

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 20-F

- ☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**
- OR**
- ☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For fiscal year ended December 31, 2020

- OR**
- ☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____ to ____

- OR**
- ☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report:

Commission file number: 001-35124

LONCOR RESOURCES INC.

(Exact Name of Registrant as Specified in Its Charter)

Ontario

(Jurisdiction of Incorporation of Organization)

1 First Canadian Place, 100 King Street West, Suite 7070, Toronto, Ontario, M5X 1E3, Canada
(Address of Principal Executive Offices, including Zip Code)

Contact: Donat K. Madilo; E-mail: dmadilo@loncor.com; Telephone: (416) 361-2510; Address: 1 First Canadian Place, 100 King Street West, Suite 7070, Toronto, Ontario, M5X 1E3, Canada
(Name, Telephone, E-mail and/or Facsimile Number and Address of Company Contact Person)

Securities registered pursuant to Section 12(b) of the Act:
None

Securities registered pursuant to Section 12(g) of the Act:
Common Shares

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.
None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of December 31, 2020:
112,224,174 common shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934.

Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒

Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant to Section 13(a) of the Exchange Act.

[†] The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

[]

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐

International Financial Reporting
Standards as issued by the International
Accounting Standards Board ☒

Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow:

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

LONCOR RESOURCES INC. - FORM 20-F
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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Form 20-F and the documents incorporated by reference herein contains "forward-looking statements" within the meaning of the United States *Private Securities Litigation Reform Act* of 1995 and "forward-looking information" within the meaning of Canadian provincial securities laws (such forward-looking statements and forward-looking information are referred to herein as "forward-looking statements"). Forward-looking statements are necessarily based on a number of estimates and assumptions that are inherently subject to significant business, economic and competitive uncertainties and contingencies. All statements, other than statements which are reporting results as well as statements of historical fact, that address activities, events or developments that Loncor Resources Inc. (the "**Company**" or "**Loncor**") believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding drill results at the Adumbi deposit, mineral resource estimates, mineral resource increases, drill targets, future drilling, drilling and other exploration results, potential gold discoveries, potential mineralization, potential mineral resources, and the Company's exploration and development plans and objectives with respect to its projects) are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual events or results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual events or results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things: the possibility that future exploration (including drilling) or development results will not be consistent with the Company's expectations; the possibility that drilling programs will be delayed, uncertainties relating to the availability and costs of financing in the future; activities of the Company may be adversely impacted by the continued spread of "COVID-19" (as defined below), including the ability of the Company to secure additional financing; risks related to the exploration stage of the Company's properties; failure to establish estimated mineral resources; fluctuations in gold prices and currency exchange rates; inflation; rules adopted by the U.S. Securities and Exchange Commission that may affect mining operations in the Democratic Republic of the Congo; gold recoveries being less than those indicated by the metallurgical testwork carried out to date (there can be no assurance that gold recoveries in small scale laboratory tests will be duplicated in large tests under on-site conditions or during production); changes in equity markets; political developments in the Democratic Republic of the Congo; lack of infrastructure; failure to procure or maintain, or delays in procuring or maintaining, permits and approvals; lack of availability at a reasonable cost or at all, of plants, equipment or labour; inability to attract and retain key management and personnel; changes to regulations or policies affecting the Company's activities; the uncertainties involved in interpreting drilling results and other geological data; the Company's history of losses and expectation of future losses; the Company's ability to acquire additional commercially mineable mineral rights; risks related to the integration of any new acquisitions into the Company's existing operations; increased competition in the mining industry; and the other risks disclosed under the heading "Risk Factors" in this Form 20-F.

Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

The mineral resource figures referred to in this Form 20-F are estimates and no assurances can be given that the indicated levels of gold will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at

a given time may significantly change when new information becomes available. While the Company believes that the resource estimates included in this Form 20-F are well established, by their nature, resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company.

Due to the uncertainty that may be attached to inferred mineral resources, it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration. Confidence in the estimate is insufficient to allow meaningful application of the technical and economic parameters to enable an evaluation of economic viability sufficient for public disclosure, except in certain limited circumstances. Inferred mineral resources are excluded from estimates forming the basis of a feasibility study.

Statements concerning actual mineral resource estimates are also deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the relevant project or property is developed. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is no certainty that mineral resources can be upgraded to mineral reserves through continued exploration.

CAUTIONARY NOTE TO U.S. INVESTORS REGARDING RESOURCE ESTIMATES

Resource estimates in this Form 20-F, including the documents incorporated by reference herein, have been prepared in accordance with the requirements of securities laws in effect in Canada, which differ from the requirements of U.S. securities laws. Without limiting the foregoing, this Form 20-F, including the documents incorporated by reference herein, uses the terms "indicated" and "inferred" resources. U.S. investors are advised that, while such terms are recognized and required by Canadian securities laws, the U.S. Securities and Exchange Commission (the "SEC") has not historically recognized them under SEC Industry Guide 7. Pursuant to SEC Industry Guide 7, mineralization has historically not been classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. U.S. investors are cautioned not to assume that all or any part of indicated resources will ever be converted into reserves. Further, "inferred resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the "inferred resources" will ever be upgraded to a higher category. Therefore, U.S. investors are also cautioned not to assume that all or any part of the inferred resources exist, or that they can be mined legally or economically. Disclosure of "contained ounces" is permitted disclosure under Canadian regulations, however, the SEC normally only permits issuers to report mineral deposits that do not constitute "reserves" as in place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of mineralization and resources contained in this Form 20-F or in the documents incorporated by reference, may not be comparable to information made public by U.S. companies pursuant to SEC Industry Guide 7.

National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") is a rule of the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all resource estimates contained in or incorporated by reference in this Form 20-F have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System (the "**CIM Definition Standards**"). These standards differ significantly from the requirements of the SEC, and resource information contained herein and incorporated by reference herein may not be comparable to similar information disclosed by U.S. companies.

On October 31, 2018, the SEC adopted the Modernization of Property Disclosures for Mining Registrants (the “**New Rule**”), introducing significant changes to the existing mining disclosure framework to better align it with international industry and regulatory practice, including NI 43-101. The New Rule became effective as of February 25, 2019 and following a transition period the Company will be required to comply with the New Rule as of its annual report for its first fiscal year beginning on or after January 1, 2021, and earlier in certain circumstances. While early voluntary compliance with the New Rule is permitted, the Company has not elected to comply with the New Rule at this time and the Company does not anticipate needing to comply with the New Rule until March 2022. Under the New Rule, the definitions of "Proven Mineral Reserves" and "Probable Mineral Reserves" have been amended to be substantially similar to the corresponding CIM Definition Standards and the SEC has added definitions to recognize "Measured Mineral Resources", "Indicated Mineral Resources" and "Inferred Mineral Resources" which are also substantially similar to the corresponding CIM Definition Standards; however, there are differences in the definitions under the New Rule and the CIM Definition Standards and therefore once the Company begins reporting under the New Rule there is no assurance that the Company's mineral reserve and mineral resource estimates will be the same as those reported under CIM Definition Standards as contained in this Form 20-F.

CURRENCY

Unless stated otherwise or the context otherwise requires, all references in this Form 20-F to "US\$" are to United States dollars and all references in this Form 20-F to "Cdn\$" are to Canadian dollars.

PART 1

Item 1. Identity of Directors, Senior Management and Advisors

This Form 20-F is being filed as an annual report under the United States *Securities Exchange Act of 1934*, as amended, (the "**U.S. Exchange Act**") and, as such, there is no requirement to provide any information under this item.

Item 2. Offer Statistics and Expected Timetable

This Form 20-F is being filed as an annual report under the U.S. Exchange Act and, as such, there is no requirement to provide any information under this item.

Item 3. Key Information

A. Selected Financial Data

The selected consolidated financial information set forth below for each of the five years ended December 31, 2020, 2019, 2018, 2017 and 2016, which is expressed in United States dollars (the Company prepares its financial statements in United States dollars), has been derived from the Company's audited consolidated financial statements as at and for the financial years ended December 31, 2020, 2019, 2018, 2017 and 2016. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board, which differ in certain respects from the principles the Company would have followed had its consolidated financial statements been prepared in accordance with generally accepted accounting principles in the United States. The selected consolidated financial information should be read in conjunction with the discussion in Item 5 of this Form 20-F and the consolidated financial statements and related notes thereto filed as part of this Form 20-F under Item 18. Historical results from any prior period are not necessarily indicative of results to be expected for any future period.

	(in US\$000 except share data)				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenue	\$-	\$-	\$-	\$-	\$-
Net income (loss) from operations	(2,244)	(1,651)	(665)	(61)	(498)
Net income (loss) for the year	(2,244)	(1,651)	(665)	(61)	(498)
Basic and diluted net income (loss) per share	(0.02)	(0.02)	(0.01)	(0.00)	(0.00)
Current assets	520	142	702	268	188
Exploration and evaluation assets	31,623	28,752	28,345	27,634	27,858
Total assets	32,671	29,675	29,067	27,918	28,081
Total liabilities	1,793	2,388	784	1,062	1,424
Net assets	30,878	27,287	28,282	26,856	26,657
Share capital	85,148	79,841	79,376	77,287	77,049
Shareholders' equity	30,878	27,287	28,282	26,856	26,657
Weighted average common shares outstanding (in thousands)	105,203	93,885	86,498	79,037	71,062

Exchange Rates

On March 15, 2021, the buying rate in New York City for cable transfers in Canadian dollars, as certified for customs purposes by the Federal Reserve Bank of New York, was US\$1.00 = Cdn\$1.2490. The following table sets forth, for each of the years or, as applicable, months indicated, additional information with respect to the noon buying rate for US\$1.00 in Canadian dollars and are based upon the rates quoted by the Federal Reserve Bank of New York.

Average ⁽¹⁾	Rate	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
		1.3422	1.3232	1.2999	1.2971	1.3229

(1) The average rate means the average of the exchange rates on the last day of each month during the year.

Rate	<u>October</u> <u>2020</u>	<u>November</u> <u>2020</u>	<u>December</u> <u>2020</u>	<u>January</u> <u>2021</u>	<u>February</u> <u>2021</u>	<u>March</u> <u>2021</u> ⁽¹⁾
High	1.3365	1.3255	1.2958	1.2812	1.2830	1.2672
Low	1.3120	1.2978	1.2715	1.2633	1.2528	1.2471

(1) Provided for the period from March 1, 2021 to March 15, 2021.

B. Capitalization and Indebtedness

This Form 20-F is being filed as an annual report under the U.S. Exchange Act and, as such, there is no requirement to provide any information under this item.

C. Reason for the Offer and Use of Proceeds

This Form 20-F is being filed as an annual report under the U.S. Exchange Act and, as such, there is no requirement to provide any information under this item.

D. Risk Factors

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of Loncor and could cause the Company's operating and financial performance to differ materially from the estimates described in forward-looking statements relating to the Company. These include widespread risks associated with any form of business and specific risks associated with Loncor's business and its involvement in the gold exploration industry.

An investment in the Company's common shares is considered speculative and involves a high degree of risk due to, among other things, the nature of Loncor's business (which is the exploration of mineral properties), the present stage of its development and the location of Loncor's projects in the Democratic Republic of the Congo (the "**DRC**"). In addition to the other information presented in this Form 20-F, a prospective investor should carefully consider the risk factors set out below and the other information that Loncor files with the SEC and with Canadian securities regulators before investing in the Company's common shares. The Company has identified the following non-exhaustive list of inherent risks and uncertainties that it considers to be relevant to its operations and business plans. Such risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. As well, additional risks that the Company is unaware of or that are currently believed to be immaterial may become important factors that affect the Company's business.

The Company's business could be adversely impacted by the outbreak of contagious diseases, including the effect of the spread of coronavirus.

The Company is susceptible to risks related to the outbreak of contagious diseases, including the ongoing widespread outbreak of respiratory illness caused by a novel strain of the coronavirus ("COVID-19"). The Company's business could be adversely impacted by the effects of COVID-19 (as well as any other outbreak of contagious diseases). During 2019, COVID-19 emerged in China and has since spread worldwide. The extent to which COVID-19 impacts the Company's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the COVID-19 outbreak (including the travel and quarantine restrictions currently being imposed by governments of affected countries). In particular, the continued spread of COVID-19 globally could materially and adversely impact the Company's business including without limitation, employee health, workforce productivity, limitations on travel, the availability of industry experts and personnel, restrictions to the exploration and development of its mineral properties, including restrictions on drill programs and/or the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond the Company's control, all of which may have a material and adverse effect on the its business, financial condition and results of operations. There can be no assurance that the personnel of the Company and its partners and service providers will not be impacted by COVID-19 and ultimately see workforce productivity reduced or incur increased costs, including but limited to medical and insurance premiums. In addition, COVID-19 has resulted in a widespread global health crisis that has significantly adversely affected global economies and capital markets, resulting in an economic downturn that could become much worse and have an adverse effect on the Company's future prospects, including its ability to secure financing from capital markets and further explore and develop its mineral properties.

