,284   | 20,323,116               | 19,104,872  |
| Write-off of property, plant and equipment                     | 21,534                     | ---         | 21,534                   | ---         |
| Foreign exchange gain  | (133,370)                  | (114,369)   | (244,757)                | (220,097)   |
| <b>Adjusted net income attributable to equity shareholders</b> | <b>7,706,198</b>           | 9,280,915   | <b>20,099,893</b>        | 18,884,775  |
| Weighted average number of outstanding shares                  | 600,157,696                | 599,687,711 | 600,018,821              | 599,594,077 |
| <b>Adjusted basic earnings per share (in dollars)</b>          | <b>0.013</b>               | 0.015       | <b>0.033</b>             | 0.031       |

## 11. ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

This MD&A has been prepared as of August 29, 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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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

COO

Georges Cohen

Benjamin Cohen

Alain William

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)

601,203,403 shares issued as of August 29, 2022

**INVESTOR RELATIONS**

Aurélien Bonneviot

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