GEODRILL LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2021 and 2020

(in United States dollars)

GEODRILL LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2021 and 2020

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Independent auditor's report

To the Shareholders of Geodrill Limited

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Geodrill Limited and its subsidiaries (together, the Company) as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2021 and 2020;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Uncertain Tax Position - Burkina Faso *Refer to note 3 – Critical accounting estimates and judgments and note 27 – Contingency to the consolidated financial statements.* The Company operates in a number of African countries. The Company has been subject to historical tax claims in certain jurisdictions and these are still active. The judgments and estimates made to recognize and measure the effect of uncertain tax positions are reassessed whenever circumstances change or when there is new information that affects those judgments. During 2020, the Burkina Faso Tax Authority's (BFTA) Head of Taxpayers Management Department issued a revised assessment claiming reduced tax and penalties of \$9.7 million for the years 2016 through 2018, a reduction from the original assessment of \$17.9 million. For the years of the revised assessment, the BFTA has assessed that the Company had a permanent establishment in Burkina Faso and was subject to taxes, penalties and interest under Burkina Faso's tax legislation. The Company maintains that it did not have a permanent establishment in Burkina Faso in the years of the revised assessment and operated in Burkina Faso as a non-resident taxpayer. As a non-resident taxpayer, the Company was subject to a withholding tax on a percentage of its revenue as it was not registered with the BFTA and had never obtained a unique financial identification number. During the years 2016 to 2018, the Company was subject to a non-resident withholding tax. The non-resident withholding tax is paid to the Director	Our approach to addressing the matter included the following procedures, among others: • Professionals with specialized skill and knowledge in Burkina Faso taxation law assisted in the evaluation of management's interpretation and application of relevant tax laws in Burkina Faso, consideration of changes in circumstances or new information during the year related to the uncertain tax position and evaluated the reasonableness of management's determination of the uncertain tax position. • Obtained a legal confirmation from the Company's external legal counsel to evaluate the reasonableness of management's determination of the uncertain tax position. • Assessed the disclosures related to the uncertain tax position in the consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
General of taxes directly from the Company's clients on the Company's behalf. As disclosed by management, management has evaluated the BFTA revised assessment and continues to disagree with the BFTA's conclusion and believes it is without merit. During 2021, the Company filed a Notice of Request for a discharge for the amounts owing under the revised assessment with the administrative courts in Burkina Faso and the ruling is pending. We considered this a key audit matter due to the significance of the Burkina Faso tax claim and judgments made by management in the determination of the uncertain tax position. This resulted in a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating management's determination of the uncertain tax position. The audit effort involved the use of professionals with specialized skill and knowledge.	

Other information

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Eric Clarke.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 4, 2022

GEODRILL LIMITED
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at December 31, 2021 and 2020

	Note	December 31, 2021 US$	December 31, 2020 US$
Assets			
Non-current assets			
Property, plant and equipment	*10*	49,085,157	42,355,271
Right-of-use assets	*11*	811,671	711,590
Total non-current assets		**49,896,828**	**43,066,861**
Current assets			
Financial assets at fair value through profit or loss	*12*	4,253,119	2,066,648
Inventories	*13*	27,832,408	22,498,525
Prepayments		1,590,638	1,493,013
Trade and other receivables	*14*	23,707,433	22,650,964
Cash		9,275,316	6,564,525
Total current assets		**66,658,914**	**55,273,675**
Total assets		**116,555,742**	**98,340,536**
Equity and liabilities			
Equity			
Share capital		24,858,172	23,378,281
Share-based payment reserve		3,857,405	4,270,588
Retained earnings		58,830,570	45,410,722
Capital and reserves attributable to owners of Geodrill Limited		87,546,147	73,059,591
Non-controlling interests	*15*	(19,612)	119
Total equity		**87,526,535**	**73,059,710**
Liabilities			
Non-current liabilities			
Deferred tax liability	*9(iv)*	3,381,671	3,312,310
Loans payable	*16*	2,940,909	-
Lease liabilities		405,823	321,941
Total non-current liabilities		**6,728,403**	**3,634,251**
Current liabilities			
Trade and other payables	*17*	17,037,523	16,474,655
Loans payable	*16*	3,960,606	3,083,333
Lease liabilities		302,828	343,949
Taxes payable	*9(ii)*	999,847	1,294,638
Related party payables	*21(iii)*	-	450,000
Total current liabilities		**22,300,804**	**21,646,575**
Total equity and liabilities		**116,555,742**	**98,340,536**
Contingency	27		

Approved by the Board of Directors

"signed"
John Bingham
Chairman of the Board of Directors

"signed"
Ron Sellwood
Chairman of the Audit Committee

GEODRILL LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2021 and 2020

	Note	December 31, 2021 US$	December 31, 2020 US$
Revenue		115,214,415	82,435,561
Cost of sales	*8*	(85,116,161)	(61,521,711)
Gross profit		**30,098,254**	**20,913,850**
Selling, general and administrative expenses	*8*	(11,241,632)	(10,132,163)
Foreign exchange loss		(436,670)	(294,994)
Other gain	*12*	2,028,139	323,993
Results from operating activities		**20,448,091**	**10,810,686**
Finance income		-	547
Finance costs		(654,193)	(219,114)
Income before taxation		**19,793,898**	**10,592,119**
Income tax expense	*9(i)*	(5,675,734)	(3,079,322)
Income and total comprehensive income for the year		**14,118,164**	**7,512,797**
Income and total comprehensive income for the year is attributable to:			
Owners of Geodrill Limited		14,137,895	7,517,483
Non-controlling interests		(19,731)	(4,686)
		14,118,164	**7,512,797**
Earnings per share for income attributable to the ordinary equity holders of the Company			
Basic	*24(i)*	$0.31	$0.17
Diluted	*24(ii)*	$0.31	$0.17

GEODRILL LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2021 and 2020

	Attributable to owners of Geodrill Limited				
	Share Capital US$	Share-based Payment Reserve US$	Retained Earnings US$	Non-controlling interests US$	Total Equity US$
Balance at January 1, 2021	23,378,281	4,270,588	45,410,722	119	73,059,710
Income and total comprehensive income for the year	-	-	14,137,895	(19,731)	14,118,164
Dividends (Note 25)	-	-	(717,836)	-	(717,836)
Share buy-back and cancellation	(160)	-	(211)	-	(371)
Exercise of stock options	1,480,051	(641,480)	-	-	838,571
Share-based payment expense	-	228,297	-	-	228,297
Balance at December 31, 2021	**24,858,172**	**3,857,405**	**58,830,570**	**(19,612)**	**87,526,535**
Balance at January 1, 2020	23,204,469	4,351,899	38,242,108	-	65,798,476
Income and total comprehensive income for the year	-	-	7,517,483	(4,686)	7,512,797
Non-controlling interest recognized on acquistion of subsidiary	-	-	-	4,805	4,805
Share buy-back and cancellation	(207,015)	-	(348,869)	-	(555,884)
Exercise of stock options	380,827	(219,100)	-	-	161,727
Share-based payment expense	-	137,789	-	-	137,789
Balance at December 31, 2020	**23,378,281**	**4,270,588**	**45,410,722**	**119**	**73,059,710**

