THOR EXPLORATIONS LTD

Condensed Consolidated Interim Financial Statements

For the Three and Nine Months Ended September 30, 2020 and 2019

(in Canadian Dollars)

(Unaudited)

THOR EXPLORATIONS LTD.

September 30, 2020
(Unaudited)

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NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed consolidated interim financial statements by an entity's auditor.

THOR EXPLORATIONS LTD.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
In Canadian dollars (audited)

	Note	September 30, 2020 $	December 31, 2019 $
ASSETS			
Current			
Cash		**13,252,405**	5,402,920
Restricted cash	7	**6,196,417**	-
Amounts receivable	8	**370,058**	1,145,837
Prepaid expenses, advances and deposits	9	**185,174**	200,349
Total current assets		**20,004,054**	6,749,106
Investment		**-**	2
Deferred income tax assets		**16,180**	15,075
Prepaid expenses, advances and deposits	9	**23,327**	23,327
Right of use assets	10	**65,943**	108,177
Property, plant and equipment	12	**72,154,940**	137,148
Exploration and evaluation assets	6, 13	**16,724,990**	46,679,892
Total non-current assets		**88,985,380**	46,963,621
TOTAL ASSETS		**108,989,434**	53,712,727
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	14	**1,744,823**	1,032,776
Lease liabilities	10	**53,351**	61,311
Gold Stream Liability	11	**11,515,223**	-
Total current liabilities		**13,313,397**	1,094,087
Non-current liabilities			
Lease liabilities	10	**-**	35,354
Gold Stream Liability	11	**18,877,481**	**-**
Total non-current liabilities		**18,877,481**	35,354
SHAREHOLDERS' EQUITY			
Common shares	15	**92,514,638**	67,550,111
Share purchase warrants	15	**475,000**	533,000
Option Reserve	15	**5,980,308**	4,902,308
Currency translation reserve		**626,075**	559,126
Deficit		**(22,797,465)**	(20,961,259)
Total shareholders' equity		**76,798,556**	52,583,286
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**108,989,434**	53,712,727

These consolidated financial statements were approved for issue by the Board of Directors on November 30, 2020 and are signed on its behalf by:

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

THOR EXPLORATIONS LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30,
In Canadian dollars (unaudited)

	Note	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Continuing operations					
Amortisation and depreciation - owned assets	12	**14,218**	15,876	**42,303**	55,213
Amortisation and depreciation - right of use assets	10	**14,141**	-	**42,394**	-
Other administrative expenses	5	**1,841,928**	436,918	**3,196,371**	1,419,410
Impairment of receivables	8	**(312,040)**	-	**(2,081,703)**	-
Share-based payments	15	**-**	-	**1,021,271**	242,000
(Loss) from operations		**(1,558,247)**	(452,794)	**(2,220,636)**	(1,716,623)
Interest expense	10	**(714)**	(15,711)	**(2,595)**	(48,527)
Foreign exchange gain (loss)		**187,140**	(19,001)	**387,025**	(52,339)
Net (loss) before taxes		**$ (1,371,821)**	$ (487,506)	**$ (1,836,206)**	$ (1,817,489)
Net (loss) for the period		**$ (1,371,821)**	$ (487,506)	**$ (1,836,206)**	$ (1,817,489)
Other comprehensive income					
Foreign currency translation gain (loss) attributed to equity shareholders of the company		**183,308**	(214,739)	**66,949**	(905,723)
Total comprehensive (loss) for the period		**$ (1,188,513)**	$ (702,245)	**$ (1,769,257)**	$ (2,723,212)
Net loss per share - basic and diluted		**$ 0.002**	$ (0.001)	**$ (0.003)**	$ (0.005)
Weighted average number of common shares outstanding - basic and diluted		**610,520,639**	370,682,965	**525,256,592**	370,682,965

THOR EXPLORATIONS LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30,
In Canadian dollars (unaudited)

	Note	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Cash flows from (used in):					
Operating activities					
Net profit (loss) for the period		**$ (1,371,821)**	$ (487,506)	**$ (1,836,206)**	$ (1,817,489)
Adjustments for:					
Foreign exchange gain		**(184,870)**	(6,641)	**(422,962)**	(23,074)
Depreciation	10, 12	**28,359**	15,876	**84,697**	55,213
Write-off of receivable	8	**(312,040)**	-	**(2,081,703)**	-
Stock based compensation	15	**-**	-	**1,021,271**	242,000
Interest expense	10	**714**	15,712	**2,595**	48,527
Changes in non-cash working capital items	17	**113,457**	(9,819)	**331,429**	324,485
Cash utilized in operations		**(1,726,201)**	(472,378)	**(2,900,879)**	(1,170,338)
Adjustments to net loss for cash items					
Realized foreign exchange loss (gain)		**1,318**	18,007	**(1,617)**	9,382
Net operating cash flows		**(1,724,883)**	(454,371)	**(2,902,496)**	(1,160,956)
Investing activities					
Purchases of property, plant and equipment	12	**(1,678,507)**	(456)	**(1,811,954)**	(8,592)
Mineral property expenditures	12, 13	**(17,443,142)**	(1,374,339)	**(30,843,368)**	(3,347,948)
Net investing cash flows		**(19,121,649)**	(1,374,795)	**(32,655,322)**	(3,356,540)
Financing					
Proceeds from issuance of equity securities	15	**15,239,905**	1,702,500	**22,125,157**	4,607,507
Proceeds from gold stream liability	11	**-**	-	**28,197,757**	-
Interest paid		**-**	(8)	**-**	(731)
Payment of lease liabilities		**(30,221)**	-	**(45,625)**	-
Share issue costs	15	**(1,325,653)**	(750)	**(1,360,866)**	(9,128)
Net financing cash flows		**13,884,031**	1,701,742	**48,916,423**	4,597,648
Effect of exchange rates on cash		**(414,787)**	402	**687,297**	7,418
Net change in cash		**(7,377,288)**	(127,022)	**14,045,902**	87,570
Cash, beginning of the period		**26,826,110**	518,659	**5,402,920**	304,067
Cash & Restricted Cash, end of the period	7	**$ 19,448,822**	$ 391,637	**$ 19,448,822**	$ 391,637

Supplemental cash flow information (Note 17)

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

Major non-cash transactions

US$5 million (CAD$7.35 million) of the EPC contract on the Segilola Gold Project was settled through the issue of 34,750,000 Common Shares during the quarter.

THOR EXPLORATIONS LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
In Canadian dollars (unaudited)

	Note	Common Shares	Share purchase warrants	Reserves	Currency translation reserve	Deficit	Total shareholders' equity
Balance on December 31, 2018		**$ 52,268,870**	**$ 533,000**	**$ 4,764,308**	**$ 1,341,031**	**$ (16,073,796)**	**$ 42,833,413**
Private placements	15	3,475,955		-	-	-	3,475,955
Share issuance costs	15	(2,651)	-	-	-	-	(2,651)
Share subscription received		-		-	-	-	-
Share based payments	15	-	-	242,000	-	-	242,000
Net loss for the period		-		-	-	(1,817,489)	(1,817,489)
Comprehensive income		-		-	(905,723)	-	(905,723)
Balance on September 30, 2019		**$ 55,742,174**	**$ 533,000**	**$ 5,006,308**	**$ 435,308**	**$ (17,891,285)**	**$ 43,825,505**
Private placements	15	12,257,895	-	-	-	-	12,257,895
Share issuance costs	15	(449,958)	-	-	-	-	(449,958)
Share subscription received	15	-	-	-	-	-	-
Share based payments	15	-	-	(104,000)	-	-	(104,000)
Net loss for the period		-	-	-	-	(3,069,974)	(3,069,974)
Comprehensive income (loss)		-	-	-	123,818	-	123,818
Balance on December 31, 2019		**$ 67,550,111**	**$ 533,000**	**$ 4,902,308**	**$ 559,126**	**$ (20,961,259)**	**$ 52,583,286**
Private placements	15	26,151,403		-	-	-	26,151,403
Share issuance costs	15	(1,244,876)		-	-	-	(1,244,876)
Writeback of warrants expired	15	58,000	(58,000)	-	-	-	-
Share based payments	15	-	-	1,078,000	-	-	1,078,000
Net loss for the period		-		-	-	(1,836,206)	(1,836,206)
Comprehensive income (loss)		-		-	66,949	-	66,949
Balance on September 30, 2020		**$ 92,514,638**	**$ 475,000**	**$ 5,980,308**	**$ 626,075**	**$ (22,797,465)**	**$ 76,798,556**

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

1. CORPORATE INFORMATION

Thor Explorations Ltd. N.P.L. was incorporated on September 11, 1968 under certificate number 81705 as a specially limited company pursuant to the Company Act (British Columbia, Canada). On December 4, 2001, Thor Explorations Ltd. N.P.L. changed its name to Thor Explorations Ltd. ("Old Thor"). On March 28, 2006 Old Thor transitioned to the British Columbia Business Corporations Act and on August 24, 2007 Old Thor resolved to remove the pre-existing company provisions applicable to Old Thor. Effective on September 1, 2009, Old Thor amalgamated with Magnate Ventures Inc. The amalgamated entity continued as Thor Explorations Ltd. ("Thor" or the "Company").Thor trades on the TSX Venture exchange under the symbol "THX-V".

