

Condensed consolidated financial statements of

Samco Gold Limited

As at and for the three and six months ended June 30, 2021

(Unaudited – Prepared by Management)

Samco Gold Limited

Advisory to reader

Under National Instrument 51-102, if an auditor has not performed a review of interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

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

Samco Gold Limited

As at and for the three and six months ended June 30, 2021

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Samco Gold Limited

Condensed consolidated interim statements of loss and comprehensive loss

For the three and six months ended June 30,

(Unaudited)

(In United States dollars, except where otherwise stated)

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
	\$	\$	\$	\$
Administrative expenses (Note 5)	(27,002)	(43,073)	(86,430)	(162,922)
Finance and interest charges	(18,120)	(15,910)	(35,085)	(29,835)
Foreign exchange (loss)/gain	(5,557)	(12,558)	(7,951)	10,291
Loss before tax	(50,679)	(71,541)	(129,466)	(182,466)
Income and deferred tax recovered (Note 7)	-	-	-	-
Income and deferred tax recovered	-	-	-	-
Loss and comprehensive loss	(50,679)	(71,541)	(129,466)	(182,466)
Loss and comprehensive loss per share, basic (Note 10(d))	(0.001)	(0.001)	(0.002)	(0.002)
Loss and comprehensive loss per share, diluted (Note 10(d))	(0.001)	(0.001)	(0.002)	(0.002)
Weighted average number of shares outstanding, basic	82,657,687	82,657,687	82,657,687	82,657,687
Weighted average number of shares outstanding, diluted	82,657,687	82,657,687	82,657,687	82,657,687

Samco Gold Limited

Condensed consolidated interim statements of financial position

As at,

(Unaudited)

(In United States dollars, except where otherwise stated)

	June 30, 2021	December 31, 2020
	\$	\$
Assets		
Current assets		
Cash	13,471	33,124
Prepaid and other assets	27,234	30,866
Total current assets	40,705	63,990
Total assets	40,705	63,990
Equity and liabilities		
Capital and reserves		
Share capital (Note 10(a))	33,599,498	33,599,498
Other capital contributions (Note 12)	1,031,503	1,031,503
Capital redemption reserve (Note 11)	12,517,683	12,517,683
Warrants (Note 10(b))	900,802	900,802
Share-based payment reserve (Notes 10(c) and 10(d))	5,024,282	5,024,282
Deficit	(54,561,450)	(54,431,984)
Total deficit	(1,487,682)	(1,358,216)
Current liabilities		
Due to related parties (Note 6)	1,159,717	1,057,344
Loan advance	190,000	190,000
Accounts payable and accrued liabilities	178,670	174,862
Total current liabilities	1,528,387	1,422,206
Total liabilities	1,528,387	1,422,206
Total (deficit)/equity and liabilities	40,705	63,990

Going concern (Note 2)

Approved by the Board on August 30, 2021.

"John Hick" Director

"Charles Koppel" Director

Samco Gold Limited

Condensed consolidated interim statements of changes in deficit

As at,

(Unaudited)

(In United States dollars, except where otherwise stated)

	Share capital	Other capital contributions	Capital redemption reserve	Warrants	Share-based payment reserve	Deficit	Total
	\$	\$	\$	\$	\$	\$	\$
Opening balance as at January 1, 2020	33,599,498	1,031,503	12,517,683	900,802	5,024,282	(54,118,594)	(1,044,826)
Loss for the period attributable to shareholders	-	-	-	-	-	(129,466)	(129,466)
Balance as at June 30, 2020	33,599,498	1,031,503	12,517,683	900,802	5,024,282	(54,248,060)	(1,174,292)
Loss for the period attributable to shareholders	-	-	-	-	-	(183,924)	(183,924)
Balance as at December 31, 2020	33,599,498	1,031,503	12,517,683	900,802	5,024,282	(54,431,984)	(1,358,216)
Loss for the period attributable to shareholders	-	-	-	-	-	(129,466)	(129,466)
Balance as at June 30, 2021	33,599,498	1,031,503	12,517,683	900,802	5,024,282	(54,561,450)	(1,487,682)