GEODRILL LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2021 and 2020

	December 31, 2021 US$	December 31, 2020 US$
Cash flows from operating activities		
Income before taxation	19,793,898	10,592,119
Adjustments for:		
Depreciation expense	9,005,630	8,139,783
Movement in expected lifetime credit losses	534,959	111,045
Change in provision for inventory obsolescence	81,505	170,537
Equity-settled share-based payment expense	228,297	137,789
Finance income	-	(547)
Finance costs	654,193	219,114
Fair value gains on current financial assets at fair value through profit and loss	(2,028,139)	(323,993)
Unrealized foreign exchange loss	706,507	491,908
	28,976,850	**19,537,755**
Change in financial assets at fair value through profit and loss	(158,332)	(1,313,868)
Change in inventories	(5,415,388)	(5,008,784)
Change in prepayments	(97,625)	(959,406)
Change in trade and other receivables	(1,591,426)	(7,446,556)
Change in trade and other payables	(437,734)	3,763,439
	21,276,345	**8,572,580**
Finance income received	-	547
Finance costs paid	(593,231)	(191,937)
Income taxes paid	(5,901,164)	(3,545,705)
Net cash generated from operating activities	**14,781,950**	**4,835,485**
Investing activities		
Purchase of property, plant and equipment	(14,631,830)	(7,521,150)
Net cash used in investing activities	**(14,631,830)**	**(7,521,150)**
Financing activities		
Loans received	11,500,000	2,000,000
Loan payments	(7,681,818)	(2,287,190)
Lease liabilities payments	(658,038)	(435,892)
Cash received on exercise of options	838,571	161,727
Dividends paid	(717,836)	-
Related party payables payments	(450,000)	-
Share buy-back	(371)	(555,884)
Transactions with non-controlling interest	-	4,805
Net cash generated from / (used in) financing activities	**2,830,508**	**(1,112,434)**
Effect of movement in exchange rates on cash	**(269,837)**	**(195,560)**
Net increase / (decrease) in cash	**2,710,791**	**(3,993,659)**
Cash at beginning of the year	6,564,525	10,558,184
Cash at end of the year	**9,275,316**	**6,564,525**

1. GENERAL INFORMATION

Geodrill Limited ("Geodrill" or the "Company") is a company registered and domiciled in the Isle of Man. The address of the Company's registered office is Ragnall House, 18 Peel Road, Douglas, Isle of Man, IM1 4LZ. The audited consolidated financial statements of the Company for the years ended December 31, 2021 and 2020 comprise the financial statements of the Company and its wholly owned subsidiaries, Geodrill Ghana Ltd, Geodrill Mauritius Limited, Geodrill Cote d'Ivoire SARL, Drilling Services Malta Limited, Vannin Resources, Unipessoal Limitada, Geodrill Sondagens LTDA, Silver Back Egypt for Mining and Drilling Services S.A.E., Geodrill Zambia Limited being Geodrill Limited's registered foreign Zambian operating entity, Geodrill BF SARL being Geodrill Cote d'Ivoire SARL's registered foreign Burkina Faso operating entity, Geodrill Mali SARL being Geodrill Cote d'Ivoire SARL's registered foreign Mali operating entity, Recon Drilling S.A.C. of which the Company owns a 95% shareholding and Geo-Drill SARL of which the Company owns a 95% shareholding, collectively referred to as the "Group".

The Company is primarily a provider of mineral exploration drilling services. These audited consolidated financial statements were approved and authorized for issuance by the Board of Directors of Geodrill on March 4, 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB). The financial statements are prepared on a going concern basis.

b. Basis of measurement

The consolidated financial statements are prepared on the historical cost basis except where otherwise stated.

c. Functional and presentation currency

The consolidated financial statements are presented in United States dollars which is the Company's functional and presentation currency.

d. Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Consistent accounting policies and the same reporting period are used for all Group entities.

(ii) Transactions eliminated on consolidation

Intra-Group balances, intercompany gains and losses, transactions and dividends are eliminated in preparing the consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Financial instruments

(i) Recognition

Financial assets and financial liabilities are recognized in the Statement of Financial Position when a Group entity 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 (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Comprehensive Income.

Financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss' (“FVTPL”), financial assets ‘at fair value through other comprehensive income' (“FVTOCI”), and financial assets at ‘amortized cost'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Subsequent to initial recognition, the treatment of financial assets depends on their classification. Those recognized as FVTPL and FVTOCI are carried in the Consolidated Statement of Financial Position at fair value with changes in fair value recognized in the Statement of Comprehensive Income. Financial assets at amortized cost are measured at amortized cost using the effective interest method, less impairment.

Financial liabilities are classified as either financial liabilities “at FVTPL” or financial liabilities at “amortized cost”.

Subsequent to initial recognition, the treatment of financial liabilities depends on their classification. Those recognized as FVTPL are carried in the Consolidated Statement of Financial Position at fair value with changes in fair value recognized in the Statement of Comprehensive Income. Financial liabilities at amortized cost are measured at amortized cost using the effective interest method.

(ii) Derecognition

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire, or the Company transfers the rights to receive the contractual cash flows or the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial liabilities are derecognized when, and only when, the Company’s obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the Statement of Comprehensive Income.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Financial instruments (continued)

(iii) Measurement

The Company applies a hierarchy to measure financial instruments carried at fair value. Levels 1 to 3 are defined based on the degree to which fair value inputs are observable and have a significant effect on the recorded fair value, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation techniques using significant observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices), or valuations that are based on quoted prices for similar instruments; and

Level 3: Valuation techniques using significant inputs that are not based on observable market data (unobservable inputs).The fair values of financial instruments are determined using market prices for quoted instruments and widely accepted valuation techniques for other instruments. Valuation techniques include discounted cash flows, standard valuation models based on market parameters, dealer quotes for similar instruments and expert valuations.

When fair values of unquoted instruments cannot be measured with sufficient reliability, such instruments are carried at cost less impairments, if applicable.

Trade and other receivables, Cash, Trade and other payables, Related party payables and Loans payable are all measured at amortized cost.

Further information relating to the fair values of financial instruments is provided in notes 5 and 19.

(iv) Amortized cost measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

(v) Offsetting

Financial assets and liabilities are set off and the net amount presented in the Consolidated Statement of Financial Position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(vi) Share capital

Proceeds from the issue of ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and stock options are recognized as a deduction from equity, net of any tax effects.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Financial instruments (continued)

(vii) Compound financial instruments

From time to time the Company may issue compound financial instruments such as convertible notes that can be converted to share capital at the option of the holder, when the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component.

Any directly attributable transaction costs are allocated to the liability and equity component in the proportion of their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition.

Interest, and gains and losses related to the financial liability, are recognized in the Statement of Comprehensive Income. On conversion, the financial liability is reclassified to equity.

(viii) Trade receivables

Trade receivables are initially stated at their fair value. The carrying amounts for accounts receivable are net of allowances for doubtful accounts. The Company recognizes lifetime expected credit losses (“ECL”) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

f. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at acquisition or construction cost, less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset and, for qualifying assets, capitalized borrowing costs. The cost of self-constructed assets includes the cost of materials and direct labor, and any other costs directly attributable to bringing the asset to a working condition for its intended use. When significant 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.

(ii) Subsequent costs

The cost of overhauls and 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 costs of the day-to-day maintenance, repair and servicing expenditures incurred on property, plant and equipment are recognized in the Statement of Comprehensive Income, as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Property, plant and equipment (continued)

(iii) Depreciation

Depreciation is recognized in comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Assets leased under a finance lease are depreciated over the shorter of their useful lives and the term of the lease. Land and capital work in progress are not depreciated. The estimated useful lives of major classes of depreciable property, plant and equipment are:

Motor vehicles	5 years
Plant and equipment	5 years
Leasehold improvements	over the term of the lease
Buildings	15 years
Drill rigs	10 years
Drill rig components	5 years

Depreciation methods, useful lives and residual values of property plant and equipment are reassessed at each reporting date. The useful lives of these assets and residual values can vary depending on a variety of factors, including technological innovation and maintenance programs. Changes in estimates can result in significant variations in the carrying value and amounts charged, on account of depreciation, to profit or loss in specific periods.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds from disposal with the carrying amounts of property, plant and equipment, and are recognized in the Statement of Comprehensive Income.

(iv) Impairment

The Company's property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the respective asset's or cash-generating unit's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amounts. A cash-generating unit is the smallest identifiable asset group that generates cash inflows that are largely independent from other assets and groups. Due to the integrated nature of operations and re-deployment of drill rigs between countries, property, plant and equipment is tested as a single cash generating unit.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Property, plant and equipment (continued)

The recoverable amount of the asset or cash-generating unit is based on the higher of value-in-use and fair value less costs to sell. The value-in-use calculation requires an estimation of the future cash flows expected to arise from the asset or cash-generating unit and a pre-tax discount rate in order to calculate the present value. Fair values less costs to sell are based on recent market transactions where available and, where not available, appropriate valuation models are used. An impairment loss is recognized immediately in the Statement of Comprehensive Income.

