

# Thor Explorations Announces Financial and Operating Results for the Three and Six Months Ending June 30, 2023

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Vancouver, August 24, 2023 - [Thor Explorations Ltd.](#) (TSXV: THX) (AIM: THX) ("Thor Explorations", "Thor" or the "Company") is pleased to provide an operational and financial review for its Segilola Gold mine, located in Nigeria ("Segilola"), and for the Company's mineral exploration properties located in Nigeria, Senegal and Burkina Faso for three ("Q2 2023" or the "Period") and six months to June 30, 2023 ("H1 2023").

The Company's Consolidated Condensed Interim Financial Statements together with the notes related thereto, as well as the Management's Discussion and Analysis for the three and six months ended June 30, 2023, are available on Thor Explorations' website at <https://thorexpl.com/investors/financials/>.

All figures are in US dollars ("US\$") unless otherwise stated.

## Operational Highlights for Q2 2023 and H1 2023

### Production

- Gold production for the Period totaled 23,078 ounces ("oz") (H1 2023: 43,707 oz)
- All main operating units of the process plant continue to perform better than expected, with the plant operating above nameplate capacity
  - Several improvement projects at the process plant are being undertaken through the remainder of 2023
- Three Loss Time Injuries ("LTIs") occurred in H1 2023, which triggered an increase in training and workplace inspections to improve working conditions

### Exploration

- The Company has prioritized exploration within a 25-kilometre ("km") radius of Segilola with the key objective being to extend the life of mine
- Four main advanced exploration targets that have been defined are the Kola Prospect, Igila, Aye-Ile Western Prospects and Ijarigbe
- The Kola Prospect is located 23km south of Segilola and is a new high-grade greenfield exploration discovery:
  - Reverse Circulation drilling ("RC") was carried out at a low-level stream sediment zone and showed initial positive results, which included 7 metres ("m") grading at 25.98 g/t gold in the near-surface weathered horizon and 4 m at 30.17 g/t gold in the primary horizon
  - Exploration testing of the general area is continuing and drilling activities will continue through the remainder of the year
- The Igila Prospect is located 15km west of Segilola
  - Exploration activities are ongoing and focused on delineating additional strike length and identifying additional lodes
- The Aye-Ile Prospect is located 1.2km south-east from Igila
  - Drill testing has focused on the anomalous auger geochemistry located a north-east dipping vein-system that is developed on the same structural orientation as Igila
- In Senegal, exploration activities at the Douta Project ("Douta") have progressed throughout Q2 2023

Thor Lithium - Newstar Minerals Limited

- Thor, through its fully owned subsidiary Newstar Minerals Ltd, acquired a significant tenure in south-west Nigeria that covers both known lithium bearing, pegmatite deposits and a large, unexplored, prospective, pegmatite-rich belt
- An initial drilling program is being undertaken on one of the Company's prospects located in the West Oyo Project Area to confirm and delineate lithium-bearing mineralisation, such as spodumene and lepidolite at depth
- Post Period, the Company announced its initial results with the below key highlights:
  - 11m at 2.61% lithium oxide ("Li<sub>2</sub>O") from 15m
  - 9m at 2.42% Li<sub>2</sub>O from 35m
  - 11m at 1.53% Li<sub>2</sub>O from 14m, including 9m at 1.70% Li<sub>2</sub>O from 15m
  - Spodumene is confirmed as the main lithium-bearing mineral, with minor lepidolite and shallow mineralisation

#### Financial Highlights of the Period and H1 2023

- Q2 2023 revenue of US\$41.3 million (Q2 2022: US\$41.3 million) and H1 2023 of US\$81.7 million (H1 2022: US\$66.2 million)
- Q2 2023 operating cost of US\$942 per oz sold (Q2 2022: US\$983 per oz) and an all-in sustaining cost ("AISC") of US\$1,230 per oz sold (Q2 2022: US\$1,236 per oz)
- Q2 2023 EBITDA of US\$19 million (Q2 2022: US\$17.7 million) and H1 2023 of US\$35.1 million (H1 2022: US\$31.1 million)
- Q2 2023 net profit of US\$7.9 million (Q2 2022: US\$6.7 million) and H1 2023 of US\$12.2 million (H1 2022: US\$10.2 million)
- As of June 2023, the Company had cash of US\$11.1 million (Q1 2023: US\$4.5 million)
- Q2 2023 net debt of US\$16.8 million (Q1 2023: US\$24.9 million)

#### Environment, Social and Governance

- The Segilola HSE team commissioned a team of standby emergency responders in Q2 2023, with 28 personnel specifically trained to respond to emergency related, medical and operational situations at the SROL site
- The Company progressed its livelihood restoration programs for the local communities
- Vegetable farms were completed in Q1 2023 and produced their first crops and improved tomato species in Q2 2023, with commercial off-takers purchasing the produce
- Fish farms in the local community neared completion in Q2 2023 with farming to commence in Q3 2023
- Improved cocoa species seedlings were issued to the local community in Q2 2023 and training provided to the farmers to improve yields and commercial returns
- In Senegal, community projects undertaken included upgrading a local school's facilities block, clearing land at a local cemetery and providing a generator for the local police station

#### Outlook

- Segilola production for the full year expected to be 85,000 oz with AISC expectations maintained at US\$1,150 - US\$1,350 per oz
  - Q3 2023 production is expected to be below original expectations at the beginning of the financial year. However, Q4 gold production forecast remains in-line with original expectations, with potential upside as mining conditions continue to improve with the west wall push back nearing completion
- Continue to advance exploration programs across the portfolio, including:
  - Continuation of step-out drilling at Douta gold project in Senegal
  - Continuation of drilling at Segilola gold regional targets
  - Continuation of drilling at L06 lithium prospect in Nigeria
- Completion of the Douta preliminary feasibility study ("PFS") in Q4 2023

Segun Lawson, President & CEO, stated:

"The second quarter of 2023 has seen good developments across Thor's project portfolio. Operations are performing well, with the processing plant still operating above nameplate design. The Company posted strong revenues for H1 of US\$81 million, with an EBITDA of US\$35.1 million and a net profit of US\$12 million for the same period.

"The Company expects to achieve its total material mined forecast for H2, however grade control drilling for

Q3 indicates a lower than forecast recovered gold production for the period. While the Q4 gold production forecast remains in-line with our original target, with potential upside as mining conditions continue to improve as the west wall push back nears completion, the Company considers it prudent to update guidance for 2023 to 85,000oz of recovered gold - the lower end of the previously announced range for the full financial year.

"As we look to extend the life of mine at Segilola, Thor has located several exploration targets within close proximity to the project. These exploration targets are encouraging so far have demonstrated positive results from initial exploration drilling activities. We plan to follow up with further drilling activities in Q3 and Q4 2023. At Douta, Thor is making great progress towards completing the PFS, which is scheduled to be completed in Q4 this year.

"With our strategy to identify high-value resource opportunities, Thor acquired a significant tenure in south-west Nigeria, which is known for lithium-bearing pegmatite deposits. An initial drilling program is being undertaken on the West Oyo Project area, with the objective to confirm and delineate lithium bearing mineralization. I am pleased to confirm that, post period, the program confirmed spodumene as the main lithium-bearing mineral, together with minor lepidolite. We will continue to explore the area and believe this poses a great opportunity to increase shareholder value.

"We take the working conditions at our operations very seriously, and as such, Thor has increased training and workplace inspections to improve working conditions. The Segilola HSE team has also commissioned a team of standby emergency responders during the Quarter, with 28 personnel specifically trained to respond to emergency related, medical and operational situations at the SROL site. The program comprised classroom and practical sessions on how to respond to first aid cases, administering basic life support to unconscious victims and emergency response planning and activation processes to ensure there are fewer lost time injuries.

"The Company is in a good position to advance its projects in the next quarter, with further developments made at its exploration prospects as well as improvements in processing capabilities which should result in improved production. I look forward to updating the shareholders on the developments made in the next quarter."

#### About Thor Explorations

[Thor Explorations Ltd.](#) is a mineral exploration company engaged in the acquisition, exploration, development and production of mineral properties located in Nigeria, Senegal and Burkina Faso. Thor Explorations holds a 100% interest in the Segilola Gold Project located in Osun State, Nigeria and has a 70% economic interest in the Douta Gold Project located in south-eastern Senegal. Thor Explorations trades on AIM and the TSX Venture Exchange under the symbol "THX".

#### [Thor Explorations Ltd.](#)

Segun Lawson  
President & CEO

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#### Qualified Person

The technical information included in this report has been prepared under the supervision of Alfred Gillman (Fellow, AusIMM, CP Geology), who is designated as a "qualified person" under National Instrument 43-101 and AIM and has reviewed and approves the content of this news release. He has also reviewed QA/QC, sampling, analytical and test data underlying the information.

#### Management Discussion & Analysis for Q2 2023

#### HIGHLIGHTS AND ACTIVITIES - SECOND QUARTER 2023

Operating results for the quarter were highlighted by the selling of 20,852 ounces of gold during the period at a cash operating cost<sup>1</sup> of \$942 per oz sold, with an all-in sustaining cost<sup>1</sup> of \$1,230 per oz sold. AISC guidance for 2023 is maintained at US\$1,150 per ounce to US\$1,350 per ounce.

Gold recovered for the quarter was 23,078 ounces. The Company has updated its production guidance to 85,000oz for the year.

#### Key Operating and Financial Statistics

	Three Months period ended			Six Months period ended	
	June 30, 2023	March 31, 2023	June 30, 2022	June 30, 2023	June 30, 2022
<b>Operating</b>					
Gold sold	Au 20,852	21,553	22,173	42,405	35,636
Gold recovered	Au 23,078	20,629	26,331	43,707	45,128
Average realised gold price	\$/oz 1,990	1,902	1,842	1,945	1,852
Cash operating cost	\$/oz 942	899	983	920	873
AISC	\$/oz 1,230	1,346	1,236	1,289	1,189
EBITDA	\$/oz 913	745	802	828	873
<b>Financial</b>					
Revenue	\$ 41,364,169	40,287,830	41,354,747	81,651,999	66,220,229
Net Profit	\$ 7,912,187	4,331,347	6,778,954	12,243,534	10,210,578
EBITDA	\$ 19,044,002	16,065,334	17,772,616	35,109,336	31,127,944
	June 30, 2023	March 31, 2023	December 31, 2022		
Cash and cash equivalents	\$ 11,149,491	4,505,071	6,688,037		
Deferred Income	\$ 865,173	-	6,581,743		
Net Debt	\$ 16,807,972	24,940,762	31,650,722		

Segilola Gold Mine, Nigeria

## Mining

During the three months ended June 30, 2023, 5,633,688 tonnes of material were mined, equivalent to a mining rate of 61,909 tonnes of material per day. In this period, 278,583 tonnes of ore were mined, equivalent to a mining rate of 3,061 tonnes of ore per day, at an average grade of 2.43g/t. Mining of the West wall of the pit is progressing well, with most of the more challenging mining for the year completed. Production areas are increasing in width allowing for improved utilization and productivity. Grade was lower than planned due to delays in accessing higher-grade ore zones in the central mine.