The Company is a natural resources company with no revenue, engaged in the acquisition, exploration and development of mineral properties, and is currently focused on gold projects located in West Africa.

The Company's registered office is located at 550 Burrard Street, Suite 2900, Vancouver, BC, Canada, V6C 0A3.

2. BASIS OF PREPARATION

a) Statement of compliance

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

b) Basis of measurement

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in Note 4 of the Company's audited consolidated financial statements for the year ended December 31, 2019.

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis, and are presented in Canadian dollars, unless otherwise indicated.

2. BASIS OF PREPARATION (continued)

c) Nature of operations and going concern

The Group is a gold exploration and development company and is pre-revenue.

As at September 30, 2020, the Company had cash of $13,252,405, restricted cash of $6,196,417 and net working capital excluding Gold Stream repayments which are contingent upon production of $18,205,880. During the quarter, the Company closed a private placing raising US$9.97m through the issue of 75,548,530 new common shares.

The predominant focus of operational activities over the period to June 2021 will be the development of the Segilola Gold Project, for which it is fully funded. The Board has reviewed the Group's cash flow forecasts up until November 30, 2021, having regard to its current financial position and operational objectives. The Board is satisfied that the Group has sufficient financial resources to meet its commitments for the next twelve months.

The emergence of the Covid-19 coronavirus pandemic has caused a severe adverse effect on the business environment on a global scale. The Group may be affected by disruptions to its operations in one or more locations, particularly for the foreseeable future in light of government responses to the spread of Covid-19 or other potential pandemics. The Group's Nigerian operations have been declared as an essential business by the Nigerian authorities and so are not subject to closure.

The Board is aware of the various risks that the pandemic presents that include but are not limited to financial, operational, staff and community health and safety, logistical challenges and government regulation. At present the Board believes that there should be no significant material disruption to its operations in Nigeria and continues to monitor these risks and the Group's business continuity plans. Management maintains constant dialogue with local Nigerian government and monitors the situation among the local communities as well as the broader environment.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described below have been applied consistently to all periods presented in these unaudited condensed consolidated interim financial statements unless otherwise stated.

a) Consolidation principles

Assets, liabilities, revenues and expenses of the subsidiaries are recognized in accordance with the Company's accounting policies. Intercompany transactions and balances are eliminated upon consolidation.

In Canadian dollars, except where noted (unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Details of the group

In addition to the Company, these unaudited condensed consolidated interim financial statements include all subsidiaries of the Company. Subsidiaries are all corporations over which the Company has power over the Subsidiary and it is exposed to variable returns from the Subsidiary and it has the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The unaudited condensed consolidated interim financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity, with Subsidiaries being fully consolidated from the date on which control is acquired by the Company. They are de-consolidated from the date that control by the Company ceases.

Details of the Group (continued)

The subsidiaries of the Company are as follows:

Company	Location	Incorporated	Interest
Thor Investments (BVI) Ltd. ("Thor BVI")	British Virgin Islands	June 30, 2011	100%
African Star Resources Incorporated ("African Star")	British Virgin Islands	March 31, 2011	100%
Segilola Resources Incorporated ("SR BVI")	British Virgin Islands	March 10, 2020	100%
African Star Resources SARL ("African Star SARL")	Senegal	July 14, 2011	100%
Argento Exploration BF SARL ("Argento BF SARL")	Burkina Faso	September 15, 2010	100%
AFC Constelor Panafrican Resources SARL ("AFC Constelor SARL")	Burkina Faso	December 9, 2011	100%
Segilola Resources Operating Limited ("SROL")	Nigeria	August 18, 2016	100%
Segilola Gold Limited ("SGL")	Nigeria	August 18, 2016	100%

c) Foreign currency translation

Functional and presentation currency

The Company's presentation currency is the Canadian dollar ("$"). The functional currency for the Company, being the currency of the primary economic environment in which the Company operates, is the Canadian dollar. The individual financial statements of each of the Company's wholly owned subsidiaries are prepared in the currency of the primary economic environment in which it operates (its functional currency).

Exchange rates published by the Bank of Canada and Oanda were used to translate the Thor BVI, African Star, SR BVI, African Star SARL, Argento BF SARL, AFC Constelor SARL, SROL and SGL's financial statements into the Canadian dollar in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*. This standard requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period). The foreign exchange differences on translation of subsidiaries Thor BVI, African Star, SR BVI, African Star SARL, Argento BF SARL, AFC Constelor SARL, SROL and SGL are recognized in other comprehensive income (loss).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency transactions
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss.

d) Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Derecognition of financial assets and liabilities

Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:
- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Financial Assets

Under IFRS 9, the Group classifies its financial assets into the following categories: those to be held at amortised cost, and those to be measured subsequently at fair value through profit and loss.

Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of financial assets at initial recognition. The Group's business model is primarily that of "hold to collect" (where assets are held in order to collect contractual cash flows).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Amortised cost: these assets arise principally from the provision of goods and services to customers, but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Amounts receivables are measured at amortised cost using the effective interest rate method, less impairment.

Cash and cash equivalents

Cash and cash equivalents represent cash balances held at bank and on demand deposits. Cash and cash equivalents are measured at amortised cost.

Restricted cash represent cash balances held in bank accounts that are ring fenced to be applied to construction costs at the Company's Segilola Gold Mine in Nigeria.

The Group does not hold any financial assets that meet conditions for subsequent recognition at fair value through other comprehensive income.

Impairment of Financial Assets

The Group recognizes a loss allowance for expected credit losses ("ECL") on financial assets that are measured at amortised cost which comprise mainly of receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. Impairment provisions for other receivables are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Financial Liabilities

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics.

Financial liabilities are initially recorded on trade date, being the date on which the Group becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Group's financial liabilities approximate to their fair values.

The Group's financial liabilities consist of financial liabilities measured at amortised cost. These comprise accounts payable, accrued liabilities and deferred payment. If estimates of future payments are revised, the carrying amount of the financial liability is adjusted to reflect actual and revised estimated cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Gold Stream arrangement

On April 29, 2020 the Company announced the completion of financing requirements for the development of the Segilola Gold Project in Nigeria. The financing included a US$21 million gold Stream prepayment pursuant to a Gold Stream Arrangement ("GSA") entered in to with the African Finance Corporation ("AFC").

Under the terms of the GSA an advance payment of US$21 million was received. Upon the commencement of production at Segilola the AFC will have the right to receive 10.27% of gold produced from the Group's ML41 mining license. Once the initial liability has been repaid in full any further gold production will be delivered under the terms of the GSA up to the money multiple limit of 2.25 times the initial advance. The total maximum amount payable to the AFC under this agreement is US$47.25m including the repayment of the initial US$21 million advance.

The advanced payment has been recorded as a contract liability based on the facts and terms of the arrangement and own use exemptions considerations.

The maximum US$26.25 million payable after the initial US$21 million has been settled has been identified as a significant financing component. The deemed interest rate will be calculated at inception, using the production plan and gold price estimates and released over the term of the arrangement as interest expense in the income statement upon commencement of production.

Revenue from the streaming arrangement are recognized under IFRS 15 when the customer obtains control of the gold and the Group has satisfied its performance obligations. The revenue recognized reduces the contract liability balance.

e) Property, plant and equipment

Recognition and Measurement

On initial recognition, property, plant and equipment is valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions. Property, plant and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Plant and Equipment (continued)

Gains and Losses
Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other income in profit or loss.

Depreciation
Depreciation is recognized in profit or loss and is provided on a straight-line basis over the estimated useful life of the assets as follows:

	Rate
Motor vehicles	20-33%
Plant and machinery	20-25%
Office furniture	20-33%
Software	20-25%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

f) Assets under construction

Assets under construction comprise development projects and assets in the course of construction at both the mine development and production phases.

Development projects comprise interests in mining projects where the ore body is considered commercially recoverable and the development activities are ongoing. Expenditure incurred on a development project is recorded at cost, less applicable accumulated impairment losses. Any net income earned before the commencement of commercial production is credited against the capitalised development expenditure. Interest on borrowings, incurred for the purpose of the establishment of mining assets, is capitalised during the construction phase.

The cost of an asset in the course of construction comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use, at which point it is transferred from assets under construction to other relevant categories and depreciation commences.