The Company has not generated revenues from operations and is wholly reliant upon external financing, does not have a history of mining operations, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

The Company has not generated revenues from operations and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future. The Company has only incurred operating losses, and the development of its projects is at an early stage. The Company produced a loss of US\$2,243,560 for the year ended December 31, 2020, and, as of that date, the Company's deficit was US\$63,209,457 and the Company had a working capital deficit of US\$1,086,420 which casts substantial doubt on the Company's ability to continue as a going concern. The Company is subject to the risks and challenges experienced by other companies at a comparable stage. These risks include, but are not limited to, continuing losses and the ability to secure adequate financing or to complete corporate transactions to meet the minimum capital required to successfully complete its projects and fund other operating expenses.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to meet its obligations and repay liabilities arising from normal business operations when they come due. As well, further exploration and development of the Company's current projects will require significant additional financing. Given the current economic climate and state of capital markets, including the effects of the public health crisis resulting from COVID-19, the ability to raise funds may prove difficult. The Company has no revenues and is wholly reliant upon external financing to fund its activities. There can be no assurance that such financing will be available to the Company or, if it is, that it will be offered on acceptable terms. If additional financing is raised through the issuance of equity or convertible debt securities of the Company, the interests of the Company's shareholders in the net assets of the Company may be diluted. Any failure of the Company to obtain required financing on acceptable

terms could have a material adverse effect on the Company's financial condition, results of operations, liquidity, and its ability to continue as a going concern, and may require the Company to cancel or postpone planned exploration or development activities on its mineral properties.

The auditor's report issued in respect of the Company's 2020 annual consolidated financial statements contains the following paragraph:

"We draw attention to Note 2 in the consolidated financial statements, which describe the events and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

The assets and operations of Loncor are subject to political, economic and other uncertainties as a result of being located in the DRC.

Loncor's projects are located in the DRC. The assets and operations of the Company are therefore subject to various political, economic and other uncertainties, including, among other things, the risks of war and civil unrest, hostage taking, expropriation, nationalization, renegotiation or nullification of existing licenses, permits, approvals and contracts, taxation policies, foreign exchange and repatriation restrictions, changing political conditions, international monetary fluctuations, currency controls and foreign governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Changes, if any, in mining or investment policies or shifts in political climate in the DRC may adversely affect Loncor's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights, could result in loss, reduction or expropriation of entitlements. In addition, in the event of a dispute arising from operations in the DRC, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Company to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Company's operations. Should the Company's rights or its titles not be honoured or become unenforceable for any reason, or if any material term of these agreements is arbitrarily changed by the government of the DRC, the Company's business, financial condition and prospects will be materially adversely affected.

Some or all of the Company's properties are located in regions where political instability and violence is ongoing. Some or all of the Company's properties are inhabited by artisanal miners. These conditions may interfere with work on the Company's properties and present a potential security threat to the Company's employees. There is a risk that activities at the Company's properties may be delayed or interfered with, due to the conditions of political instability, violence, hostage taking or the inhabitation of the properties by artisanal miners. The Company uses its best efforts to maintain good relations with the local communities in order to minimize such risks.

The DRC is a developing nation emerging from a period of civil war and conflict. Physical and institutional infrastructure throughout the DRC is in a debilitated condition. The DRC is in transition from a largely state controlled economy to one based on free market principles, and from a non-democratic political system with a centralized ethnic power base, to one based on more democratic

principles. There can be no assurance that these changes will be effected or that the achievement of these objectives will not have material adverse consequences for Loncor and its operations. The DRC continues to experience instability in parts of the country due to certain militia and criminal elements. While the government and United Nations forces are working to support the extension of central government authority throughout the country, there can be no assurance that such efforts will be successful.

No assurance can be given that the Company will be able to maintain effective security in connection with its assets or personnel in the DRC where civil war and conflict have disrupted exploration and mining activities in the past and may affect the Company's operations or plans in the future.

HIV/AIDS, malaria and other diseases represent a serious threat to maintaining a skilled workforce in the mining industry in the DRC. HIV/AIDS is a major healthcare challenge faced by operations in the country. There can be no assurance that the Company will not lose members of its workforce or workforce man-hours or incur increased medical costs, which may have a material adverse effect on the Company's operations.

The DRC has historically experienced relatively high rates of inflation.

The Company's properties are in the exploration stage, and there can be no assurance that the Company's exploration activities will result in discoveries that are commercially viable.

The Company's properties are in the exploration stage. The future development of properties found to be economically feasible will require board approval, the construction and operation of mines, processing plants and related infrastructure. As a result, Loncor is subject to all of the risks associated with establishing new mining operations and business enterprises including: the timing and cost, which can be considerable, of the construction of mining and processing facilities; the availability and costs of skilled labour and mining equipment; the availability and costs of appropriate smelting and/or refining arrangements; the need to obtain necessary environmental and other governmental approvals and permits, and the timing of those approvals and permits; and, the availability of funds to finance construction and development activities. The costs, timing and complexities of mine construction and development are increased by the remote location of the Company's properties. It is common in new mining operations to experience unexpected problems and delays during construction, development, and mine start-up. In addition, delays in the commencement of mineral production often occur. Accordingly, there are no assurances that the Company's activities will result in profitable mining operations or that the Company will successfully establish mining operations or profitably produce gold at any of its properties.

The Company may be adversely affected by fluctuations in gold prices.

The future price of gold will significantly affect the development of Loncor's projects. Gold prices are subject to significant fluctuation and are affected by a number of factors which are beyond Loncor's control. Such factors include, but are not limited to, interest rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world. The price of gold has fluctuated widely in recent years, and future price declines could cause development of and commercial production from Loncor's mineral interests to be impracticable. The current global health crisis caused by COVID-19 has significantly adversely affected global economies and capital markets, resulting in significant fluctuations in the gold price. If the price of gold decreases, projected cash flow from planned mining operations may not be sufficient to justify ongoing operations and Loncor could be forced to discontinue development and sell its projects. Future production from Loncor's projects is dependent on gold prices that are adequate to make these projects economic.

The Company's activities are subject to various laws and government approvals and no assurance can be given that the Company will be successful in obtaining or maintaining such approvals or that it will successfully comply with all applicable laws.

Loncor's mineral exploration activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. Although Loncor's exploration activities are carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development.

Many of Loncor's mineral rights and interests are subject to government approvals, licenses and permits. Such approvals, licenses and permits are, as a practical matter, subject to the discretion of the DRC government. No assurance can be given that Loncor will be successful in maintaining any or all of the various approvals, licenses and permits in full force and effect without modification or revocation. To the extent such approvals are not maintained, Loncor may be delayed, curtailed or prohibited from continuing or proceeding with planned exploration of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be delayed or curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on Loncor and cause increases in exploration expenses, capital expenditures or require abandonment or delays in development of mineral interests.

Exploration, development and mining involve a high degree of risk.

All of the Company's properties are in the exploration stage only. The exploration for and development of mineral deposits involves significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenditures may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit, once discovered, will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Loncor not receiving an adequate return on invested capital.

There is no certainty that expenditures made towards the search for and evaluation of mineral deposits will result in discoveries that are commercially viable. In addition, assuming discovery of a commercial ore-body, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced.

Mining operations generally involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the exploration for, and development and production of gold and other precious or base metals, including unusual and unexpected geologic formations, seismic activity, rock bursts, fires, cave-ins, flooding and other conditions involved in the drilling and removal of material as well as industrial accidents, labour force disruptions, fall of ground accidents in underground operations, unanticipated increases in gold lock-up and inventory levels at heap-leach operations and force majeure factors, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to person or property, environmental damage, delays, increased production costs, monetary losses and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of mining pit slopes and retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability. The Company may not be able to obtain insurance to cover these risks at economically feasible premiums. Insurance against certain environmental risks, including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from production, is not generally available to the Company or to other companies within the mining industry. The Company may suffer a material adverse effect on its business if it incurs losses related to any significant events that are not covered by insurance policies.

There can be no assurance that an active market for the Company's securities will be sustained.

The market price of the Company's securities may fluctuate significantly based on a number of factors, some of which are unrelated to the financial performance or prospects of the Company. These factors include macroeconomic developments in North America and globally, market perceptions of the attractiveness of particular industries, short-term changes in commodity prices, other precious metal prices, the attractiveness of alternative investments, currency exchange fluctuation, the political environment in the DRC and the Company's financial condition or results of operations as reflected in its consolidated financial statements. These factors also currently include the impact of COVID-19, which has resulted in a widespread global health crisis that has significantly adversely affected global economies and capital markets, resulting in extreme volatility in capital markets. Other factors unrelated to the performance of the Company that may have an effect on the price of the securities of the Company include the following: the extent of analytical coverage available to investors concerning the business of the Company may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of securities of the Company; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; the Company's operating performance and the performance of competitors and other similar companies; the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities; changes in estimates or recommendations by research analysts who track the Company's securities or the shares of other companies in the resource sector; the arrival or departure of key personnel; acquisitions, strategic alliances or joint ventures involving the Company or its competitors; the factors listed in this Form 20-F under the heading "Cautionary Statement Regarding Forward-Looking Statements"; and a substantial decline in the price of the securities of the Company that persists for a significant period of time could cause the Company's securities to be delisted from any exchange on which they are listed at that time, further reducing market liquidity. If there is no active market for the securities of the Company, the liquidity of an investor's investment may be limited and the price of the securities of the Company may decline. If such a market does not develop, investors may lose their entire investment in the Company's securities.

The Company expects that it will be considered a passive foreign investment company or "PFIC".

Holders of common shares of the Company that are U.S. taxpayers should be aware that, due to the nature of the Company's assets and the income that it expects to generate, the Company expects to be a "passive foreign investment company" ("PFIC") for the current year, and may be a PFIC in subsequent taxable years. Whether the Company will be a PFIC for the current tax year or future tax years will depend on the Company's assets and income over the course of each such taxable year and, as a result, cannot be predicted with certainty as of the date of this Form 20-F. Accordingly, there can be no assurance that the IRS will not challenge the determination made by the Company concerning its PFIC status for any tax year. U.S. federal income tax laws contain rules which result in materially adverse tax consequences to U.S. taxpayers that own shares of a corporation which has been classified as a PFIC during any taxable year of such holder's holding period. A U.S. taxpayer who holds stock in a foreign corporation during any year in which such corporation qualifies as a PFIC may mitigate such negative tax consequences by making certain U.S. federal income tax elections, which are subject to numerous restrictions and limitations. Holders of the Company's common shares are urged to consult their own tax advisors regarding the acquisition, ownership, and disposition of the Company's common shares. This paragraph is only a brief summary of the PFIC rules, and is qualified in its entirety by the section below entitled "Certain United States Federal Income Tax Considerations".

The Company has a history of losses and may never achieve revenues or profitability.

The Company has incurred losses from operations since its inception and the Company expects to incur losses from operations for the foreseeable future. The Company had an accumulated deficit of US\$63,209,457 as of December 31, 2020. The losses do not include capitalized mineral property exploration costs. The Company expects to continue to incur losses unless and until such time as one or more of its properties enter into commercial production and generate sufficient revenues to fund continuing operations. The development of the Company's properties will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration and development, the results of consultants' analysis and recommendations, the rate at which operating losses are incurred, and the Company's acquisition of additional properties, some of which are beyond the Company's control. There can be no assurance that the Company will ever achieve profitability.

In order to develop any of its projects the Company will need to establish the facilities and material necessary to support operations in the remote locations in which they are situated, which lack basic infrastructure.

The Company's projects are located in remote areas of the DRC, which lack basic infrastructure, including sources of power, water, housing, food and transport. In order to develop any of its projects Loncor will need to establish the facilities and material necessary to support operations in the remote locations in which they are situated. The remoteness of each project will affect the potential viability of mining operations, as Loncor will also need to establish substantially greater sources of power, water, physical plant and transport infrastructure than are currently present in the area. The transportation of equipment and supplies into the DRC and the transportation of resources out of the DRC may also be subject to delays that adversely affect the ability of the Company to proceed with its mineral projects in the country in a timely manner. Shortages of the supply of diesel, mechanical parts and other items required for the Company's operations could have an adverse effect on the Company's business, operating results and financial condition. The lack of availability of such sources may adversely affect mining feasibility and will, in any event, require Loncor to arrange significant financing, locate adequate supplies and obtain necessary approvals from national, provincial and regional governments, none of which can be assured. The Company's interests in the DRC are accessed over lands that may also be subject to the

interests of third parties which may result in further delays and disputes in the carrying out of the Company's operational activities.

There is uncertainty in the estimation of mineral resources.

The mineral resource figures referred to in this Form 20-F and in the Company's filings with the SEC and applicable Canadian securities regulatory authorities, press releases and other public statements that may be made from time to time are estimates. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. There can be no assurance that these estimates will be accurate or that this mineralization could be mined or processed profitably.