The stockpile balance at the end of the period was 297,100 tonnes of ore at an average of 1.06g/t. This comprised 1,961 tonnes (4.42g/t) at high grade, 2,006 tonnes (2.09g/t) at medium grade, 288,401 tonnes (1.00g/t) at low grade and 4,693 tonnes (2.45g/t) on the coarse ore stockpile.

## Processing

During the three months ended June 30, 2023, a total of 255,231 tonnes of ore, equivalent to a throughput rate of 2,805 tonnes per day, was processed. Throughput was higher than planned, with no significant downtime periods.

The mill feed grade was 2.99g/t gold with recovery at 94.0% for a total of 23,078 ounces of gold recovered. The mill rejected ore bearing material crusher was commissioned during the quarter. Smelting performance was improved with the commissioning of the new smelter.

All of the main operating units of the process plant continue to perform better than expected, with the plant operating above nameplate capacity. Several improvement projects are being undertaken through the remainder of 2023.

## Production Metrics

	Units	Q2 - 2023	Q1 - 2023	Q4 - 2022	Q3 - 2022	Q2 - 2022	Q1 - 2022
<b>Mining</b>							
Total Mined	Tonnes	5,633,688	4,194,689	4,296,494	4,018,431	4,031,584	3,759,524
Waste Mined	Tonnes	5,355,105	3,996,264	3,974,073	3,793,249	3,747,504	3,533,610
Ore Mined	Tonnes	278,583	198,425	322,421	225,182	284,079	226,314
Grade	g/t Au	2.43	2.85	3.51	4.43	3.63	2.68
Daily Total Mining Rate	Tonnes/Day	61,909	46,608	46,701	43,679	44,303	41,772
Daily Ore Mining Rate	Tonnes/Day	3,061	2,205	3,505	2,448	3,122	2,515
<b>Stockpile</b>							
Ore Stockpiled	Tonnes	297,060	270,215	300,531	229,909	249,281	179,758
Ore Stockpiled	g/t Au	1.06	1.14	1.48	1.19	1.46	1.23
Ore Stockpiled	oz	10,124	9,904	14,300	8,796	11,701	7,109
<b>Processing</b>							
Ore Processed	Tonnes	255,231	231,001	254,824	241,434	211,582	221,900
Grade	g/t Au	2.99	2.95	3.38	3.58	3.66	3.18
Recovery	%	94.0	94.1	95.0	95.5	95.5	94.1
Gold Recovered	oz	23,078	20,629	26,331	26,523	23,785	21,343
Milling Throughput	Tonnes/Day	2,805	2,567	2,770	2,624	2,325	2,466
	Units	Q2 - 2023	Q1 - 2023	Q4 - 2022	Q3 - 2022	Q2 - 2022	Q1 - 2022

## Exploration Activity Summary Q2 2023

## Nigeria Gold

Exploration remained a priority for the Company in 2023 in both Nigeria and Senegal. In Nigeria, the Company continued to prioritize exploration within a 25 kilometre radius of the Segilola Gold Mine. The Company also expanded and diversified its portfolio through the acquisition of over 600 sq km of lithium exploration licences via the grant of new licences and also entering into joint venture agreements with existing licence holders.

The key objective of the exploration strategy is to extend the life of mine ("LOM") at Segilola. Approximately 80% of the Company's Nigerian gold exploration effort is concentrated within a 25km radius of the Segilola operation such that potential gold-bearing material can be easily trucked to the existing plant. In areas that are further from the mine generative exploration is targeting potential new stand-alone operations.

The majority of the exploration activities carried out on all the Company's licences, consisted of RC drilling, Diamond Drilling, geochemical stream sediment sampling, auger drilling and soil sampling. Amongst other target areas that have been located, a new high-grade target, the Kola target, was discovered and is located about 23km from the Segilola Mine. The Kola target produced an initial significant geochemical signature with follow up drill testing intersecting several mineralized drilling intersections including 11m grading 22g/tAu.

Four main advanced exploration targets have been defined within a 25km radius of the Segilola Gold Mine. These comprise the following target areas:

- Kola Prospect
- Igila (Western Prospects)
- Aye-Ile (Western Prospects)
- Ijarigbe

### New Exploration Prospect - Kola Prospect

The Kola Prospect is a new high-grade greenfield exploration discovery that is located 23km south of the Segilola Gold Mine within a 100% Thor-owned exploration permit. The prospect developed from a low-level stream sediment anomaly which was confirmed by follow-up auger-assisted soil geochemistry that returned values of up to 4 g/t Au. Targeting of this anomalous zone was carried out with RC drilling. Initial positive results included 7m grading 25.98 g/t Au in the near-surface weathered horizon. Additional drilling located primary bedrock mineralisation grading 8m at 30.19 g/t Au. Initial data suggest that the geological controls relate to a steeply dipping north-easterly trending zone within a biotite gneiss sequence. Exploration testing of the general area is continuing. Whilst the initial drilling results from the Kola Prospect are encouraging, the Company has not yet identified significant strike length extensions that would add material mine life extensions to Segilola. Drilling activities will continue through Q3 and Q4.

### Exploration Results from the Kola Prospect

(0.5g/t Au lower cut off; maximum 1m internal dilution)

x	y	Depth	Dip	Azimuth	From (m)	To (m)	Interval (m)	Grade (g/tAu)	True Width (m)	
SGRC168	699897	807875	56	-60	90	1.0	2.0	1.0	0.96	1.0
SGRC188	699925	807871	90	-60	90	14.0	18.0	4.0	30.17	3.0
SGRC189	699954	807866	120	-60	90	56.0	64.0	8.0	3.01	6.0
SGRC190	699896	807877	60	-60	90	2.0	9.0	7.0	25.98	6.0
				-60	90	58.0	59.0	1.0	0.78	0.8
SGRC191	699924	807872	55	-60	90	1.0	6.0	5.0	5.64	4.0
SGRC194	699961	807893	105	-60	90	49.0	57.0	8.0	30.19	7.0
SGRC195	699980	807886	110	-60	270	76.0	78.0	2.0	0.77	1.4
SGRC201	699926	807879	29	-90	0	31.0	32.0	1.0	0.63	1.0
						38.0	41.0	3.0	0.55	3.0
SGRC202	699920	807870	30	-90	0	0.0	7.0	7.0	0.86	7.0

				12.0	13.0	1.0	0.57	1.0
SGRC203699913807870	26	-90	0	0.0	13.0	13.0	11.57	13.0
				14.0	17.0	3.0	0.71	3.0
				21.0	24.0	3.0	0.97	3.0
SGRC204699938807889	70	-60	270	5.0	11.0	6.0	0.73	6.0
				16.0	17.0	1.0	0.38	1.0

## Kola Prospect Cross Section

To view an enhanced version of this graphic, please visit:

[https://images.newsfilecorp.com/files/7003/178306\\_03cede7e3491c95b\\_002full.jpg](https://images.newsfilecorp.com/files/7003/178306_03cede7e3491c95b_002full.jpg)

## Western Prospects

### Igila

The Western Prospects are located about 15km directly west of the Segilola Gold Mine and are held under a joint venture agreement between Thor's wholly owned subsidiary Segilola Gold Limited ("SGL") and a local mineral exploration company.

Exploration activities at the Western Prospects are now focused on delineating additional strike length and identifying additional lodes such as the Aye-Ile prospect.

### Aye-Ile

The Aye-Ile prospect is located approximately 1.2km to the south-east from Igila. Drilling is planned to expand the zone of mineralisation and to investigate a possible strike between Igila and Aye-Ile. Geochemical sampling to the south-east of Aye-Ile returned several anomalous values of up to 10g/t Au which suggest extensions of the structure.

## Thor Lithium - Newstar Minerals Limited

As part of its strategy of identifying high-value mineral resource opportunities, Thor, through its fully owned subsidiary Newstar Minerals Ltd, announced the acquisition of significant tenure in south-west Nigeria that covers both known lithium bearing, pegmatite deposits and a large unexplored, prospective, pegmatite-rich belt. Thor's initial focus is on the south-west quadrant of Nigeria where vital infrastructure is located within close proximity.

An initial drilling program is being undertaken on one of the Company's prospects located in the West Oyo Project Area to confirm and delineate lithium-bearing mineralisation, such as spodumene and lepidolite, at depth. The Company announced its initial results on August 16 with the below key highlights:

- Spodumene 2.61% Li<sub>2</sub>O from 15m
- Mineralization is 30m to 35m
- - 11m at 1.53% Li<sub>2</sub>O from 14m, including 9m at 1.70% Li<sub>2</sub>O from 15m

## Thor Explorations Nigeria Licence Location Map

To view an enhanced version of this graphic, please visit:

[https://images.newsfilecorp.com/files/7003/178306\\_03cede7e3491c95b\\_003full.jpg](https://images.newsfilecorp.com/files/7003/178306_03cede7e3491c95b_003full.jpg)

## Senegal

## Introduction

The Douta Gold Project is a gold exploration permit E02038, located within the Kéniéba inlier, eastern Senegal. The northeast-trending license has an area of 58 km<sup>2</sup>. Thor, through its wholly owned subsidiary African Star Resources Incorporated ("African Star"), has a 70% economic interest in partnership with the permit holder International Mining Company SARL ("IMC"). IMC has a 30% free carried interest in its development until the announcement by Thor of a Probable Reserve.

The Douta licence is strategically positioned 4km east of Massawa North and Massawa Central deposits, which form part of the world-class Sabadola-Massawa Project owned by Endeavour Mining. The Makabingui deposit, belonging to Bassari Resources Ltd, is immediately located east of the northern portion of E02038.

## Exploration Activity

During the quarter, workstreams designed to advance the project to the prefeasibility stage ("PFS") commenced. This included a diamond drilling program that was designed to obtain sufficient core samples for comprehensive metallurgical test work and mineralogical studies.

Thor intends to progress the Makosa Resource expansion and infill drilling together with parallel workstreams including environmental and social baseline monitoring as part of an Environmental and Social Impact Assessment, geotechnical and hydrological studies.

## NON-IFRS MEASURES

This MD&A refers to certain financial measures, such as average realized gold price, which are not recognized under IFRS and do not have a standardized meaning prescribed by IFRS. These measures may differ from those made by other companies and accordingly may not be comparable to such measures as reported by other companies. These measures have been derived from the Company's financial statements because the Company believes that, with the achievement of gold production, they are of assistance in the understanding of the results of operations and its financial position.

### Average realised gold price per ounce sold

The Group believes that, in addition to conventional measures prepared in accordance with GAAP, the average realised gold price, which takes into account the impact of gain/losses on forward sale of commodity contracts, is a metric used to better understand the gold price realised during a period. Management believes that reflecting the impact of these contracts on the Group's realised gold price is a relevant measure and increases the consistency of this calculation with our peer companies.

In addition to the above, in calculating the realised gold price, management has adjusted the revenues as disclosed in the consolidated financial statement to exclude by product revenue, relating to silver revenue, and has reflected the by product revenue as a credit to cash operating costs. The revenues as disclosed in the interim financial statements have been reconciled to the gold revenue for all periods presented.