Assets under construction are not depreciated.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Exploration and evaluation expenditures

Acquisition costs
The fair value of all consideration paid to acquire an unproven mineral interest is capitalized, including amounts due under option agreements. Consideration may include cash, loans or other financial liabilities, and equity instruments including common shares and share purchase warrants.

Exploration and evaluation expenditures
All costs incurred prior to legal title are expensed in the consolidated statement of comprehensive loss in the year in which they are incurred. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation assets in respect of that project are deemed to be impaired. As a result, those exploration and evaluation assets, in excess of estimated realisable value, are written off to the statement of comprehensive loss.

At such time as commercial feasibility is established, project finance has been raised, appropriate permits are in place and a development decision is reached, the costs associated with that property will be transferred to and re-categorised as Assets under construction and upon commercial production being achieved, re-categorised as Mining Property. Upon achieving commercial production, any costs will be depleted using a units of production method.

Farm-in agreements
As is common practice in the mineral exploration industry, the Company may acquire or dispose of all, or a portion of, an exploration and evaluation asset under a farm-in agreement. Farm-in agreements typically call for the payment of cash, issue of shares and/or incurrence of exploration and evaluation costs over a period of time, often several years, entirely at the discretion of the party farming-in. The Company recognizes amounts payable under a farm-in agreement when the amount is due and when the Company has no contractual rights to avoid making the payment. The Company recognizes amounts receivable under a farm-in agreement only when the party farming-in has irrevocably committed to the transfer of economic resources to the Company, which often occurs only when the amount is received. Amounts received under farm-in agreements reduce the capitalized costs of the optioned unproven mineral interest to nil, and are then recognized as income.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Impairment of non-current assets

Impairment tests for non-current assets are performed when there is an indication of impairment. At each reporting date, an assessment is made to determine whether there are any indications of impairment. Prior to carrying out impairment reviews, the significant cash generating units are assessed to determine whether they should be reviewed under the requirements of IAS 36 - Impairment of Assets for property plant and equipment, or IFRS 6 - Exploration for and Evaluation of Mineral Resources.

Impairment reviews performed under IAS 36 are carried out on a periodic basis to ensure that the value recognised on the Statement of Financial Position is not greater than the recoverable amount. Recoverable amount is defined as the higher of an asset's fait value less costs of disposal, and its value in use.

Impairment reviews performed under IFRS 6 are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise; typically when one of the following circumstances applies:

(i) sufficient data exists that render the resource uneconomic and unlikely to be developed
(ii) title to the asset is compromised
(iii) budgeted or planned expenditure is not expected in the foreseeable future
(iv) insufficient discovery of commercially viable resources leading to the discontinuation of activities

During the period assets have been moved from IFRS 6 to PPE and the Board undertook an impairment review at the time of transfer.

If any indication of impairment exists, an estimate of the non-current asset's recoverable amount is calculated. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value in use. If the carrying value of a non-current asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the statement of comprehensive loss so as to reduce the carrying amount of the non-current asset to its recoverable amount.

i) Income taxes

Income tax expense is comprised of current and deferred income taxes. Current and deferred income taxes are recognized in profit and loss, except for income taxes relating to items recognized directly in equity or other comprehensive income.

Current income tax, if any, is the expected amount payable or receivable on the taxable income or loss for the year, calculated in accordance with applicable taxation laws and regulations, using income tax rates enacted or substantively enacted at the end of the reporting period, and any adjustments to amounts payable or receivable relating to previous years.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)

Deferred income taxes are provided using the liability method based on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using income tax rates and income tax laws and regulations that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that do not affect accounting or taxable profit
- goodwill
- investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

j) Basic and diluted income or loss per share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of commons shares outstanding during the year. Diluted income per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. Fully diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts for the basic and diluted loss per share.

k) Comprehensive income (loss)

Comprehensive income (loss) is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income (loss) that are excluded from net earnings (loss). The main element of comprehensive income (loss) is the foreign exchange effect of translating the financial statements of the subsidiaries from local functional currencies into Canadian dollars upon consolidation. Movements in the exchange rates of the US Dollar, Pound Sterling, Nigerian Naira and West African Franc to the Canadian dollar will affect the size of the comprehensive income (loss).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Share-based payments

The fair value, at the grant date, of equity-settled share awards is charged to income or loss over the period for which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in the equity-settled employee benefits reserve. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The fair value of awards is calculated using the Black-Scholes option pricing model which considers the following factors:

- Exercise price
- Expected life of the award
- Expected volatility
- Current market price of the underlying shares
- Risk-free interest rate

m) Interest income

Interest income is recognized as earned, provided that collection is assessed as being reasonably assured.

n) Application of new and revised International Financial Reporting Standards

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2020 that had a significant effect on the Group's financial statements.

o) Future accounting pronouncements

There are no standards issued by IASB, but not yet effective, that are expected to have a material impact of the group.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in net and/or comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

a) Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, relate to, but are not limited to, the following:

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

a) Critical accounting estimates (continued)

(i) *Fair value of share options and warrants*

The fair value of options is calculated using appropriate estimates of expected volatility, risk free rates of return, expected life of the options/warrants, the dividend growth rate, the number of options expected to vest and the impact of any attached conditions of exercise. See note 15 for further details of these assumptions.

(ii) *Accounting treatment of Gold Stream Liability*

Determining the appropriate accounting treatment for the Gold Stream Liability is not an accounting policy choice, rather it is an assessment of the specific facts and circumstances. The Company has reviewed the terms of the Gold Sale Agreement and determined that it constitutes a commodity arrangement as it is an arrangement to deliver an amount of the commodity from the Group's own Segilola Gold Project operation.

In calculating the deemed interest rate for interest expense that will be released over the term of the Agreement, estimates of both the production plan and gold price will be the key variables.

b) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

(i) *Impairment of exploration and evaluation assets*
In accordance with IFRS 6 *Exploration for and Evaluation of Mineral Resources*, management is required to assess impairment in respect of the intangible exploration and evaluation assets. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

Management has determined that there were no impairment indicators present in respect of the exploration and evaluation assets and as such, no impairment test was performed.

(ii) *Impairment of property, plant and equipment*
Upon transfer of the Segilola Gold Project from Exploration and Evaluation assets to Assets under Construction the Company undertook an impairment assessment in accordance with IAS 36 and determined that no impairment was required to be recognised.

(iii) *Impairment of other receivable*
In accordance with IFRS 9 *Financial Instruments*, management is required to assess impairment in respect of financial assets. In making the assessment, management is required to make judgments on credit risk associated with receivables. Management has reviewed receivables outstanding as at the year end and assessed the likelihood of receiving the share subscription funds on the basis of historic receipts, the economic environment and the board's assessment of the subscribers' ability to pay. Accordingly an impairment of the receivables has been recognised in note 8. Impairments are reversed when the Company receives funds, and to September 30, 2020 all impairment charges have been reversed following the receipt of funds, the balance of which was received post the end of the period under review.

In Canadian dollars, except where noted (unaudited)

5. OTHER ADMINISTRATIVE EXPENSES

	Note	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Audit and legal		$ **41,549**	$ 18,487	$ **83,586**	$ 41,946
Consulting fees		**397,646**	98,312	**600,362**	312,848
Directors' fees	16	**106,654**	83,478	**304,173**	256,463
Salaries and benefits		**1,180,126**	128,984	**1,736,859**	379,585
Listing and filing fees		**3,550**	3,350	**17,803**	14,146
Investor relations and transfer agent		**64,242**	33,406	**249,841**	106,770
Bank charges		**17,397**	2,354	**37,135**	8,028
Office and miscellaneous		**18,733**	67,714	**101,616**	210,920
Travel		**12,031**	833	**64,996**	88,704
		$ **1,841,928**	$ 436,918	$ **3,196,371**	$ 1,419,410

6. ASSET ACQUISITION

a) Payments to former owners of the Segilola Gold Projects

During the period under review, payments totaling $318,152 (US$245,000) became payable to Tropical Mines Limited and Delano Gold Mining Industries Limited under conditions included in the Sale and Purchase Agreements ("SPA") for the Segilola Gold Project.

b) Acquisition of Nigerian exploration licenses

On October 2, 2019, the Office of the Nigeria Mining Cadastre granted a further two new licenses to SGL. The licenses are located between 2.5km and 14km from Segilola, with a combined area of 343.6 km² and cover significant sections of the structural trends that extend northwards from the Segilola high grade gold deposit.

The total consideration paid for the two licenses granted on October 2, 2019 was comprised of the following:

Purchase price	
Acquisition of exploration licenses	
Cash (NGN 2,905,000)	$ 10,643
Total consideration December 31, 2019	**$ 10,643**

In total, the Group currently has tenure over nine exploration licenses and one mining license that cover 912 km² of the prospective Ilesha Schist Belt that forms part of the crystalline basement complex of southwestern Nigeria.

