AJN RESOURCES INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended January 31, 2022 and 2021

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-Auditor Review of the Condensed Interim Consolidated Financial Statements for the Three and Six Months ended January 31, 2022 and 2021

Pursuant to subsection 4.3(3)(a) of National Instrument 51-102 - Continuous Disclosure Obligations, issued by the Canadian Securities Administrators, if an auditor has not performed a review of the 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 interim consolidated financial statements of AJN Resources Inc. (the “Company”) for the interim period ended January 31, 2022, and 2021, have been prepared in accordance with the International Accounting Standard 34 - Interim Financial Reporting as issued by the International Accounting Standards Board, and are the responsibility of the Company’s management.

The Company’s independent auditors, Dale Matheson Carr-Hilton Labonte LLP, have not performed a review of these condensed interim consolidated financial statements.

April 1, 2022

AJN RESOURCES INC.
Condensed Interim Consolidated Statements of Financial Position
As at January 31, 2022 and July 31, 2021
(Unaudited - Expressed in Canadian dollars)

	Note	**January 31, 2022**	July 31, 2021
		$	$
Assets			
Current			
Cash and cash equivalents		**1,247,687**	1,569,307
Receivables		**12,230**	8,285
Prepaid expenses and deposits		**9,030**	9,030
		1,268,947	1,586,622
Reclamation bond	4	**19,142**	19,142
Equipment	5	**25,438**	28,663
Exploration and evaluation assets	4	**151,888**	151,888
Total assets		**1,465,415**	1,786,315
Liabilities			
Current			
Accounts payable and accrued liabilities	6	**56,408**	64,605
Accrued interest payable	7	**24,865**	9,034
		81,273	73,639
Convertible debenture	8	**1,121,693**	1,069,958
Total liabilities		**1,202,966**	1,143,597
Shareholders' Equity			
Share capital	8	**3,895,831**	3,895,831
Reserves	9	**1,008,575**	1,008,575
Accumulated other comprehensive loss		**(32,512)**	(40,020)
Deficit		**(4,609,445)**	(4,221,668)
Total shareholders' equity		**262,449**	642,718
Total liabilities and shareholders' equity		**1,465,415**	1,786,315

Nature of operations and going concern (Note 1)
Subsequent events (Note 13)

These condensed interim consolidated financial statements are approved and authorized for issuance on behalf the Board of Directors on April 1, 2022:

"Klaus Eckhof"	*"Mark Gasson"*
Director	Director

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

AJN RESOURCES INC.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three and six months ended January 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Note	Three months ended January 31, **2022**	Three months ended January 31, 2021	Six months ended January 31, **2022**	Six months ended January 31, 2021
		$	$	**$**	$
Operating expenses					
Amortization	5	**1,959**	1,930	**3,816**	3,913
Consulting fees	6	**84,450**	78,500	**169,050**	237,187
Directors fees	6	**12,000**	14,000	**24,000**	22,000
Filing fees		**2,325**	5,690	**4,650**	8,690
Office and miscellaneous		**2,967**	29,523	**22,215**	52,459
Professional fees	6	**49,437**	44,624	**76,190**	137,873
Travel expenses		**1,972**	3,852	**22,099**	4,617
Total operating expenses		**155,110**	178,119	**322,020**	466,739
Other expenses (income)					
Loss on foreign exchange		**-**	118	**-**	617
Accretion expense	7	**26,172**	23,832	**51,734**	46,403
Interest income		**(242)**	(2,785)	**(1,808)**	(5,982)
Interest expense	7	**7,916**	7,915	**15,831**	16,679
Net loss		**(188,956)**	(207,199)	**(387,777)**	(524,456)
Other comprehensive income (loss)					
Currency translation adjustment on foreign operations		**9,741**	(20,939)	**7,508**	(25,448)
Net loss and comprehensive loss		**(179,215)**	(228,138)	**(380,269)**	(549,904)
Loss per share:					
Basic and diluted		**(0.01)**	(0.01)	**(0.01)**	(0.02)
Weighted average number of shares					
Basic and diluted		**30,708,000**	25,083,000	**30,708,000**	25,083,000

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

AJN RESOURCES INC.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the six months ended January 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars, except number of shares)