### Average annual realised price per ounce sold

	Units	Three Months period ended			Six Months period ended	
		June 30, 2023	March 31, 2023	June 30, 2022 <sup>1</sup>	June 30, 2023	June 30, 2022
Revenues	\$	41,364,169	40,287,830	41,354,747	81,651,999	66,220,000
By product revenue	\$	(68,587 )	(43,773 )	(30,549 )	(112,360 )	(46,069 )
Gold revenue	\$	41,295,582	40,244,057	41,324,198	81,539,639	66,174,000
Gain/(Loss) on forward sale of commodity contracts	\$	200,534	750,482	(471,403 )	951,016	(176,400 )
Adjusted gold revenue	\$	41,496,116	40,994,539	40,852,795	82,490,655	65,997,600

Gold ounces sold	Oz Au	20,852	21,553	22,173	42,405	35,636
Average realized price per ounce sold	\$	1,990	1,902	1,842	1,945	1,852

1 The figures for the Three and Six months period ended June 30, 2022 have been restated in connection with the restatement of the interim financial statements. Refer to note 22 of the interim financial statements for further details.

#### Cash operating cost per ounce

Cash operating cost per oz sold, combined with revenues, can be used to evaluate the Company's performance and ability to generate operating income and cash flow from operating activities. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors may find this information useful to evaluate the costs of production per ounce.

By product revenues are included as a credit to cash operating costs.

#### Average annual cash operating cost per ounce of gold

	Units	Three Months period ended			Six Months period ended	
		June 30, 2023	March 31, 2023	June 30, 2022 <sup>1</sup>	June 30, 2023	June 30, 2022 <sup>1</sup>
Production costs	\$	17,795,685	18,306,502	20,273,742	36,102,187	28,493,272
Transportation and refining	\$	810,080	342,291	604,991	1,152,371	1,107,213
Royalties	\$	1,102,308	768,282	946,252	1,870,590	1,497,017
By product revenue	\$	(68,587)	(43,773)	(30,549)	(112,360)	(46,069)
Cash Operating costs	\$	19,639,486	19,373,302	21,794,437	39,012,788	31,097,502
Gold ounces sold	Oz Au	20,852	21,553	22,173	42,405	35,636
Cash operating cost per ounce sold	\$/oz	942	899	983	920	873

1 The figures for the Three and Six months period ended June 30, 2022 have been restated in connection with the restatement of the interim financial statements. Refer to note 22 of the interim financial statements for further details.

#### All-in sustaining cost per ounce

AISC provides information on the total cost associated with producing gold.

The Group calculates AISC as the sum of total cash operating costs (as described above), other administration expenses and sustaining capital, all divided by the gold ounces sold to arrive at a per oz amount.

Other administration expenses includes administration expenses directly attributable to the Segilola Gold Mine plus a percentage of corporate administration costs allocated to supporting the operations of the Segilola Gold Mine. For the three and six months periods ended June 30, 2023 and 2022, this was deemed to be 50%.

Other companies may calculate this measure differently as a result of differences in underlying principles and policies applied.

#### Average annual all-in sustaining cost per ounce of gold

Units	Three Months period ended			Six Months period ended	
	June 30, 2023	March 31, 2023	June 30, 2022 <sup>1</sup>	June 30, 2023	June 30, 2022 <sup>1</sup>

Cash operating costs <sup>2</sup>	\$	19,639,486	19,373,302	21,794,437	39,012,788	31,097,502
Adjusted other administration expenses	\$	1,093,344	3,775,777	3,895,264	4,869,121	5,353,995
Sustaining capital <sup>3</sup>	\$	4,914,550	5,864,894	1,713,692	10,779,444	5,910,688
Total all-in sustaining cost	\$	25,647,380	29,013,973	27,403,393	54,661,353	42,362,185

Gold ounces sold	oz Au	20,852	21,553	22,173	42,405	35,636
All-in sustaining cost per ounce sold	\$/oz	1,230	1,346	1,236	1,289	1,189

1 The figures for the Three and Six months period ended June 30, 2022 have been restated in connection with the restatement of the interim financial statements. Refer to note 22 of the interim financial statements for further details.

2 Refer to Cash operating costs.

3 Refer to Sustaining and Non-Sustaining Capital

## Net Debt

Net debt is calculated as total debt adjusted for unamortized, deferred, financing charges less cash and cash equivalents and short-term investments at the end of the reporting period. This metric is used by management to measure the Company's debt leverage. The Company considers that in addition to conventional measures prepared in accordance with IFRS, net debt is useful to evaluate the Company's performance.

## Net Debt

	June 30, 2023	March 31, 2023	December 31, 2022
Project Loan	24,187,306	24,257,746	24,459,939
EPC Payments	-	1,463,353	10,196,105
Deferred EPC Facility	3,770,157	3,724,734	3,682,715
Less: Cash and cash equivalents <sup>1</sup>	(11,149,491)	(4,505,071)	(6,688,037)
Net Debt	16,807,972	24,940,762	31,650,722

## Earnings Before Interest, Taxes, Depreciation and Amortisation

EBITDA is calculated as the total earnings before interest, taxes, depreciation and amortisation. This measure helps management assess the operating performance of each operating unit.

## Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

	Unit	Three Months period ended			Six Months period ended	
		June 30, 2023	March 31, 2023	June 30, 2022 <sup>1</sup>	June 30, 2023	June 30, 2022
Net profit for the period	\$	7,912,187	4,331,347	6,778,954	12,243,534	10,210,578
Amortisation and depreciation - owned assets	\$	6,679,708	7,165,523	5,977,675	13,845,231	10,982,292
Amortisation and depreciation - right of use assets	\$	1,195,213	1,194,587	1,075,735	2,389,800	2,233,990
Impairment of Exploration & Evaluation assets	\$	3,365	3,096	4,520	6,461	7,221
Interest expense	\$	3,253,529	3,370,781	3,935,732	6,624,310	7,693,863
EBITDA	\$	19,044,002	16,065,334	17,772,616	35,109,336	31,127,944
Ounces sold	Oz Au	20,852	21,553	22,173	42,405	35,636
EBITDA per ounce sold	\$	913	745	802	828	873

1 The figures for the Three and Six months period ended June 30, 2022 have been restated in connection with the restatement of the interim financial statements. Refer to note 22 of the interim financial statements for further details.

## OUTLOOK AND UPCOMING MILESTONES

This Section 5 of the MD&A contains forward looking information as defined by National Instrument 51-102. Refer to Section 16 of this MD&A for further information on forward looking statements.

We are focused on advancing the Company's strategic objectives and near-term milestones which include:

#### 2023 Operational Guidance and Outlook

Gold Production	oz	85,000
All-in Sustaining Cost	US\$/oz Au sold	\$1,150 - \$1,350
Capital Expenditure <sup>1</sup>	US\$	10,000,000
Exploration Expenditure:		
Nigeria <sup>2</sup>	US\$	4,200,000
Senegal	US\$	3,000,000

1 This excludes production stripping costs capitalizations.

2 This relates to all Nigeria exploration, including lithium and purchase of licenses.

The critical factors that influence whether Segilola can achieve these targets include:

- Segilola's ability to maintain an adequate supply of consumables (in particular ammonium nitrate, flux and cyanide) and equipment
- Fluctuations in the price of key consumables, in particular ammonium nitrate, and diesel
- Segilola's workforce remaining healthy
- Continuing to receive full and on-time payment for gold sales
- Continuing to be able to make local and international payments in the ordinary course of business

Continue to advance the Douta project towards preliminary feasibility study ("PFS")

Continue to advance exploration programmes across the portfolio:

- Segilola near mine exploration
- Segilola underground project
- Segilola regional exploration programme
- Douta extension programme
- Douta infill programme
- Assess regional potential targets in Nigeria
- Acquiring new concessions and joint venture options on potential targets

#### SUMMARY OF QUARTERLY RESULTS

The table below sets forth selected results of operations for the Company's eight most recently completed quarters.

##### Summary of quarterly results

\$	<del>2022</del> 2021 Q3
	<del>Q3</del> Sep-30
Revenues	<del>11,243,543</del> 12,243,543
Net profit for period	<del>7,493,758</del> 12,243,543
Basic profit/(loss) per share (cents)	<del>10.20</del> 12.24

#### RESULTS FOR SIX MONTHS ENDED JUNE 30, 2023

The review of the results of operations should be read in conjunction with the Interim Financial Statements and notes thereto.

The Group reported a net profit of \$12,243,543 (1.9 cents per share) for the six months period ended June 30, 2023, as compared to a net profit of \$10,210,578 (1.6 cents per share) for the six months period ended

June 30, 2022. The increase in profit for the period was largely due to:

- revenue during the period of \$81,651,999 (2022: \$66,220,229)

These were offset partially by:

- Amortization and depreciation of \$16,235,031 (2022: \$13,216,282);
- Interest of \$6,466,499 (2022: \$4,171,263); and
- Production costs of \$36,102,187 (2022: \$28,493,272)

No interest was earned during the six months period ended June 30, 2023, and 2022.

## LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2023, the Group had cash of \$11,149,491 (December 31 2022: \$6,688,037) and a working capital deficit of \$45,657,241 (December 31, 2022: deficit of \$29,116,915).

The increase in cash from December 31, 2022 is due mainly to cash generated in operations of \$44,546,954 offset by cash used in investing and financing activities of \$29,911,132 and \$10,813,624, respectively.

The increase in working capital deficit is mainly due to the transfer of \$19,347,245 of loans and other borrowings from non-current to current as these are due within 12 months from June 30, 2023.

The total EPC amount has been finalized with our EPC contractor, and the Group has paid all due outstanding EPC payments as at June 30, 2023.

### Working Capital Calculation

The Working Capital Calculation excludes \$9,139,784 (Q1 2023: \$9,979,413 - 2022: \$10,187,630) of Gold Stream liabilities, and \$35,478 (Q1 2023: \$805,801 - 2022: \$2,215,585) in third party royalties included in current accounts payable, that are contingent upon the achievement of the revised gold sales forecast of 85,000 ounces for the year ending December 31, 2023.

### Working Capital

	Unit	June 30, 2023	March 31, 2023	December 31, 2022
<b>Current Assets</b>				
Cash	\$	11,149,491	4,505,071	6,688,037
Inventory	\$	20,060,960	25,080,808	19,901,262
Amounts receivable, prepaid expenses, advances and deposits	\$	8,612,279	8,461,572	10,697,365
Total Current Assets for Working Capital	\$	39,822,730	38,047,451	37,286,664
<b>Current Liabilities</b>				
Accounts Payable and accrued liabilities	\$	59,595,451	60,555,348	56,337,289
Deferred income	\$	865,173	-	6,581,743
Lease Liabilities	\$	4,819,439	4,815,512	4,811,991
Gold Stream Liability	\$	9,319,784	9,979,413	10,187,630
Loan and other borrowings	\$	20,235,386	11,790,796	888,141
	\$	94,835,233	87,141,069	78,806,794
less: Current Liabilities contingent upon future gold sales	\$	(9,355,262 )	(10,785,214 )	(12,403,215 )
Working capital deficit	\$	(45,657,241 )	(38,308,404 )	(29,116,915 )

### Inventory

Gold inventory is recognised, at cost, in the ore stockpiles and in production inventory, comprised principally of ore stockpile and doré at site or in transit to the refinery, with a component of gold-in-circuit.