In Canadian dollars, except where noted (unaudited)

7. RESTRICTED CASH

		September 30, 2020		December 31, 2019
Restricted cash	**$**	**6,196,417**	**$**	-

On April 29, 2020, the Company announced the closing of project financing for its flagship Segilola Gold Project ("Segilola") in Osun State, Nigeria. The financing included a US$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 in to between the Company's wholly owned subsidiary SROL and the AFC. The Prepayment was fully drawn down during the quarter. Under the terms of the GSA, the Prepayment has an external restriction placed upon it whereby it can only be used for expenditure on the development of the Segilola Gold Project. Accordingly, the balance of the Prepayment at the reporting date has been shown separately from Cash on the Statement of Financial Position. Refer to Note 11 for further detail on the Prepayment.

8. AMOUNTS RECEIVABLE

		September 30, 2020		December 31, 2019
GST	**$**	**5,845**	**$**	4,786
Other receivables		**54,710**		521
Share subscriptions receivable		**309,503**		3,166,831
Impairment (provision)		**-**		(2,026,301)
	$	**370,058**	**$**	1,145,837

The majority of amounts receivable consists of share placement subscription funds totaling CAD$309,503. The Board assessed the likelihood of receiving the share subscription funds as at December 31, 2019, and recognized an impairment of CAD$2,026,000 on the basis of historic receipts, the economic environment and the Board's assessment of the subscribers' ability to pay. This impairment took in to consideration payments received between December 31, 2019, and June 15, 2020, being the date of signing the Audited Financial Statements. During the period under review US$1,421,500 (CAD$1,922,054) was received by the Company. Post period end the remainder of the outstanding share subscriptions have been received and the impairment has been reversed in full through the Condensed Consolidated Interim Statement of Comprehensive Loss.

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

In Canadian dollars, except where noted (unaudited)

9. PREPAID EXPENSES, ADVANCES AND DEPOSITS

		September 30, 2020		December 31, 2019
Current:				
Insurance	**$**	**60,274**	$	21,213
Other deposits		**40,179**		76,787
Other prepaids		**84,721**		102,349
	$	**185,174**		200,349
Non-current:				
Other prepaids	**$**	**23,327**	$	23,327
	$	**23,327**	$	23,327

10. LEASES

The Group has adopted IFRS 16 using the modified retrospective approach with the effect of applying this standard at the date of initial recognition of 1 January 2019, consequently comparatives have not been restated. The Group elected to apply the practical expedient to not reassess whether a contract is, or contains, a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. 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 recognise 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. $44,898 (2019 year: $61,108) has been expensed in the period in relation to low value and short term leases. In addition, the Group will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Group will include the payments due under the lease in its lease liability.

On adoption of IFRS 16, the Group recognised lease liabilities in respect of an office lease. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019, of 4.25%.

The key impacts on the Statement of Comprehensive Income and the Statement of Financial Position are as follows:

		Right of use asset		Lease liability		Income statement
Carrying value December 31, 2019	$	108,177	$	(96,665)	$	-
Depreciation		(42,394)		-		(42,394)
Interest		-		(2,595)		(2,595)
Lease payments		-		45,645		-
Foreign exchange movement		160		264		424
Carrying value at September 30, 2020	**$**	**65,943**	**$**	**(53,351)**	**$**	**(44,565)**

In Canadian dollars, except where noted (unaudited)

11. GOLD STREAM LIABILITY

		Total
Balance at drawdown	$	28,197,757
Interest expense		2,309,611
Foreign exchange movement		(114,664)
Balance September 30, 2020	$	30,392,704
Current liability		11,515,223
Non-current liability		18,877,481

On April 29, 2020, the Company announced the closing of project financing for its flagship Segilola Gold Project (“Segilola”) in Osun State, Nigeria. The financing included a US$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 in to between the Company’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 US$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 US$26.25 million is received, representing a total money multiple of 2.25 times the value of the Prepayment, at which point the GSA will terminate. The AFC are not entitled to receive an allocation of gold production from material mined from any of the Group’s other gold tenements under the terms of the GSA.

The US$26.25 million represents 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 production profile and gold price. The liability will 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.

The interest expense of $2,309,611 recognised to the date of this report has been capitalized and is included in the value of Assets Under Construction (Refer to note 12). The interest expense will be released to the income statement upon commencement of production in line with units of gold produced.

In Canadian dollars, except where noted (unaudited)

12. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	Plant and machinery	Software	Office furniture	Assets under construction	Total
Costs						
Balance, December 31, 2018	$ 432,729	$ 393,006	$ 19,514	$ 142,906	$ -	$ 988,156
Additions	-	5,526	-	8,690	-	14,216
Foreign exchange movement	(19,492)	(19,752)	(297)	(5,436)	-	(44,977)
Balance, December 31, 2019	$ 413,237	$ 378,781	$ 19,217	$ 146,160	$ -	$ 957,397
Transfer from exploration & evaluation asse	-	-	-	-	37,015,004	37,015,004
Additions	1,511,078	48,866	192,637	59,373	34,156,575	35,968,529
Foreign exchange movement	(28,747)	17,054	(4,859)	132	(811,069)	(827,489)
Balance, September 30, 2020	**$1,895,568**	**$ 444,701**	**$ 206,995**	**$ 205,665**	**$ 70,360,510**	**$ 73,113,442**
Accumulated depreciation and impairment losses						
Balance, December 31, 2018	$ 255,068	$ 377,627	$ 19,514	$ 80,470	$ -	$ 732,679
Depreciation	97,262	5,532	-	36,223	-	139,017
Foreign exchange movement	(28,068)	(19,136)	(297)	(3,945)	-	(51,447)
Balance, December 31, 2019	$ 324,262	$ 364,022	$ 19,217	$ 112,748	$ -	$ 820,249
Depreciation	97,853	5,499	-	22,662	-	126,014
Foreign exchange movement	(7,508)	18,367	28	1,353	-	12,240
Balance, September 30, 2020	**$ 414,607**	**$ 387,888**	**$ 19,245**	**$ 136,763**	**$ -**	**$ 958,502**
Carrying amounts						
Carrying value at December 31, 2018	$ 177,661	$ 15,379	$ -	$ 62,436	$ -	$ 255,477
Carrying value at December 31, 2019	$ 88,975	$ 14,759	$ -	$ 33,412	$ -	$ 137,148
Balance, September 30, 2020	**$1,480,961**	**$ 56,813**	**$ 187,750**	**$ 68,902**	**$ 70,360,510**	**$ 72,154,940**

A summary of depreciation capitalized is as follows:

	Three Months ended September 30,		Nine Months ended September 30,		Total depreciation capitalized	
	2020	**2019**	**2020**	**2019**	**September 30, 2020**	**December 31, 2019**
	$	$	$	$	$	$
Assets under construction	**38,365**	14,964	**74,433**	30,911	**219,941**	145,508
Exploration expenditures	**2,814**	1,849	**6,518**	3,699	**524,888**	518,371
Total	**$ 41,179**	$ 16,813	**$ 80,951**	$ 34,610	**$ 744,829**	$ 663,879

12. PROPERTY, PLANT AND EQUIPMENT (continued)

a) Segilola Project, Osun Nigeria:

The Segilola Gold Project is located in Osun State of Nigeria, approximately 120km northeast of Lagos. The property comprises mining and exploration licenses that covers an area of 17.2km^2.

Executive Summary

Despite the effects that Covid-19 continues to present around the globe, the Company continued to make excellent progress throughout the third quarter. The Company introduced a number of initiatives that has enabled work to continue normally. Rules have been put in place that have resulted in zero Covid-19 cases at site.

The Project continues to be Lost-time-injury free, with almost 500,000 LTI free shifts now being recorded since project start.

Civils work at the Process Plant is well advanced. The Water Storage Dam is operational, and significant progress at the Camp has been made with some buildings nearing completion. Work clearing the Tailings Management Facility is due to start as soon as all compensation payments have been made.

The Yantai Orient Metallurgy Design & Research Institute have begun sending engineers to site in readiness for installation works as design work continues.

The Mining Contract with Norinco has been approved and signed off with Norinco now procuring the mobile fleet.

Compensation payments to land and crop owners continued throughout the period.

Health & Safety

The Covid-19 restrictions which came into place at the end of the first quarter continue with zero cases of Covid-19 have been recorded at the SROL construction site. Temperature checks, social distancing where possible and the wearing of masks have become a normal part of operating procedures. Health and Safety efforts, which focused on Contractor Management at Site in the first quarter continued with Site Health and Safety rules being further consolidated. Systems and Safe Operating Procedures continue to be developed in order to ensure compliance with safety rules. The construction site and all other SROL work places remain Lost Time Injury Free.