The Company has not commenced commercial production on any of its properties, and has not defined or delineated any proven or probable reserves on any of its properties. Mineralization estimates for the Company's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale.

The resource estimates referred to in this Form 20-F have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in the market price for gold may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on the Company's results of operations or financial condition.

The Company has not established the presence of any proven or probable reserves at any of its properties. There can be no assurance that subsequent testing or future studies will establish proven and probable reserves on such properties. The failure to establish proven and probable reserves on such properties could severely restrict the Company's ability to successfully implement its strategies for long-term growth.

There is uncertainty relating to inferred mineral resources.

There is a risk that the inferred mineral resources referred to in this Form 20-F cannot be converted into mineral reserves as the ability to assess geological continuity is not sufficient to demonstrate economic viability. Due to the uncertainty that may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to resources with sufficient geological continuity to constitute proven and probable mineral reserves as a result of continued exploration.

The Company is exposed to a heightened degree of risk due to the lack of property diversification.

The Company's focus is the Ngayu Greenstone Belt in the DRC. Any adverse development affecting the progress of its Ngayu properties may have a material adverse effect on the Company's financial performance and results of operations.

Negative market perception of junior mineral exploration companies could adversely affect the Company.

Market perception of junior mineral exploration companies such as the Company may shift such that these companies are viewed less favourably. This factor could impact the value of investors' holdings and the ability of the Company to raise further funds, which could have a material adverse effect on the Company's business, financial condition and prospects.

The SEC has adopted rules that may affect mining operations in the DRC.

The Company's business is subject to evolving corporate governance and public disclosure regulations that have increased both the Company's compliance costs and the risk of noncompliance, which could have an adverse effect on the Company's stock price.

The Company is subject to changing rules and regulations promulgated by a number of United States and Canadian governmental and self-regulated organizations, including the SEC, the Canadian Securities Administrators, the Toronto Stock Exchange, and the International Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity and many new requirements have been created in response to laws enacted by the United States Congress, making compliance more difficult and uncertain. For example, on July 21, 2010, the United States Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act, pursuant to which the SEC adopted rules which require a company filing reports with the SEC to disclose on an annual basis whether certain "conflict minerals" necessary to the functionality or production of a product manufactured by such company originated in the DRC or any adjoining country. The Company currently holds properties located in the DRC. It is possible that the SEC rules regarding conflict minerals could adversely affect the value of the minerals mined in the DRC, which may impact the value of the Company's interests in those properties. The Company's efforts to comply with the Dodd-Frank Act, the rules and regulations promulgated thereunder, and other new rules and regulations have resulted in, and are likely to continue to result in, increased general and administration expenses and a diversion of management time and attention from potential revenue-generating activities to compliance activities.

The Company is not insured to cover potential risks.

The Company currently does not have insurance to cover potential risks associated with its operations, including industrial accidents, damages to equipment and facilities, labour disputes, pollution, unusual or unexpected geological conditions, rock bursts, ground or slope failures, cave-ins, fires, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, earthquakes and other environmental occurrences. Losses from these events may cause Loncor to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

The Company's operations may be adversely affected by environmental hazards on the properties and related environmental regulations.

All phases of Loncor's operations are subject to environmental regulation. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect Loncor's operations. Environmental hazards may exist on the properties on which Loncor holds interests which are unknown to Loncor at present and which have been caused by previous owners or operators of the properties. Reclamation costs are uncertain and planned expenditures may differ from the actual expenditures required.

The Company is a foreign corporation and all of the Company's directors and officers except one director are outside the United States, which makes enforcement of civil liabilities difficult.

The Company is organized under the laws of the Province of Ontario in Canada, and its principal executive office is located in Toronto, Canada. All of the Company's directors and officers except one director reside outside of the United States, and all or a substantial portion of their assets, and all or a substantial portion of the Company's assets, are located outside of the United States. As a result, it may be difficult for investors in the United States or otherwise outside of Canada to bring an action against directors, officers or experts who are not resident in the United States or in other jurisdictions outside Canada. It may also be difficult for an investor to enforce a judgment obtained in a United States court or a court of another jurisdiction of residence predicated upon the civil liability provisions of federal securities laws or other laws of the United States or any state thereof or the equivalent laws of other jurisdictions outside Canada against those persons or the Company.

The Company's business depends on its ability to identify and acquire commercially mineable mineral rights, and there can be no assurances that it will be successful in such efforts.

Most exploration projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any anticipated level of recovery of ore reserves will be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. Estimates of reserves, resources, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

Loncor's future growth and productivity will depend, in part, on its ability to identify and acquire additional commercially mineable mineral rights, and on the costs and results of continued exploration and development programs. Mineral exploration is highly speculative in nature and is frequently non-productive. Substantial expenditures are required to: establish ore reserves through drilling and metallurgical and other testing techniques; determine metal content and metallurgical recovery processes to extract metal from the ore; and construct, renovate or expand mining and processing facilities.

In addition, if the Company discovers ore, it would take several years from the initial phases of exploration until production is possible. During this time, the economic feasibility of production may change. As a result of these uncertainties, there can be no assurance that the Company will successfully acquire additional commercially mineable (or viable) mineral rights.

Litigation may adversely affect the Company's financial position, results of operations or the Company's project development operations.

The Company may from time to time be involved in various legal proceedings. While the Company believes it is unlikely that the final outcome of any such proceedings will have a material adverse effect on the Company's financial position or results of operation, defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the

litigation process, there can be no assurance that the resolution of any particular legal matter will not have a material adverse effect on the Company's future cash flow, results of operations or financial condition.

Future hedging activities may result in selling products at a price lower than could have otherwise been received.

The Company has not entered into forward contracts or other derivative instruments to sell gold that it might produce in the future. Although the Company has no near term plans to enter such transactions, it may do so in the future if required for project financing. Forward contracts obligate the holder to sell hedged production at a price set when the holder enters into the contract, regardless of what the price is when the product is actually mined. Accordingly, there is a risk that the price of the product is higher at the time it is mined than when the Company entered into the contracts, so that the product must be sold at a price lower than could have been received if the contract was not entered. There is also the risk that the Company may have insufficient gold production to deliver into forward sales positions. The Company may enter into option contracts for gold to mitigate the effects of such hedging.

Increased sales of the Company's common shares by shareholders could lower the trading price of the shares.

Sales of a large number of the Company's common shares in the public markets, or the potential for such sales, could decrease the trading price of such shares and could impair Loncor's ability to raise capital through future sales of common shares.

Fluctuations in currency could have a material impact on the Company's financial statements.

The Company uses the United States dollar as its functional currency. Fluctuations in the value of the United States dollar relative to other currencies (including the Canadian dollar) could have a material impact on the Company's consolidated financial statements by creating gains or losses. No currency hedge policies are in place or are presently contemplated.

The loss of key management personnel or the inability to recruit additional qualified personnel may adversely affect the Company's business.

The success of the Company depends on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company. The Company is dependent on a small number of key personnel, the loss of any one of whom could have an adverse effect on the Company. The Company currently does not have key person insurance on these individuals. The Company may need to recruit additional qualified personnel to supplement existing management and there is no assurance that the Company will be able to attract such personnel.

The Company may not be able to compete with current and potential exploration companies, some of whom have greater resources and technical facilities.

The natural resource industry is intensely competitive in all of its phases. Significant competition exists for the acquisition of properties producing, or capable of producing, gold or other metals. The Company competes with many companies possessing greater financial resources and technical facilities than itself. The Company may also encounter increasing competition from other mining companies in its efforts to hire experienced mining professionals. As well, there is competition for exploration resources at all levels, particularly affecting the availability of manpower, drill rigs and helicopters. Increased

competition could also adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

Certain directors and officers may be in a position of conflict of interest with respect to the Company due to their relationship with other resource companies.

Directors and officers of the Company also serve as directors and/or officers of other companies involved in the exploration and development of natural resource properties. As a result, conflicts may arise between the obligations of these individuals to the Company and to such other companies.

The Company has never paid and has no plans to pay dividends.

The Company has not paid out any cash dividends to date and has no plans to do so in the immediate future. As a result, an investor's return on investment in the Company's common shares will be solely determined by his or her ability to sell such shares in the secondary market.

Trading of the Company's common shares in the United States may be effected by its voluntary delisting from the NYSE American.

The Company's common shares are traded exclusively in the United States on the OTCQX tier of the OTC Markets. The Company's common shares previously traded on the NYSE American, and the OTCQX does not require the same level of disclosure and compliance requirements compared to the NYSE American. The Company is still, however, required to meet its SEC filing requirements and to meet its Toronto Stock Exchange and Canadian filing, compliance and disclosure requirements. As the Company's common shares are no longer listed on the NYSE American, shareholders will not be able to trade its common shares on the NYSE American and certain federal and state securities law exemptions for its common shares would no longer be available. Consequently, the trading market for the Company's securities in the United States will be limited.

Item 4. Information on the Company

A. History and Development of the Company

The Company is a corporation which was formed under the Ontario *Business Corporations Act* on August 24, 1993. A summary of the Company's legal names since its formation is provided in Item 14 of this annual report on Form 20-F. The head office and registered office of the Company is located at 1 First Canadian Place, Suite 7070, 100 King Street West, Toronto, Ontario, M5X 1E3, Canada. The telephone number of such office is (416) 361-2510.

On November 28, 2008, the Company completed the acquisition (the "**Acquisition**") of all of the outstanding shares of the private company, Loncor Resources Inc. ("**Old Loncor**"). Also on November 28, 2008, immediately following this acquisition, the Company amalgamated with Old Loncor and, pursuant to the amalgamation, changed its name from Nevada Bob's International Inc. to Loncor Resources Inc. As a result of this acquisition, the business of the Company is the exploration of mineral properties in the DRC.

In September 2009, the Company completed a non-brokered private placement of 1,500,000 common shares at a price of Cdn\$1.50 per share for proceeds to the Company of Cdn\$2,250,000.

In October 2009, the Company announced the appointment of Peter Cowley as President and Chief Executive Officer of the Company. Mr. Cowley was also appointed to the board of directors of the

Company. Arnold Kondrat was appointed Executive Vice President of the Company and relinquished the title of Chairman of the Board of the Company. In connection with Mr. Cowley's appointment as a director of the Company, Geoffrey Farr stepped down as a director of the Company but remains Corporate Secretary of the Company.

In February 2010, the Company completed a brokered private placement financing involving the issuance of 4,083,250 units of the Company at a price of Cdn\$2.50 per unit for aggregate gross proceeds of Cdn\$10,208,125. Each such unit was comprised of one common share of the Company and one-half of one common share purchase warrant of the Company, with each full warrant entitling the holder to purchase one common share of the Company at a price of Cdn\$2.90 for a period of 24 months. GMP Securities L.P. as lead agent, together with CI Capital Markets Inc. and Salman Partners Inc., acted as the Company's agents in connection with this financing.

Also in February 2010, the Company completed a non-brokered private placement financing involving the issuance to an affiliate ("**Newmont**") of Newmont Mining Corporation of 2,000,000 units of the Company at a price of Cdn\$2.50 per unit for aggregate gross proceeds of Cdn\$5,000,000. The units issued under this financing had the same terms as the units issued under the February 2010 brokered private placement. In December 2010, Newmont exercised the 1,000,000 warrants that it had acquired under the said February 2010 non-brokered private placement, resulting in the issuance by the Company to Newmont of 1,000,000 common shares of the Company at a price of Cdn\$2.90 per share for gross proceeds to the Company of Cdn\$2,900,000.

The Company established the main Ngayu exploration camp in early 2010 at the Yindi prospect, located in the southwest corner of the Ngayu gold project area.

In June 2010, the Company announced initial assay results from the Makapela prospect at the Company's Ngayu gold project. A core drilling program at Makapela commenced in November 2010 with the objective of testing along strike and at depth the sub vertical, vein mineralized system being exploited by the artisanal miners at the Main, North and Sele Sele pits which returned significant results from channel sampling. Drill results at Makapela were announced by the Company via a number of press releases in 2011 and 2012.

Exploration at the Itali prospect at the Company's Ngayu gold project commenced during the third quarter of 2010. The Itali prospect is located about 10 kilometres south of Makapela. In January 2012, the Company announced the results of its first drill hole at the Itali prospect. Additional drill results at the Itali prospect were announced by the Company in October 2012.

In December 2010, the Company completed a non-brokered private placement with Newmont involving the issuance by the Company to Newmont of 1,000,000 units of the Company at a price of Cdn\$3.90 per unit for aggregate gross proceeds of Cdn\$3,900,000. Each such unit was comprised of one common share of the Company and one-half of one common share purchase warrant of the Company. Each full warrant was exercisable into one additional common share of the Company at a price of Cdn\$4.60 until December 2012 (these warrants expired in December 2012 without being exercised).