## Inventory

	June 30, 2023	March 31, 2023	December 31, 2022
Plant spares and consumables	7,072,420	9,146,279	4,751,922
Gold ore in stockpile	9,185,796	12,479,805	11,869,168
Gold in CIL	3,802,744	3,454,724	1,160,237
Gold Dore	-	-	2,119,935
	\$ 20,060,960	25,080,808	19,901,262

## Liquidity and Capital Resources

The Group has generated positive operating cash flow during H1 2023 and expects to continue to do so based on its production and AISC guidance. This operating cash flow will support debt repayments, regional exploration and underground expansion drilling at Segilola, planned capital expenditures and corporate overhead costs.

## FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Group's financial instruments are classified as follows:

June 30, 2023	Measured
Assets	at
Cash and cash equivalents	\$ 11,143,991
Amounts receivable	22,682,222
Total assets	\$ 33,826,213
Liabilities	and
Accounts payable and accrued liabilities	\$ 5,559,745
Loans and borrowings	22,997,463
Gold stream liability	-21,840,525
Lease liabilities	13,560,928
Total liabilities	\$ 10,277,611
December 31, 2022	Measured
Assets	at
Cash and cash equivalents	\$ 6,885,997
Amounts receivable	22,044,222
Total assets	\$ 28,930,219
Liabilities	and
Accounts payable and accrued liabilities	\$ 5,133,709
Loans and borrowings	28,442,554
Gold stream liability	-25,039,765
Lease liabilities	15,402,285
Total liabilities	\$ 23,948,783

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

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

## Classification of financial assets and liabilities

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable

inputs).

As at June 30, 2023 and December 31, 2022, all the Group's liabilities measured at fair value through profit and loss are categorized as Level 3 and their fair value was determined using discounted cash flow valuation models, taking into account assumptions with respect to gold prices and discount rates as well as estimates with respect to production and operating results for the Segilola mine.

#### DISCLOSURE OF OUTSTANDING SHARE DATA

As at the date of this MD&A, there were 655,314,724 common shares issued and outstanding stock options to purchase a total of 14,790,000 common shares.

#### Authorized Common Shares

##### Common shares issued

	June 30, 2023	December 31, 2022
Common shares issued	655,314,724	644,696,185

##### Warrants

There were no warrants that were outstanding at June 30, 2023, and as at the date of this report.

During the Three and Six Months ended June 30, 2023 no warrants were issued.

##### Stock Options

The number of stock options that were outstanding and the remaining contractual lives of the options at June 30, 2023, were as follows.

##### Options outstanding

Exercise Price	Number Outstanding	Weighted Average Contractual Life	Remaining Expiry Date
C\$0.140	750,000	0.27	October 5, 2023
C\$0.200	14,040,000	1.55	January 16, 2025
Total	14,790,000		

The Company has previously granted employees, consultants, directors and officers share purchase options. These options were granted pursuant to the Company's stock option plan. No new options have been granted in Q2 2023.

During the Three and Six Months ended June 30, 2023, 12,111,000 options were exercised at a price of C\$0.145.

#### Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2023, and 2022

(in United States Dollars)

[Thor Explorations Ltd.](#)

#### CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In United States dollars (unaudited)

	Note	June 30, 2023 \$	December 31, 2022 \$	June 30, 2022 \$ (restated)
<b>ASSETS</b>				
Current assets				
Cash		11,149,491	6,688,037	5,055,930
Inventories	4	20,060,960	19,901,262	24,046,025
Amounts receivable	5	251,812	220,442	705,799
Prepaid expenses, advances and deposits	6	8,360,467	10,476,923	1,961,307
Total current assets		39,822,730	37,286,664	31,769,061
Non-current assets				
Deferred income tax assets		89,120	87,797	79,771
Prepaid expenses, advances and deposits	6	239,527	282,825	287,338
Right-of-use assets	7	14,486,174	16,849,402	19,361,972
Property, plant and equipment	12	151,576,537	149,513,917	144,588,789
Intangible assets	13	23,123,115	19,231,208	16,260,028
Total non-current assets		189,514,473	185,965,149	180,577,898
<b>TOTAL ASSETS</b>		<b>229,337,203</b>	<b>223,251,813</b>	<b>212,346,959</b>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable and accrued liabilities	14	59,595,451	56,337,289	39,128,410
Deferred income		865,173	6,581,743	10,147,435
Lease liabilities	7	4,819,439	4,811,991	4,007,843
Gold stream liability	8	9,319,784	10,187,630	11,753,417
Loans and borrowings	9	20,235,386	888,141	15,779,820
Total current liabilities		94,835,233	78,806,794	80,816,925
Non-current liabilities				
Accounts payable and accrued liabilities	14	449,798	-	354,459
Lease liabilities	7	8,682,489	10,597,294	13,135,582
Gold stream liability	8	12,520,741	14,852,135	17,323,911
Loans and borrowings	9	7,722,077	27,254,513	26,207,109
Provisions	11	4,983,909	4,959,638	5,358,322
Total non-current liabilities		34,359,014	57,663,580	62,379,383
<b>SHAREHOLDERS' EQUITY</b>				
Common shares	15	81,450,778	80,439,693	79,949,297
Option reserve	15	2,046,737	3,351,133	3,455,454
Currency translation reserve	15	(2,406,013)	(2,512,911)	(4,464,940)
Retained earnings/(deficit)	15	19,051,454	5,503,524	(9,789,160)
Total shareholders' equity		100,142,956	86,781,439	69,150,651
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>229,337,203</b>	<b>223,251,813</b>	<b>212,346,959</b>

These condensed interim consolidated financial statements were approved for issue by the Board of Directors on August 22, 2023, and are signed on its behalf by:

(Signed) "Adrian Coates" (Signed) "Olusegun Lawson"  
Director Director

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

[Thor Explorations Ltd.](#)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30,  
In United States dollars (unaudited)

Note	Three Months Ended June 30,		Six Months Ended June 30,	
	2023 \$	2022 \$	2023 \$	2022 \$

			(restated)	(restated)
Continuing operations				
Revenue	3	41,364,169	41,354,747	81,651,999
Cost of sales	3	(27,508,667)	(28,372,721)	(54,978,651)
Profit/(loss) on forward sale of commodity contracts		(200,534)	471,403	(951,016)
Gross profit from operations		13,654,968	13,453,429	25,722,332
Amortization and depreciation - owned assets	3	(38,224)	(490,766)	(310,375)
Amortization and depreciation - right of use assets	3	(36,103)	(14,908)	(71,153)
Other administration expenses	3	(2,411,560)	(2,228,549)	(6,466,499)
Impairment of exploration & evaluation assets	13	(3,365)	(4,520)	(6,461)
Profit from operations		11,165,716	10,714,686	18,867,844
Interest expense		(3,253,529)	(3,935,732)	(6,624,310)
Net profit before income taxes		7,912,187	6,778,954	12,243,534
Income Tax		-	-	-
Net profit for the period		7,912,187	6,778,954	12,243,534
Attributable to:				
Equity shareholders of the Company		7,912,187	6,778,954	12,243,534
Net profit for the period		7,912,187	6,778,954	12,243,534
Other comprehensive profit				
Foreign currency translation profit (loss) attributed to equity shareholders of the company		(127,959)	(775,718)	106,898
Total comprehensive income profit for the period		7,784,228	6,003,236	12,350,432
Net earnings per share				
Basic	16	\$ 0.012	\$ 0.011	\$ 0.019
Diluted	16	\$ 0.012	\$ 0.011	\$ 0.019

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

### [Thor Explorations Ltd.](#)

#### CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, In United States dollars (unaudited)

	Note	Three Months Ended June 30,		Six Months Ended June 30,	
		2023	2022 (restated)	2023	2022 (restated)
Cash flows from/(used in):					
Operating					
Net profit		\$ 7,912,187	6,778,954	\$ 12,243,544	10,210,578
Adjustments for:					
Impairment of unproven mineral interest	13	3,365	4,519	6,461	7,221
Amortization and depreciation	3	7,874,921	7,053,410	16,235,031	13,216,282
Loss on forward sale commodity contracts		200,534	(471,403)	951,016	(176,480)
Unrealized foreign exchange (gains)/losses	3	(1,792,588)	516,668	(5,593,582)	1,381,742
Interest expense		3,253,529	3,935,732	6,624,310	7,693,863
Changes in non-cash working capital accounts		17,451,948	17,817,880	30,466,780	32,333,206
Inventories		5,019,848	(7,485,612)	(159,698)	(6,038,731)
Amounts receivable		(11,803)	(517,146)	(31,370)	(475,996)
Prepaid expenses, advances and deposits		(215,209)	(1,202,637)	2,046,651	(1,542,906)
Accounts payable and accrued liabilities		2,222,649	7,422,248	17,941,171	1,065,330
Deferred income		865,173	3,910,703	(5,716,570)	10,144,050
Net cash flows from operating activities		25,332,606	19,945,436	44,546,964	35,484,953
Investing					
Restricted cash		-	464	-	3,467,617
Purchase of intangible assets	13	(70,647)	-	(77,380)	(169)
Assets under construction expenditures	12	(128,843)	-	(128,843)	-

Property, Plant & Equipment	12	(11,593,379)	(1,595,675 )	(26,047,312)	(11,140,202)
Exploration & Evaluation assets expenditures	13	(2,602,795 )	(964,747 )	(3,657,597 )	(1,860,202)
Net cash flows used in investing activities		(14,395,664 )	(2,559,958 )	(29,911,132)	(9,532,956)
Financing					
Share subscriptions received	15	1,011,085	2,952	1,011,085	922,114
(Repayment of) / Proceeds from loans and borrowings	10	(3,551,040 )	(15,843,496)	(7,084,812 )	(17,880,632)
Arrangement fees paid	-	-	-	(126,874 )	-
Interest paid	10	(1,040,349 )	(1,329,281 )	(2,100,303 )	(2,543,868)
Payment of lease liabilities	7	(1,256,991 )	(1,365,480 )	(2,512,720 )	(2,579,159)
Net cash flows (used in)/from financing activities		(4,837,295 )	(18,535,305)	(10,813,624)	(22,081,544)
Effect of exchange rates on cash		544,773	(70,618 )	639,246	(90,792)
Net change in cash		\$ 6,644,420	(1,220,445 )	\$ 4,461,454	3,779,660
Cash, beginning of the period		\$ 4,505,071	6,276,375	\$ 6,688,037	1,276,270
Cash, end of the period		\$ 11,149,491	5,055,930	\$ 11,149,491	5,055,930

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

### [Thor Explorations Ltd.](#)

#### CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

In United States dollars (unaudited)