At the end of each reporting period, the Company assesses whether there is any indication that an impairment loss recognized in prior periods for an asset or cash-generating unit may no longer exist or may have decreased. If any such indication exists, the Company estimates the recoverable amount of the asset or cash-generating unit. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Comprehensive Income.

g. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of spare parts is based on the first-in first-out principle and includes expenditures incurred in acquiring/building the inventories and bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

Inventory is assessed on a per unit basis to determine whether indicators exist which would lead to a downward revision in the net realizable value of inventory. This assessment is performed at each reporting date.

h. Employee benefits

(i) <u>Defined contribution plans</u>

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay future amounts. Obligations for contributions to defined contribution schemes are recognized as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

(ii) <u>Short-term benefits</u>

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee, and the obligation can be estimated reliably.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. Employee benefits (continued)

(iii) Share-based payment transactions

The grant-date fair value of equity-settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in share based payments reserve, over the period that the employees unconditionally become entitled to the awards. Estimations are made at the end of each reporting period of the number of instruments which will eventually vest. The impact of any revision is recognized in the Statement of Comprehensive Income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve.

i. Income tax

Income tax expense comprises current and deferred tax expenses.

Current tax and deferred tax are recognized in comprehensive income except to the extent that they relate to items recognized directly in other comprehensive income or equity. Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

j. Dividends

Dividends payable are recognized in the period in which the dividend is appropriately authorized.

k. Revenue – drilling revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control of a product or service to a customer using the five step approach in the revenue framework in IFRS 15. The Company provides drillings services to its customers. Drilling revenue is recognized as revenue when the outcome of the drilling can be estimated reliably to the actual chargeable meters drilled. Such services are recognized as a performance obligation is satisfied at points in time when the drilling service has met the performance obligations under IFRS 15. Payment for drilling services is not due from the customer until the drilling service has been performed and invoiced. Revenue from the provision of services in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. Revenue – drilling revenue (continued)

The outcome can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the drilling service rendered will flow to the Company;
- the work performed of the drilling service at the end of the reporting period can be measured reliably and has been agreed with the customer; and
- the costs incurred for and to complete the drilling can be measured reliably.

l. Finance income

Finance income comprises interest income on funds invested or held in bank accounts. Interest income is recognized in the Statement of Comprehensive Income using the effective interest method.

m. Finance costs

Finance costs comprise interest expense on borrowings, including all financing arrangements.

n. Foreign exchange

Monetary assets and liabilities denominated in foreign currencies have been translated into United States dollars using the reporting date exchange rate, with realized and unrealized gains and losses included in the determination of profit and loss. Revenues and expenses denominated in foreign currencies are translated at the average exchange rate for the period which approximate date of transaction exchange rates.

o. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

p. Earnings per share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted earnings per share is determined by adjusting the weighted average number of ordinary shares outstanding for the effects of all dilutive potential shares, which currently comprise stock options granted to employees, consultants and directors.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q. Leases

(i) Classification

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are stated as assets of the Company at the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. The corresponding liability to the lessor is included in the Consolidated Statement of Financial Position as a finance lease obligation. Finance costs are charged to profit or loss over the term of the relevant lease so as to produce a constant periodic interest charge on the remaining balance of the obligations for each accounting period.

(ii) Lease payments

Payments made under operating leases are charged to comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place. Minimum lease payments made under finance leases are apportioned between finance expense and a reduction of the outstanding lease liability.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Depreciation of property, plant and equipment

Property, plant and equipment are often used in demanding environments and may be subject to accelerated depreciation. Management considers the reasonableness of useful lives and whether known factors reduce or extend the lives of certain assets. This is accomplished by assessing the changing business conditions, examining the level of expenditures required for additional improvements, observing the patterns of gains or losses on disposals, and considering the various components of the assets.

b. Share-based payment transactions

The fair value of share-based payment transactions is based on certain assumptions determined by management. The main areas of estimate relate to the determination of the risk free interest rate, stock price volatility and the forfeiture rate.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

c. Net realizable value of inventory

Management reviews inventories at each reporting period to determine whether indicators exist which would lead to a downward revision in the net realizable value of the inventory. Management's estimate of net realizable value of such inventories is based primarily on sales price and current market conditions.

d. Impairment provision for trade receivables

Trade receivables are initially recorded at fair value. The carrying amounts for trade accounts receivable are net of lifetime expected credit losses ("ECL"). Management has set up a provision matrix to determine the allowance for ECL for trade receivables and uses specific matrices for individual large customers. The provision matrices are derived from the Company's historical credit loss experience and are adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current economic conditions as well as estimates of forward looking economic conditions at the reporting date. Significant judgements are made in determining the adjustments for these factors. Although there are no significant historical write off of trade receivables there are large aged trade receivable balances for which judgement is required to determine the measurement of the impairment provision at the reporting date.

e. Income tax

Tax interpretations, regulations and legislation in the various countries in which the Company operates are subject to change and management uncertainty. Current income tax expense is based on tax currently payable or current withholding tax rates in countries in which the Company operates. In addition, deferred income tax liabilities are assessed by management at the end of the reporting period and are measured at the tax rates that are expected to be applied to the temporary differences when they reverse. The sufficiency of estimated future taxable income is also assessed by management in the context of the recognition of deferred tax assets attributable to unused tax losses.

The amount recognized as accrued liabilities is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. The Company assesses its liabilities at each reporting period, based upon the best information available, relevant to the tax laws and other appropriate requirements.

f. Assessment of impairment of property, plant and equipment

The Company tests at each reporting period whether there are indicators of impairment with respect to its property, plant and equipment, in accordance with the accounting policy stated in Note 2f(iv). If such indicators are identified, the recoverable amounts of each cash-generating unit have been determined based on value-in-use calculations. These determinations require the use of judgment.

Where indicators of impairment exist, the Company tests impairment based on the discounted cash flows related to each cash generating unit. Discount rates applied to the Company's cash-generating units ("CGUs") represent the Company's assessment of the risks specific to each group of CGUs regarding the time value of money and individual risks of the underlying assets. The Company used discount rates between 15% and 16.5% (2020: between 15% and 16.5%), and perpetual growth rate of 5% (2020: 5%). No impairment charge has been recognized in the periods presented.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

g. Functional currency

The Company applied judgment in determining its functional currency. Functional currency was determined based on the currency that mainly influences sales prices, labor, material and other costs of providing services.

h. Uncertain tax positions

The Company operates in a number of African countries and South America. The Company measures the impact of the uncertainty using the method that best predicts the resolution of the uncertainty; either the most likely amount method or the expected value method. The judgments and estimates made to recognize and measure the effect of uncertain tax treatments are reassessed whenever circumstances change or when there is new information that affects those judgments.

4. NEW AND FUTURE ACCOUNTING STANDARDS

Adoption of new and amended accounting pronouncements

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2021:

Amendments to IFRS7, IFRS 4 and IFRS 16 Interest rate benchmark reform – Phase 2

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

5. DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The following sets out the Company's basis of determining fair values:

a. Trade and other receivables

The fair value of trade and other receivables approximates its carrying values due to its short term nature.

b. Cash

Cash consists of cash at bank and cash on hand. The fair value of cash approximates its carrying values due to its short term nature.

5. DETERMINATION OF FAIR VALUES (CONTINUED)

c. Trade and other payables

The fair value of trade and other payables approximates their carrying values, due to its short term nature.

d. Loans payable

The fair value of the loans payable approximates their carrying values.

e. Share-based payment transactions

The fair value of stock options is measured using the Black-Scholes model. Measurement inputs include the share price on the measurement date, exercise price of the instrument, expected volatility, expected term of the instruments (based on historical experience and general option holder behavior), expected dividends, expected forfeiture rates and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair values.

f. Financial assets held at fair value through profit and loss

Financial assets held at fair value through profit and loss consist of listed equity securities and their fair value is measured using quoted market prices.