Engineering, Procurement and Construction

Construction work continued at the Process Plant, with civils work at the crusher, ore stockpile, grinding circuit, workshop and warehouse and the Process Plant Wall continuing throughout the quarter. Work continued at the Site Camp with some buildings nearing completion, and work at the Water Storage Dam concluded with finishing work remaining.

Mining Contract Tender

The Mining Contract has been concluded and was signed subsequent to Q3 with equipment being selected and prepared for shipment to site. Further work is being undertaken to optimize the design of the Open Pit.

12. PROPERTY, PLANT AND EQUIPMENT (continued)

a) Segilola Project, Osun Nigeria (continued)

Project Office

The Project Management Office has been developed further. Reporting templates are being developed and Management Plans being drawn up.

Staffing

Staffing of the Project is ongoing with a number of new starters being employed. The engineering department is fully established with benefits in quality control being realized. The Human Resources Department is driving the establishment of HR policies and effective working practice across the Company. The Finance Department has established a robust Financial Control System. A Performance Management Process has been implemented and a training department established. The technical team for survey, mine engineering and grade control has been recruited and are on site in Nigeria place with the department being prepared in readiness for mining. The Process Plant recruitment is currently ongoing.

Community

Compensation payments to land owners and farmers continue with payment currently focused at the Tailings Management Facility in readiness for construction activities starting in Q4. Over 200 Community Workers have benefited from employment at site.

Social & Environment

Construction is continuing apace on the Segilola Gold Mine site with the remainder of the main camp, process plant area and the tailings storage facility (TSF) are now the focus areas of activities. The Water Storage Dam (WSD) is completed as is the construction workers camp area. Compensation to Project Affected Persons (PAPs) for the loss of land and/or assets runs ahead of areas being cleared for construction. Compensation for the WSD has been completed. Mop up surveys for land, assets and spatial data continued in Q3 and enabled the completion of the land and asset surveys which form the basis of compensation schedules for each PAP. There has been a step up in compensation finalised and paid to PAPs in Q3 to enable future land areas (over the pit and waste rock areas) to be ready for site clearance in Q4 2020.

In Canadian dollars, except where noted (unaudited)

12. PROPERTY, PLANT AND EQUIPMENT (continued)

b) Segilola Project, Osun Nigeria (continued)

Rolling totals of the compensation to date are as follows:

Location	Number of Landowners	Number of Asset Owners	Compensation Paid ₦	USD
Camp	20	42	28,259,498.02	60,773.11
WSD and Access Road	97	122	122,292,506.92	262,994.64
Diamond Drilling	22	131	286,147,295.20	615,370.53
Batching Plant & Process Area	1	23	37,189,082.75	79,976.52
Topsoil Reserve	0	20	18,998,139.30	40,856.21
TSF	8	78	97,309,817.45	209,268.42
Total	**148**	**416**	**590,196,339.64**	**$1,269,239.44**

Within the Mine footprint the total landowner parcels are 219 with 813 asset owners. The total area is 427.8ha.

Progress on a range of Health Safety Security and Environment (HSSE) management plans occurred in accordance with requirements set out in the Environment and Social Action Plan (ESAP) 2. HSSE Plans, policies, procedures and protocols issued in Q3 2020 in line with ESAP2 include:

- Transport Management Plan
- Cultural Heritage Management Plan
- Water Management Plan (updated)
- Waste and Hazardous Waste Management and Controls Plan
- Noise and Vibration Management and Controls Plan
- Soils Management and Controls Plan
- Environment Policy
- Social Policy
- Occupational Health and Safety Policy
- COVID 19 Protocol (updated

A site visit and document reviews were undertaken by AFC's Environment and Social Specialists and no red flags were identified. Similarly, the Ministry of Mines, Minerals and Steel's Environment Team also visited site in the past quarter and no red flags were identified.

In Canadian dollars, except where noted (unaudited)

12. PROPERTY, PLANT AND EQUIPMENT (continued)

c) Segilola Project, Osun Nigeria (continued)

The upcoming focus for HSSE management plans for Q4 will be those related to the operations phase such as the Chemicals, Reagents and Hazardous Chemicals Management Plan, the Cyanide Management Plan and the Blasting Management Plan. SROLSafe will also continue to be updated and rolled out to all organisations working at site.

13. EXPLORATION AND EVALUATION ASSETS

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

	Douta Gold Project, Senegal	Central Houndé Project, Burkina Faso	Segilola Gold Project, Osun Nigeria	Exploration licenses, Nigeria	Total
Costs					
Balance, December 31, 2018	$ 13,897,249	$ 1,607,410	$ 27,271,075	$ 26,453	$ 42,802,187
Acquisition costs	-	-	-	10,643	10,643
Exploration costs	259,944	14,634	4,363,716	43,401	4,681,695
Foreign exchange movement	(449,051)	(66,106)	(298,358)	(1,118)	(814,633)
Balance, December 31, 2019	$ 13,708,142	$ 1,555,938	$ 31,336,433	$ 79,379	$ 46,679,892
Exploration costs	873,119	(2,703)	5,678,571	13,399	6,562,386
Transfer to tangible assets	-	-	(37,015,004)	-	(37,015,004)
Foreign exchange movement	425,515	73,788	-	(1,587)	497,716
Balance, September 30, 2020	**$ 15,006,776**	**$ 1,627,023**	**$ -**	**$ 91,191**	**$ 16,724,990**

Classification of Expenditure on the Segilola Gold Project

On April 29, 2020, the Company announced the execution of definitive documents with the Africa Finance Corporation to reach full funding of the Segilola Gold Project in Nigeria ("the Project") and made the Final Investment Decision to proceed with construction of the Project. In accordance with the provisions of IFRS 6, this milestone achievement triggers a change in accounting treatment for expenditure on the Project whereby the costs incurred on the Project were transferred from Exploration and Evaluation Assets to tangible assets as Assets under construction. This transfer has been reflected in this financial report. Upon transfer of the Segilola Gold Project from Exploration and Evaluation assets to Assets under Construction, the Company undertook an impairment assessment in accordance with IAS 36 and determined that no impairment was required to be recognised.

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

Effective February 24, 2012, the Company exercised its option to acquire a 70% interest in the Douta Gold Project pursuant to the terms of the Option Agreement between the Company and IMC. As consideration for the exercise of the option, the Company issued to IMC 11,646,663 common shares, based on a VWAP for the 20 trading days preceding the option exercise date of $0.2014 (or US$0.2018) per share, valued at $2,678,732 based on the Company’s closing share price on February 24, 2012. The share payment includes consideration paid to IMC for extending the time period for exercise of the option.

Pursuant to the terms of the Option Agreement, IMC’s 30% interest will be a “free carry” interest until such time as the Company 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 valuator commissioned by African Star or fund its 30% share of the exploration and operating expenses.

During the quarter activities undertaken on the Douta project were:

- Geological mapping and grab sampling to confirm gold mineralization at the three main prospects Makosa, Maka and Mansa
- Interpretation of Auger drilling results from drilling carried out in Q2 2020.
- Planning and preparing access for an RC Drilling program

Between March and July 2020 a total of 785 auger drillholes were completed over the Maka, Mansa and Makosa Tail prospects in order to define targets for follow up reverse circulation (RC) drilling.

Maka Gold Prospect

The auger results based around a historic drill hole from a limited RC program completed by Thor in 2018 returned a best result of 4m grading 11g/tAu in DMRC012 and were successful in defining two mineralised areas of interest for an RC drilling program.The Company has planned a proposed program of 5,500 metres of RC drilling on the Maka Propsect to commence in Q4 2020.

Makosa

The Makosa discovery is the most significant of several significant exploration targets to be drilled by Thor within the Douta Gold Project. A total of 13 diamond holes and 82 RC drillholes have delineated continuous mineralisation over a strike length of 3,000m. Additional RC drilling of 4,500 metres is designed to increase the mineralised footprint of the mineralisation which is open-ended both along strike to the north and south and at depth.

Subsequent to period end the Company announced the commencement of a 10,000 metre RC Drilling Program Douta. The Program will initially focus on the Maka Prospect where two high grade gold mineralised areas have been defined through auger drilling. The program will then focus on extending the strike length of the Makosa Discovery located in the southern part of the licence.

13. EXPLORATION AND EVALUATION ASSETS (continued)

b) Central Houndé Project, Burkina Faso:

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

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

(ii) Ouere Permit, Central Houndé Project, Burkina Faso:

Argento BF SARL held a 100% interest in the Ouere gold permit, covering an area of approximately 241 km^2 located within the Houndé belt.