	Note	Common shares	Option reserve	Currency translation reserve	(Deficit)/ Retained earnings	Total shareholder equity
Balance on December 31, 2021		\$ 79,027,183	\$ 4,513,900	\$ (2,889,510)	\$ (21,058,184)	\$ 59,593,389
Net profit for the period		-	-	-	10,210,578	10,210,578
Other comprehensive loss		-	-	(1,575,430)	-	(1,575,430)
Total comprehensive profit for the period		-	-	(1,575,430)	10,210,578	8,635,148
Options exercised	19	922,114	(1,058,446)	-	1,058,446	922,114
Balance on June 30, 2022 (restated)		\$ 79,949,297	\$ 3,455,454	\$ (4,464,940)	\$ (9,789,160)	\$ 69,150,651
Balance on December 31, 2022		\$ 80,439,693	\$ 3,351,133	\$ (2,512,911)	\$ 5,503,524	\$ 86,781,439
Net profit for the period		-	-	-	12,243,534	12,243,534
Other comprehensive income		-	-	106,898	-	106,898
Total comprehensive profit for the period		-	-	106,898	12,243,534	12,350,432
Options exercised	19	1,011,085	(1,304,396)	-	1,304,396	1,011,085
Balance on June 30, 2023		\$ 81,450,778	\$ 2,046,737	\$ (2,406,013)	\$ 19,051,454	\$ 100,142,956

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

#### CORPORATE INFORMATION

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

The Company was formed in 1968 and is organized under the Business Corporations Act (British Columbia) (BCBCA) with its registered office at 550 Burrard St, Suite 2900 Vancouver, BC, CA, V6C 0A3. The Company evolved into its current form in August 2011 following a reverse takeover and completed the transformational acquisition of its flagship Segilola Gold Project in Nigeria in August 2016.

#### 1. BASIS OF PREPARATION

##### a) Statement of compliance

These condensed interim consolidated financial statements ("interim financial statements") have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, of International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

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

These interim financial statements were authorized for issue by the Board of Directors on August 22, 2023.

#### b) Basis of measurement

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

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

The Group's accounting policies have been applied consistently to all periods in the preparation of these interim financial statements. In preparing the Group's interim financial statements for the three and six months ended June 30, 2023, the Group applied the critical judgments and estimates as disclosed in note 3 of its annual financial statements for the year ended December 31, 2022.

These interim financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company, which is defined as having the power over the entity, rights to variable returns from its involvement with the entity, and the ability to use its power to affect the amount of returns. All intercompany transactions and balances are eliminated on consolidation. The Company's subsidiaries at June 30, 2023 are consistent with the subsidiaries as at December 31, 2022 as disclosed in note 3 to the annual financial statements.

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

## 2. BASIS OF PREPARATION (continued)

#### c) Nature of operations and going concern

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

At June 30, 2023, the Group had a cash position of \$11.1 million and a net debt position of \$16.8 million, calculated as total debt adjusted for unamortized deferred financing charges less cash and cash equivalents and short-term investments. Cash flows from operating activities for the three and six months ended June 30, 2023 were inflows of \$25.3 million and \$44.5 million respectively.

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

The Board of Directors is satisfied that the going concern basis of accounting is an appropriate assumption to adopt in the preparation of the interim financial statements as at, and for the period ended June 30, 2023.

### 1. PROFIT FROM OPERATIONS

#### 3a. REVENUE

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Gold revenue	41,295,582	41,324,199	81,539,639	66,174,161
Silver revenue	68,587	30,549	112,360	46,069
	\$ 41,364,169	\$ 41,354,747	\$ 81,651,999	\$ 66,220,229

The Group's revenue is generated in Nigeria. All sales are made to the Group's only customer.

### 3b. COST OF SALES

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Mining	21,836,232	17,883,204	41,873,619	21,873,619
Processing	4,312,647	2,584,044	8,421,432	4,421,432
Support services and others	1,873,999	3,446,978	3,279,061	5,446,978
Foreign exchange (gains)/losses on production costs*	(10,227,193)	(3,640,484)	(17,471,925)	(5,640,484)
Production costs	\$ 17,795,685	\$ 20,273,742	\$ 36,102,187	\$ 21,873,619
Transportation and refining	810,080	604,991	1,152,371	1,152,371
Royalties	1,102,308	946,252	1,870,590	1,870,590
Amortization and depreciation - operational assets - owned assets	6,641,484	5,486,909	13,534,856	13,534,856
Amortization and depreciation - operational assets - right of use assets	1,159,110	1,060,827	2,318,647	2,318,647
Cost of sales	27,508,667	28,372,721	54,978,651	44,978,651

\* The total foreign exchange gain for the current period was \$17,471,925, which comprises of realized foreign exchange gains of \$11,878,343 and unrealized foreign exchange gains of \$5,593,582. During the period, SROL purchased its local currency on a spot basis. The foreign exchange gains and losses from these trades are generated from the differences between the local currency values achieved on the trades versus the currency translation rate at the time of the trade.

### 3c. AMORTIZATION AND DEPRECIATION

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Amortization	5,486,909	5,486,909	10,973,818	10,973,818
Depreciation	1,060,827	1,060,827	2,121,654	2,121,654
Amortization	490,767	490,767	981,534	981,534
Depreciation	14,790,530	14,790,530	29,581,060	29,581,060
Amortization	1,060,827	1,060,827	2,121,654	2,121,654
Depreciation	1,060,827	1,060,827	2,121,654	2,121,654

### 3d. OTHER ADMINISTRATION EXPENSES

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Employee compensation	1,414,556	320,802	2,107,855	739,349
Professional services	614,104	777,007	1,268,310	1,148,534
Other corporate expenses	382,900	1,130,740	3,090,334	2,283,380
	\$ 2,411,560	\$ 2,228,549	\$ 6,466,499	\$ 4,171,263

### 1. INVENTORIES

	June 30, 2023	December 31, 2022
Plant spares and consumables	\$ 7,072,420	\$ 4,751,922
Gold ore in stockpile	9,185,796	11,869,168
Gold in CIL	3,802,744	1,614,267
Gold Dore	-	2,119,935
	\$ 20,060,960	\$ 19,901,262

There were no write downs to reduce the carrying value of inventories to net realizable value during the

periods ended June 30, 2023 and 2022.

#### 1. AMOUNTS RECEIVABLE

	June 30, 2023	December 31, 2022
Accounts receivable	\$ 38,715	\$ 67,084
GST	3,481	993
Other receivables	209,616	152,365
	\$ 251,812	\$ 220,442

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

#### 1. PREPAID EXPENSES, ADVANCES AND DEPOSITS

	June 30, 2023	December 31, 2022
Current:		
Gold Stream liability arrangement fees	33,186	33,186
Advance deposits to vendors	5,596,067	9,625,204
Other prepayments	2,731,214	818,533
	\$ 8,360,467	10,476,923
Non-current:		
Gold Stream liability arrangement fees	24,889	74,667
Other prepayments	214,638	208,158
	\$ 239,527	282,825

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

#### 1. LEASES

The Group accounts for leases in accordance with IFRS 16. The definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2019. The Group has elected not to recognize right-of-use assets and lease liabilities for leases which have low value, or short-term leases with a duration of 12 months or less. The payments associated with such leases are charged directly to the income statement on a straight-line basis over the lease term. There were no such leases for the periods ended June 30, 2023 and 2022.

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

The key impacts on the Statement of Comprehensive Income and the Statement of Financial Position for the period ended June 30, 2023, were as follows:

	Right of use asset	Lease liability	Income statement
Carrying value December 31, 2022	\$ 16,849,402	\$(15,409,285)	\$
New leases entered in to during the period	-	-	-
Depreciation	(2,389,800 )	-	(2,389,800 )
Interest	-	(560,217 )	(560,217 )
Lease payments	-	2,512,720	-
Foreign exchange movement	26,572	(45,146 )	(45,146 )
Carrying value at June 30, 2023	\$ 14,486,174	\$(13,501,928)	\$(2,995,163)
Current liability		(4,819,439 )	
Non-current liability		(8,682,489 )	

#### 7. LEASES (continued)

The key impacts on the Statement of Comprehensive Loss and the Statement of Financial Position for the year ended December 31, 2022, were as follows:

	Right of use asset	Lease liability	Income statement
Carrying value December 31, 2021	\$ 20,843,612	\$(18,274,374)	\$-
New leases entered in to during the period	660,064	(660,064 )	-
Depreciation	(4,724,100 )	-	(4,724,100)
Interest	-	(1,052,329 )	(1,052,329)
Lease payments	-	4,882,786	-
Foreign exchange movement	69,826	(305,304 )	(305,304 )
Carrying value at December 31, 2022	\$ 16,849,402	\$(15,409,285)	\$(6,081,733)
Current liability		(4,811,991 )	
Non-current liability		(10,597,294)	
1. GOLD STREAM LIABILITY			

#### Gold stream liability

	June 30, 2023	December 31, 2022
Balance at Beginning of period	\$ 25,039,765	\$ 30,262,279
Repayments	(5,898,728 )	(11,534,441 )
Interest at the effective interest rate	2,699,488	6,311,927
Balance at end of period	\$ 21,840,525	\$ 25,039,765
Current liability	9,319,784	10,187,630
Non-current liability	12,520,741	14,852,135

On April 29, 2020, the Group announced the closing of project financing for its flagship Segilola Gold Project ("Segilola") in Osun State, Nigeria. The financing included a \$21 million gold stream upfront deposit ("the Prepayment") over future gold production at Segilola under the terms of a Gold Purchase and Sale Agreement ("GSA") entered into between the Group's wholly owned subsidiary SROL and the AFC. The Prepayment is secured over the shares in SROL as well as over SROL's assets and is not subject to interest. The initial term of the GSA is for ten years with an automatic extension of a further ten years. The AFC will receive 10.27% of gold production from the Segilola ML41 mining license until the \$21 million Prepayment has been repaid in full. Thereafter, the AFC will continue to receive 10.27% of gold production from material mined within the ML41 mining license until a further \$26.25 million is received, representing a total money multiple of 2.25 times the value of the Prepayment, at which point the GSA will terminate. The AFC are not entitled to receive an allocation of gold production from material mined from any of the Group's other gold tenements under the terms of the GSA.

#### 8. GOLD STREAM LIABILITY (continued)

The \$26.25 million represented interest on the Prepayment. A calculation of the implied interest rate was made as at drawdown date with interest being apportioned over the expected life of the Stream Facility. The principal input variables used in calculating the implied interest rate and repayment profile were the production profile and gold price. The future gold price estimates were based on market forecast reports for the years 2021 to 2025 and, the production profile was based on the latest life of mine plan model. The liability was to be re-estimated on a periodic basis to include changes to the production profile, any extension to the life of mine plan and movement in the gold price. Upon commencement of production, any change to the implied interest rate will be expensed through the Condensed Interim Consolidated Statement of Income (Loss).

In December 2021, the Group entered into a cash settlement agreement with the AFC where the gold sold to the AFC is settled in a net-cash sum payable to the AFC instead of delivery of bullion in repayment of the gold stream arrangement.