6. SEASONALITY OF OPERATIONS

The operations have tended to exhibit a seasonal pattern. The first and fourth quarters are affected due to shutdown of exploration activities, often for extended periods over the holiday season. The second quarter is typically affected by the Easter shutdown of exploration activities affecting some of the rigs for up to one week, however, the second quarter of 2021 was extremely busy and was not affected by Easter. The wet season occurs (in some geographical areas where the Company operates, particularly in Burkina Faso and Mali) normally in the third quarter, but in the recent years the global weather pattern has become somewhat erratic. In the third quarter of 2021, the wet season resulted in a slowdown in activity. The Company has historically taken advantage of the wet season and has scheduled the third quarter for maintenance and rebuild programs for drill rigs and equipment.

7. SEGMENT REPORTING

The primary format of operating segments is based on the Company's management and internal reporting structure, which is submitted to the Chief Executive Officer (CEO) who is the Chief Operating Decision Maker. Due to the integrated nature of the Company's operations and re-deployment of drill rigs within Africa, the Company maintains only one operating segment. The Company has operations in South America, however, this is not material to the Company's operations and therefore not considered to be a reportable segment.

For the year ended December 31, 2021, four customers individually contributed 10% or more to the Group's revenue. One customer contributed 21% and three customers contributed 11%.

For the year ended December 31, 2020, three customers individually contributed 10% or more to the Group's revenue. One customer contributed 19%, one customer contributed 16% and one customer contributed 15%.

8. EXPENSES BY NATURE

The Company presents certain expenses in the Consolidated Statements of Comprehensive Income by function. The following table presents those expenses by nature:

	2021 US$	2020 US$
Expenses		
Wages and employee benefits	36,905,277	27,849,827
Drill rig expenses and fuel	29,114,531	19,230,820
External services, contractors and others	16,221,058	12,948,194
Depreciation	9,005,630	8,139,783
Repairs and maintenance	4,576,338	3,374,205
Expected lifetime credit losses	534,959	111,045
	96,357,793	71,653,874

	2021 US$	2020 US$
Cost of sales	85,116,161	61,521,711
Selling, general and administrative expenses	11,241,632	10,132,163
	96,357,793	71,653,874

9. TAXATION

(i) Income tax expense

	2021 US$	2020 US$
Current tax expense (iii)	5,606,373	3,150,777
Deferred tax expense / (recovery) (iv)	69,361	(71,455)
	5,675,734	3,079,322

(ii) Taxes payable

	Balance at Jan. 1 US$	Payments during the year US$	Charge for the year US$	Balance at Dec. 31 US$
2021	1,294,638	(5,901,164)	5,606,373	999,847
2020	1,689,566	(3,545,705)	3,150,777	1,294,638

9. TAXATION (CONTINUED)

(iii) Reconciliation of effective tax rate

	2021 US$	2020 US$
Income before tax	19,793,898	10,592,119
Corporate tax at 25%	4,948,475	2,648,030
Add:		
Effect of different rate tax countries	(3,547,509)	(2,527,179)
Adjustments for current tax of prior years	(458,290)	(93,886)
Tax effect of amounts that are not deductible in calculating taxable income	331,910	282,637
Tax expense before withholding tax	1,274,586	309,602
	6.4%	2.9%
Add:		
Withholding tax	4,401,148	2,769,720
Total tax expense	5,675,734	3,079,322
Effective tax rate	28.7%	29.1%

During the year ended December 31, 2021, the Group recognized an over provision in tax payable in the amount of US$458,290 (2020: US$93,886) reflecting the outcome of a review by the tax authorities in jurisdictions in which it operates.

During the year ended December 31, 2021, the Group recognized a withholding tax in the amount of US$1,350,000 (2020: US$Nil) in relation to withholding tax on an intercompany dividend.

(iv) Deferred tax liability

	2021 US$	2020 US$
Balance at January 1	3,312,310	3,383,765
Expense / (recovery) for the year	69,361	(71,455)
Balance at end of the year	3,381,671	3,312,310

9. TAXATION (CONTINUED)

(v) Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2021 US$	2020 US$
Tax losses carried forward (1)	1,276,192	989,698
Provision for inventory obsolescence	120,464	172,311
Movement in expected lifetime credit losses	129,631	9,179
Property, plant and equipment	(3,631,766)	(3,889,321)
Deferred tax asset not recognized (2)	(1,276,192)	(594,177)
Total	(3,381,671)	(3,312,310)

(1) The Group has tax losses in Zambia available for a period of five years expiring during the years December 31, 2022 through December 31, 2026.

(2) The deferred tax asset in Zambia has not been recognized in the financial statements because it is not probable that future taxable profit will be available against which the Group can utilize the related tax benefits.

10. PROPERTY, PLANT AND EQUIPMENT

2021	Motor Vehicles US$	Plant & Equipment US$	Drill Rigs (1) US$	Land & Leasehold Improvements US$	Capital Work in Progress (CWIP) US$	Total US$
Cost						
Balance at January 1, 2021	9,381,753	26,900,039	66,680,227	5,395,227	5,788,812	114,146,058
Additions	-	-	-	-	15,194,053	15,194,053
Reclassifications from CWIP	895,451	2,688,999	7,829,206	297,165	(11,710,821)	-
Assets retired during the year	(139,411)	(689,691)	(2,968,643)	-	-	(3,797,745)
Balance at December 31, 2021	**10,137,793**	**28,899,347**	**71,540,790**	**5,692,392**	**9,272,044**	**125,542,366**
Accumulated Depreciation						
Balance at January 1, 2021	7,140,065	22,733,466	39,006,535	2,910,721	-	71,790,787
Charge for the year	988,641	1,913,831	5,121,486	440,209	-	8,464,167
Assets retired during the year	(139,411)	(689,691)	(2,968,643)	-	-	(3,797,745)
Balance at December 31, 2021	**7,989,295**	**23,957,606**	**41,159,378**	**3,350,930**	**-**	**76,457,209**
Carrying amounts at December 31, 2021	**2,148,498**	**4,941,741**	**30,381,412**	**2,341,462**	**9,272,044**	**49,085,157**

(1) Drill rigs include drill rigs components and rebuilds which are depreciated at the appropriate rates in accordance with the Group's accounting policies.

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2020	**Motor Vehicles US$**	**Plant & Equipment US$**	**Drill Rigs (1) US$**	**Land & Leasehold Improvements US$**	**Capital Work in Progress (CWIP) US$**	**Total US$**
Cost						
Balance at January 1, 2020	8,153,967	26,098,680	64,487,594	5,165,301	4,517,783	108,423,325
Additions	-	-	-	-	8,349,249	8,349,249
Reclassifications from CWIP	1,270,913	1,463,184	4,114,197	229,926	(7,078,220)	-
Assets retired during the year	(43,127)	(661,825)	(1,921,564)	-	-	(2,626,516)
Balance at December 31, 2020	**9,381,753**	**26,900,039**	**66,680,227**	**5,395,227**	**5,788,812**	**114,146,058**
Accumulated Depreciation						
Balance at January 1, 2020	6,305,651	21,505,127	36,464,660	2,449,660	-	66,725,098
Charge for the year	877,541	1,890,164	4,463,439	461,061	-	7,692,205
Assets retired during the year	(43,127)	(661,825)	(1,921,564)	-	-	(2,626,516)
Balance at December 31, 2020	**7,140,065**	**22,733,466**	**39,006,535**	**2,910,721**	**-**	**71,790,787**
Carrying amounts at December 31, 2020	**2,241,688**	**4,166,573**	**27,673,692**	**2,484,506**	**5,788,812**	**42,355,271**

(1) Drill rigs include drill rigs components and rebuilds which are depreciated at the appropriate rates in accordance with the Group's accounting policies.