Samco Gold Limited

Condensed consolidated interim statements of cash flows

For the three and six months ended June 30,

(Unaudited)

(In United States dollars, except where otherwise stated)

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
	\$	\$	\$	\$
Operating activities				
Loss for the period	(50,679)	(71,541)	(129,466)	(182,466)
Interest expense (Note 6)	18,554	15,148	35,085	28,742
Foreign exchange loss/(gain)	5,580	12,603	7,898	(10,196)
Depreciation (Note 8)	-	-	-	-
Impairment charge on exploration assets (Note 9)	-	-	-	-
Deferred tax recovered (Note 7)	-	-	-	-
	(26,545)	(43,790)	(86,483)	(163,920)
Movements in working capital				
(Increase)/decrease in prepaid assets	(1,565)	2,159	3,632	(22,113)
Increase/(decrease) in accounts payable and accrued liabilities	(182,633)	(138,715)	(162,203)	(37,657)
Increase/(decrease) in amounts due to related parties	(29,680)	13,265	(8,803)	33,805
Net cash (used in)/provided by operating activities	(240,423)	(167,081)	(253,856)	(189,885)
Investing activities				
Investment in mineral property rights and exploration costs (Note 9)	-	-	-	-
Net cash used in investing activities	-	-	-	-
Financing activities				
Proceeds from / (repayments of) loans/funding due to related parties (Note 6)	84,150	68,638	84,150	84,150
Advances on expected loans due to third parties (Note 1)	150,000	150,000	150,000	150,000
Net cash provided by financing activities	234,150	218,638	234,150	234,150
Effect of foreign exchange rate changes on cash	(23)	(45)	53	(95)
Increase/(decrease) in cash	(6,296)	51,512	(19,653)	44,170
Cash at the beginning of the period	19,767	549	33,124	7,891
Cash at the end of the period	13,471	52,061	13,471	52,061

Samco Gold Limited

Notes to the condensed consolidated interim financial statements

As at and for the three and six months ended June 30, 2021

(Unaudited)

(In United States dollars, except where otherwise stated)

1. General information

These unaudited condensed consolidated interim financial statements are presented in United States dollars.

Samco Gold Limited (the “Company” or “Samco”) was incorporated in the British Virgin Islands on June 16, 2009. The registered office address is Geneva Place, 2nd Floor, 333 Waterfront Drive, Road Town, Tortola, British Virgin Islands.

The Company’s principal business has historically been the acquisition, exploration and development of precious metals properties in Argentina. Following its reorganization and recapitalization, the Company is currently refocusing its business objectives on new lines of business.

On July 24, 2019, Samco announced it has made an offer to acquire all of the outstanding shares of Echo Pharmaceuticals B.V. (“Echo”) (as previously reported).

On June 10, 2020, Samco announced “that it will not proceed with the proposed change of business transaction (the “Transaction”) pursuant to the letter agreement with Echo announced on July 24, 2019 (the “Letter Agreement”). Neither the Company nor Echo have any remaining further obligations to each other under the Letter Agreement.

Upon entry into the Letter Agreement, the Company and Echo constructively engaged in the negotiation of a definitive agreement and satisfying conditions to the Transaction, which conditions included a concurrent financing at an agreed-upon indicative valuation for Echo. While the Transaction was initially well received by industry participants, the market dynamic for cannabis-related financing, and the cannabis industry in general, have significantly changed, such that the Company determined that a concurrent financing at the indicative value described in the Letter Agreement could not be completed. The Company and Echo’s shareholders negotiated the terms of the Transaction but ultimately could not agree upon a reduced valuation for Echo that would make the Transaction (including a concurrent financing) viable. Therefore, the parties determined it was in their respective best interests to terminate the proposed Transaction.