		Share capital					
	Note	Common shares	Amount	Reserves	Accumulated other comprehensive income	Deficit	Total
		#	$	$	$	$	$
Balance, July 31, 2020		**25,083,000**	**3,826,947**	**1,037,459**	**5,377**	**(3,214,634)**	**1,655,149**
Comprehensive loss for the period		-	-	-	(25,448)	-	(25,448)
Net loss for the period		-	-	-	-	(524,456)	(524,456)
Balance, January 31, 2021		**25,083,000**	**3,826,947**	**1,037,459**	**(20,071)**	**(3,739,090)**	**1,105,245**
Exercise of stock options	8	400,000	68,884	(28,884)	-	-	40,000
Comprehensive loss for the period		-	-	-	(19,949)	-	(19,949)
Net loss for the period		-	-	-	-	(482,578)	(482,578)
Balance, July 31, 2021		**25,483,000**	**3,895,831**	**1,008,575**	**(40,020)**	**(4,221,668)**	**642,718**
Comprehensive loss for the period		-	-	-	7,508	-	7,508
Net loss for the period		-	-	-	-	(387,777)	(387,777)
Balance, January 31, 2022		**25,483,000**	**3,895,831**	**1,008,575**	**(32,512)**	**(4,609,445)**	**262,449**

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

AJN RESOURCES INC.
Condensed Interim Consolidated Statements of Cash Flows
For the six months ended January 31, 2022 and 2021
(Unaudited - Expressed in Canadian dollars)

	Note	**2022**	2021
		$	$
Operating activities			
Net loss for the period		**(387,777)**	(524,456)
Item not affecting cash:			
Amortization		**3,816**	3,913
Interest expense	7	**15,831**	16,679
Accretion expense	7	**51,734**	46,403
Changes in non-cash working capital			
Receivables		**(3,945)**	28,321
Prepaid expenses and deposits		**-**	93,074
Accounts payable and accrued liability		**(8,196)**	(69,130)
Net cash flows used in operating activities		**(328,537)**	(405,196)
Effect of exchange rate changes on cash		**6,917**	(23,717)
Change in cash and cash equivalents		**(321,620)**	(428,913)
Cash and cash equivalents, beginning of period		**1,569,307**	2,384,496
Cash and cash equivalents, end of period		**1,247,687**	1,955,583

Cash and cash equivalents consist of:		
Cash	**382,217**	628,911
Guaranteed investment certificate	**865,470**	1,259,412
Total	**1,247,687**	1,955,583

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

1. NATURE OF OPERATIONS AND GOING CONCERN

AJN Resources Inc. (the "Company") is in the business of the exploration and evaluation of mineral properties. The Company was incorporated under the Business Corporations Act of British Columbia on September 1, 2016. On June 12, 2018, the Company listed its shares on the Canadian Securities Exchange ("CSE") and trades under the symbol AJN. The address of the Company's registered and records office and principal place of business is Suite 1400 - 1199 West Hastings St., Vancouver, British Columbia, V6E 3T5 Canada.

On January 18, 2020, the Company signed a Memorandum of Understanding (MoU) with Société Minière de Kilo-Moto SA ("SOKIMO") whereby SOKIMO proposed to obtain from the Company the conversion of its rights to a direct participation in various gold licences held by SOKIMO into shares in the Company. The gold licences are located within the Kilo-Moto gold province in the north-east of the DRC. On March 23, 2020, the Company incorporated AJN Resources Congo SASU ("AJN Congo") based in the Democratic Republic of the Congo ("DRC"). AJN Congo is a 100% owned subsidiary of the Company. As at January 31, 2022, completion of the terms of the MoU remain subject to due diligence and approvals and the Company has not yet commenced operations in the DRC.

The Company's primary business is the acquisition and exploration of mineral properties. The Company's exploration and evaluation assets (Note 4) do not presently host any known mineral deposits nor, given the high degree of risk involved, can there be any assurance that its exploration activities will result in the definition of such deposits being located or, ultimately, a profitable mining operation in the future.

These condensed interim consolidated financial statements (the "interim financial statements") have been prepared on a going concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company incurred a loss of $387,777 during the six months ended January 31, 2022 (2021 - $524,456), has working capital as at January 31, 2022 of $1,187,674 (July 31, 2021 - $1,512,983), and has accumulated deficit as at January 31, 2022 of $4,609,445 (July 31, 2021 - $4,221,668). Further, the Company has no source of operating cash flows, and there is no assurance that sufficient funding (including adequate financing) will be available to conduct required exploration and development of its mineral property projects. These factors indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These interim financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern and such adjustments could be material.