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation has been charged in the Statement of Comprehensive Income as follows:

	2021 US$	**2020 US$**
Cost of sales	8,023,958	7,235,583
Selling, general and administrative expenses	440,209	456,622
	8,464,167	7,692,205

As at December 31, 2021, property, plant and equipment with a carrying amount of US$11,755,282 (December 31, 2020: US$10,351,586) has been pledged as security for certain loans (Note 16).

The Company's market capitalization is currently below the Company's net book value which is considered to be an indicator of potential impairment of the carrying value of the Company's property, plant and equipment as at December 31, 2021. The outcome of the analysis was such that the expected net recoverable amount exceeded the carrying value of the property, plant and equipment and, accordingly, no impairment loss was recognized in the year.

11. RIGHT-OF-USE ASSETS

	2021 US$	**2020 US$**
Cost		
Balance at January 1,	1,579,632	880,749
Additions	646,251	694,744
Assets expired in the year	(185,268)	-
Movement in foreign exchange	(4,707)	4,139
Balance at the end of the year	**2,035,908**	**1,579,632**
Accumulated Depreciation		
Balance at January 1,	868,042	420,464
Charge for the year	541,463	447,578
Assets expired in the year	(185,268)	-
Balance at the end of the year	**1,224,237**	**868,042**
Carrying amounts at the end of the year	**811,671**	**711,590**

The amount of depreciation recognized as expense in the year ended December 31, 2021 was US$541,463 (December 31, 2020: US$447,578).

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group classifies listed equity investments that are held for trading as financial assets at fair value through profit or loss (FVTPL). Movements in the year are shown in the table below:

	2021 US$	2020 US$
Balance at January 1,	2,066,648	428,787
Additions	1,954,725	1,313,868
Disposals	(1,796,393)	-
Gain recognized through profit and loss	2,028,139	323,993
Balance at end of the year	**4,253,119**	**2,066,648**

13. INVENTORIES

	2021 US$	2020 US$
Inventories on hand	27,545,221	21,148,660
Inventories in transit	1,152,296	2,165,087
Provision for obsolescence	(865,109)	(815,222)
	27,832,408	22,498,525

The amount of inventories recognized as expense for the year is US$34,390,240 (2020: US$23,571,800). Inventory write downs in the year amounted to US$31,618 (2020: US$74,466).

14. TRADE AND OTHER RECEIVABLES

	2021 US$	2020 US$
Trade receivables	23,498,809	22,268,758
Expected life time credit losses	(716,642)	(181,683)
Net trade receivables	22,782,167	22,087,075
Sundry receivables	925,266	563,889
	23,707,433	22,650,964

As at December 31, 2021, trade receivables with a carrying amount of US$9,047,720 (December 31, 2020: US$7,922,813) have been pledged as security for certain loans (Note 16).

14. TRADE AND OTHER RECEIVABLES (CONTINUED)

The movements in the expected life time credit losses is as follows:

	2021 **US$**	**2020** **US$**
Balance at January 1	181,683	303,884
Movement in expected lifetime credit losses in the year	120,401	(122,201)
Specific provisions made in the year	414,558	233,246
Amounts written off in the year	-	(233,246)
Balance at end of year	716,642	181,683

The Group's exposure to credit and currency risk and impairment losses related to trade and other receivables is disclosed in Note 20(i).

15. NON-CONTROLLING INTERESTS

Non-controlling interest relates to 5% of Recon Drilling S.A.C not owned by the Group of US$(20,193) and 5% of Geo-Drill SARL not owned by the Group of US$581.

16. LOANS PAYABLE

	2021 **US$**	**2020** **US$**
US$6.0M Medium Term Loan (i)	4,901,515	-
US$10M Revolving Line of Credit (ii)	2,000,000	2,000,000
US$6.5M Medium Term Loan (iii)	-	1,083,333
Total	6,901,515	3,083,333
Current portion of loans	3,960,606	3,083,333
Non-current portion of loans	2,940,909	-

(i) US$6.0M Medium Term Loan

On May 11, 2021, the Group entered into a new US$6.0M Medium Term Loan (the "US$6.0M Medium Term Loan") with Ecobank Ghana Limited to finance the cost of property, plant and equipment to support the Group's operations. Multiple drawings are permitted under the US$6.0M Medium Term Loan and principal amounts are repayable quarterly over twelve quarters whereas interest is repayable monthly. The US$6.0M Medium Term Loan is available for drawdown until April 30, 2022. The US$6.0M Medium Term Loan bears interest at a rate of 7.5% per annum and is subject to periodic review in line with market conditions. The US$6.0M Medium Term Loan is secured by certain assets of the Group (Note 10 and Note 14). The US$6.0M Medium Term Loan may be repaid prior to maturity by the Group without penalty or other costs other than interest accrued to the date of such repayment. The effective interest rate of the US$6.0M Medium Term Loan is 8.1%. As at December 31, 2021, the Group had drawn US$5.5M on the US$6.0M Medium Term Loan. The US$6.0M Medium Term Loan is subject to, and as at December 31, 2021, the Group was in compliance with normal course covenants.

16. LOANS PAYABLE (CONTINUED)

(ii) US$10.0M Revolving Line of Credit

On May 11, 2021, the Group increased the US$7.5M Revolving Line of Credit with Ecobank Ghana Limited to US$10.0M (the "US$10.0M Revolving Line of Credit"). The US$10.0M Revolving Line of Credit matures on April 30, 2022. Interest is repayable monthly and principal is repayable one year after drawdown. The US$10.0M Revolving Line of Credit bears interest at a rate of 7.5% per annum on any utilized portion and is subject to periodic review in line with market conditions. The US$10.0M Revolving Line of Credit is secured by certain assets of the Group (Note 10 and Note 14). The US$10.0M Revolving Line of Credit may be repaid prior to maturity by the Group without penalty or other costs other than interest accrued to the date of such repayment. As at December 31, 2021, the Group had drawn US$2.0M on the US$10.0M Revolving Line of Credit. The US$10.0M Revolving Line of Credit is subject to, and as at December 31, 2021, the Group was in compliance with normal course covenants.

(iii) US$6.5M Medium Term Loan

On April 24, 2018, the Group entered into a Medium Term Loan with Ecobank Ghana Limited. The Medium Term Loan in the amount of US$6.5 million (the "US$6.5M Medium Term Loan") matured on April 30, 2021. Principal was repaid in 12 equal quarterly instalments required to satisfy the principal over the term of the loan commencing on July 31, 2018. Interest was payable monthly in arrears. The US$6.5M Medium Term Loan bore interest at a rate of 8.5% per annum and was subject to periodic review in line with market conditions. The US$6.5M Medium Term Loan was secured by certain assets of the Group. The US$6.5M Medium Term Loan could have been repaid prior to maturity by the Group without penalty or other costs other than interest accrued to the date of such repayment. The effective interest rate of the US$6.5M Medium Term Loan was 9.1%. The US$6.5M Medium Term Loan was repaid on April 30, 2021.

17. TRADE AND OTHER PAYABLES

	2021 US$	2020 US$
Trade payables	7,079,819	9,282,353
Other creditors and accrued expenses	8,729,145	6,284,294
VAT liability	1,228,559	908,008
	17,037,523	16,474,655

Trade and other payables denominated in currencies other than the Group's functional currency are detailed in Note 20iii(a).

18. EMPLOYEE BENEFIT OBLIGATIONS

Defined Contribution Plans

(i) *Social Security*

The Group contributes to various social security plans. Under the plans, the Group makes contributions into government funds. The amounts contributed during the year were US$75,359 (2020: US$69,828). The Group's obligation is limited to the relevant contributions which have been recognized in the year-end financial statements as expenses, and liabilities if due but not paid.

(ii) Provident Fund

The Group contributes for certain staff to a provident fund plan. The amounts contributed during the year were US$24,760 (2020: US$21,546). The Group's obligation is limited to the relevant contributions which have been recognized in the year-end financial statements as expenses, and liabilities if due but not paid.