In February 2011, the Company and Newmont entered into a technology consultation services agreement pursuant to which Newmont agreed to make available to Loncor, at Loncor's reasonable request, exploration consultation services to assist Loncor in the exploration of Loncor's Ngayu gold project.

Also in February 2011, the Company completed concurrent brokered and non-brokered private placement equity financings. Pursuant to a "bought deal" private placement financing conducted by a syndicate of investment dealers, the Company issued 4,250,000 common shares of the Company at a price of

Cdn\$4.70 per share, resulting in aggregate gross proceeds of Cdn\$19,975,000. The Company also issued, by way of non-brokered private placement, to Newmont, 850,000 common shares of the Company at a price of Cdn\$4.70 per share for aggregate proceeds of Cdn\$3,995,000.

In April 2011, the Company's common shares commenced trading on the NYSE American LLC (formerly called NYSE Amex LLC). The Company retained its primary listing on the TSX Venture Exchange.

In December 2011, the Company announced the results of the regional assessment of its Ngayu gold project. The targets were outlined by assessing the results of two regional BLEG (Bulk Leach Extractable Gold) geochemical surveys conducted during 2011 as part of the technology consultation services agreement between Loncor and Newmont. In accordance with this agreement, Loncor was able to utilize advanced exploration assessment techniques developed by Newmont. As part of this evaluation program, the BLEG results were assessed in conjunction with a detailed geophysical magnetic interpretation of the Ngayu Greenstone belt also undertaken by senior Newmont geophysicists to define the target areas. The initial BLEG survey commenced in March 2011 and comprised the collection of 418 stream sediment samples, at an average sample density of one sample per 10 square kilometres. A second round of infill BLEG sampling was undertaken in September 2011 consisting of 185 samples at an average sample density of one sample per four square kilometres. Samples were sent to Newmont's proprietary geochemical laboratory in Perth, Australia for preparation and analysis. From these results, six high priority targets were delineated together with seven medium priority targets for follow up.

In January 2012, the Company announced initial bottle roll metallurgical testwork results for the Makapela prospect at the Company's Ngayu gold project. Bottle roll is a preliminary metallurgical test to determine how much and how easily gold may be liberated from an ore using cyanide.

In May 2012, the Company announced a maiden mineral resource estimate for the Company's Makapela prospect, of 4.10 million tonnes grading 7.59 g/t Au (using a 2.75 g/t Au cut-off) for an inferred mineral resource of 1.0 million ounces of gold. The Company also announced that this mineral resource was outlined down to a maximum vertical depth 500 metres below surface with gold mineralization open at depth.

In June 2012, the Company announced an exploration update on its regional target follow-up at its Ngayu gold project, reporting that initial groundwork on the priority regional targets has delineated significant mineralized gold trends at Nagasa (4.5 kilometres), Matete (2.0 kilometres) and Mondarabe (1.5 kilometres) in the Imva Fold area. The Company also reported that it had commenced a preliminary economic assessment of the Makapela prospect.

In October 2012, the Company completed two financings concurrently, raising total gross proceeds of Cdn\$14,799,750. The first financing involved the issuance of 4,622,500 common shares of the Company at a price of Cdn\$2.10 per share for aggregate gross proceeds of Cdn\$9,707,250. This offering was conducted by a syndicate of investment dealers and was made by way of a short form prospectus filed with securities regulatory authorities in all of the provinces of Canada (other than Québec). The said shares were also offered on a private placement basis in certain jurisdictions outside of Canada. The second financing involved a non-brokered private placement to Newmont of 2,425,000 common shares of the Company at a price of Cdn\$2.10 per share for aggregate gross proceeds of Cdn\$5,092,500. As of the date of this Form 20-F, Newmont holds 7,275,000 (representing 5.83%) of the outstanding common shares of the Company.

In April 2013, the Company announced updated mineral resource estimates for the Company's Makapela prospect, of an indicated mineral resource of 0.61 million ounces of gold (2.20 million tonnes grading at

8.66 g/t Au) and an inferred mineral resource of 0.55 million ounces of gold (3.22 million tonnes grading at 5.30 g/t Au).

In April 2013, the Company announced results of IP surveys at the Company's Nagasa prospect at the Ngayu project, which surveys identified three well-defined, open-ended anomalous zones. The Company had acquired IP equipment in January 2013 with the objectives of: (a) locating potentially mineralized zones in areas covered by transported overburden where soil geochemistry is problematic, such as at Nagasa, and (b) testing for "blind" ore bodies where mineralization does not reach surface.

The Company's common shares began trading on the Toronto Stock Exchange effective April 26, 2013 and were delisted from the TSX Venture Exchange at the same time.

In July 2013, the Company updated exploration activities at its Ngayu project including announcing drilling results. The Company also reported that, as a result of the sharp decrease in the gold price, the Company would be reducing its exploration effort and overhead costs until market conditions improve. The Company further reported that, in terms of the Makapela preliminary economic assessment, due to the sharply lower gold price, it was decided to not incur any further expenditure on the study until the gold market improves.

As a result of the sharp decline in gold prices in 2013 and the difficult financing prospects for gold exploration companies in general and the Company in particular, the Company substantially reduced exploration efforts at its projects in order to conserve cash. From the end of September 2013 until the joint venture agreement signed with Randgold in January 2016, the Company undertook mainly assessment of exploration work undertaken earlier in 2013 at Ngayu and selecting prospects at Ngayu requiring further investigation. In addition, new historical data was obtained for the North Kivu project in order to select target areas for follow up.

In April 2014, Loncor voluntarily delisted from the NYSE American LLC.

In February 2015, Peter Cowley stepped down from his roles as President and Chief Executive Officer of the Company for personal reasons. Mr. Cowley agreed to provide advisory services to Loncor. Arnold T. Kondrat, Founder and a director of the Company and who at the time was Executive Vice President of the Company, was appointed President and Chief Executive Officer of the Company.

In February 2015, the Company closed a non-brokered private placement of 4,000,000 common shares of the Company at a price of Cdn\$0.12 per share for gross proceeds of Cdn\$480,000. In March 2015, the Company closed a non-brokered private placement of 750,000 common shares of the Company at a price of Cdn\$0.24 per share for gross proceeds of Cdn\$180,000.

In January 2016, Loncor's subsidiary, Loncor Resources Congo SARL ("**Loncor Subco**"), entered into a joint venture agreement (the "**Agreement**") with Randgold Resources (DRC) Limited ("**Randgold**"). The Agreement provides for a joint venture (the "**Loncor Congo Joint Venture**") between Loncor Subco and Randgold covering all of the exploration permit areas comprising at the time of the Agreement Loncor's Ngayu project, other than certain parcels of land surrounding and including the Makapela and Yindi prospects which are retained by Loncor Subco and do not form part of the Loncor Congo Joint Venture. Randgold has certain preemptive rights over these two areas. Under the Agreement, Randgold manages and fund all exploration of the said permit areas until the completion of a prefeasibility study on any gold discovery meeting the investment criteria of Randgold. Once the Loncor Congo Joint Venture has determined to move ahead with a full feasibility study, a special purpose vehicle ("**SPV**") would be created to hold the specific discovery areas. Subject to the DRC's free carried interest requirements, Randgold would retain 65% of the SPV with Loncor Subco holding the balance of 35%. Loncor Subco

will be required, from that point forward, to fund its pro-rata share of the SPV in order to maintain its 35% interest or be diluted.

In February 2016, the Company closed a non-brokered private placement of 33,500,000 common shares of the Company at a price of Cdn\$0.03 per share for gross proceeds of Cdn\$1,005,000. Arnold T. Kondrat, who is Chief Executive Officer and a director of the Company (and was also President of the Company at the time of this transaction), acquired 30,000,000 of the common shares issued under this private placement.

In April 2016, the Company announced that its joint venture partner, Randgold, would commence a regional helicopter-borne VTEM B-Field, Horizontal Magnetic Gradiometer geophysical survey (the "**JV Survey**") over Loncor's Ngayu project. The JV Survey flight path design was north-south orientated lines at 400 meter spacing for a total of approximately 10,000 line kilometres, of which 4,200 line kilometers would be flown over the Ngayu project.

In June 2016, the Company closed a non-brokered private placement of 875,000 units of the Company at a price of Cdn\$0.24 per unit for gross proceeds of Cdn\$210,000. Each such unit was comprised of one common share of the Company and one-half of one warrant of the Company, with each full warrant entitling the holder to purchase one common share of the Company at a price of Cdn\$0.36 for a period of two years.

In January 2017, the Company announced preliminary results of the JV Survey undertaken by Randgold under the Loncor Congo Joint Venture. The JV Survey was performed by Geotech Airborne Limited.

In February 2017, the Company closed a non-brokered private placement of 2,000,000 units of the Company at a price of Cdn\$0.24 per unit for gross proceeds of Cdn\$480,000. Each such unit was comprised of one common share of the Company and one-half of one warrant of the Company, with each full warrant entitling the holder to purchase one common share of the Company at a price of Cdn\$0.36 for a period of two years. Also in February 2017, the Company closed a second non-brokered private placement of 750,000 units of the Company at a price of Cdn\$0.26 per unit for gross proceeds of Cdn\$195,000. Each such unit was comprised of one common share of the Company and one-half of one warrant of the Company, with each full warrant entitling the holder to purchase one common share of the Company at a price of Cdn\$0.36 for a period of two years.

In May 2017, the Company announced that Randgold had commenced exploration ground work on priority targets resulting from the JV Survey undertaken by Randgold as part of the Loncor Congo Joint Venture.

On June 19, 2018, the Company closed a non-brokered private placement of 850,000 common shares of the Company at a price of Cdn\$0.20 per share for gross proceeds of Cdn\$170,000. Mr. Arnold T. Kondrat ("**Kondrat**"), who is Chief Executive Officer and a director of the Company (and was also President of the Company at the time of this transaction), purchased 350,000 of the shares issued under this financing.

On June 26, 2018, private placement and share swap transactions (the "**Transactions**") were completed with Resolute Mining Limited ("**Resolute**"). Pursuant to the private placement Transaction, the Company issued 13,000,000 common shares to Resolute at a price of Cdn\$0.20 per share for gross proceeds of Cdn\$2,600,000. Also pursuant to the terms of the private placement Transaction, (a) for as long as Resolute holds at least 20% of the Company's issued and outstanding shares, Resolute will be entitled to designate a nominee to serve on the Company's board of directors, and (b) subject to the rules of the Toronto Stock Exchange, Resolute has been granted a pre-emptive right to maintain its pro rata

equity ownership interest in Loncor following the completion by Loncor of any proposed equity offering. Pursuant to the share swap Transaction, Resolute purchased 12,500,000 common shares of Loncor held by Kondrat in exchange for the issuance on or before July 16, 2018 by Resolute to Kondrat of Cdn\$2,500,000 worth of Resolute ordinary shares (capped at a maximum of 3,000,000 Resolute shares).

Also in June 2018, Loncor Subco acquired all of the outstanding shares of Navarro Resources SARL (“**Navarro**”) and Devon Resources SARL (“**Devon**”), which hold exploration permits covering ground in the Ngayu gold belt, thereby increasing Loncor's holdings in the Ngayu gold belt. The Devon properties currently consist of three exploration permits situated in the province of Haut-Uele in northeastern DRC. The Navarro properties currently consist of six exploration permits also situated in the provinces of Ituri and Haut-Uele in northeastern DRC. The consideration for the acquisition of Devon comprised the issuance by the Company of 500,000 common shares of the Company valued at Cdn\$100,000, payment of US\$75,000 in cash and payment of US\$190,000 in satisfaction of an outstanding loan provided by Devon to the Company. The purchase price for the acquisition of Navarro was US\$300,000 which was paid for by the settlement of a US\$300,000 loan provided by Loncor to Navarro.

In November 2018, the Company issued a press release providing an update on exploration activities undertaken by Randgold on Loncor's Ngayu project as part of the Loncor Congo Joint Venture.

In May 2019, the Company issued a press release providing an update on exploration activities undertaken by Barrick Gold Corporation (through its subsidiary, Barrick Gold (Congo) SARL) (“**Barrick**”) (Randgold and Barrick merged at the start of 2019) on Loncor's Ngayu project as part of the Loncor Congo Joint Venture. The Company reported that drill targets had been delineated by Barrick on a number of prospects at Ngayu and that exploration by Barrick at Ngayu in 2019 had been focused on the 30 kilometre strike Imva fold area in the west of the Ngayu belt.

In June 2019, the Company appointed Mr. Zhengquan (Philip) Chen as a director of the Company.