The coronavirus pandemic continues to have global impacts on workforces, economies, and financial markets. It is not possible for the Company to predict the duration or magnitude of any adverse effects that the pandemic may have on the Company's business or ability to raise funds. As of the date of these interim financial statements, COVID-19 has had no impact on the Company's ability to access and explore its current properties but may impact the Company's ability to raise funding or explore its properties should travel restrictions related to COVID-19 be extended or expanded in scope.

2. BASIS OF PRESENTATION

a) Statement of compliance

These interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard ("IAS") 34 - *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. IFRS includes IAS and interpretations issued by the IFRS Interpretations Committee. As such, these interim financial statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended July 31, 2021.

These interim financial statements were approved and authorized for issuance by the Company's Board of Directors on April 1, 2022.

2. BASIS OF PRESENTATION (CONTINUED)

b) Basis of measurement

These interim financial statements have been prepared on an historical cost basis, except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, AJN Congo, which is located in Kinshasa, DRC. Inter-company transactions and balances are eliminated upon consolidation.

d) Functional and presentation currency

Each entity within the Company has its results measured using the primary economic environment in which the entity operates. Judgment is necessary in assessing each entity's functional currency. The Company considers the primary and secondary indicators as part of its decision-making process. The interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company. The functional currency of AJN Congo is the US dollar.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of the interim financial statements. In addition, the preparation of the financial data requires that the Company's management make assumptions and estimates of the impacts of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period, and the reported amounts of expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors considered to be relevant under the circumstances. Revisions to estimates and the resulting impacts on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

4. EXPLORATION AND EVALUATION ASSETS

The Company entered into an option agreement (the "Option Agreement") dated April 25, 2017, and as last amended on October 3, 2017, to acquire a 100% interest in certain claims comprising the Salt Wells Lithium Project (the "Salt Wells Property") located in Nevada, USA. Pursuant to the Option Agreement, the Company was obligated to pay USD$255 per claim for initial filing fees (paid $26,666 (USD$19,125)) and a further USD$167 per claim annually. The Company paid $nil during the six months ended January 31, 2022, and 2021, respectively. The Company was also obligated to complete an exploration development program with a first-year work requirement of USD$60,000 and a second-year work requirement of USD$80,000. As at January 31, 2022, the Company's exploration expenditures have met the work requirements and the Company has made the required annual filing fee payments.

The Salt Wells Property is subject to a 4.5% Net Smelter Return as payable to the Vendor, 1.5% of which the Company shall have the right to buy back from the vendor within 90 days of the property going into production for USD$500,000, and an additional 1.5% of which the Company shall have the right to buy back from the Vendor within 180 days of the property going into production for USD$1,250,000. Furthermore, a cash payment of USD$250,000 is payable to the vendor upon the property attaining commercial production.

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

During the six months ended January 31, 2022, and 2021, the Company incurred $nil in exploration expenditures.

	July 31, 2021	Net change	**January 31, 2022**
	$	$	**$**
Acquisition costs	81,142	-	**81,142**
Exploration costs:			
Field expenses	118,559	-	**118,559**
Geological consulting	94,316	-	**94,316**
Geophysical	30,367	-	**30,367**
Total exploration costs	243,242	-	**243,242**
Impairment	(172,496)	-	**(172,496)**
Total	151,888	-	**151,888**

As at January 31, 2022 and July 31, 2021, the Company has a deposit of $19,142 (USD$15,457) towards a reclamation bond held with the Bureau of Land Management of Nevada.

5. EQUIPMENT

	Computer equipment	**Furniture and fixtures**	**Total**
	$	**$**	**$**
Cost			
Balance, July 31, 2020	15,957	24,255	40,212
Impact of foreign exchange	(1,121)	(1,714)	(2,835)
Balance, July 31, 2021	14,836	22,541	37,377
Impact of foreign exchange	306	474	780
Balance, January 31, 2022	**15,142**	**23,015**	**38,157**
Accumulated amortization			
Balance, July 31, 2020	532	808	1,340
Amortization	2,927	4,447	7,374
Balance, July 31, 2021	3,459	5,255	8,714
Amortization	1,514	2,302	3,816
Impact of foreign exchange	74	115	189
Balance, January 31, 2022	**5,047**	**7,672**	**12,719**
Carrying amounts			
Balance, July 31, 2021	11,377	17,286	28,663
Balance, January 31, 2022	**10,095**	**15,343**	**25,438**

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

6. RELATED PARTY TRANSACTIONS

During the six months ended January 31, 2022 and 2021, the Company paid the following amounts to directors and officers of the Company:

	Three months ended January 31,		Six months ended January 31,	
	2022	2021	**2022**	2021
	$	$	**$**	$
Consulting fees	**93,450**	67,500	**169,050**	158,500
Directors fees	**12,000**	14,000	**24,000**	22,000
Professional fees	**-**	-	**-**	11,550
	105,450	81,500	**193,050**	192,050

Amounts due to related parties are unsecured, non-interest bearing and measured at the amount of consideration established and agreed to by the related parties. The amounts due to related parties as at January 31, 2022 and July 31, 2021 were $54,315 and $31,360, respectively, and are included in accounts payable and accrued liabilities.