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

(iii) Barrick Option Agreement, Central Houndé Project, Burkina Faso:

On April 8, 2015, the Company entered into the Acacia Option Agreement with Acacia Mining plc ("Acacia"), whereby Acacia will have the exclusive option to earn up to a 51% interest in Central Houndé Project by satisfying certain conditions over a specified 4-year period and then the right to acquire an additional 29%, for an aggregate 80% interest in the Central Hounde Project, upon declaration of a Pre-Feasibility Study. As at June 30, 2020, Acacia has met the minimum spending requirement for the Phase 1 Earn-in. As a result, Acacia earned a 51% interest in the Central Houndé Project. The Group currently holds a 49% interest in the Central Houndé Project.

In 2019, Barrick Gold Corporation ("Barrick") completed an acquisition of Acacia through the purchase of the ordinary share capital of Acacia that Barrick did not already own. The acquisition did not affect work undertaken at the Central Hounde Gold Project in Burkina Faso where Barrick continued its exploration work as per its Joint Operation with Thor.

As a result of the COVID-19 pandemic and the deterioration of the security situation in Burkina Faso, Barrick Gold Corp ("Barrick") curtailed exploration activities in the period. Both Thor and Barrick are discussing the options on advancing the project in Q4 2020.

c) Exploration Licenses, Nigeria

The high grade Segilola gold deposit is located on the major regional shear zone that extends for several hundred kilometres through the gold-bearing Ilesha schist belt (structural corridor) of Nigeria. Thor's exploration tenure comprises nine explorations licences. Together with the mining lease over the Segilola Gold Deposit. Thor's total exploration tenure amounts to 912 km^2.

Activities during the quarter comprised drilling, regional steam sediment sampling and detailed auger soil sampling.

In Canadian dollars, except where noted (unaudited)

13. EXPLORATION AND EVALUATION ASSETS (continued)

c) Exploration Licenses, Nigeria (continued)

Q3 2020 Exploration Activities

Statistics

Drilling	No. Holes	No. metres
Diamond	7	1,259
Reverse Circulation	24	1,565
Auger sampling	3,201	4,501
Total	**3,232**	**7,325**

Geochemical Assays	No. samples
Core	214
RC	1,734
Auger geochemistry	2,284
Total	**4,232**

Drilling

The drilling program at Segilola consisted of a diamond drilling campaign and a reverse circulation drilling (RC) campaign. The diamond drilling campaign is initially focussed on converting in-pit inferred resources to reserves with the objective of updating the Segilola Reserve Statement in Q1 2021 prior to mining. A total of seven diamond holes were drilled in this period. The RC drilling campaign has initially focussed on a sterilisation program underneath the proposed waste dump to confirm the suitability of the waste dump siting. Once completed, the RC rig will continue on to exploration targets around the pit and also as part of a comprehensive major regional exploration program being carried out by the Company. The initial RC results have intersected a number of narrow low grade quartz vein intercepts which may require follow up drilling.

As part of its regional exploration program, the Company has strengthened its exploration team with experienced senior hires and has commenced a detailed exploration work which includes a major structural interpretation program by international reputable firms and closed spaced auger geochemistry with a to view advance exploration significantly on all of its licences in 2021.

Both drilling campaigns were carried out by Century Mining Nigeria. Analyses were carried out by MSA Laboratories in Vancouver and Abidjan. Significant results received to date are shown in the table below.

In Canadian dollars, except where noted (unaudited)

13. EXPLORATION AND EVALUATION ASSETS (continued)

c) Exploration Licenses, Nigeria (continued)

HOLE-ID	Easting	Northing	Elevation	Length (m)	From (m)	To (m)	Interval (m)	Grade (g/tAu)	True Width (m)
SGD203	701871	832071	345	152.3	129.3	129.8	0.5	3.68	2.9
SGD204	701874	832030	345	136.7	110.4	112.0	1.6	2.29	1.8
SGD205	701854	832016	345	154.9				NSR	
SGD206	701801	831987	345	231.6				NSR	
SGD207	701712	831861	339	300	271.7	273.0	1.3	1.12	0.9
SGD208	701746	831329	333	131.4	105.4	120.3	15	7.0	10
				includes	105.4	111.0	5.6	9.2	3.2
				and	116.0	120.3	4.3	12.1	2.9

Geochemistry

A further 3,201 samples have been collected during the quarter bringing the total number of auger soil samples to 4,800. Most of these samples were collected from the areas to the east and north of the proposed open pit.

14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		September 30, 2020		December 31, 2019
Trade payables	**$**	**825,412**	$	480,179
Accrued liabilities		**919,411**		552,597
	$	**1,744,823**	$	1,032,776

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

In Canadian dollars, except where noted (unaudited)

15. CAPITAL AND RESERVES

a) Authorized

Unlimited common shares without par value.

b) Issued

	September 30, 2020 Number		**September 30, 2020**	December 31, 2019 Number		December 31, 2019
As at start of the year	449,352,215	$	67,550,111	370,682,965	$	52,268,870
Issue of new shares:						
- Value of warrants expired[i]	-		58,000	-		-
- Issue July 13, 2020[ii]	75,548,530		12,334,796	-		-
- Issue April 29, 2020[iii]	96,295,230		12,593,150	-		-
- Issue December 4, 2019[iiv]	-		(21,419)[v]	78,669,250		15,281,241
	621,195,975	$	92,514,638	449,352,215	$	67,550,111

[i] Value of 1,664,534 broker warrants expired on August 31, 2020.
[ii] Private placement of 75,548,530 common shares at a price of $0.18 per share.
[ii]i Private placement of 96,295,230 common shares at a price of $0.20 per share.
[iv] Private placement of 78,669,250 common shares at a price of $0.20 per share.
[v] Additional costs associated with the private placement of 78,669,250 common shares at a price of $0.20 per share.

c) Share-based compensation

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

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

On January 16, 2020, 14,250,000 stock options were granted at an exercise price of $0.20 per share for a period of five years.

On October 5, 2018, 750,000 stock options were granted at an exercise price of $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 $0.145 per share for a period of five years.

On May 7, 2017, 500,000 stock options were granted at an exercise price of $0.12 per share for a period of three years. On July 5, 2019 the Company announced an extension of the expiry date from May 7, 2020 to May 7, 2022. All other conditions of the options remain the same.

On January 16, 2017, 9,750,000 stock options were granted at an exercise price of $0.12 per share for a period of three years. On July 5, 2019 the Company announced an extension of the expiry date from January 16, 2020 to January 16, 2022. In addition the vesting conditions attached to 1.75 million options were removed with the options vesting immediately and the resulting charge recorded in the Consolidated Statement of Comprehensive Loss.

In Canadian dollars, except where noted (unaudited)

15. CAPITAL AND RESERVES (continued)

c) Share-based compensation (continued)

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 where charged to the statement of comprehensive loss or capitalized as an intangible asset in the period. The assumptions inherent in the use of these models are as follows:

Vesting period (years)	First vesting date	Expected remaining life (years)	Risk free rate	Exercise price	Volatility of share price	Fair value	Options vested	Options granted	Expiry
5	01/16/2017	1.31	1.05%	$0.12	197.32%	$0.14	9,750,000	9,750,000	01/16/2022
5	05/07/2017	1.60	0.87%	$0.12	192.23%	$0.15	500,000	500,000	05/07/2022
5	03/12/2018	2.45	2.00%	$0.145	105.09%	$0.14	12,800,000	12,800,000	03/12/2023
5	10/05/2018	3.01	2.43%	$0.14	100.69%	$0.14	750,000	750,000	10/05/2023
5	01/16/2020	4.30	1.49%	$0.20	74.99%	$0.08	14,250,000	14,250,000	01/16/2025

The share price volatility measure for options granted in 2017 was the historical volatility in Thor's share price measured over the same number of years as the life of the options granted. In 2018 the Company 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 Company has undergone since the acquisition of the Segilola Gold Project in August 2016, the Company's historical share price is not reflective of the current stage of development of the Company, 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.

In Canadian dollars, except where noted (unaudited)

15. CAPITAL AND RESERVES (continued)

c) Share-based compensation (continued)

The following is a summary of changes in options from January 1, 2020, to September 30, 2020, and the outstanding and exercisable options at September 30, 2020:

Grant Date	Expiry Date		Exercise Price	Contractual Lives Remaining (Years)	January 1, 2020 Opening Balance	During the period Granted	During the period Exercised	During the period Expired / Forfeited	September 30, 2020 Closing Balance	September 30, 2020 Number of Options Vested and Exercisable	September 30, 2020 Number of Options Unvested
16-Jan-2017	16-Jan-2022	i	$0.12	1.31	9,750,000	-	-	-	9,750,000	9,750,000	-
7-May-2017	7-May-2022	ii	$0.12	1.60	500,000	-	-	-	500,000	500,000	-
12-Mar-2018	12-Mar-2023		$0.145	2.45	12,800,000	-	-	-	12,800,000	12,800,000	-
5-Oct-2018	5-Oct-2023		$0.14	3.01	750,000	-	-	-	750,000	750,000	-
16-Jan-2020	16-Jan-2025		$0.20	4.30	-	14,250,000	-	-	14,250,000	14,250,000	-
Totals				**2.85**	**23,800,000**	**14,250,000**	**-**	**-**	**38,050,000**	**38,050,000**	-
Weighted Average Exercise Price					**$0.134**	**0**	**-**	**-**	**$0.159**	**$0.159**	**-**

[i] On July 5, 2019 the Company announced an extension of the expiry date from January 16, 2020 to January 16, 2022. All other conditions of the options remain the same.