The Company will engage with the TSX Venture Exchange (“TSXV”) to remove the halt imposed on its common shares since the announcement of the entry into of the Letter Agreement, and will continue to seek and engage with potential change of business opportunities”.

On April 28, 2020, Mr. C. Koppel, the Company’s Executive Chairman and Chief Executive Officer, disbursed an amount of \$84,150 on behalf of the Company. That payment was recognized under ‘current liabilities – due to related parties’ in the Company’s financial statements.

During 2020, the Company received loan advances totaling \$190,000 from a third party against an expected future loan agreement. As at June 30, 2021, a loan agreement had not been executed between the two parties. The funds were used for working capital and general corporate purposes.

During 2021, the Company received a loan advance of \$34,865 from Jaytree Limited (see Note 6). The loan carries interest at 8% per annum and is due to be repaid on October 31, 2021. The funds are being used for working capital and general corporate purposes.

During 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian and United Kingdom governments regarding travel, business operations and isolation/quarantine orders.

At this time, it is unknown the full extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, and staff shortages, all of which may negatively impact the Company’s business and financial condition.

These unaudited condensed consolidated interim financial statements include the Company’s wholly-owned subsidiary MedCann Europe Limited (formerly Samco Gold Services (UK) Ltd.), incorporated in the United Kingdom.

Samco Gold Limited

Notes to the condensed consolidated interim financial statements

As at and for the three and six months ended June 30, 2021

(Unaudited)

(In United States dollars, except where otherwise stated)

1. **General information (continued)**

The Company's Common Shares are traded on the TSX Venture Exchange and all filings are publicly available on SEDAR at www.sedar.com.

2. **Significant accounting policies and continuation of the business**

Statement of compliance

The Company's unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, 'Interim Financial Reporting'.

These unaudited condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2020, audited annual consolidated financial statements.

Certain information and disclosures normally required to be included in notes to annual financial statements have been condensed or omitted. These unaudited condensed consolidated interim financial statements should be read in conjunction with the audited annual consolidated financial statements and the notes thereto for the year ended December 31, 2020.

The Company's unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2021, were prepared by management, reviewed by the audit committee and approved and authorized for issuance by the Board of Directors of the Company on August 30, 2021.

Basis of preparation

These unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The Company was primarily engaged in the exploration of mainly gold and silver on properties in Argentina and is currently refocusing its business objectives.

Going concern

The Company had a loss and comprehensive loss of \$129,466 for the six months ended June 30, 2021 (2020: \$182,466). As the Company has not yet achieved profitable operations, the Company has, since its inception, accumulated a deficit to June 30, 2021, of \$54,561,450 (December 31, 2020: \$54,431,984) and expects to incur further losses in the development of its business.

As at June 30, 2021, the Company had \$13,471 (December 31, 2020: \$33,124) in cash and cash equivalents.

The Company does not currently have revenue-generating activities.

The Company's ability to continue operations in the normal course of business is dependent on several factors including its ability to secure additional funding. Management is exploring all available options to secure additional funding, including equity and loan financing.

The Company's principal business has historically been the acquisition, exploration and development of precious metals properties in Argentina. Following its reorganization and recapitalization, the Company is currently refocusing its business objectives on new lines of business.

There is no assurance that the financing required will be maintained on favorable terms, or at all, or that the Company will succeed in identifying and pursuing new lines of business. Such matters indicate the existence of material uncertainties about the Company's ability to continue as a going concern and cast significant doubt upon the validity of the going concern assumption.

Samco Gold Limited

Notes to the condensed consolidated interim financial statements

As at and for the three and six months ended June 30, 2021

(Unaudited)

(In United States dollars, except where otherwise stated)

2. Significant accounting policies and continuation of the business (continued)

Going concern (continued)

These unaudited condensed consolidated interim financial statements do not include any additional adjustments to the recoverability and classification of certain recorded asset amounts, classification of certain liabilities and changes to the statement of loss and comprehensive loss that might be necessary if the Company was unable to continue as a going concern.