In September 2019, the Company implemented a consolidation of its outstanding common shares (the “**Share Consolidation**”), whereby all of the outstanding common shares were consolidated on the basis of one common share of the Company for every 2 (two) existing common shares. **All amounts in this Form 20-F have been adjusted to reflect the Share Consolidation.**

On September 27, 2019, the Company closed certain transactions provided for by the agreement (the “**Kilo Agreement**”) entered into by the Company with Resolute (Treasury) Pty Ltd, Kilo Goldmines Ltd. and Kilo Goldmines Inc. (which is now named Loncor Kilo Inc.) (“**Kilo Inc.**”). As a result of these transactions, Kilo Inc. is now a wholly-owned subsidiary of Loncor, such that Loncor now holds, through Kilo Inc., Kilo Inc.'s mineral projects in the DRC. Loncor issued to Arlington Group Asset Management Limited (“**Arlington**”) 1,000,000 common shares of the Company as consideration for the services rendered by Arlington in negotiating and successfully concluding the Kilo Agreement. Kilo Inc.'s properties in the DRC include a 71.25% interest in a gold project (the “**Imbo Project**”) in northeastern DRC (this 71.25% interest was subsequently increased to 84.68% in 2020; see below) which at the time of Kilo Inc.'s acquisition by the Company contained an inferred mineral resource of 1.675 million ounces of gold (20.78 million tonnes grading 2.5 g/t Au). Kilo Inc. also had a joint venture with an affiliate of Barrick Gold Corporation for gold and associated minerals in respect of the Isiro exploration permits in northeastern DRC. The Kilo Inc. mineral properties are located in the Ngayu gold belt near Loncor's existing Ngayu properties, and therefore consolidated ground for Loncor in the belt.

In October 2019, the Company announced the appointment of Peter Cowley as President of the Company and the appointment of Minecon Resources and Services Limited as geological consultants to manage exploration and development programs at Loncor's properties within the Ngayu greenstone belt which are

outside of Loncor's joint venture with Barrick. Mr. Cowley previously served as President and Chief Executive Officer of the Company from 2009 to 2015. Mr. Cowley was also elected a director of the Company at the annual and special meeting of shareholders of the Company held on June 26, 2020.

In November 2019, the Company issued a press release providing an update on exploration activities undertaken by Barrick on Loncor's Ngayu properties as part of the Loncor Congo Joint Venture.

In January 2020, the Company issued a press release providing an update on its activities at the Imbo Project.

In February 2020, the Company issued a press release providing an update on its exploration activities at the Imbo Project and Barrick's exploration activities under the Loncor Congo Joint Venture.

Also in February 2020, the Company closed a non-brokered private placement of 6,000,000 common shares of the Company at a price of Cdn\$0.40 per share for gross proceeds of Cdn\$2,400,000. A total of 1,790,000 of the shares issued under this financing were purchased by certain insiders of the Company, including Arnold T. Kondrat, who is Founder, Chief Executive Officer and a director of Loncor and who purchased 1,440,000 of the shares.

In March 2020, the Company appointed John Barker as Vice President of Business Development for Loncor.

Also in March 2020, the Company acquired an additional 5.04% interest in its subsidiary Adumbi Mining SARL ("**Adumbi Holdco**") pursuant to a private transaction with one of the former minority shareholders of Adumbi Holdco. This acquisition increased Loncor's interest in Adumbi Holdco from 71.25% to 76.29% (the 71.25% interest had been acquired by the Company in September 2019 as part of the Kilo Agreement; see above). Adumbi Holdco, which had changed its name from KGL Somituri SARL, holds six exploitation permits in the Ngayu greenstone belt including the Imbo Project exploitation permit.

In April 2020, Loncor announced a 49% increase in mineral resources at its Imbo Project. Compared to the inferred mineral resources of 1.675 million ounces of gold (20.78 million tonnes grading 2.5 g/t Au) outlined in January 2014 by independent consultants Roscoe Postle Associates Inc. on three separate deposits, Adumbi, Kitenge and Manzako at Imbo, inferred mineral resources have increased by 49% to 2.5 million ounces of gold (30.65 million tonnes grading 2.54 g/t Au), this increase coming from the Adumbi deposit. This assessment was undertaken by the Company's independent geological consultants Minecon Resources and Services Limited. At the time of this mineral resource increase, 76.29% of the updated gold resource was attributable to Loncor via its then 76.29% interest in the Imbo Project (this 76.29% interest has subsequently been increased to 84.68%; see below).

In May 2020, the Company issued a press release providing an update on its exploration activities at the Imbo Project and Barrick's exploration activities under the Loncor Congo Joint Venture.

In June 2020, Loncor announced that Barrick had commenced its core drilling program on several priority gold targets within the Ngayu greenstone belt, as part of its joint venture with Loncor.

Also in June 2020, Loncor announced that it had entered into a new joint venture agreement (the "**New Barrick JV**") with Barrick for two exploitation permits held by Adumbi Holdco covering ground contiguous to the Company's Imva area within the Ngayu gold belt. The terms of the New Barrick JV are similar to the ongoing Loncor Congo Joint Venture with Barrick. The New Barrick JV further consolidates the control of the Ngayu gold belt by Loncor and Barrick as partners.

In August 2020, the Company completed a non-brokered private placement of 10,000,000 common shares of the Company at a price of Cdn\$0.50 per share for gross proceeds of Cdn\$5,000,000. A total of 3,390,000 of the shares issued under this financing were purchased by certain insiders of the Company.

In September 2020 press releases, Loncor reported that:

- its common shares are now quoted on the Frankfurt Stock Exchange under the trading symbol LO51;
- its subsidiary, Adumbi Holdco, had been restructured as per the requirements of the OHADA (Organization for the Harmonization of Business Law in Africa) Uniform Act relating to commercial companies. OHADA Uniform Acts provide for a system of common business laws which have been adopted by seventeen West and Central African countries, including the DRC. The restructuring has resulted in Loncor increasing its interest in Adumbi Holdco to 84.68%, minority shareholders holding 5.32% and the DRC 10%. The DRC was allocated 10% in accordance with the requirements of the new DRC Mining Code enacted in 2018. Also as a result of the restructuring, Adumbi Holdco will now operate as “Adumbi Mining S.A.” rather than Adumbi Mining SARL;
- recent exploration results had outlined a number of significant, undrilled mineralised trends at the Imbo Project. The focus of exploration by Loncor during 2020 was along trend in the southeast of the Imbo Project from the 2.5 million ounce (inferred mineral resources of 30.65 million tonnes grading 2.54 g/t Au) Adumbi, Kitenge and Manzako deposits previously delineated in the northwest of the 122 square kilometre Imbo Project area.

In October 2020, the Company announced that drilling had commenced at the Imbo Project, with the objective of the drilling program being to outline additional mineral resources to the current 2.5 million ounces (inferred mineral resources of 30.65 million tonnes grading 2.54 g/t Au) at the Adumbi, Kitenge and Manzako deposits. The Company commented in its announcement that initial holes will target mineralized zones within the open pit shell, where closer spaced holes are required to outline additional resources, and that drilling will then focus on outlining additional resources below the pit shell where the gold mineralization remains open at depth over a strike length of over 600 metres. If the Company achieves its objectives, the next step following the drilling program is a Preliminary Economic Assessment to illustrate the positive economic potential that the Company believes is contained within Adumbi and the neighbouring deposits and other targets within the Imbo Project.

In a November 11, 2020 press release, Loncor announced that it has entered into two new agreements with its joint venture partner, Barrick, which further strengthen the Loncor and Barrick joint venture relationship in the Ngayu gold belt in the northeast of the DRC. The ground covered by these agreements includes a number of priority, exploration targets already outlined by Barrick. Total acreage under the various Barrick/Loncor joint ventures in Ngayu now totals approximately 2,000 square kilometres. In the first new agreement, three exploration properties in the Ngayu gold belt previously held by Barrick outside of its joint ventures with Loncor, have now been added to an existing Loncor/Barrick joint venture agreement. These three Barrick properties are located northwest of Loncor’s 100%-owned Makapela project. In the second new agreement (the “**New Isiro JV**”), Loncor and Barrick have replaced the existing joint venture agreement between Barrick and Loncor relating to the Isiro properties in the Ngayu gold belt, to focus on the three most prospective Isiro properties. These three Isiro properties include two of the drill targets identified by Barrick, Yambenda and Yasua, and which Barrick plans to drill as part of its ongoing drill campaign on priority targets in the Ngayu gold belt. The terms of the New Isiro JV are substantially the same as the terms of the other joint venture agreements between Loncor and Barrick.

In a November 23, 2020 press release, the Company provided an update on Barrick’s exploration activities under the Loncor/Barrick joint ventures.

In press releases issued in November and December 2020 and in January, February and March 2021, the Company announced drilling results from seven core holes of its ongoing 7,000 metre drilling program at its Adumbi deposit, where the Company is targeting a significant increase of resources, both within and below the open pit shell.

On February 12, 2021, the Company closed a non-brokered private placement financing involving the issue of 11,500,000 units of the Company (the “Units”) at a price of Cdn\$0.50 per Unit for gross proceeds of Cdn\$5,750,000. Each Unit consisted of one common share of the Company and one-half of one common share purchase warrant (each whole common share purchase warrant, a “Warrant”) of the Company, with each Warrant entitling the holder thereof to acquire one common share of the Company at an exercise price of Cdn\$0.75 for a period of 12 months following the closing date of the issuance of the Units. A total of 1,400,000 of the Units were purchased by certain insiders of the Company. The Company intends to use the proceeds from this financing for continued exploration and development of the Company’s Imbo Project (including finalizing the current drill program at the Adumbi gold deposit and, following this program, undertaking a Preliminary Economic Assessment of Adumbi and its neighbouring deposits) and for general corporate purposes.

On February 24, 2021, Loncor announced that recent soil geochemical results have outlined four significant, undrilled mineralised trends at its Imbo Project. The focus of greenfields exploration by Loncor is at Imbo East, along trend to the southeast from the 2.5 million ounce Adumbi, Kitenge and Manzako deposits (inferred mineral resources of 30.65 million tonnes grading 2.54 g/t Au) previously delineated in the northwest of the 122 square kilometre project area. Analytical results have now been received for all soil samples from the completed 5.4 kilometre by 2.3 kilometre grid. Geological mapping, soil geochemical, rock chips and channel sampling of old colonial trenches and artisanal workings have outlined four significant mineralised trends - Esio Wapi, Museveni, Mungo Iko and Paradis - approximately 8 to 10 kilometres southeast of the Adumbi deposit.

The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at: <http://www.sec.gov>. The Company’s Internet address is www.loncor.com.

B. Business Overview

General

Loncor is a Canadian gold exploration company focussed on the Ngayu Greenstone Belt in the northeast of the Democratic Republic of the Congo (the “DRC”). The Loncor team has over two decades of experience of operating in the DRC. Loncor’s growing resource base in the Ngayu Belt currently comprises the Imbo and Makapela Projects. At the Imbo Project, the Adumbi deposit and two neighbouring deposits hold an inferred mineral resource of 2.5 million ounces of gold (30.65 million tonnes grading 2.54 g/t Au), with 84.68% of this resource being attributable to Loncor via Loncor’s 84.68% interest in the Imbo Project. Loncor is currently carrying out a drilling program at the Adumbi deposit with the objective of outlining additional mineral resources. The Makapela Project (which is 100%-owned by Loncor and is located approximately 50 kilometres from the Imbo Project) has an indicated mineral resource of 614,200 ounces of gold (2.20 million tonnes grading 8.66 g/t Au) and an inferred mineral resource of 549,600 ounces of gold (3.22 million tonnes grading 5.30 g/t Au).

Loncor also has several joint ventures with Barrick (TSX: “ABX”; NYSE: “GOLD”) in the Ngayu Belt. The joint venture areas are located approximately 220 kilometres southwest of the large Kibali gold mine, which is operated by Barrick. As per the joint venture agreements entered between Loncor and Barrick, Barrick manages and funds exploration on approximately 2,000 km² of Loncor ground in the Ngayu Belt

until the completion of a pre-feasibility study on any gold discovery meeting the investment criteria of Barrick. Subject to the DRC's free carried interest requirements, Barrick would earn 65% of any discovery with Loncor holding the balance of 35%. Loncor will be required, from that point forward, to fund its pro-rata share in respect of the discovery in order to maintain its 35% interest or be diluted. Loncor's Imbo and Makapela Projects do not form part of the joint ventures with Barrick.

In addition to the Ngayu properties, Loncor also has the North Kivu Project in the DRC, which is comprised of 46 exploration permits owned or controlled by Loncor, covering an area of approximately 13,000 square kilometres in North Kivu province located west of the city of Butembo. All of the 46 North Kivu exploration permits are currently under force majeure due to the poor security situation in much of the North Kivu province.

Additional information with respect to the Company's projects can be found below under "Loncor's Mineral Properties".