[ii] On July 5, 2019 the Company announced an extension of the expiry date from May 7, 2020 to May 7, 2022. All other conditions of the options remain the same.

In Canadian dollars, except where noted (unaudited)

15. CAPITAL AND RESERVES (continued)

The following is a summary of changes in options from January 1, 2019, to December 31, 2019, and the outstanding and exercisable options at December 31, 2019:

				Contractual Lives	January 1, 2019	During the period			December 31, 2019	December 31, 2019 Number of Options	
Grant Date	Expiry Date		Exercise Price	Remaining (Years)	Opening Balance	Granted	Exercised	Expired / Forfeited	Closing Balance	Vested and Exercisable	Unvested
16-Jan-2017	16-Jan-2022	i	$0.12	2.06	9,750,000	-	-	-	9,750,000	9,750,000	-
7-May-2017	7-May-2022	ii	$0.12	2.35	500,000	-	-	-	500,000	500,000	-
12-Mar-2018	12-Mar-2023		$0.145	3.20	12,800,000	-	-	-	12,800,000	12,800,000	-
5-Oct-2018	5-Oct-2023		$0.14	3.76	750,000	-	-	-	750,000	750,000	-
Totals				**2.73**	**23,800,000**	**-**	**-**	**-**	**23,800,000**	**23,800,000**	-
Weighted Average Exercise Price					**$0.134**	**-**	**-**	**-**	**$0.134**	**$0.134**	**-**

[i] On July 5, 2019 the Company announced an extension of the expiry date from January 16, 2020 to January 16, 2022. All other conditions of the options remain the same.

[ii] On July 5, 2019 the Company announced an extension of the expiry date from May 7, 2020 to May 7, 2022. All other conditions of the options remain the same.

In Canadian dollars, except where noted (unaudited)

15. CAPITAL AND RESERVES (continued)

d) Share purchase warrants

On August 31, 2018, the Company issued 44,453,335 warrants pursuant to the private share placement closed on the same date, whereby one warrant was issued for every common share subscribed for ("Placement Warrants"). The warrants were issued with an exercise price of $0.28 for a period of thirty-six (36) months.

On August 31, 2018, the Company issued a total of 1,664,534 warrants to a broker for advisory services pursuant to the private share placement closed on the same date ("Broker Warrants"). The warrants were issued with an exercise price of $0.18 for a period of twenty-four (24) months. The 1,664,534 warrants expired, unexercised, on August 31, 2020.

Right to accelerate exercise of warrants

If at any time after four months and one day after August 31, 2018, the Common Shares trade on the TSX Venture Exchange (the "TSX-V") at a closing price equal to or greater than $0.36 for a period of twenty (20) consecutive trading days, the Company may exercise a right to accelerate the expiry date of the Placement Warrants by giving notice to the holders of the Placing Warrants within five trading days after such event that the Placing Warrants shall expire (30) days from the date of such notice.

	Number of Warrants	Weighted Average Exercise Price	Carrying Value
Balance, December 31, 2017			$ -
Private placement	44,453,335	$0.28	475,000
Broker	1,664,534	$0.18	58,000
Balance, December 31, 2018	**46,117,869**		**533,000**
Balance, December 31, 2019	**46,117,869**		**533,000**
Broker warrants expiry August 31, 2020	(1,664,534)	$0.18	(58,000)
Balance, June 30, 2020	**44,453,335**		**475,000**

The value of the private placement warrants is net of the value of the Company's right to accelerate exercise of the warrants.

The aggregate value of the Placement Warrants outstanding at the reporting date is $475,000 which was determined using the Black Scholes model. The inputs to the model are listed in the table below:

Vesting period (years)	First vesting date	Expected life (years)	Risk free rate	Exercise price	Volatility of share price	Fair value	Warrants vested	Warrants granted	Expiry
3	31/08/2018	1.17	2.08%	$0.28	82.43%	$0.08	44,453,335	44,453,335	31/08/2021

The volatility was determined by calculating the average volatility of a collection of three peer companies historical share prices for the exercise period of each parcel of warrants.

In Canadian dollars, except where noted (unaudited)

15. CAPITAL AND RESERVES (continued)

d) Share purchase warrants (continued)

The Company's right to accelerate the exercising of the warrants arises in the event that the Common Shares trade on the TSX Venture Exchange (the "TSX-V") at a closing price equal to or greater than $0.36 for a period of twenty (20) consecutive trading days. The Company may give notice to the holders of the warrants requiring that they exercise the warrants with a period of thirty (30) days from the date of notice, failing which the Warrants shall expire.

The inputs to the model for the Company's right to accelerate the exercising of the warrants are listed in the table below:

Vesting period (years)	First vesting date	Expected life (years)	Risk free rate	Exercise price	Volatility of share price	Fair value	Warrants vested	Warrants granted	Expiry
3	31/08/2018	1.17	2.08%	$0.36	82.43%	$0.07	44,453,335	44,453,335	31/08/2021

e) Nature and purpose of equity and reserves

The reserves recorded in equity on the Company's statement of financial position include 'Reserves', 'Currency translation reserve', 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 Canadian dollars.

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

'Share purchase warrants' is used to recognize the value of share purchase warrants prior to exercise or forfeiture.

In Canadian dollars, except where noted (unaudited)

16. RELATED PARTY DISCLOSURES

A number of key management personnel, or their related parties, hold or held positions in other entities that result in them having control or significant influence over the financial or operating policies of the entities outlined below. A number of these entities transacted with the Company during the current or comparative reporting periods.

a) Trading transactions

The Company's related parties consist of companies owned by directors as follows:

	Nature of transactions
Goldstream Capital Corporation	Director Fees

The transactions with Goldstream Capital Corporation are included in the compensation value paid to Directors in part b) below.

b) Compensation of key management personnel

The remuneration of directors and other members of key management during the three and nine months ended September 30, 2020 and 2019 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	**2020**	2019
Salaries				
Current officers	$ **850,154**	$ 133,212	$ **1,200,809**	$ 402,594
Directors' fees				
Current directors	**106,654**	86,279	**304,173**	256,463
Share-based payments				
Current directors and officers	**-**	-	**813,115**	-
	$ **956,808**	$ 219,491	$ **2,318,097**	$ 659,056

(i) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the three and nine months ended September 30, 2020 and 2019.

(ii) The Company paid consulting and director fees to both individuals and private companies controlled by directors and officers of the Company for services. Accounts payable and accrued liabilities at September 30, 2020 include $41,337 (December 31, 2019 - $nil) due to directors or private companies controlled by an officer and director of the Company. Amounts due to or from related parties are unsecured, non-interest bearing and due on demand.

In Canadian dollars, except where noted (unaudited)

17. SUPPLEMENTAL CASH FLOW INFORMATION

a) Changes in non-cash working capital are as follows:

	Three Months Ended September 30,				Nine Months Ended September 30,			
		2020		2019		**2020**		2019
Amounts receivable	**$**	**370**	$	(11,036)	**$**	**(53,321)**	$	36,301
Prepaid expenses and deposits		**2,959**		8,593		**11,204**		37,342
Accounts payable and accrued liabilities		**(4,316,887)**		(384,172)		**875,500**		223,035
Change in non-cash working capital accounts	**$**	**(4,313,557)**	$	(386,615)	**$**	**833,384**	$	296,678
Relating to:								
Operating activities	**$**	**113,457**	$	(9,819)	**$**	**331,429**	$	324,485
Financing activities		**(86,212)**		-		**15,685**		43,824
Investing activities		**(4,340,803)**		(376,795)		**486,270**		(71,631)
	$	**(4,313,557)**	$	(386,615)	**$**	**833,384**	$	296,678

Accounts payable and accrued liabilities includes $918,647 (December 31, 2019 - $417,777) related to Assets under Construction and Exploration.

b) The Company has no outlays in respect of income taxes for the three and nine months ended September 30, 2020 and 2019.

18. FINANCIAL INSTRUMENTS

The Group’s financial instruments consist of cash, amounts receivable, investment, accounts payable, accrued liabilities and lease liabilities.

Fair value of financial assets and liabilities
Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amount for cash, accounts receivable, and accounts payable, accrued liabilities and lease liabilities on the statement of financial position approximate their fair value because of the limited term of these instruments.