7. CONVERTIBLE DEBENTURE

On April 17, 2020, the Company issued a convertible debenture for total proceeds of $1,256,115 maturing on April 17, 2023. The convertible debenture bears interest of 2.5% per annum, payable yearly.

The convertible debenture is convertible at the holder's or issuer’s option into fully paid and non-assessable common shares of the Company at a base conversion price of $0.40 per share, being a rate of 250,000 common shares for each $100,000 principal amount of convertible debenture.

The election to convert the convertible debenture to shares may be made during the period from the date of issuance to maturity as follows:

1. By the holder at any time; and
2. By the issuer, at any time after:
    a. The closing price on the CSE of the issuer's common shares has been equal to or greater than $2.00 per common share for a period of 15 consecutive trading days; and
    b. Two years have elapsed from the date of issuance of the convertible debenture.

Upon initial recognition, the Company discounted the face value of the convertible debenture at a market rate of 12.5%, which was the estimated rate for a similar debt instrument without a conversion feature. The difference between the discounted value and face value of $307,740 was recorded to reserves to recognize the equity component applying the residual value method.

Interest expense for the three and six months ended January 31, 2022 was $7,916 and $15,831 (2021 - $7,915 and $16,679) respectively, and was recorded as accrued interest payable. Non-cash accretion expense for the three and six months ended January 31, 2022 was $26,172 and $51,734 (2021 - $23,832 and $46,403) respectively. As at January 31, 2022, the convertible debenture liability balance was $1,121,693 (July 31, 2021 - $1,069,958) and accrued interest payable was $24,865 (July 31, 2021 - $9,034).

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

8. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value.

Share transactions

During the six months ended January 31, 2022, there were no share transactions.

Subsequent to January 31, 2022, 600,000 common shares were issued for gross proceeds of $60,000 on the exercise of stock options.

During the year ended July 31, 2021, 400,000 common shares were issued for gross proceeds of $40,000 on the exercise of stock options. Accordingly, the Company reallocated $28,884 from reserves to share capital.

9. RESERVES

Convertible debenture

During the year ended July 31, 2020, the Company issued a convertible debenture which allows the holder to convert the debenture into common shares of the Company (Note 7). The $307,740 fair value of the equity conversion feature was recorded under the reserves account.

Stock options

There were no stock option transactions during the six months ended January 31, 2022.

There were no stock options granted during the six months ended January 31, 2022 or during the ended July 31, 2021.

In February 2021, 400,000 stock options were exercised at a price of $0.10 per share. Accordingly, the Company reallocated $28,884 from reserves to share capital. The weighted average share price of the Company on the date of exercise of these stock options was $0.38 per share.

A summary of the Company's stock options is as follows:

	Number of options outstanding	**Weighted average exercise price**
	$	$
Balance at July 31, 2021	2,025,000	0.38
Balance at January 31, 2022	**2,025,000**	**0.38**

A summary of the Company's stock options outstanding and exercisable at January 31, 2022 is presented below:

Expiry date	**Exercise prices**	**Options outstanding and exercisable**	**Weighted average years remaining**
	$	#	
June 12, 2023	0.10	900,000	1.36
August 21, 2024	0.25	400,000	2.56
February 24, 2024	0.80	725,000	2.07
Balance at January 31, 2022		**2,025,000**	**1.85**

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash and cash equivalents, receivables, accounts payables and accrued liabilities and convertible debenture. The carrying values of these financial instruments approximate their respective fair values due to the term of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's primary exposure to credit risk is its cash and cash equivalents of $1,247,687 at January 31, 2022 (July 31, 2021 - $1,569,307). With cash on deposit with reputable financial institutions, it is management's opinion that the Company is not exposed to significant credit risks arising from the financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at January 31, 2022, the Company has working capital (defined as current assets less current liabilities) as at January 31, 2022 of $1,187,674 (July 31, 2021 - $1,512,983) and is not exposed to significant liquidity risk at this time. However, since the Company is in the exploration stage, it will periodically have to raise funds to continue operations and intends to raise further financing through private placements.