19. FAIR VALUES OF FINANCIAL INSTRUMENTS

The carrying values of cash, trade and other receivables, trade and other payables and related party payables approximate their fair value due to the relatively short period to maturity of the instruments. The carrying value of loans payable approximates their fair value as the fixed rate loans have been acquired recently and their carrying value continues to reflect fair value. The fair value of financial assets held at fair value through profit and loss are measured using quoted market prices.

There were no financial instruments classified as level 2 or 3 in the fair value hierarchy at December 31, 2021 and 2020.

20. FINANCIAL RISK MANAGEMENT

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for managing risk, methods used to measure the risks and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the oversight of the Group's risk management framework.

The Group's management team is responsible for developing and monitoring the Group's risk management policies. The team meets periodically to discuss corporate plans, evaluate progress reports and establish action plans to be taken. The day-to-day implementation of risk management rests with the CEO.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial asset fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash.

Trade and other receivables

The Group's customers are given 30 to 60 day credit periods for services rendered. Certain customers take longer than 60 days to settle their accounts, however, the Group has not experienced significant write offs relating to trade receivables.

As at December 31, 2021, one customer individually contributed 10% or more to the Group's trade receivables. That customer contributed 30%.

As at December 31, 2020, four customers individually contributed 10% or more to the Group's trade receivables. One customer contributed 18%, one customer contributed 12%, one customer contributed 11% and one customer contributed 10%.

Exposure to credit risks

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2021 US$	**2020 US$**
Trade and other receivables	23,707,433	22,650,964
Cash	9,275,316	6,564,525
	32,982,749	29,215,489

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

The maximum exposure to credit risk for trade and other receivables at the reporting dates by type was:

	2021 US$	2020 US$
Mining and exploration companies	22,782,167	22,087,075
Others	925,266	563,889
	23,707,433	22,650,964

The ageing of trade receivables due from mining and exploration companies at the reporting dates was:

	2021 US$	2020 US$
Less than 30 days	8,944,272	9,373,610
31 - 60 days	7,279,133	8,137,858
61 - 90 days	3,285,566	3,649,849
91 days and greater	3,273,196	925,758
	22,782,167	22,087,075

(ii) Liquidity risk

Liquidity risk is the risk that the Group either does not have sufficient financial resources available to meet all of its obligations and commitments as they fall due, or can access them only at excessive cost. The Group's approach to managing liquidity is to ensure that it will maintain adequate liquidity to meet its liabilities when due by monitoring and scheduling cash in bank movements and reinvesting profits earned.

The Group's obligation and principal repayments on its financial liabilities are presented in the following table:

	Total US$	Within One Year US$	Greater than One Year US$
December 31, 2021			
Non-derivative financial liability			
Trade and other payables	15,808,964	15,808,964	-
Loans payable	6,901,515	3,960,606	2,940,909
Lease liabilities	708,651	302,828	405,823
Balance at December 31, 2021	23,419,130	20,072,398	3,346,732
December 31, 2020			
Non-derivative financial liability			
Trade and other payables	15,566,647	15,566,647	-
Related party payables	450,000	450,000	-
Loans payable	3,083,333	3,083,333	-
Lease liabilities	665,890	343,949	321,941
Balance at December 31, 2020	19,765,870	19,443,929	321,941

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns. Management regularly monitors the level of market risk and considers appropriate strategies to mitigate those risks. Sensitivity analysis relating to key market risks has been provided below.

(a) Foreign currency risk

The Group is exposed to currency risk on cash, financial assets at fair value through profit and loss, trade receivables, trade payables and taxes payable that are denominated in currencies other than the functional currency. The other currencies in which these transactions are denominated are EURO, Ghana Cedis (GHS), the British Pound (GBP), Central African Franc (CFA), Australian Dollar (AUD), Canadian Dollar (CAD), Zambian Kwacha (ZMW), Egyptian Pound (EGP), Brazilian Real (BRL) and Peruvian Sol (PEN).

The Group's exposure to foreign currency risk was as follows based on foreign currency amounts.

December 31, 2021	EURO	GHS	GBP	CFA	AUD	CAD	ZMW	PEN	EGP	BRL
Cash	8,497	1,049,003	60,302	2,567,796,007	1,512	7,254	11,081	525,081	14,248	20,851
Financial assets at fair value through profit and loss	-	-	2,200,438	-	537,444	882,979	-	-	-	-
Trade and other receivables	-	-	-	6,276,126,236	-	-	12,000	-	383,631	-
Trade payables	(610,623)	(9,073,049)	(22,214)	(767,488,800)	(3,232,656)	(698,955)	(20,790)	(11,419)	(1,292,811)	(10,000)
Taxes payable	-	-	-	(389,686,816)	-	-	-	-	(244,291)	-
Gross exposure	(602,126)	(8,024,046)	2,238,526	7,686,746,627	(2,693,700)	191,278	2,291	513,662	(1,139,223)	10,851

December 31, 2020	EURO	GHS	GBP	CFA	AUD	CAD	ZMW	PEN	EGP	BRL
Cash	350,719	4,824,478	4,115	776,641,951	16,138	2,081	91,560	15,810	-	-
Financial assets at fair value through profit and loss	-	-	1,249,833	-	513,015	-	-	-	-	-
Trade receivables	-	-	-	5,167,197,609	-	-	-	1,082,113	-	-
Trade payables	(405,328)	(7,525,064)	(20,381)	(672,196,705)	(5,957,367)	(662,710)	(141,156)	-	-	-
Taxes payable	-	-	-	(283,460,165)	-	-	-	-	-	-
Gross exposure	(54,609)	(2,700,586)	1,233,567	4,988,182,690	(5,428,214)	(660,629)	(49,596)	1,097,923	-	-

The following significant exchange rates applied during the years:

	2021		2020	
US$1=	**Reporting Rate**	**Average Rate**	**Reporting Rate**	**Average Rate**
EURO	0.8815	0.8403	0.8153	0.8839
GHS	6.1071	5.8800	5.8504	5.7004
GBP	0.7400	0.7263	0.7325	0.7813
CFA	578.2319	551.1881	534.7956	579.8009
AUD	1.3769	1.3257	1.2972	1.4636
CAD	1.2697	1.2537	1.2741	1.3440
ZMW	16.6372	20.3250	21.1226	17.6887
PEN	3.9585	3.8127	3.5769	3.5398
BRL	5.5700	5.3526	N/A	N/A
EGP	15.6796	15.6826	N/A	N/A

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Market risk (continued)

(a) Foreign currency risk (continued)

Sensitivity analysis on currency risks

The following table shows the effect of a strengthening or weakening US$ against all other currencies on equity and profit or loss. This sensitivity analysis indicates the potential impact on equity and profit or loss based upon the foreign currency exposures, (see "foreign currency risk" above) and it does not represent actual or future gains or losses. The sensitivity analysis is based on a change of 10% in the closing exchange rate per currency recorded in the course of the respective financial year.

A strengthening/weakening of the US$, by the rates shown in the table, against the following currencies would have increased/decreased equity and profit or loss by the amounts shown below.

This analysis assumes that all other variables, in particular interest rates, remain constant.

As at December 31,	2021			2020		
	% Change	Profit or Loss impact before tax US$	Equity US$	% Change	Profit or Loss impact before tax US$	Equity US$
EURO	±10	±68,307	±68,307	±10	±6,698	±6,698
GHS	±10	±131,389	±131,389	±10	±46,161	±46,161
GBP	±10	±302,504	±302,504	±10	±168,405	±168,405
CFA	±10	±1,329,354	±1,329,354	±10	±932,727	±932,727
AUD	±10	±195,635	±195,635	±10	±418,456	±418,456
CAD	±10	±15,065	±15,065	±10	±51,851	±51,851
ZMW	±10	±14	±14	±10	±235	±235
PEN	±10	±12,976	±12,976	±10	±30,695	±30,695
EGP	±10	±7,266	±7,266	±10	±0	±0
BRL	±10	±195	±195	±10	±0	±0

(b) Interest rate risk

The Group is exposed to interest rate risk on its bank balances and loans.