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

	Level 1	Level 2	Level 3	Total
Financial liability at fair value through profit or loss \$	-	-	21,840,525	21,840,525

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

#### 1. LOANS AND BORROWINGS

	June 30, 2023	December 31, 2022
Current liabilities:		
Loans payable to the Africa Finance Corporation less than 1 year	\$ 17,673,363	\$ 356,155
Deferred element of EPC contract	2,562,023	531,986
	\$ 20,235,386	888,141
Non-current liabilities:		
Loans payable to the Africa Finance Corporation more than 1 year	\$ 6,513,943	\$ 24,103,784
Deferred element of EPC contract	1,208,134	3,150,729
	\$ 7,722,077	\$ 27,254,513

#### Loans from the Africa Finance Corporation

	June 30, 2023	December 31, 2022
Balance at Beginning of period	\$ 24,459,939	\$ 6,859,966
Drawdown	-	-
Principal repayments	(1,053,077 )	(24,220,764 )
Interest paid	(1,955,325 )	(4,645,014 )
Arrangement fees	(126,874 )	-
Unwinding of interest in the period	2,862,643	6,465,751
Balance at end of period	\$ 24,187,306	\$ 4,459,939
Current liability	17,673,363	356,155
Non-current liability	6,513,943	24,103,784

#### 9. LOANS AND BORROWINGS (continued)

On December 1, 2020, the Group announced that its subsidiary Segilola Resources Operating Limited ("SROL") had completed the financial closing of a \$54 million project finance senior debt facility ("the Facility") from the Africa Finance Corporation ("AFC") for the construction of the Segilola Gold Project in Nigeria. The Facility could be drawn down at the Group's request in minimum disbursements of \$5 million. As at December 31, 2022, SROL has received total disbursements of \$52.6 million (2021: \$52.6 million), with \$nil drawn down in 2022 (2021: \$31.2 million) and the remaining \$1.35m undrawn facility cancelled by the Group during the period under review (2021: \$nil). Total disbursements received represent 97% of the Facility. The Facility is secured over the share capital of SROL and its assets, with repayments commencing in March 2022 and to conclude in March 2025.

Repayment of the aggregate Facility will be made in instalments over a 36-month period by repaying an amount on a series of repayment dates, as set out in the Facility Agreement, which reduces the amount of the outstanding aggregate Facility by the amount equal to the relevant percentage of Loans borrowed as at the close of business in London on the date of Financial Close. Interest accrues at SOFR plus 9% and is payable on a quarterly basis in arrears.

In conjunction with the granting of the Facility, Thor issued 33,329,480 bonus shares to the AFC. Thor also incurred transaction costs of \$4,663,652 in relation to the loan facility. The fair value of the liability at inception was determined at \$45,822,943 taking into account the transaction costs and equity component and recognized at amortized cost using an effective rate of interest, with the fair value of the shares issued in April 2020 of \$5,666,011 recognized within equity.

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

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

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

The Group has constructed its Segilola Gold Mine through an engineering, procurement, and construction contract ("EPC Contract"). The EPC Contract has been agreed on a lump sum turnkey basis which provides Thor with a fixed price of \$67.5 million for the full delivery of design, engineering, procurement, construction, and commissioning of the proposed 715,000 ton per annum gold ore processing plant.

The EPC Contract includes a deferred element ("the Deferred Payment Facility") of 10% of the fixed price. As at June 30, 2023, a total of \$2,762,303 (December 31, 2022: \$3,682,715) was deferred under the facility. The 10% deferred element is repayable in instalments over a 36-month period by repaying an amount on a series of repayment dates, as set out in the Deferred Payment Facility. Repayments commenced in March 2022 and will conclude in 2025. Interest on this element of the EPC deferred facility accrues at 8% per annum from the time the Facility taking-over Certificate was issued.

	June 30, 2023	December 31, 2022
Balance at beginning of period	\$ 3,682,715	\$ 6,210,090
Offset against EPC payment	-	440,263
Principal repayments	(133,007 )	(3,440,449 )
Interest paid	(144,978 )	-
Unwinding of interest in the period	365,427	472,811
Balance at end of period	\$ 3,770,157	\$ 3,682,715
Current liability	2,562,023	531,986
Non-current liability	1,208,134	3,150,729

#### 1. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

June 30, 2023	Gold Stream liability	AFC loan	EPC deferred facility	Total		
January 1, 2023	\$ 25,039,765	24,459,939	3,682,715	53,182,419		
Cash flows:						
(Repayment of) / Proceeds from loans and borrowings	(5,898,728 )	(1,053,077 )	(133,007 )	(7,084,812 )		
Arrangement fees	-	(126,874 )	-	(126,874 )		
Interest paid	-	(1,955,325 )	(144,978 )	(2,100,303 )		
Non-cash changes:						
Unwinding of interest in the year	2,699,488	2,862,643	365,427	5,927,558		
June 30, 2023	\$ 21,840,525	24,187,306	3,770,157	49,797,988		
December 31, 2022		Gold stream liability	Short term advance	AFC loan	EPC deferred facility	Total
January 1, 2022	\$ 30,262,279	668,570	46,859,966	6,210,090	84,000,905	
Cash flows:						
(Repayment of) / Proceeds from loans and borrowings	(11,534,441 )	(668,570 )	(24,220,764 )	(3,440,449 )	(39,864,224 )	
Interest paid	-	-	(4,645,014 )	-	(4,645,014 )	
Non-cash changes:						
Unwinding of interest in the year	6,311,927	-	6,465,751	472,811	13,250,489	
Offset against EPC payment	-	-	-	440,263	440,263	
December 31, 2022	\$ 25,039,765	-	24,459,939	3,682,715	53,182,419	

#### 1. PROVISIONS

June 30, 2023	Other	Fleet demobilization costs	Restoration costs	Total
Balance at Beginning of period	\$ 18,157	\$ 173,442	\$ 4,768,039	\$ 4,959,638
Initial recognition of provision	-	-	-	-

Changes in estimates			-	-
Unwinding of discount	-	-	23,432	23,432
Foreign exchange movements	839	-	-	839
Balance at end of the period	\$ 18,996	\$ 173,442	\$ 4,791,471	\$ 4,983,909
Current liability	-	-	-	-
Non-current liability	18,996	173,442	4,791,471	4,983,909

## 1. PROVISIONS (continued)

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

The restoration costs provision is for the site restoration at Segilola Gold Project in Osun State Nigeria. The value of the above provision is measured by unwinding the discount on expected future cash flows using a discount factor that reflects the credit-adjusted risk-free rate of interest. It is expected that the restoration costs will be paid in US dollars, and as such US forecast inflation rates of 2.9% and the interest rate of 4% on 5-year US bonds were used to calculate the expected future cash flows, which are in line with the life of mine. The provision represents the net present value of the best estimate of the expenditure required to settle the obligation to rehabilitate environmental disturbances caused by mining operations at mine closure.

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

## 1. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	Plant and machinery	Office furniture	Land	Decommissioning Asset	Process Plant
Costs						
Balance, December 31, 2021	\$ 2,059,982	\$ 489,374	\$ 1,175,069	\$ 16,808	\$ 5,064,935	\$ -
Transfers	-	-	-	-	-	60,68
Additions	148,862	5,649,341	668,936	-	-	7,459
Revisions to decommissioning assets	-	-	-	-	(404,859 )	-
Disposals	-	-	-	-	-	-
Foreign exchange movement	(40,004 )	(12,091 )	(9,118 )	-	-	-
Balance, December 31, 2022	\$ 2,168,840	\$ 6,126,624	\$ 1,834,887	\$ 16,808	\$ 4,660,076	\$ 68,14
Transfers	-	-	-	-	-	-
Additions	247,804	234,034	550,468	-	-	5,413
Disposals	-	-	-	-	-	-
Foreign exchange movement	(96,390 )	3,939	3,457	-	-	-
Balance, June 30, 2023	\$ 2,320,254	\$ 6,364,597	\$ 2,388,812	\$ 16,808	\$ 4,660,076	\$ 73,56
Accumulated depreciation and impairment losses						
Balance, December 31, 2021	\$ 754,516	\$ 263,647	\$ 251,289	\$ -	\$ -	\$ -
Depreciation	457,259	354,275	306,542	-	952,322	10,24
Disposals	-	-	-	-	-	-
Foreign exchange movement	(14,966 )	(11,780 )	(2,878 )	-	-	-
Balance, December 31, 2022	\$ 1,196,809	\$ 606,142	\$ 554,953	\$ -	\$ 952,322	\$ 10,24
Depreciation	210,813	(255,410 )	169,325	-	434,463	5,473
Disposals	-	-	-	-	-	-
Foreign exchange movement	(52,286 )	3,208	4,707	-	-	-
Balance, June 30, 2023	\$ 1,355,336	\$ 353,940	\$ 728,985	\$ -	\$ 1,386,785	\$ 15,72
Carrying amounts						
Balance, December 31, 2022	\$ 972,031	\$ 5,520,482	\$ 1,279,934	\$ 16,808	\$ 3,707,754	\$ 57,89

Balance, June 30, 2023	\$ 964,918	\$ 6,010,657	\$ 1,659,827	\$ 16,808	\$ 3,273,291	\$ 57,83
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## 12. PROPERTY, PLANT AND EQUIPMENT (continued)

A summary of depreciation capitalized is as follows:

	Three months ended June 30,		Six months ended June 30,		Total depreciation capitalized	
	2022	2021	2022	2021	June 30, 2023	December 31, 2022
Exploration expenditures	20,880	37,306	76,598	60,724	696,950	620,352
Total	\$ 20,880	\$ 37,306	\$ 76,598	\$ 60,724	\$ 696,950	\$ 620,352

## a) Segilola Project, Osun Nigeria:

## Classification of Expenditure on the Segilola Gold Project

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

## Decommissioning Asset

The decommissioning asset relates to estimated restoration costs at the Group's Segilola Gold Mine as at June 30, 2023. Refer to Note 11 for further detail.

## EPC payments

During the six month period ended June 30, 2023, the Group paid \$10,196,105 (December 31, 2022: \$4,321,856) to the EPC contractor in relation to the construction of the Segilola Mine and processing plant.

## 1. INTANGIBLE ASSETS

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

	Douta Gold Project, Senegal	Central Houde Project, Burkina Faso	Lithium exploration licenses, Nigeria	Gold exploration licenses, Nigeria	Software
Balance, December 31, 2021	\$ 14,219,982	\$ -	\$ -	\$ 895,301	\$ 230,136
Acquisition costs	-	-	-	24,103	-
Exploration costs	3,745,803	12,014	-	1,693,863	-
Additions	-	-	-	-	43,599
Amortisation	-	-	-	-	(122,988)
Impairment	-	(12,014	)	-	-
Foreign exchange movement	(1,427,912	)	-	(70,679	)
Balance, December 31, 2022	\$ 16,537,873	\$ -	\$ -	\$ 2,542,588	\$ 150,747
Acquisition costs	-	-	-	-	-
Exploration costs	2,301,937	6,461	611,679	792,971	-
Additions	-	-	-	-	77,380
Amortisation	-	-	-	-	(49,022)
Impairment	-	(6,461	)	-	-
Foreign exchange movement	372,383	-	-	(215,421	)
Balance, June 30, 2023	\$ 19,212,193	\$ -	\$ 611,679	\$ 3,120,138	\$ 179,105

## 13. INTANGIBLE ASSETS (continued)

a) Douta Gold Project, Senegal:

The Douta Gold Project consists of an early-stage gold exploration license located in southeastern Senegal, approximately 700km east of the capital city Dakar.