Market risk

Market risk is the risk that changes in market prices such as commodity prices, foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposure within acceptable parameters. The Company does not use derivative instruments to reduce its insignificant exposure to market risks. The Company is not exposed to market risk because it does not own publicly traded marketable securities and does not have investments in other companies.

11. CAPITAL MANAGEMENT

The Company includes shareholders' equity and any debt it may issue, in the definition of capital. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business.

The Company's property is in the exploration stage and as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds required.
Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. There were no changes to the Company's approach to capital management during the six months ended January 31, 2022. The Company is not subject to any external covenants.

(Unaudited - Expressed in Canadian dollars – unless otherwise noted)

12. SEGMENTED INFORMATION

	January 31, 2022	July 31, 2021
Total assets:	**$**	$
Canada	**938,872**	1,228,312
United States	**180,060**	180,061
DRC	**346,483**	377,942
Total	**1,465,415**	1,786,315

13. SUBSEQUENT EVENTS

On February 8, 2022, the Company announced that it entered into a memorandum of understanding (the "MoU") with the Democratic Republic of the Congo ("DRC" or the "State") to acquire a number of exploration permits in the highly prospective Kilo Moto Gold Belt in North-East DRC, which hosts Barrick's Kibali Gold Mine.

AJN had previously entered into a memorandum of understanding with State entity, Société Minière de Kilo-Moto SA ("SOKIMO"), which is a DRC para-statal entity, pursuant to which AJN could secure the direct participation rights in several established gold projects held by SOKIMO as announced on February 6, 2020. At that time AJN also announced its intention to raise a minimum of $CDN20,000,000 via the issuance of securities in its capital. As consideration for the direct participation rights AJN was to issue common shares in its capital equal to sixty percent (60%) of the issued and outstanding common shares of AJN post-financing.

Subsequent to signing the memorandum of understanding with SOKIMO, and after numerous consultations with representatives of the State, the State advised that the Company should deal directly with the State as after two years from signing the original memorandum of understanding with the Company, SOKIMO had still to receive the required approvals. The DRC subsequently decided to conclude the proposed transaction with the Company through its wholly-owned subsidiary, Congo Ressources SAU.

Pursuant to the MoU with the DRC, the State has agreed to transfer a number of prospective exploration permits, mostly within the Kilo-Moto Gold Belt, (which hosts Barrick's Kibali Gold Mine and other prospective areas within the DRC), to a company that is to be constituted and called Congo Ressources SAU. The MoU is concluded for a period not exceeding 180 days from the date of signing of the MOU, which period includes 15 working days to allow the State to identify the targets to be made available to this project and to finalize the process of constituting Congo Ressources, and 60 days for the Company to evaluate and select all permits of interest that have been offered by the DRC. The Company will have 180 days from the date of signing of the MoU to conclude legal and technical due diligence. During this period, the Company will assess the mineralised potential of the selected licences and decide which licences are not to be included in the transaction.

Pursuant to the proposed transaction, the Company can secure a direct 100% interest in the selected tenements via the transfer, to the Company, of all the State's shares in Congo Ressources SAU. In exchange for the transfer, the Company will issue to the State that number of common shares in the Company's capital which is equal to sixty percent (60%) of the fully-diluted issued and outstanding common shares of the Company immediately prior to the closing of the transaction. The issuance will occur following completion of one or more financings to be conducted in connection with the proposed transaction. The quantum of the capital raise will be assessed during the due diligence period. After the closing of the proposed transaction, the State will have a first right of refusal on any fund raisings carried out by the Company in the future. Shares issued to the DRC pursuant to the proposed transaction may be subject to regulatory escrow requirements as imposed by Canadian regulatory authorities. Closing of the transaction will be subject to certain conditions precedent including the Company having obtained all necessary governmental and regulatory approvals and confirmation from all relevant government agencies that all outstanding legal charges, royalties, and taxes have been paid.

On closing of the transaction, the Board of Directors of the Company will be comprised of five directors, two of whom will be directors appointed by the State (one of whom will be Deputy Chairman) and three will be current directors of the Company (one of whom will be Chairman).

A 10% finder's fee is payable at the close of the transaction and the acquisition of the projects, which will be settled by the issuance of the Company common shares to Klaus Eckhof, CEO and President of the Company or his permitted nominees.