Profile

At the reporting dates, the interest rate profiles of the Group's interest-bearing financial instruments were:

	2021 US$	2020 US$
Variable rate instruments		
Bank balances	9,162,620	6,400,429
Fixed rate instruments		
Loans	6,901,515	3,083,333

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Market risk (continued)

(b) Interest rate risk (continued)

Sensitivity analysis for variable rate instruments

A change of 200 basis points in the interest rate at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2021 and 2020.

As at December 31,		**2021**			**2020**	
	% Change	Profit or Loss impact before tax US$	Equity US$	% Change	Profit or Loss impact before tax US$	Equity US$
Bank balances	±2%	±183,252	±183,252	±2%	±128,009	±128,009

(iv) Capital management

The Group manages its capital structure and makes adjustments to it to effectively support the Group's operations. In the definition of capital the Group includes, as disclosed on its Consolidated Statement of Financial Position: share capital, retained earnings, reserves and loans.

The Group's capital at December 31, 2021 and 2020 is as follows:

Capital Management	**2021 US$**	**2020 US$**
Share capital	24,858,172	23,378,281
Retained earnings	58,830,570	45,410,722
Share-based payment reserve	3,857,405	4,270,588
Loans payable	6,901,515	3,083,333
	94,447,662	76,142,924

(c) Equity price risk

The Group holds equity investments and is exposed to equity price risk. The equity investments are held for sale and not held for strategic purposes.

If equity prices had been 10% higher or lower and all other variables were held constant, the Groups equity and profit or loss for the year ended December 31, 2021 would increase/decrease by US$425,312 (2020: US$206,665).

21. RELATED PARTY TRANSACTIONS

Related party	Relationship	Incorporation	2021	2020
Geodrill Mauritius Limited	Subsidiary	Mauritius	100%	100%
Geodrill Ghana Ltd	Subsidiary	Ghana	100%	100%
Geodrill Cote d'Ivoire SARL	Subsidiary	Cote d'Ivoire	100%	100%
Geodrill BF SARL	Registered foreign operating entity	Cote d'Ivoire	100%	100%
Geodrill Mali SARL	Registered foreign operating entity	Cote d'Ivoire	100%	100%
Geodrill Limited Zambia	Registered foreign operating entity	Zambia	100%	100%
Drilling Services Malta Limited	Subsidiary	Malta	100%	100%
Vannin Resources, Unipessoal Limitada	Subsidiary	Madeira	100%	100%
Geodrill Sondagens LTDA	Subsidiary	Brazil	100%	100%
Silver Back Egypt for Mining and Drilling Services S.A.E.	Subsidiary	Egypt	100%	-
Recon Drilling S.A.C.	Subsidiary	Peru	95%	95%
Geo-Drill SARL	Subsidiary	Mali	95%	-
The Harper Family Settlement	Significant shareholder	Isle of Man	-	-
Geotool Limited	Subsidiary	British Virgin Islands	N/A(1)	100%
D.S.I. Services Limited	Subsidiary	British Virgin Islands	N/A(2)	N/A(2)
D.S.I. Services (IOM) Limited	Subsidiary	Isle of Man	N/A(2)	N/A(2)
Geo-Forage BF SARL	Subsidiary	Burkina Faso	N/A(2)	N/A(2)
Geo-Forage Cote d'Ivoire SARL	Subsidiary	Cote d'Ivoire	N/A(2)	N/A(2)
Geo-Forage Mali SARL	Subsidiary	Mali	N/A(2)	N/A(2)
Geo-Forage Senegal SARL	Subsidiary	Senegal	N/A(2)	N/A(2)

(1) Geotool Limited has been dissolved during 2021.
(2) These companies were dissolved during 2020.

(i) Transactions with related parties

Transactions with companies within the Group have been eliminated on consolidation.

The Harper Family Settlement owns 38.6% (December 31, 2020: 39.3%) of the issued share capital of Geodrill Limited.

On October 1, 2020, Geodrill Ghana Ltd entered into new lease agreements with The Harper Family Settlement for the Anwiankwanta property and for the Accra property, both for a two year term and rent for the Anwiankwanta property of US$202,000 per annum and rent for the Accra property of US$82,000 per annum. The material terms of the two year lease agreements include: (i) the annual rent payable shall be reviewed on an upward only basis on or before October 1, 2022; and (ii) only Geodrill Ghana Ltd can terminate the leases by giving twelve months' notice. It was also agreed that all future rent increases will be based on USA inflation data.

For the year ending December 31, 2021, the right-of-use assets relating to the properties above was US$199,773 (December 31, 2020: US$466,136) and the related lease liabilities were US$209,104 (December 31, 2020: US$470,385).

The Group has paid fees to Clearwater Limited during the year ended December 31, 2021 of US$18,510 (2020: US$67,024 paid to Clearwater Fiduciary Services Limited). One of the directors of Clearwater Limited and Clearwater Fiduciary Services Limited is also a director of Geodrill Limited.

21. RELATED PARTY TRANSACTIONS (CONTINUED)

(i) Transactions with related parties (continued)

The Group has paid fees to MS Risk Limited during the year ended December 31, 2021 of US$11,000 (2020: US$Nil). One of the directors of MS Risk Limited is also a director of Geodrill Limited.

(ii) Key management personnel and directors' transactions

The Group's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management includes the close members of the family of key personnel and any entity over which key management exercises control. The key management personnel have been identified as directors of the Company and other management staff. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Company.

Key management personnel and directors' compensation for the year comprised:

	2021	**2020**
	US$	**US$**
Short-term benefits	5,474,094	4,172,667
Share-based payment arrangements	228,297	137,789
	5,702,391	4,310,456

(iii) Related party payables

The related party payables balance payable to The Harper Family Settlement as at December 31, 2021 amounts to US$Nil (December 31, 2020: US$450,000). The related party payables balance was unsecured, interest free and was repayable on demand at the option of The Harper Family Settlement.

22. COMMITMENTS

As at December 31, 2021, the Group had capital commitments of US$Nil (December 31, 2020: US$1,000,000 relating to the purchase of a new drill rig).

23. SHARE CAPITAL AND RESERVES

(i) Share capital

Shares have no par value and the number of authorized shares is unlimited.

Share capital

	2021	2020
Shares issued and fully paid	45,316,400	44,309,100
Shares reserved for share option plan	4,531,640	4,430,910
Total shares issued and reserved	49,848,040	48,740,010

Reconciliation of changes in issued shares

	2021	2020
Shares issued at January 1,	44,309,100	44,430,400
Stock options exercised	1,007,600	274,100
Share buy-back	(300)	(395,400)
Shares issued at end of year	45,316,400	44,309,100

All shares rank equally with regards to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the shareholders' meetings of the Company.

During the year ended December 31, 2021, the Company re-purchased and cancelled 300 shares at an average price of CAD$1.57 (for the year ended December 31, 2020, the Company re-purchased and cancelled 395,400 shares under its NCIB at an average price of CAD$1.86).

(ii) Share-based payment reserve

The share-based payment reserve is comprised of the equity portion of the share-based payment transaction as per the Company's stock option plan.

The share based payment expense for the year of US$228,297 (2020: US$137,789) was included in selling, general and administrative expenses in the Consolidated Statements of Comprehensive Income.

(iii) Retained earnings

This represents the residual of cumulative profits that are available for distribution to shareholders.