The Loncor Foundation

In early 2010, the Company established the Loncor Foundation, a registered charity in the DRC, funded by the Company with the goal of improving the quality of life and opportunities for communities near the Company's exploration projects. In meetings and discussions with community representatives, it was determined that the Loncor Foundation would focus primarily on health, education and local infrastructure projects. Based on this advice, the Loncor Foundation initiated a number of community projects near the Yindi and Makapela prospects at the Ngayu project and the Manguredjipa prospect at the North Kivu project. These included the construction of a new primary school for 400 students at Yindi. The Loncor Foundation also donated text and exercise books for teachers and students in 2011 and 2012 and made a donation of 40 hospital beds to two medical clinics in the Yindi area. Loncor Foundation projects at Manguredjipa have included financial support for a community electrification project and the construction of six showers and latrines at the Manguredjipa General Hospital, as well as the donation of a motorbike for use by medical staff at the hospital.

The primary focus of the Loncor Foundation in 2012 was the construction of the Bole Bole medical clinic near Makapela. Also in 2012, the Foundation initiated a program to partially fund the salaries of 12 teachers at the Yindi primary school which resulted in reduced tuition costs for parents and increased enrollment at the school. During 2013, the Loncor Foundation also repaired bridges on the road between Yindi and Makapela and continued to fund teachers' salaries at the Yindi primary school and partially fund operations at the Bole Bole medical clinic. The Foundation's work was suspended in 2014 having regard to the Company's financial situation and the need to conserve funds. The Company intends to restart the activities of the Loncor Foundation in 2021.

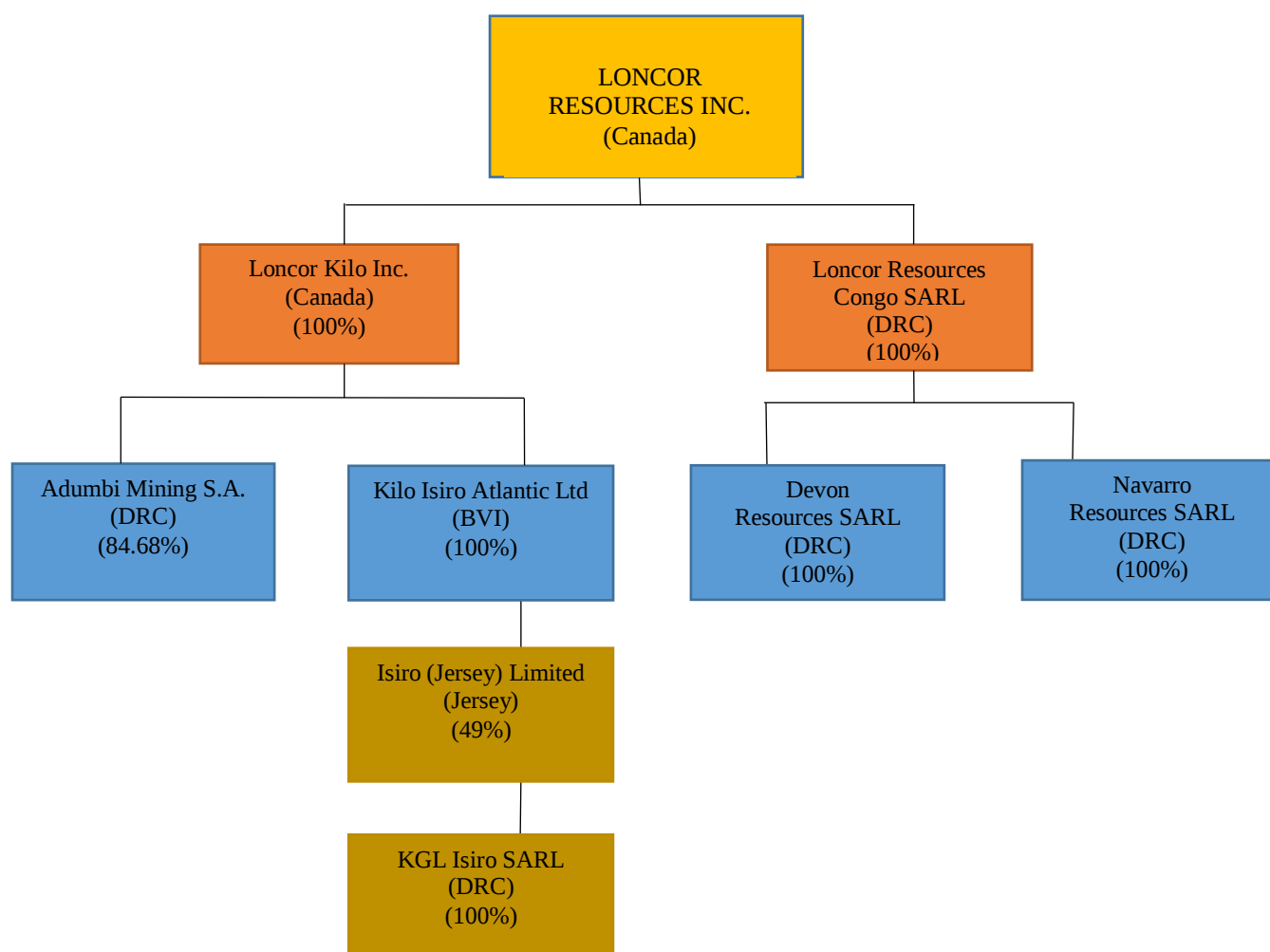
Exploration Permits and Exploitation Permits under DRC Mining Law

Loncor holds or controls a number of exploration and exploitation permits covering ground in the DRC with respect to its exploration projects. Under DRC mining law, an exploration permit entitles the holder thereof to the exclusive right, within the perimeter over which it is granted and for the term of its validity, to carry out mineral exploration work for mineral substances, substances for which the licence is granted and associated substances if an extension of the permit is obtained. However, the holder of an exploration permit cannot commence work on the property without obtaining approval in advance of its mitigation and rehabilitation plan. An exploration permit also entitles its holder to the right to obtain an exploitation permit for all or part of the mineral substances and associated substances, if applicable, to which the exploration permit or any extension thereto applies if the holder discovers a deposit which can be economically exploited.

Under DRC mining law, an exploitation permit entitles the holder thereof to the exclusive right to carry out, within the perimeter over which it is granted and during its term of validity, exploration, development, construction and exploitation works in connection with the mineral substances for which the permit has been granted and associated substances if the holder has obtained an extension of the permit. In addition, an exploitation permit entitles the holder to: (a) enter the exploitation perimeter to conduct mining operations; (b) build the installations and infrastructures required for mining exploitation; (c) use the water and wood within the mining perimeter for the requirements of the mining exploitation, provided that the requirements set forth in the environmental impact study and the environmental management plan of the project are complied with; (d) use, transport and freely sell the holder's products originating from within the exploitation perimeter; (e) proceed with concentration, metallurgical or technical treatment operations, as well as the transformation of the mineral substances extracted from the exploitation perimeter; and (f) proceed to carry out works to extend the mine. Without an exploitation permit, the holder of an exploration permit may not conduct exploitation work on the perimeter covered by the exploration permit. So long as a perimeter is covered by an exploitation permit, no other application for a mining or quarry right for all or part of the same perimeter can be processed.

C. Organizational Structure

The following chart illustrates the relationship between Loncor and its significant subsidiaries. The jurisdiction of incorporation of each such subsidiary and the percentage of voting securities beneficially owned, or controlled or directed, directly or indirectly, by Loncor, is shown in brackets in the last line of each of the boxes of the chart.



D. Property, Plants and Equipment

The Company does not have any material tangible fixed assets.

Loncor's Mineral Properties

Loncor is a Canadian gold exploration company focussed on the Ngayu Greenstone Belt in the DRC. The information in this Form 20-F relating to Loncor's mineral properties is as of December 31, 2020 unless otherwise specified.

Imbo Project

NI 43-101 Technical Report

An independent NI 43-101 technical report on the Imbo Project was prepared for Loncor by Minecon Resources and Services Limited ("**Minecon**"). This report (the "**Imbo Technical Report**"), a copy of which can be obtained from SEDAR at www.sedar.com and EDGAR at www.sec.gov, is dated April 17, 2020 and entitled "Independent National Instrument 43-101 Technical Report on the Imbo Project, Ituri Province, Democratic Republic of the Congo". Certain of the following disclosure is derived from the Imbo Technical Report.

Property Description and Location

Location

The 122 square kilometre Imbo Project is located within the Mambasa Territory in the Ituri Province in the northeastern region of the DRC, 325 kilometres northeast of the main cities of Kisangani and 225 kilometres northwest of Beni (see Figure 4-1). The Imbo Project area is found within Imbo exploitation permit PE 9691 (the "**Imbo Permit**"), which is valid until February 2039. Bunia is the provincial capital of Ituri Province and is situated approximately 260 kilometres east by air from the Imbo Project. The village of Nia-Nia is approximately half-way by road between Beni and Kisangani and situated approximately 45 kilometres south of the Adumbi base camp. See Figures 4-2 and 4-3.

Property Ownership

Loncor holds 84.68% of the shares of the DRC company, Adumbi Mining S.A. ("**Adumbi Holdco**"), which owns the Imbo Permit. The minority shareholders holding the other 15.32% of the shares of Adumbi Holdco include the DRC government, which holds a 10% free carried interest.

Imbo Exploitation Permit

The Imbo Permit covers a total area of 122 km² (12,234 hectares). The deposits and prospects on the Imbo Permit, from northwest to southeast as noted in Figure 4-4, include:

- Adumbi deposit, including Canal
- Bagbaie (previously known as Adumbi North) prospect
- Adumbi West prospect
- Amuango prospect
- Monde Arabe prospect

- Vatican prospect
- Kitenge deposit, including Senegal
- Manzako deposit, including Lion
- Imbo East (previously termed Maiepunji) prospect.

The Adumbi deposit is currently the most explored deposit within the Imbo Permit. The Kitenge deposit is located approximately four kilometres southeast from Adumbi. The Senegal prospect has been incorporated into the Kitenge deposit as it is the probable fault-offset northwest continuation along strike of Kitenge. Manzako is located 1.5 kilometres northeast of Kitenge. The previously named Lion prospect is now considered to be the southeastern portion of Manzako which incorporates a series of sub-parallel shear structures. The Monde Arabe and Vatican prospects are located east of Adumbi. Amuango is situated west of Adumbi and the Imbo East prospect is located approximately five kilometres southeast of Manzako.

Environmental Liabilities and Permitting

DRC law imposes on an exploitation permit holder environmental obligations which must be performed during the exploitation of the mine. Pursuant to its decision dated April 2, 2013, the DRC Directorate of Environment has approved the Environmental Impact Study (EIS) and Environmental Management Plan of the Project (EMPP). Furthermore, the Mitigation and Rehabilitation Plan (MRP) was approved on April 2, 2013. The Company is not aware of any existing environmental liabilities in respect of the Imbo Project. Loncor has all required licences and permits to conduct the proposed work on the Imbo Project.

Surface Usage/Land Lease

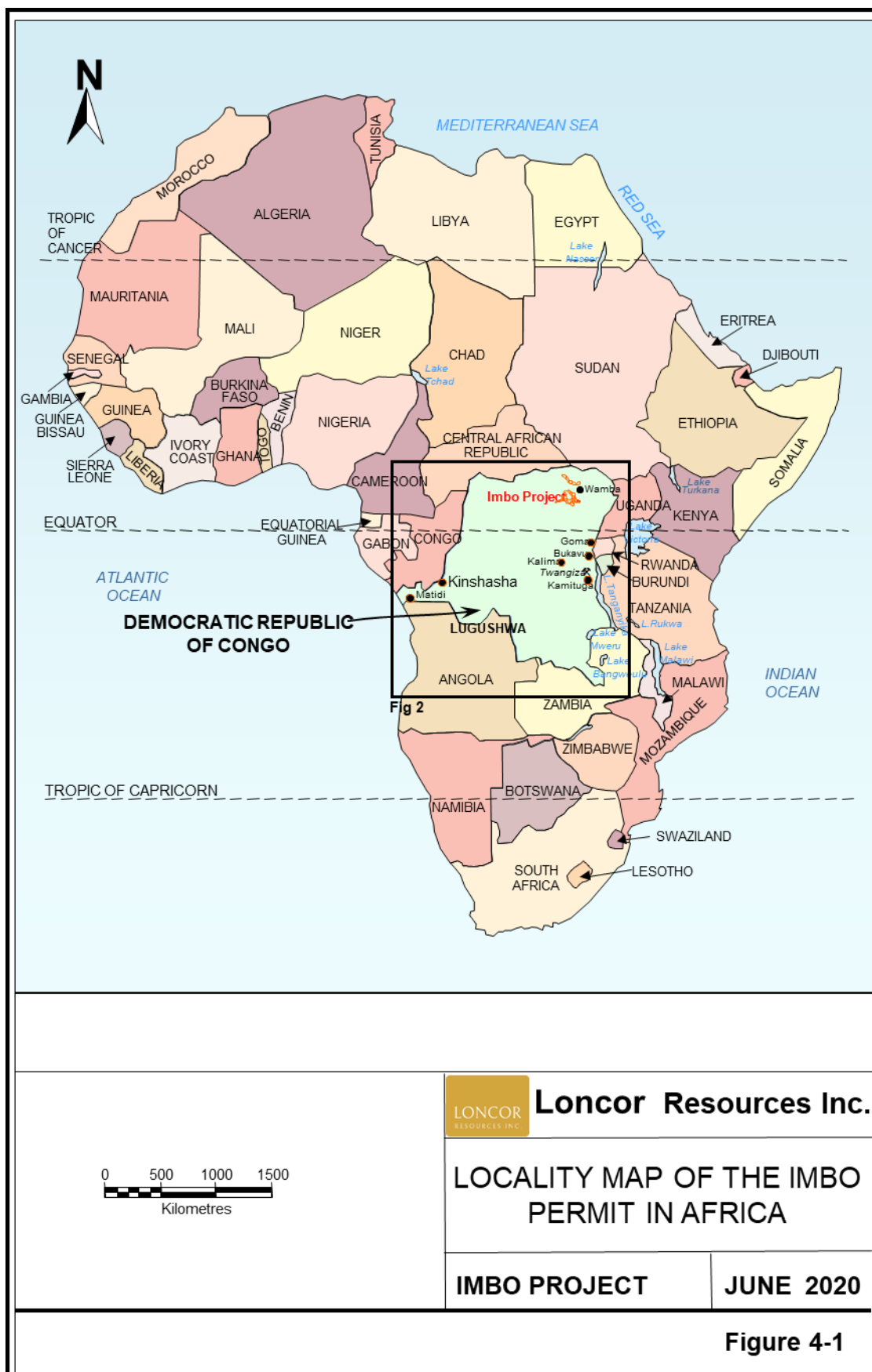
DRC mining law provides that an exploitation permit entitles its holder to the exclusive right to carry out, within the perimeter over which it has been granted, and during its term of validity, exploration, development, construction and exploitation works in connection with the mineral substances for which the permit has been granted, and associated substances if the holder has applied for an extension. DRC mining law also provides that the holder or lessee must compensate for the damages caused by the works it carries out in connection with its mining activities, even if they are authorized. In order to maintain the validity of the permit, the holder must pay the annual surface fees for each subsequent year before the end of the first quarter of the calendar year.