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

Pursuant to the terms of the Option Agreement, IMC's 30% interest will be a "free carry" interest until such time as the Group announces probable reserves on the Douta Gold Project (the "Free Carry Period"). Following the Free Carry Period, IMC must either elect to sell its 30% interest to African Star at a purchase price determined by an independent valuer commissioned by African Star or fund its 30% share of the exploration and operating expenses.

b) Central Houndé Project, Burkina Faso:

1. Bongui and Legue gold permits, Burkina Faso:

AFC Constelor SARL holds a 100% interest in the Bongui and Legue gold permits covering an area of approximately 233 km<sup>2</sup> located within the Houndé belt, 260 km southwest of the capital Ouagadougou, in western Burkina Faso.

2. Ouere Permit, Central Houndé Project, Burkina Faso:

Argento BF SARL holds a 100% interest in the Ouere gold permit, covering an area of approximately 241 km<sup>2</sup> located within the Houndé belt.

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

The Group carried out an impairment assessment of the Central Houndé Project at December 31, 2020, and a decision was taken to fully impair the value of the Central Houndé Project. It is the Group's intention to focus on Segilola development and Douta exploration in the short term, and it does not plan to undertake significant work on the license areas in the near future.

c) Lithium exploration Licenses, Nigeria

During 2023, the Group has acquired over 600km<sup>2</sup> of granted tenure in south-west Nigeria that covers both known lithium bearing pegmatite deposits and a large unexplored prospective pegmatite-rich belt.

d) Gold exploration Licenses, Nigeria

As at June 30, 2023, the Group's gold exploration tenure currently comprises 16 wholly owned exploration licenses and nine joint venture partnership exploration licenses. Together with the mining lease over the Segilola Gold Deposit, Thor's total gold exploration tenure amounts to 1,542 km<sup>2</sup>.

1. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, December 31,	
	2023	2022
Trade payables	\$ 45,534,482	\$ 46,914,333
Accrued liabilities	12,827,805	6,213,977
Other payables	1,682,962	3,208,979
	\$ 60,045,249	\$ 56,337,289
Current liability	59,595,451	56,337,289
Non-current liability	449,798	-

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

Also included in trade payables is a total of \$35,478 (December 31, 2022: \$2,215,585) that relates to third party royalties that will become payable upon future gold sales. All these royalties' creditors are included in current liabilities.

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

	Level 1	Level 2	Level 3	Total
Trade payables				
Third party royalties \$-	-	-	35,478	35,478
1. CAPITAL AND RESERVES				

a) Authorized

Unlimited common shares without par value.

b) Issued

	June 30, 2023 Number	June 30, 2023	December 31, 2022 Number	December 31, 2022
As at start of the year	644,696,185	\$ 80,439,693	632,358,009	\$ 79,027,183
Issue of new shares:				
- Share options exercised i	10,618,539	1,011,085	9,939,000	960,546
- RSU awards vested	-	-	2,399,176	451,964
	655,314,724	\$ 81,450,778	644,696,185	\$ 80,439,693

i Value of 1,500,000 options exercised at a price of CAD\$0.145 per share on June 5, 2023, and 9,118,539 options exercised at a price of CAD\$0.145 per share on June 14, 2023.

15. CAPITAL AND RESERVES (continued)

c) Share-based compensation

Stock option plan

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

Under the current Share Option Plan, 44,900,000 common shares of the Group are reserved for issuance upon exercise of options.

- On January 16, 2020, 14,250,000 stock options were granted at an exercise price of C\$0.20 per share for a period of five years. The options vested immediately.
- On October 5, 2018, 750,000 stock options were granted at an exercise price of C\$0.14 per share for a period of five years.
- On March 12, 2018, 12,800,000 stock options were granted at an exercise price of C\$0.145 per share for a period of five years. All these stock options have been exercised.

All of the stock options were vested as at the balance sheet date. These options did not contain any market conditions and the fair value of the options were charged to the statement of comprehensive loss or capitalized as to assets under construction in the period where granted to personnel's whose cost is capitalized on the same basis. The assumptions inherent in the use of these models are as follows:

Vesting period (years)	First vesting date	Expected remaining life (years)	Risk free rate	Exercise price	Volatility of share price	Fair value	Options vested Op
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5	March 12, 2018	-	2.00%	\$ 0.145	105.09%	\$0.14	12,111,000
5	October 5, 2018	0.27	2.43%	\$ 0.14	100.69%	\$0.14	750,000
5	January 16, 2020	1.55	1.49%	\$ 0.20	66.84%	\$0.07	14,250,000

In Canadian Dollars

The Group has elected to measure volatility by calculating the average volatility of a collection of three peer companies' historical share prices for the exercising period of each parcel of options. Management believes that given the transformational change that the Group has undergone since the acquisition of the Segilola Gold Project in August 2016, the Group's historical share price is not reflective of the current stage of development of the Group, and that adopting the volatility of peer companies who have advanced from exploration to development is a more accurate measure of share price volatility for the purpose of options valuation.

The following is a summary of changes in options from January 1, 2023, to June 30, 2023, and the outstanding and exercisable options at June 30, 2023:

#### 15. CAPITAL AND RESERVES (continued)

##### c) Share-based compensation (continued)

To view an enhanced version of this graphic, please visit:  
[https://images.newsfilecorp.com/files/7003/178306\\_thor15c1.jpg](https://images.newsfilecorp.com/files/7003/178306_thor15c1.jpg)

In Canadian Dollars

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

To view an enhanced version of this graphic, please visit:  
[https://images.newsfilecorp.com/files/7003/178306\\_thor15c2.jpg](https://images.newsfilecorp.com/files/7003/178306_thor15c2.jpg)

In Canadian Dollars

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

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

'Option reserve' is used to recognize the value of stock option grants prior to exercise or forfeiture.

'Currency translation reserve' is used to recognize the exchange differences arising on translation of the assets and liabilities of foreign branches and subsidiaries with functional currencies other than US dollars.

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

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

## 1. EARNINGS PER SHARE

Diluted earnings per share was calculated based on the following:

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Basic weighted average number of shares outstanding	646,583,925	637,605,227	645,161,655	636,603,895
Stock options	5,242,375	-	5,242,375	-
Diluted weighted average number of shares outstanding	651,826,300	637,605,227	650,404,030	636,603,895
Total common shares outstanding	655,314,724	641,897,009	655,314,724	641,897,009
Total potential diluted common shares	670,104,724	669,198,009	670,104,724	669,198,009
1. RELATED PARTY DISCLOSURES	646,583,925	637,605,227	645,161,655	636,603,895

A number of key management personnel, or their related parties, hold or held positions in other entities that result in them having control or significant influence over the financial or operating policies of the entities outlined below.

#### a) Trading transactions

The Africa Finance Corporation ("AFC") is deemed to be a related party given the size of its shareholding in the Company. There have been no other transactions with the AFC other than the Gold Stream liability as disclosed in Note 8, and the secured loan as disclosed in Note 9.

#### b) Compensation of key management personnel

The remuneration of directors and other members of key management during the three and six months ended June 30, 2023, and 2022 were as follows:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2023	2022	2023	2022
Salaries and bonuses				
Current directors and officers (i) (ii) (iii)	\$ 736,436	\$ 163,566	\$ 973,098	\$ 331,995
Former directors and officers	\$ -	\$ 34,739	\$ -	\$ 71,557
Directors' fees				
Current directors and officers (i) (ii)	\$ 113,022	\$ 90,452	\$ 222,178	\$ 199,114
	\$ 849,458	\$ 288,757	\$ 1,195,276	\$ 602,666

(i) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the three and six months ended June 30, 2023, and 2022.

(ii) The Group paid consulting and director fees to both individuals and private companies controlled by directors and officers of the Group for services. Accounts payable and accrued liabilities at June 30, 2023, include \$56,938 (December 31, 2022 - \$102,092) due to directors or private companies controlled by an officer and director of the Group. Amounts due to or from related parties are unsecured, non-interest bearing and due on demand.

(iii) Executive bonuses were paid in the three months period ended in June 30, 2023.

## 18. FINANCIAL INSTRUMENTS

The Group's financial instruments are classified as follows:

June 30, 2023	Measured at amortized
---------------	-----------------------------

cost

Measured  
at  
fair

value  
through profit and loss

Total

Assets

Cash and cash equivalents	\$ 11,140,101
Amounts receivable	25,822
Total assets	\$ 11,140,303
Liabilities	
Accounts payable and accrued liabilities	\$ 55,599,751
Loans and borrowings	27,974,663
Gold stream liability	-21,840,525
Lease liabilities	13,560,928
Total liabilities	\$ 102,279,637
December 31, 2022	Measured at Total
Assets	
Cash and cash equivalents	\$ 6,680,037
Amounts receivable	15,042
Total assets	\$ 6,695,179
Liabilities	
Accounts payable and accrued liabilities	\$ 50,135,729
Loans and borrowings	28,425,554
Gold stream liability	-25,039,765
Lease liabilities	15,409,285
Total liabilities	\$ 97,255,993

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

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

#### Classification of financial assets and liabilities

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

As at June 30, 2023 and December 31, 2022, all the Group's liabilities measured at fair value through profit and loss are categorized as Level 3 and their fair value was determined using discounted cash flow valuation models, taking into account assumptions with respect to gold prices and discount rates as well as estimates with respect to production and operating results for the Segilola mine.

## 19. CAPITAL MANAGEMENT

The Group manages, as capital, the components of shareholders' equity. The Group's objectives, when managing capital, are to safeguard its ability to continue as a going concern in order to develop and its mineral interests through the use of capital received via the issue of common shares and via debt instruments where the Board determines that the risk is acceptable and, in the shareholders' best interest to do so.

The Group manages its capital structure, and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Group may attempt to issue common shares, borrow, acquire or dispose of assets or adjust the amount of cash.