New standards and interpretations applicable for the annual period beginning on 1 January 2020

IFRS 3 - Business combinations ("IFRS 3")

Amendments to IFRS 3, issued in October 2018, provide clarification on the definition of a business. The amendments permit a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

The amendments are effective for transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020. The adoption of the amendments had no impact on the Company's condensed consolidated interim financial statements.

IAS 1, Presentation of Financial Statements ("IAS 1")

Amendments to IAS 1, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications.

The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's condensed consolidated interim financial statements.

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

Amendments to IAS 8, issued in October 2018, provide clarification on the definition of material and how it should be applied. The amendments also align the definition of material across IFRS and other publications.

The amendments are effective for annual periods beginning on or after January 1, 2020 and are required to be applied prospectively. The adoption of the amendments had no impact on the Company's condensed consolidated interim financial statements.

3. Critical accounting judgments and key sources of estimation uncertainty

Disclosures about critical accounting judgements and key sources of estimation uncertainty have been omitted in these unaudited condensed consolidated interim financial statements, as permitted by IAS 34, 'Interim Financial Reporting'. A description of those critical accounting judgements and key sources of estimation is included in the Company's audited annual consolidated financial statements and the notes thereto for the year ended December 31, 2020.

4. Segment information

Operating segments were historically identified based on internal reporting reviews that are performed by the chief executive officer of the Company. The chief operating decision maker of the Company is Mr. C. Koppel. Two segments were identified based on the operational activities and the reporting structure. The accounting policies of the reportable segments are the same as the Company's accounting policies. The Company operates a corporate business segment as well as, until its disposition on June 3, 2019, a segment

Samco Gold Limited

Notes to the condensed consolidated interim financial statements

As at and for the three and six months ended June 30, 2021

(Unaudited)

(In United States dollars, except where otherwise stated)

4. Segment information (continued)

for managing exploration rights in Argentina. Assets, liabilities and loss/(income) within each segment are as follows:

	As at June 30, 2021		
	Corporate	Argentina	Total
	\$	\$	\$
Current assets	40,705	-	40,705
Current liabilities	1,528,387	-	1,528,387

	As at December 31, 2020		
	Corporate	Argentina	Total
	\$	\$	\$
Current assets	63,990	-	63,990
Current liabilities	1,422,206	-	1,422,206

	Three months ended June 30, 2021		
	Corporate	Argentina	Total
	\$	\$	\$
Finance and interest expense	18,120	-	18,120
Loss for the period	50,679	-	50,679

	Three months ended June 30, 2020		
	Corporate	Argentina	Total
	\$	\$	\$
Finance and interest expense	15,910	-	15,910
Loss for the period	71,541	-	71,541

	Six months ended June 30, 2021		
	Corporate	Argentina	Total
	\$	\$	\$
Finance and interest expense	35,085	-	35,085
Loss for the period	129,466	-	129,466

	Six months ended June 30, 2020		
	Corporate	Argentina	Total
	\$	\$	\$
Finance and interest expense	29,835	-	29,835
Loss for the period	182,466	-	182,466

Samco Gold Limited

Notes to the condensed consolidated interim financial statements

As at and for the three and six months ended June 30, 2021

(Unaudited)

(In United States dollars, except where otherwise stated)

5. Administrative expenses

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Administration costs	10,858	47,497	19,054	102,364
Travel and subsistence	-	218	-	7,718
Application fees	2,990	6,662	19,919	13,738
Management, professional and membership fees	13,154	(17,670)	47,457	8,258
Salaries	-	6,366	-	30,844
	27,002	43,073	86,430	162,922

6. Related party transactions

The Company's related parties include key management. Key management includes the directors (executive and non-executive) and officers of the Company. Remuneration of key management was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Short-term employee benefits	8,357	18,750	27,107	37,500
Share-based payments	-	-	-	-
	8,357	18,750	27,107	37,500

The Company participates in the National Employment Savings Trust (NEST), a defined contribution workplace pension scheme in the United Kingdom. No bonuses were awarded during the three and six months ended June 30, 2021.