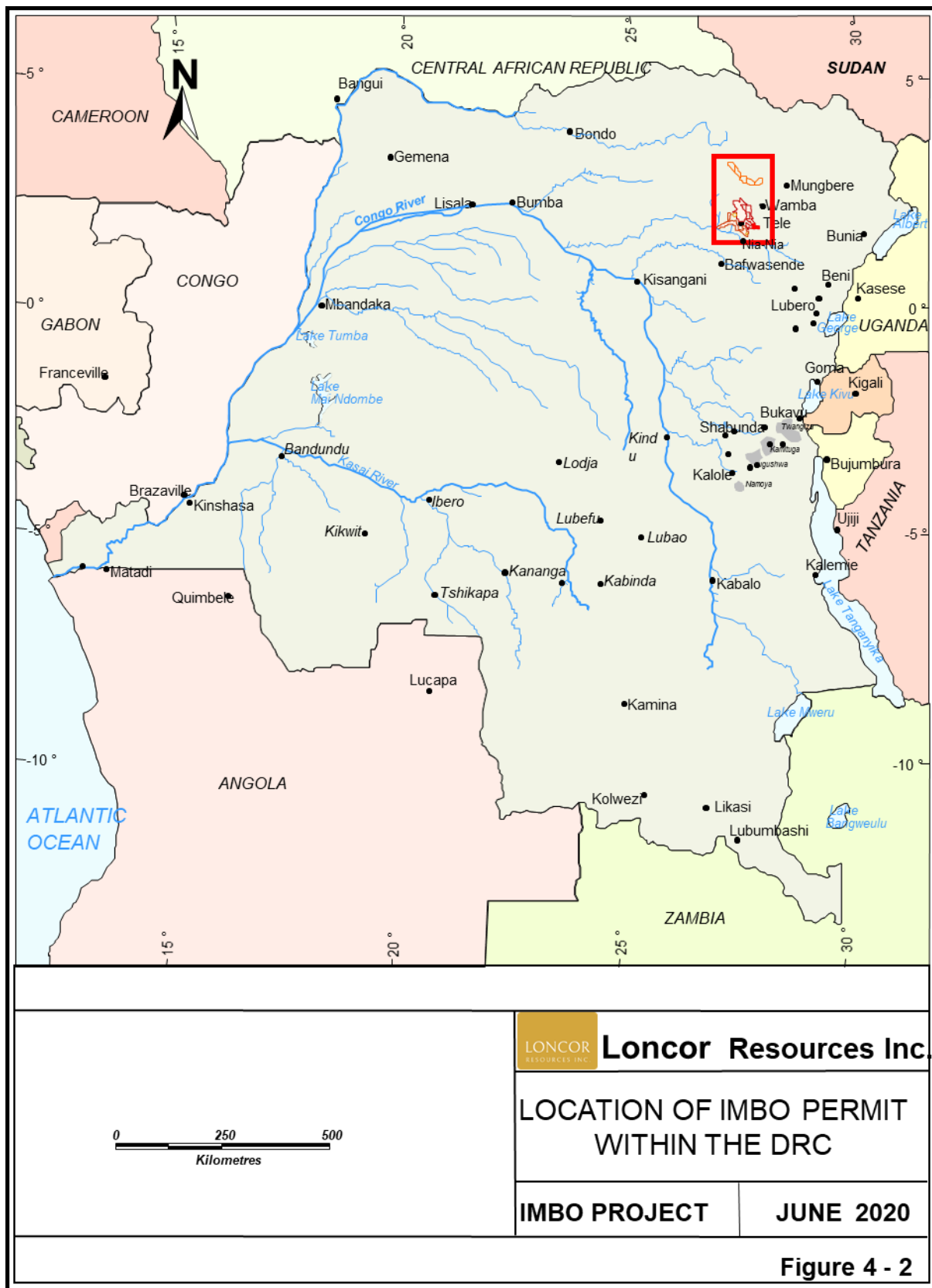
According to DRC law there is no export duty on marketable products, but a 30% corporate tax rate is applied on corporate profits.

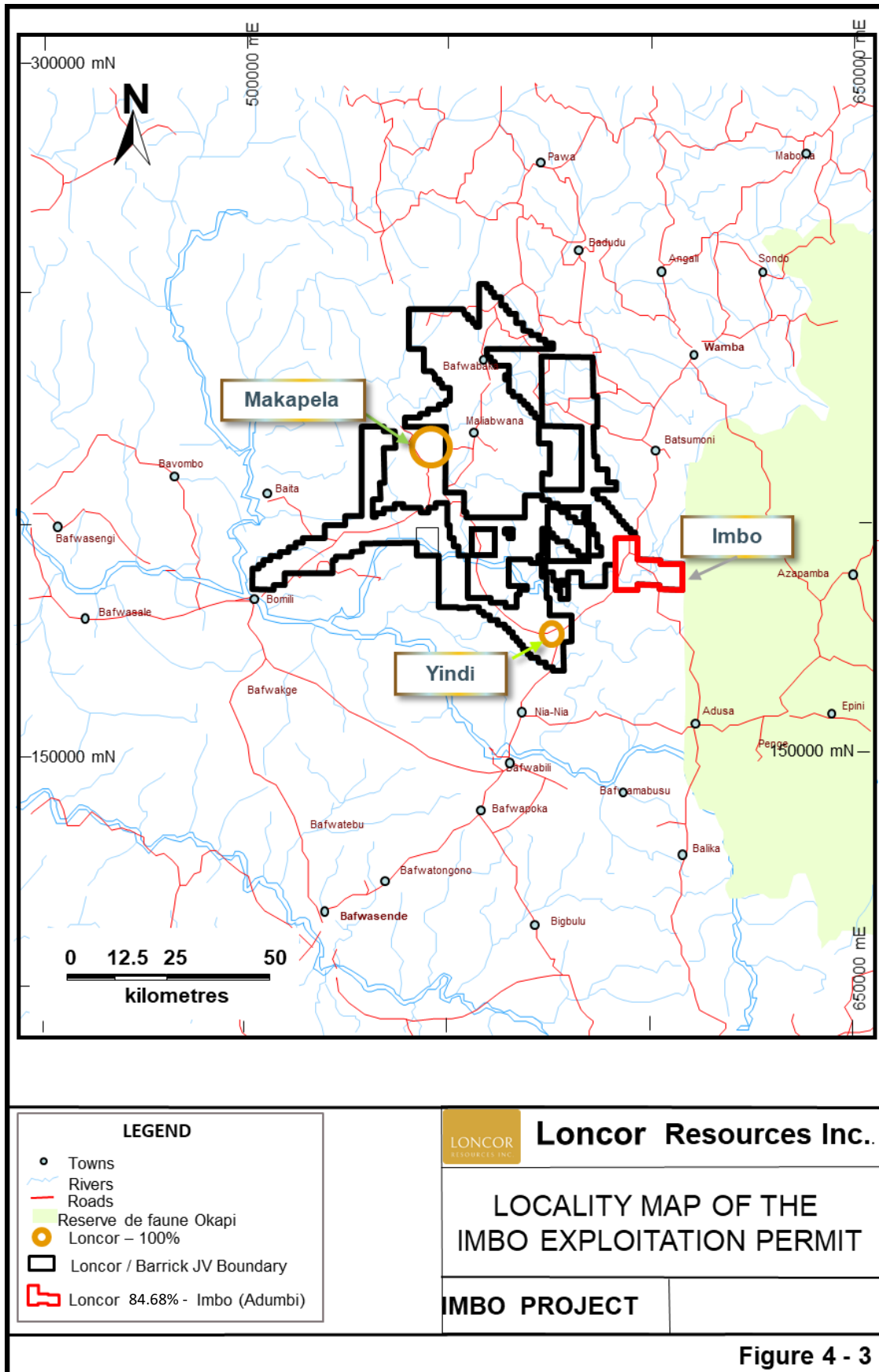
Royalties

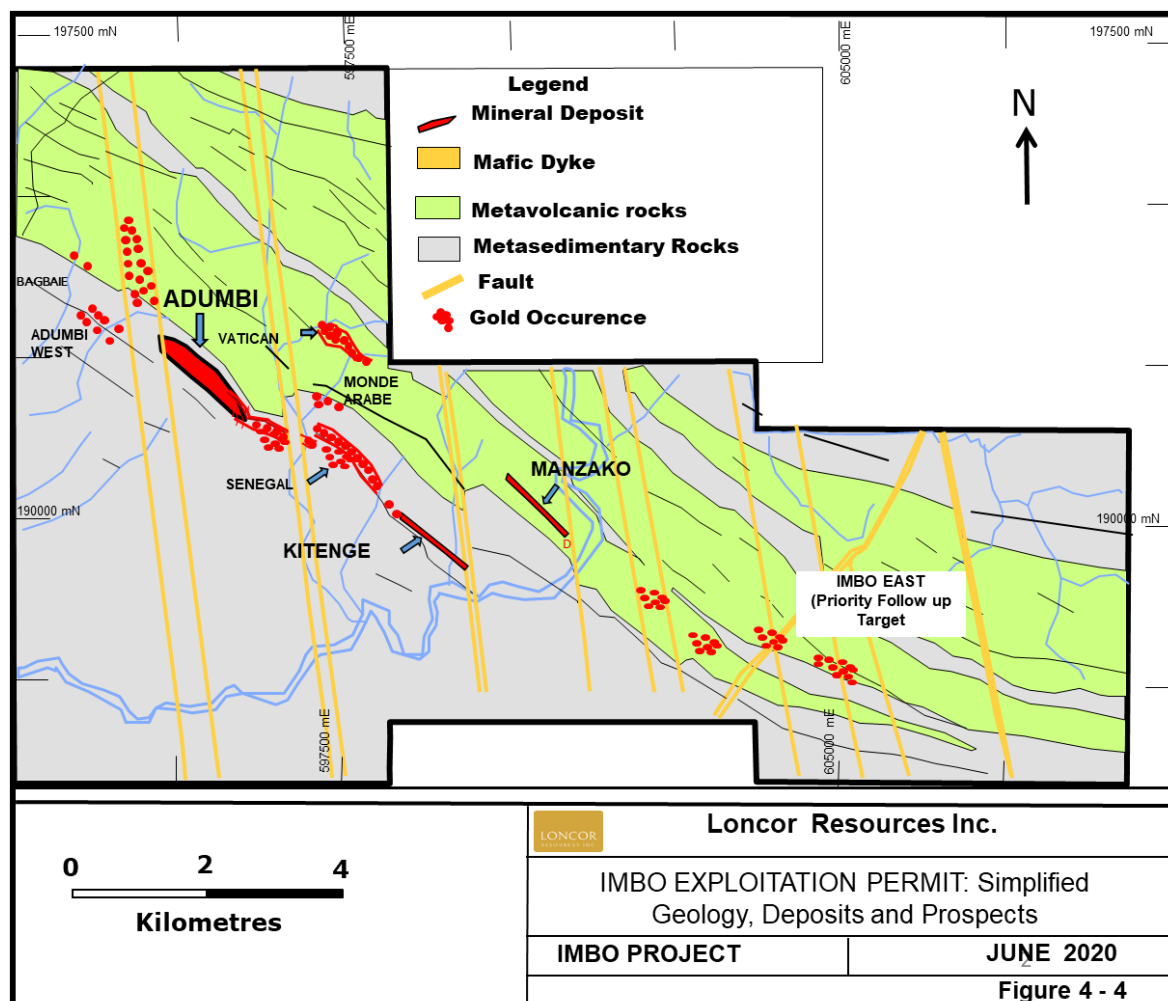
Under an agreement signed in April 2010 with the minority partners of Adumbi Holdco, a subsidiary of Loncor (which holds Loncor's interest in Adumbi Holdco) agreed to finance all activities of Adumbi Holdco, until the filing of a bankable feasibility study, by way of loans which bear interest at a rate of 5% per annum. Within thirty days of the receipt of a bankable feasibility study, the minority partners may collectively elect to exchange their equity participation for either a 2% net smelter royalty or a 1% net smelter royalty plus an amount equal to €2 per ounce of proven mineral reserves.