Financial risk management objectives and policies
The Group has exposure to the following risks from its use of financial instruments

- Credit risk
- Liquidity and funding risk
- Market risk

In Canadian dollars, except where noted (unaudited)

18. FINANCIAL INSTRUMENTS (continued)

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in these notes.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

September 30, 2020		Total
Assets		
Cash and cash equivalents	$	13,252,405
Restricted cash		6,196,417
Amounts receivable		370,058
Total assets measured at amortised cost		**19,818,880**
		Total
Liabilities		
Accounts payable and accrued liabilities	$	1,744,823
Lease liabilities		53,351
Total liabilities measured at amortised cost	**$**	**1,798,174**

December 31, 2019		Total
Assets		
Cash and cash equivalents	$	5,402,920
Restricted cash		-
Amounts receivable		1,145,837
Total assets measured at amortised cost		**6,548,757**
		Total
Liabilities		
Accounts payable and accrued liabilities	$	1,032,776
Lease liabilities		96,665
Total liabilities measured at amortised cost	**$**	**1,129,441**

In Canadian dollars, except where noted (unaudited)

18. FINANCIAL INSTRUMENTS (continued)

Credit risk

Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. The credit risk associated with cash and receivables is believed to be minimal.

Cash consists of cash on deposit in Canadian, UK, Nigerian, and Senegalese Chartered banks that are believed to be creditworthy.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at September 30, 2020, and December 31, 2019, were as follows:

		September 30, 2019		December 31, 2019
Cash	$	13,252,405	$	5,402,920
Restricted cash		6,196,417		-
Amounts receivable		370,058		1,145,837
Total	**$**	**19,818,880**	**$**	**6,548,757**

Liquidity and funding risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is held in business accounts and are available on demand. Funding risk is the risk that the Company may not be able to raise adfitional financing in a timely manner and on terms acceptable to management. There are no assurances that such financing will be available when, and if, the Company requires additional financing.

In the normal course of business, the Company enters into contracts and performs business activities that give rise to commitments for future minimum payments.

The following table summarizes the Company's significant remaining contractual maturities for financial liabilities at September 30, 2020, and December 31, 2019.

18. FINANCIAL INSTRUMENTS (continued)

Liquidity and funding risk (continued)

Contractual maturity analysis as at September 30, 2020

	Less than 3 months $	3 – 12 Months $	1 – 5 Year $	Longer than 5 years $	Total $
Accounts payable	344,614	480,798	-	-	825,412
Accrued liabilities	919,411	-	-	-	919,411
	1,264,025	**480,798**	**-**	**-**	**1,744,823**

Contractual maturity analysis as at December 31, 2019

	Less than 3 months $	3 – 12 Months $	1 – 5 Year $	Longer than 5 years $	Total $
Accounts payable	232,860	247,319	-	-	480,179
Accrued liabilities	552,597	-	-	-	552,597
	785,457	**247,319**	**-**	**-**	**1,032,776**

Market risk

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets or liabilities. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly. The Group has no material interest rate exposure as at September 30, 2020.

b) Foreign currency risk

The Group seeks to manage its exposure to this risk by ensuring that where possible, the majority of expenditure and cash of individual subsidiaries within the Group are denominated in the same currency as the functional currency of that subsidiary.

The Company's exploration expenditures, certain acquisition costs and other operating expenses are denominated in United States Dollars and UK Pounds Sterling. The Company's exposure to foreign currency risk arises primarily on fluctuations between the Canadian Dollars and the United States Dollars and UK Pounds Sterling. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations.

In Canadian dollars, except where noted (unaudited)

18. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

The following table shows a currency of net monetary assets and liabilities by functional currency of the underlying companies for the period ended September 30, 2020:

	Functional currency					
	Canadian dollar	US dollar	Pound Sterling	Nigerian Naira	West African Franc	Total
Currency of net monetary asset/(liability)	September 30, 2020 CAD$	September 30, 2020 CAD$	September 30, 2020 CAD$	September 30, 2020 CAD$	September 30, 2020 CAD$	September 30, 2020 CAD$
Canadian dollar	(196,716)	-	-	-	-	(196,716)
US dollar	10,278,037	-	-	(24,726,719)	-	(14,448,682)
Pound Sterling	(62,491)	-	9	-	-	(62,482)
Nigerian Naira	-	-	-	4,078,074	-	4,078,074
West African Franc	-	-	-	-	(139,038)	(139,038)
Australian dollar	(61,352)	-	-	-	-	(61,352)
Total	9,957,478	-	9	(20,648,645)	(139,038)	(10,830,196)

The following table shows the currency of net monetary assets and liabilities by functional currency of the underlying companies for the year ended December 31, 2019:

	Functional currency					
	Canadian dollar	US dollar	Pound Sterling	Nigerian Naira	West African Franc	Total
Currency of net monetary asset/(liability)	December 31, 2019 CAD$	December 31, 2019 CAD$	December 31, 2019 CAD$	December 31, 2019 CAD$	December 31, 2019 CAD$	December 31, 2019 CAD$
Canadian dollar	(384,467)	-	-	-	-	(384,467)
US dollar	6,300,514	-	-	400	-	6,300,914
Pound Sterling	(128,754)	-	9	-	-	(128,745)
Nigerian Naira	-	-	-	35,580	-	35,580
West African Franc	-	-	-	-	(303,941)	(303,941)
Australian dollar	(3,360)	-	-	-	-	(3,360)
Total	5,783,933	-	9	35,980	(303,941)	5,515,981

In Canadian dollars, except where noted (unaudited)

18. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

The following table discusses the Company's sensitivity to a 5% increase or decrease in the Canadian Dollar against the United States Dollar:

September 30, 2020	Canadian Dollar Appreciation By 5%	Canadian Dollar Depreciation By 5%
Comprehensive income (loss)		
Financial assets and liabilities	$ 558,000	$ (558,000)
December 31, 2019		
Comprehensive income (loss)		
Financial assets and liabilities	$ 315,000	$ (315,000)

19. CAPITAL MANAGEMENT

The Company manages, as capital, the components of shareholders' equity. The Company's objectives, when managing capital, are to safeguard its ability to continue as a going concern in order to explore its unproven mineral interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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

20. CONTINGENT LIABILITIES

Under the terms of the Sale and Purchase Agreements ("SPA") dated June 27, 2016, for the acquisition of the Segilola Gold Project in Nigeria, the Group will have an obligation to pay royalties to former owners on net smelter return from all materials mined ("Production") from the ML41 and EL19066 licenses ("the Licenses") owned by Segilola Resources Operating Limited. Royalty expenses will be recognised in the income statement in line with production from the Licenses. These royalty to former owners are as follows:

- Vox Royalty Corp (acquired from Ratel Group Limited) 1.5% of Production up to a maximum of US$3.5 million;
- Tropical Mines Limited ("TML") 1.125% of Production up to a maximum of US$3.0 million; and
- Delano Gold Mining Industries Limited ("Delano") 0.375% of Production up to a maximum of US$1 million.

In Canadian dollars, except where noted (unaudited)

21. SEGMENTED DISCLOSURES

Geographic Information

The Company's operations comprise one reportable segment, being the exploration of mineral resource properties. The carrying value of the Company's assets on a country-by-country basis is as follows:

September 30, 2020	Senegal	Burkina Faso	British Virgin Islands	Nigeria	Canada	Total
Current assets	$ 6,553	$ 5,361	$19	$ 9,234,755	$ 10,757,366	$ 20,004,054
Investment	-	-	-	-	-	-
Deferred income tax assets	16,180	-	-	-	-	16,180
Prepaid expenses and deposit	-	-	-	-	23,327	23,327
Right of use assets	-	-	-	-	65,943	65,943
Property, plant and equipment	136,641	1,036	87,611	71,927,927	1,725	72,154,940
Exploration and evaluation assets	15,006,777	1,627,023	-	91,190	-	16,724,990
Total assets	$ 15,166,151	$ 1,633,420	$87,630	$81,253,872	$ 10,848,361	$108,989,434

December 31, 2019	Senegal	Burkina Faso	British Virgin Islands	Nigeria	Canada	Total
Current assets	$ 3,337	$ 4,996	$ -	$ 341,997	$ 6,398,776	$ 6,749,106
Investment	-	-	-	-	2	2
Deferred income tax assets	15,075	-	-	-	-	15,075
Prepaid expenses and deposit	-	-	-	-	23,327	23,327
Right of use assets	-	-	-	-	108,177	108,177
Property, plant and equipment	23,806	1,228	-	111,456	658	137,148
Exploration and evaluation assets	13,708,142	1,555,938	-	31,415,812	-	46,679,892
Total assets	$ 13,750,360	$ 1,562,162	$ -	$31,869,265	$ 6,530,940	$53,712,727

22. SUBSEQUENT EVENTS

There have been no events since September 30, 2020, that have significantly affected the Company's operations, results or state of affairs.