24. EARNINGS PER SHARE

(i) Basic earnings per share

The calculation of basic earnings per share for the year ended December 31, 2021 was based on the income attributable to ordinary shareholders of US$14,137,895 (2020: US$7,517,483), and on the weighted average number of ordinary shares outstanding of 45,082,449 (2020: 44,456,929) calculated as follows:

	2021 US$	**2020 US$**
Income attributable to ordinary shareholders	14,137,895	7,517,483

Weighted average number of ordinary shares

	2021 Shares	**2020 Shares**
Issued ordinary shares	45,082,449	44,456,929
Earnings per share	$0.31	$0.17

24. EARNINGS PER SHARE (CONTINUED)

(ii) Diluted earnings per share

The calculation of diluted earnings per share for the year ended December 31, 2021 was based on the income attributable to ordinary shareholders of US$14,137,895 (2020: US$7,517,483), and on the weighted average number of ordinary shares after adjustment for the effects of all dilutive potential ordinary shares outstanding of 45,297,379 (2020: 44,908,216), calculated as follows:

	2021 US$	**2020 US$**
Income attributable to ordinary shareholders	14,137,895	7,517,483

Weighted average number of ordinary shares - diluted

	2021 Shares	**2020 Shares**
Weighted average number of ordinary shares - basic	45,082,449	44,456,929
Effect of share options in issue	214,930 (1)	451,287 (2)
	45,297,379	44,908,216
Diluted earnings per share	$0.31	$0.17

(1) For the year ended December 31, 2021, 1,855,000 options in issue were dilutive and were included in the calculation of the diluted earnings per share, however, they did not have an effect on the diluted earnings per share amount.

(2) For the year ended December 31, 2020, 1,381,600 options in issue were dilutive and were included in the calculation of the diluted earnings per share, however, they did not have an effect on the diluted earnings per share amount.

25. DIVIDENDS

On April 2, 2021, the Company paid a semi-annual dividend of CAD$0.01 per share, to shareholders of record at the close of business on March 26, 2021.

On September 8, 2021, the Company paid a semi-annual dividend of CAD$0.01 per share, to shareholders of record at the close of business on August 25, 2021.

No dividends were declared or paid in 2020.

26. EQUITY-SETTLED SHARE-BASED PAYMENTS

Stock Option Plan ("SOP")

The Company has established a SOP, which is intended to aid in attracting, retaining and motivating the Company's employees, directors, consultants and advisors through the granting of stock options.

The maximum aggregate number of Ordinary Shares reserved for issuance pursuant to the SOP shall not exceed 10% of the total number of Ordinary Shares then outstanding. The maximum number of Ordinary Shares reserved for issuance pursuant to the SOP and any other security-based compensation arrangements of the Company is 10% of the total number of Ordinary Shares then outstanding.

	2021		2020	
	Number of shares subject to option	Weighted average exercise price	Number of shares subject to option	Weighted average exercise price
Balance beginning, Jan. 1	3,816,600	CDN$1.67	3,370,700	CAD$1.58
Total granted in the year	690,000	CDN$1.94	750,000	CAD$1.71
Total exercised in the year	(1,007,600)	CDN$1.04	(274,100)	CAD$0.80
Total cancelled in the year	(49,000)	CDN$0.79	(30,000)	CAD$0.51
Balance ending	3,450,000	CDN$1.93	3,816,600	C$1.67

The following table summarizes the options outstanding at December 31, 2021:

Options	Exercise prices	Number of options outstanding	Weighted average remaining contractual life	Number of options exercisable
Granted on May 12, 2017	CAD$2.14	1,595,000	5 mos	1,595,000
Granted on May 16, 2018	CAD$2.00	90,000	1 Yrs & 5 mos	90,000
Granted on May 15, 2019	CAD$1.36	325,000	2 Yrs & 5 mos	325,000
Granted on March 9, 2020	CAD$1.71	750,000	3 Yrs & 3 mos	300,000
Granted on March 15, 2021	CAD$1.94	690,000	4 Yrs & 3 mos	190,000

The fair values of options granted were calculated using the Black-Scholes option pricing model with the following assumptions:

Granted on	**May 12, 2017**	**May 16, 2018**	**May 15, 2019**	**March 9, 2020**	**March 15, 2021**
Risk free interest rate	1.04%	1.04%	1.54%	0.53%	1.02%
Expected dividend yield	0%	0%	0%	0%	1%
Stock price volatility	50%	40%	42%	43%	40%
Expected life of options	5 years	5 years	5 years	5 years	5 years
Forfeiture rate	30%	30%	30%	30%	30%

Where relevant, the expected life used in the model used to determine the accounting value attributable to the options has been adjusted based on management's best estimate of the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on historical share price volatility over relevant periods.

27. CONTINGENCY

On December 20, 2019, the Burkina Faso Tax Authority's Head of Taxpayers Management Department ("BFTA") made an assessment on Geodrill claiming tax and penalties of $17.9 million (10,460,774,574 CFA) for the years 2016 through 2018.

On December 28, 2020, the Burkina Faso Tax Authority's Head of Taxpayers Management Department ("BFTA") issued a revised assessment on Geodrill claiming reduced tax and penalties of $9.7 million (5,232,253,593 CFA) for the years 2016 through 2018, a reduction from the original December 20, 2019 assessment.

For the years of the revised assessment, the BFTA has assessed that Geodrill had a permanent establishment in Burkina Faso and was subject to taxes, penalties and interest provided in Burkina Faso's tax legislation. Geodrill maintains that it did not have a permanent establishment in Burkina Faso in the years of the revised assessment and operated in Burkina Faso as a non-resident tax payer. As a non-resident tax payer, Geodrill was subject to a withholding tax on a percentage of its revenue as it was not registered with the BFTA and had never obtained a unique financial identification number. During the years 2016 and 2017, Geodrill was subject to a non-resident ten percent (10%) withholding tax and during the year 2018, Geodrill was subject to a twenty percent (20%) non-resident withholding tax. The non-resident withholding tax is paid to the Director General of taxes directly from Geodrill's clients on Geodrill's behalf.

Geodrill has reviewed the BFTA revised assessment and continues to disagree with the BFTA's conclusion and believes it is without merit. Geodrill maintains that it does not have a permanent establishment in Burkina Faso and believes it was appropriately taxed for the years 2016 – 2018 through the non-resident withholding tax system.

On March 7, 2021 Geodrill filed its Notice of Request for a discharge for the amounts owing under the revised assessment with the administrative courts in Burkina Faso. Geodrill as part of its notice for discharge filing highlighted for the courts that it has already been taxed for the years 2016 – 2018 through the non-resident withholding tax system and maintains its position that the revised assessment is without merit.

As at March 4, 2022, Geodrill is waiting for ruling from the administrative courts in Burkina Faso.

28. COVID-19

The initial outbreak of COVID-19 (novel Coronavirus) had an adverse impact on global economic conditions which impacted the Company's drilling activities during the first three quarters of 2020. During the fourth quarter of 2020 and throughout 2021, the Company was able to return to normal operations, although all six countries in which we currently have operations in continued to restrict travel for all persons and in most cases required entrants to complete a negative polymerase chain reaction ("PCR") test before entry is allowed into that country. There remains a risk that any future travel bans may impact the ability of the Company to provide drilling services to our customers.

From the onset of the pandemic, management provided a bi-monthly COVID-19 brief to the Board of Directors, outlining the safety and the wellbeing of our employees and the impact COVID-19 has had on operations. Geodrill liaised closely with our customers to understand their COVID-19 policies and procedures to ensure the Company complied with these policies and procedures. The Company has adhered to increased government stipulations on travel restrictions and curfews where required and has significantly increased our health and safety spending as required.

29. GUARANTEE

On July 6, 2021, the Group entered into a Bank Guarantee with Ecobank Cote d'Ivoire ("Guarantee") for a maximum amount of US$0.45M to guarantee the required security deposit required for all value added tax refund claims. The Guarantee commission is 2% per annum plus 0.1% of the amount drawn on the Guarantee. The Guarantee expires on June 24, 2022. As at December 31, 2021, the Group had drawn US$0.4M on the Guarantee and no liability is expected to arise.

30. SUBSEQUENT EVENTS

On February 23, 2022, the Group drew down US$1.0M on the US$10.0M Revolving Line of Credit, resulting in US$7.0M still being available for drawdown on the US$10.0M Revolving Line of Credit as at March 4, 2022.

On March 4, 2022, the Geodrill Board of Directors declared a semi-annual dividend of CAD$0.03 per share, payable on April 8, 2022, to shareholders of record at the close of business on March 18, 2022.