## 20. CONTRACTUAL COMMITMENTS AND CONTINGENT LIABILITIES

### Contractual Commitments

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

#### Contingent liabilities

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

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

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

## 21. SEGMENTED DISCLOSURES

### Segment Information

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

Six months ended June 30, 2023	Segilola Mine Project	Exploration Projects	Corporate	Total	
Profit (loss) for the period	\$ 14,043,081	\$ (302,124	) \$(1,497,423)	\$ 12,243,534	
- revenue	81,651,999	-	-	81,651,999	
- production costs	(36,102,187	) -	-	(36,102,187)	
- royalties	(1,870,590	) -	-	(1,870,590 )	
- amortization and depreciation	(16,039,323	) (2,246	) (193,462 )	(16,235,031)	
- other administration expenses	(4,869,121	) (293,417	) (1,303,962)	(6,466,499 )	
- impairments	-	(6,461	) -	(6,461 )	
- interest expense	(6,624,310	) -	-	(6,624,310 )	
June 30, 2023		Segilola Mine Project	Exploration Projects	Corporate	Total
Current assets	\$ 38,292,438	\$ 106,500	\$ 1,423,792	\$ 39,822,730	
Non-current assets					
Deferred income tax assets	-	89,120	-	89,120	
Prepaid expenses, advances and deposits	24,889	-	214,638	239,527	
Right-of-use assets	13,913,706	-	572,468	14,486,174	
Property, plant and equipment	150,918,862	518,646	139,029	151,576,537	
Intangible assets	179,105	22,944,010	-	23,123,115	
Total assets	\$ 203,329,000	\$ 23,658,276	\$ 2,349,927	\$ 229,337,203	
Non-current asset additions	\$ 15,980,050	\$ 4,043,733	\$ 15,625	\$ 20,039,408	
Liabilities	\$ (127,390,018	) \$(20,261	) \$(1,783,968)	\$(129,194,247)	

### Non-current assets by geographical location:

June 30, 2023	Senegal	British Virgin Islands	Nigeria	United Kingdom	Canada
Prepaid expenses, advances and deposits	-	4,214	24,889	210,424	-
Right-of-use assets	-	-	13,913,707	572,467	-
Property, plant and equipment	443,449	-	150,994,059	134,831	4,190,000
Intangible assets	12,957,163	-	10,165,952	-	-
Total non-current assets	\$ 13,400,612	\$ 4,214	\$ 175,098,607	\$ 917,722	\$ 4,190,000

## 21. SEGMENTED DISCLOSURES (continued)

Six months ended June 30, 2022	Segilola Mine Project	Exploration Projects	Corporate	Total
Profit (loss) for the year	\$ 12,521,263	\$ (111,126	) \$(2,199,559)	\$ 10,210,578
- revenue	66,220,229	-	-	66,220,229
- production costs	(28,493,272	) -	-	(28,493,272)
- royalties	(1,497,017	) -	-	(1,497,017)
- amortization and depreciation	(13,196,331	) (4,468	) (15,483	) (13,216,282)
- other administration expenses	(1,887,750	) (99,437	) (2,184,076)	(4,171,263)
- impairments	-	(7,221	) -	(7,221)
- interest expense	(7,693,863	) -	-	(7,693,863)
December 31, 2022	Segilola Mine Project	Exploration Projects	Corporate	Total
Current assets	\$ 36,334,005	\$ 120,752	\$ 831,907	\$ 37,286,664
Non-current assets				
Deferred income tax assets	-	87,797	-	87,797
Prepaid expenses, advances and deposits	74,667	-	208,158	282,825
Right-of-use assets	16,232,353	-	617,049	16,849,402
Property, plant and equipment	149,050,728	339,785	123,404	149,513,917
Intangible assets	150,747	19,080,461	-	19,231,208
Total assets	\$ 201,842,500	\$ 19,628,795	\$ 1,780,518	\$ 223,251,813
Non-current asset additions	\$ 10,527,299	\$ 2,612,033	\$ 1,337,066	\$ 14,476,398
Liabilities	\$ (133,370,335	) \$(1,381,629	) \$(1,718,410)	) \$(136,470,374)

#### Non-current assets by geographical location:

December 31, 2022	Senegal	British Virgin Islands	Nigeria	United Kingdom	Canada
Prepaid expenses, advances and deposits	-	7,024	74,667	201,134	-
Right-of-use assets	-	-	16,232,354	617,048	-
Property, plant and equipment	176,645	-	149,230,320	101,491	5,461
Intangible assets	10,704,623	-	8,526,585	-	-
Total non-current assets	10,881,268	7,024	174,468,785	919,673	5,461

## 22. PRIOR PERIOD RESTATEMENT

Following the conclusion of the audited consolidated financial statements for the year ended December 31, 2022, the Group identified the restatements below for the three and six month period ended June 30, 2022:

1 - Capitalization of \$348,211 and \$3,331,529 for the three and six months periods ended June 30, 2022, respectively, of stripping costs within "Property, Plant and equipment" as these related to improved access to ore as determined by "IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine". Recognition of depreciation expenses of \$188,666 in relation to the stripping costs for the three months period ended June 30, 2022;

2 - Capitalization of \$455,467 and \$762,614 for the three and six months periods ended June 30, 2022, respectively, of near mine exploration costs within "Intangible assets" as these meet the definition of an asset in accordance with "IFRS 6 - Exploration for and Evaluation of Mineral Resources";

3 - Reclassification of \$6,547,736 and \$12,250,105 for the three and six months periods ended June 30, 2022, respectively, of amortization and depreciation of operational assets to "Cost of sales";

4 - Reclassification of \$3,640,484 and \$5,824,295 for the three and six months periods ended June 30, 2022, respectively, of foreign exchange gains to "Production costs" as the foreign exchange resulted from the purchase of raw materials, spare parts and other operational inputs required to support and maintain the Segilola mine operations; and

5 - Reclassification of \$464 and \$3,467,617 for the three and six months periods ended June 30, 2022, respectively, of restricted cash cashflows from "Net cash flows from operating activities" to "Net cash flows

used in investing activities".

6 - Reclassification of \$2,997,495 and \$4,804,185 for the three and six months periods ended June 30, 2022, respectively, of repayment of gold stream liabilities cashflows from "Net cash flows from operating activities" to "Net cash flows used in investing activities".

Therefore, in accordance with "IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors", the Condensed interim consolidated statements of financial position, Condensed interim consolidated statements of comprehensive income and Condensed interim consolidated statements of cash flows for the three-month period ended June 30, 2022 have been restated. The impact of the restatements on these statements is demonstrated below:

#### Condensed interim consolidated statements of financial position

	June 31, 2022 \$ (reported)	Restatements		June 31, 2022 \$ (restated)
			Ref	
<b>ASSETS</b>				
Total current assets	31,769,061	-		31,769,061
Property, plant and equipment	141,445,926	3,142,863	1	144,588,789
Intangible assets	15,497,414	762,614	2	16,260,028
Other non-current assets	19,729,081			19,896,499
Total non-current assets	176,672,421	8,419,369		185,091,790
<b>TOTAL ASSETS</b>	<b>208,441,482</b>	<b>3,905,477</b>		<b>212,346,959</b>
<b>LIABILITIES</b>				
Total current liabilities	80,816,925	-		80,816,925
Total non-current liabilities	62,379,383	-		62,379,383
<b>SHAREHOLDERS' EQUITY</b>				
Retained deficit	(13,694,637)	3,905,477	1 - 2	(9,789,160)
Other equity	78,939,811			78,939,811
Total shareholders' equity	65,245,174	3,905,477		69,150,651
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>208,441,482</b>	<b>3,905,477</b>		<b>212,346,959</b>

#### Condensed interim consolidated statements of comprehensive income

	Three months ended June 30, 2022 \$ (reported)	Restatements		Three months ended June 30, 2022 \$ (restated)	Six months ended June 30, 2022 \$ (reported)	
			Ref			
Revenue	41,354,747	-		41,354,747	66,220,229	-
Production costs	(24,262,437)	3,988,695	1 - 4	(20,273,742)	(37,649,096)	9,
Transportation and refining	(604,991)	-		(604,991)	(1,107,213)	-
Royalties	(946,252)	-		(946,252)	(1,497,017)	-
Amortization and depreciation of operational assets - owned assets		(5,486,909)	3	(5,486,909)		(1)
Amortization and depreciation of operational assets - right of use assets		(1,060,827)	3	(1,060,827)		(2)
Cost of sales	(25,813,680)	(2,559,041)		(28,372,721)	(40,253,326)	(3)
		-				-
Loss on forward sale of commodity contracts	471,403	-		471,403	176,480	-
	16,012,470	(2,559,041)	-	13,453,429	26,143,383	(3)
Amortization and depreciation - owned assets	(5,789,009)	5,298,243	3	(490,766)	(10,793,626)	10
Amortization and depreciation - right of use assets	(1,075,735)	1,060,827	3	(14,908)	(2,233,990)	2,
Other administration expenses	(2,684,016)	455,467	2	(2,228,549)	(4,933,877)	76
Impairment of Exploration & Evaluation assets	(4,520)	-		(4,520)	(7,221)	-

Profit from operations	6,459,190	4,255,496	10,714,686	8,174,669	9,714,686
Interest expense	(3,935,732)	-	(3,935,732)	(7,693,863)	-
Foreign exchange gains	3,640,484	(3,640,484)	4	5,824,295	(5,824,295)
Net profit before taxes	6,163,942	615,012	6,778,954	6,305,101	3,889,391
Tax expense	-	-	-	-	-
Net profit for the year	6,163,942	615,012	6,778,954	6,305,101	3,889,391
Net profit (loss) per share					
Basic	0.010	0.001	0.011	0.010	0.009
Diluted	0.010	0.001	0.011	0.010	0.009

## Condensed interim consolidated statements of cash flows

	Three months ended June 30, 2022 \$ (reported)	Restatements		Three months ended June 30, 2022 \$ (restated)	Six months ended June 30, 2022 \$ (reported)
			Ref		
Cash flows from/(used in):					
Operating					
Net profit	6,163,942	615,012	1 - 2	6,778,954	6,305,101
Amortisation and depreciation	6,864,744	188,666	1	7,053,410	13,027,616
Restricted cash	464	(464)	) 5	-	3,467,617
Repayment of goldstream liabilities	(2,997,495)	) 2,997,495	6	-	(4,804,185)
Other operating cash flows	6,113,072	-		6,113,072	12,058,093
Net cash flows from operating activities	16,144,727	3,800,709		19,945,436	30,054,242
Investing					
Restricted cash	-	464	5	464	-
Property, Plant & Equipment	(1,247,464)	) (348,211)	) 1	(1,595,675)	) (7,808,673)
Exploration & Evaluation assets expenditures	(509,280)	) (455,467)	) 2	(964,747)	) (1,097,588)
Other investing cash flows	-	-		-	(169)
Net cash flows used in investing activities	(1,756,744)	) (803,214)	)	(2,559,958)	) (8,906,430)
Financing					
(Repayment of) / Proceeds from loans and borrowings	(13,440,749)	) (2,997,495)	6	(16,438,244)	) (15,424,675)
Other investing cash flows	(2,097,061)	-		(2,097,061)	) (1,852,685)
Net cash flows used in financing activities	(15,537,810)	) (2,997,495)		(18,535,305)	) (17,277,360)
Effect of exchange rates on cash	(70,618)	-		(70,618)	) (90,792)
Net change in cash	(1,220,445)	-		(1,220,445)	) 3,779,660
Cash, beginning of the period	6,276,375	-		6,276,375	1,276,270
Cash, end of the period	5,055,930	-		5,055,930	5,055,930

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