Mr. Fornazzari, who is the Company's corporate secretary, is a partner in the Fasken Martineau DuMoulin LLP law firm ("Fasken"), which provided legal services of \$1,212 to the Company for the three months ended June 30, 2021 (2020: \$3,289). The value of services incurred by Fasken for the six months ended June 30, 2021, was \$1,212 (2020: \$5,744). For services provided up to June 30, 2021, \$201,142 (December 31, 2020: \$194,972) was outstanding to Fasken.

Upon maturity on September 30, 2019, of a six-month convertible loan facility of \$450,000 entered into with Mr. C. Koppel on March 22, 2019, the Company agreed with Mr. Koppel to amend the maturity date of the fully drawn loan from September 30, 2019, to March 31, 2020. The Facility, that is no longer convertible as the conversion option expired as of October 1, 2019, continues to bear interest at a rate of 12% per annum, calculated on the basis of a 365-day year. The Facility is now due.

The loan facility has accrued interest of \$136,970 as at June 30, 2021 (December 31, 2020: \$103,222). The Company recorded accrued interest expense of \$33,747 in the six months ended June 30, 2021 (2020: \$28,742).

On April 28, 2020, Mr. C. Koppel disbursed an amount of \$84,150 on behalf of the Company. That payment was recognized under 'current liabilities – due to related parties'.

On April 28, 2021, the Company received a loan of \$34,865 from JayTree Limited, a company wholly-owned by Mr. C. Koppel. The loan carries interest at 8% per annum on the full amount calculated on the basis of a 365-day year, and is repayable by October 31, 2021. The funds are being used for working capital and general corporate purposes.

Samco Gold Limited

Notes to the condensed consolidated interim financial statements As at and for the three and six months ended June 30, 2021

(Unaudited)

(In United States dollars, except where otherwise stated)

6. Related party transactions (continued)

For this loan the Company recorded accrued interest expense of \$484 in the three months ended June 30, 2021.

The related party transactions are conducted in the normal course of business operations and were measured at the exchange amount, which is the amount agreed to by the related parties.

7. Income taxes

The following table summarizes the movement in the deferred tax liability for the three and six months ended June 30, 2021:

	Three months ended March 31,		Six months ended June 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Deferred tax liability at the beginning of the period	-	-	-	-
Deferred tax recovery	-	-	-	-
Deferred tax liability at the end of the period	-	-	-	-

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized. As at June 30, 2021, the Company has \$708,801 non-capital losses in the United Kingdom.

8. Plant and equipment

The company had no plant and equipment as at December 31, 2019 and 2020, and June 30, 2021.

9. Mineral rights and exploration assets

The balance of the mineral rights and exploration assets was \$NIL as at December 31, 2019 and 2020, and June 30, 2021.

10. Share capital, warrants and share options

a) Share capital

Common shares	Six months ended June 30, 2021		Year ended December 31, 2020	
	Shares	Amount	Shares	Amount
		\$		\$
Balance, beginning of period	82,657,687	33,599,498	82,657,687	33,599,498
Balance, end of period	82,657,687	33,599,498	82,657,687	33,599,498

b) Warrants

The warrants expired during the year ended December 31, 2013, and had a fair value of \$900,802 on the date they were granted.

Samco Gold Limited

Notes to the condensed consolidated interim financial statements

As at and for the three and six months ended June 30, 2021

(Unaudited)

(In United States dollars, except where otherwise stated)

10. Share capital, warrants and share options (continued)

c) Share options

The Company has in place a stock option plan (the "Option Plan"), which, under the policies of the TSX Venture Exchange, requires re-approval at each annual meeting of shareholders of the Company.

The Option Plan is a "rolling" stock option plan, pursuant to which the number of common shares that may be issued upon exercise of options may not exceed 10% of the issued and outstanding common shares on a non-diluted basis at any time and such aggregate number of common shares automatically increases or decreases as the number of issued and outstanding common shares of the Company changes.

The Option Plan was established to promote the profitability and growth of the Company, facilitating the efforts of the Company to obtain and retain key individuals by encouraging their ownership of the Company's shares so that they benefit from increases in the value of the Company's shares. If the Option Plan is not approved by the shareholders at the annual meeting, the Company will not be able to grant any further options under the Option Plan and the Company will have to consider other methods of compensation, such as increased cash compensation.

The following tables summarize information about share options outstanding as at June 30, 2021:

Number outstanding	Number vested and exercisable	Exercise price (CDN\$)	Expiry date	Remaining contractual life (years)
3,973,925	3,973,925	0.10	January 30, 2023	1.59
3,973,925	3,973,925			1.59

	Note	Number	Weighted average exercise price (CDN\$)
Balance as at December 31, 2020, and as at June 30, 2021		3,973,925	0.10

3,973,925 share options were granted on January 30, 2018, and vested on April 30, 2018, with an exercise price of CDN\$0.10 and an expiry date of January 30, 2023.

d) Loss per share

The calculation of basic and diluted loss per share is based on the net loss of \$50,679 for the three months ended June 30, 2021 (2020: \$71,541) and using the total weighted average number of common shares of 82,657,687 outstanding during the three months ended June 30, 2021 and 2020, respectively.

The calculation of basic and diluted loss per share is based on the net loss of \$129,466 for the six months ended June 30, 2021 (2020: \$182,466) and using the total weighted average number of common shares of 82,657,687 outstanding during the six months ended June 30, 2021 and 2020, respectively.

Effect on diluted earnings per share

The share options have an anti-dilutive effect on the diluted loss per share disclosed in the unaudited condensed consolidated interim statements of loss and comprehensive loss for the three and six months

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Notes to the condensed consolidated interim financial statements

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(Unaudited)

(In United States dollars, except where otherwise stated)

10. *Share capital, warrants and share options (continued)*

ended June 30, 2021 and 2020, and were therefore not included in the diluted loss per share calculation for the periods.

11. **Capital redemption reserve**

The capital redemption reserve of \$12,517,683 arose from the shares in Samco Gold Limited which were returned to the Company in exchange for the shares of 5R S.A. in November 2017. The amount in the reserve is made up of the nominal value of the shares returned, net of their market value.

12. **Other capital contributions**

Other capital contributions of \$1,031,503 comprise:

\$281,503 relating to shares that were issued to controlling shareholders at fair value during the year 2018, and the total value of the shares, less any share issue costs, were less than the debts owed; and

\$750,000 relating to sales of the Royalties to controlling shareholders in 2018 in exchange for those shareholders agreeing to waive a debt due to them, and the amount of the debt waived was more than the carrying value of the asset.

13. **Financial instruments and risk management**

a) Capital risk management

The Company's objectives in managing its capital are to ensure the Company's ability to continue as a going concern and to maintain a flexible capital structure of equity and debt financing to optimize the costs of capital with minimal risks. The Company considers the items included in shareholders' equity to be capital. The Board of Directors monitors the Company's capital position on a regular basis (see more details under 'Going concern' in Note 2).

The Company is sensitive to changes in foreign exchange rates.

b) Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

The following table has been prepared based on the undiscounted cash flow of financial liabilities based on the earliest date on which the Company could be required to pay. The Company continues to pursue future financing options.

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Notes to the condensed consolidated interim financial statements As at and for the three and six months ended June 30, 2021

(Unaudited)

(In United States dollars, except where otherwise stated)

13. Financial instruments and risk management (continued)

b) Liquidity risk management (continued)

	As at June 30, 2021				
	< 1 month	1-3 months	3 months to 1 year	> 1 year	Total
	\$	\$	\$	\$	\$
Due to related parties	590,219	534,150	35,348	-	1,159,717
Accounts payable and accrued liabilities	178,670	-	-	-	178,670
Loan advance	190,000	-	-	-	190,000
	958,889	534,150	35,348	-	1,528,387

	As at December 31, 2020				
	< 1 month	1-3 months	3 months to 1 year	> 1 year	Total
	\$	\$	\$	\$	\$
Due to related parties	523,194	534,150	-	-	1,057,344
Accounts payable and accrued liabilities	107,111	5,351	-	62,400	174,862
Loan advance	190,000	-	-	-	190,000
	820,305	539,501	0	62,400	1,422,206

c) Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies, and consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed by maintaining low levels of foreign currencies and related obligations that are perceived to be volatile. The carrying amount of the Company's foreign currency denominated monetary assets and liabilities at the end of the reporting period, in United States dollars is:

	As at June 30, 2021		As at December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
	\$	\$	\$	\$
United Kingdom sterling	11,457	128,824	827	83,800
Euros	-	12,478	-	12,885
Canadian dollars	580	236,831	4,647	238,596
	12,037	378,133	5,474	335,281

Based on the June 30, 2021, balances and applying a movement in the exchange rate of 5%, had United States dollar strengthened (weakened) against the United Kingdom pound sterling, the Company's equity would have been \$5,868 higher (lower). Had the United States dollar strengthened (weakened) against the Euro, the Company's equity would have been \$624 higher (lower). Had the United States dollar strengthened (weakened) against the Canadian dollar, the Company's equity would have been \$11,813 higher (lower). The Company's cash is predominantly held in United States dollars other than as needed in the ordinary course of business.

Samco Gold Limited

Notes to the condensed consolidated interim financial statements

As at and for the three and six months ended June 30, 2021

(Unaudited)

(In United States dollars, except where otherwise stated)

13. Financial instruments and risk management (continued)

d) Credit risk management

The Company's main credit risk arises from its cash deposit with banks, of which there is \$13,471 deposited as at June 30, 2021 (December 31, 2020: \$33,124). The Company limits its counterparty credit risk on its deposits by dealing only with financial institutions with high credit ratings.

e) Fair value hierarchy

The Company applies a three-tier hierarchy to classify the determination of fair value measurements for disclosure purposes. Inputs refer broadly to the data and assumptions that market participants would use in pricing the investment. Observable inputs are inputs that are based on market data from independent sources. Unobservable inputs are inputs that reflect the Company's own assumptions about the assumptions market participants would use in pricing an investment based on the best information available in the circumstances. The three-tier hierarchy of inputs is as follows:

Level 1 - quoted prices in active markets for identical investments.

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the investment, either directly (as prices) or indirectly (derived from prices).

Level 3 - inputs for the investment that are not based on observable market data (unobservable inputs).

The Company currently has cash at Level 1.

f) Categories of financial instruments

Carrying amount	IFRS 9	As at June 30, 2021	As at December 31, 2020
		\$	\$
Financial assets			
Cash	FVTPL	13,471	33,124
Financial liabilities			
Accounts payable and accrued liabilities	amortised cost	178,670	174,862
Loan advance	amortised cost	190,000	190,000
Due to related parties	amortised cost	1,159,717	1,057,344

Cash in the statement of financial position comprises cash at banks. There were no cash equivalents as at June 30, 2021, and December 31, 2020, respectively. The carrying value of cash and receivables approximates their fair values due to the short-term nature. The accounts payable and accrued liabilities as well as the amounts due to related parties have remaining terms of less than one year. The carrying values of the other liabilities approximate their fair values due to their short-term nature.