The DRC Mining Code imposes a royalty tax on the sale of minerals payable to the State, at a rate of 3.5% for precious metals.









Accessibility, Climate, Local Resources, Infrastructure and Physiography

Accessibility

The Imbo Project is located within the Mambasa Territory in the Ituri Province of the DRC. Bunia is the provincial capital of Ituri Province and is situated approximately 260 kilometres east by air from the Imbo Project. Located approximately 225 kilometres by air southeast of the property, Beni is the nearest major population centre to the Imbo Project and has a population of approximately 230,000. The Company maintains an administrative office in Beni. The town is a United Nations MONUC base and has a lateritic airstrip with scheduled internal flights to other towns such as Goma, Bunia, Isiro, Kisangani and Kinshasa. The Isiro airstrip is approximately 200 kilometres by lateritic road to the Imbo Project. From Beni, the Imbo Project is accessible via 322 kilometres of lateritic road to Nia-Nia, then to Village 47 (47 kilometres north of Nia-Nia) and then seven kilometres via lateritic roads to the Adumbi Base Camp. On the property, access is via trails using Mine Mule utility and four-wheel drive vehicles in addition to motorcycles. Away from areas of habitation and artisanal activity, access is on foot through the dense forest growth.

The nearest international airport is located at Entebbe in western Uganda and linked by 440 kilometres of paved road to the Kasindi Uganda-DRC border followed by 80 kilometres of unpaved lateritic roads to

Beni. Entebbe has international scheduled flights to South Africa, Europe and Asia and is also linked to other African countries as well as the in-country towns of Kinshasa and Lubumbashi via Nairobi (Kenya). Ethiopian airlines have direct flights between Addis-Ababa and Goma. In addition, Entebbe is linked to the DRC border points of Arua, Mahagi and Kasindi by paved highway from the deep seaport of Mombasa (Kenya). Due to security issues and the poorly maintained roads in the DRC, the preferred road from Kampala to access the property is via Arua/Aru – Doko (Kibali Mine) – Faradje – Dungu and Isiro. Rail links between Mombasa and Kasese (Uganda) are being upgraded to standard gauge.

At Nia-Nia, 52 kilometres southwest of the Imbo Project, there is a 1,200 metre long grass-covered, laterite base airstrip which can accommodate propeller driven, charter aircraft including medium sized cargo planes. The large operating gold mine of Kibali is located approximately 220 kilometres by air northeast of the Imbo Project.

Climate

The climate is typically tropical and is characterised by a long, wet season and short dry season of up to three months from mid-December to mid-March. The average annual rainfall is approximately 2,000 mm to 2,500 mm, with the highest rainfall generally occurring in October. Even in the driest months, rainfall totals more than 50 mm. Temperatures are also uniformly high throughout the year, and there is little diurnal variability, varying between 19°C and 23°C, with daily lows and highs of 16°C and 33°C respectively. Humidity is high throughout the year (75%-99%).

The climate facilitates exploration and mining activities all year round although exploration is more challenging during the wettest months as roads can deteriorate and sometimes poorly maintained while pits are rapidly filled by water and field mapping is more difficult. Torrential downpours of rain are experienced, however, they are not generally long lasting. The prevailing wind direction is from the southeast, with the maximum wind velocity and average daily wind velocities being relatively low, approximately 12 m/s and 0.5 m/s respectively. Notwithstanding, the area can be hit with severe storms. Climatic conditions have generally not affected exploration activities.

Local Resources

The land around the Imbo Project is mainly equatorial rain forest, with very tall trees and grass. A few small villages exist around the project area. Some wild animals exist in and around the project area, but most have been hunted out by the local population. Natural water sources are abundant. Groundwater potential has not been investigated. The closest hydro-electric power station is situated near Kisangani together with hydro-electric stations supplying power to Barrick/AngloGold Ashanti's Kibali mine. The towns of Isiro and Beni are potential sources of skilled manpower but there is sufficient local unskilled manpower in the surroundings of Adumbi.

Regional migration from the colonial period has resulted in an amalgam of people from different ethnic Bantu groups along with indigenous populations of pygmies residing in areas immediately adjacent to and along key transit routes to the Imbo Project.

Within the immediate area of the property, there are several small villages that generally consist of less than 300 residents. The estimated total population within 10 kilometres of the surrounding area is approximately 8,500 who rely on subsistence farming, organized artisanal mining, and harvesting of wood. These villages are accessed by motorcycle, bicycle and on foot via unmaintained roads and trails. The nearest community to the Adumbi Base Camp is Adumbi Village. In general, the Project enjoys the support of local communities.

Exploration supplies are generally sourced within the country or further afield in Uganda, Kenya, Tanzania or South Africa. Wherever possible, food and consumables are locally sourced. Manpower at the Adumbi Base Camp is sourced from the local area. Technical manpower consists of senior staff expatriates in addition to Congolese staff. Security is maintained by a private security agency as well as contracted posted DRC police officers.

There is a significant local labour pool available for training and recruitment for any envisioned mining operation. The local area would not be capable of supplying sufficient materials other than timber to support any potential mine-site infrastructure. Although some main roads dissect the area, upgraded and additional access roads including bridges will be required for any potential large-scale mining operations.

There is no electrical distribution system within the local area and diesel generators and solar power are relied upon. There are potential locations for hydroelectric development located within the Imbo Project area, but these sites have not been investigated.

Infrastructure

At the time of Minecon's site visit in February 2020 infrastructure at the Adumbi Base Camp included the following:

- A fenced and gated compound patrolled by security that covers an area of approximately 8.5 ha.
- A helicopter landing pad and privately operated weather station.
- A brick constructed administrative office building.
- A wood constructed first aid post.
- A brick constructed kitchen and mess hall.
- A brick constructed washroom and shower facility.
- Private brick-constructed accommodations for five persons.
- Private tented bedroom accommodations on concrete pads.
- An outdoor recreational area with barbeque and satellite television.
- Security office and camp support staff accommodation.
- Gated and fenced core processing area consisting of:
 - Brick constructed exploration office.
 - Outdoor roofed open core logging areas.
 - Outdoor roofed open core sawing area.
 - Container storage for pulps and duplicates.
 - Core storage racks.
- Gated and fenced sample preparation facility.
- Brick constructed office and storerooms for drillers.

The power supply at the site is provided by diesel generators with solar power also used for lighting. Water is taken from a natural spring located just outside the camp boundary. For any future development activities, it will be necessary to build all-weather access roads and bridges as well as infrastructure for sufficient power and water supplies. Imbo Project surface rights allow sufficient areas for potential processing plant sites, tailings storage areas and waste disposal areas.

Physiography

The Imbo Project is located in the Ituri tropical rainforest within the upper reaches of Congo River basin. The project area topographically consists of an undulating terrain that varies from approximately 600 metres above sea level to approximately 800 metres above sea level. Most of the landscape is covered

with dense evergreen forests with a closed canopy; however, the hills tend to have relatively steep slopes and the valley floors within the areas of the linear hills are relatively narrow. In most places, the overburden (in general less than one metre to approximately 50 metres in thickness) is oxidized sandy clay or sandy clay loam, ranging in colour from reddish brown through ochre to yellowish brown. The soils are acidic and the layer of humus is thin.

The property is drained by numerous creeks and streams. Almost all the landscape belongs to the Congo Basin and is covered with a dense network of permanent watercourses which flow into the Upper Ituri and its main tributaries: the Epulu, Nepoko, Nduye, Lenda, Ebiena, and Ngayu rivers.

The Adumbi deposit is well situated for potential mining development as it is located on a topographical high amenable to low strip ratios for initial mining access. The Kitenge and Manzako deposits are located in areas of less relief.

History

Kilo Goldmines contracted the Royal Museum for Central Africa (RMCA) in December 2006 to carry out a compilation of the RMCA archives on gold in the region of the Adumbi Project in the DRC. The exploration and historical gold production on the Imbo Project area outlined below is based on the 2007 RMCA compiled report (RMCA, 2007) and summarised below. Most of the data available to RMCA was prior to the 1960 independence of the DRC.

Exploration History

Belgian prospectors were the first to discover gold on the Imbo Project in the early 1900s with gold production focusing on alluvial deposits until the late 1930s. Primary gold mineralization was later discovered in the bedrock of the alluvial zones and was exploited in shallow pits and trenches. This was later followed by mining from deep trenches and underground galleries. From the mid-1970s to mid-1980s, the French Geological Survey (BRGM) undertook geological investigation of the Imbo Project area. Artisanal miners in organized groups in recent years have been exploiting alluvial and eluvial deposits, as well as oxidized mineralization from deep trenches (up to 10 metres), and the underground sill drifts and pillars at Adumbi.

Highlights of the reported historical exploration include:

- 1925: Société Internationale Forestière et Minière du Congo (FRM) completed the evaluation of interesting sites and Société Minière de la Tele (SMT), a subsidiary of FRM, was granted the rights for exploitation. It is reported that during the Belgian exploitation, no geological maps were produced, and the operators mainly looked for mineralization in quartz veins. Shallow exploration shafts or pits were systematically sited along the veins to facilitate delineation of the mineralization.
- 1948: Manzako surface trenches and underground exploration discovered mineralized veins.
- 1940 to 1950: SMT conducted extensive surface and underground exploration in the Adumbi Hill area.
- 1973 to 1975: BRGM's Northern Zaire Project studied the geology of the area in detail. In 1975, BRGM conducted stream sediment and alluvial prospecting and produced a summary report. Arsenic anomalies were found to surround the historical mined areas, especially around Kitenge. BRGM noted that the quartz veins were irregular, erratically distributed, and returned low grades mineralization.

- 1980 to 1981: BRGM mapped and sampled the Adumbi and Bagbaie deposits on surface and in the historical underground openings. BRGM also drilled three holes at Adumbi and confirmed that (i) mineralization extended at depth below water table, (ii) other mineralized zones, parallel to the main one also existed, and (iii) gold at depth was associated with sulphides.
- 1984: BRGM completed an assessment of the mineral potential at Adumbi.
- 1988: Bugeco International (Bugeco) produced a report on the property entitled “Gold Potential in the Ngayu Mining District Haut Zaire: the Adumbi and Yindi Old Mines”.
- 1989: BHP Utah Minerals International carried out a property review of Kitenge and Adumbi.
- 1990: Genmin of South Africa carried out a property review of Kitenge and Adumbi.

Development and Production History

The first gold discoveries by Belgian prospectors on the Imbo Project occurred in the early 1900s and early gold production was focused on alluvial deposits until the late 1930s. Gold was discovered in the bedrock of the alluvial zones and these eluvial deposits were exploited in shallow pits and trenches. Primary gold deposits were later mined in deep trenches and underground galleries.

From the 1920s to the late 1950s, mining rights for the mineral concessions in the Imbo Project area were held by the Société Internationale Forestière et Minière du Congo (FORMINIERE or FRM). The colonial state was co-owner with a 50% stake in FRM, with the remainder held by American interests. Following political independence in 1960, ownership changed hands multiple times. The French Geological Survey (BRGM) investigated the Imbo Project area from approximately the mid-1970s to the mid-1980s. Kilo Goldmines Inc. (“Kilo”), via its agreement with Somituri SPRL, was granted the exploration licences for the project area in February 2009 and in September 2019, Loncor acquired Kilo.

Commercial alluvial gold production on the Imbo Project was undertaken from 1927 to 1951 on the Amuango River. The Amuango River covers the drainage basin from the west side of Adumbi to the area of Bagbaie, located north of Adumbi. Eluvial gold was also exploited over Adumbi Hill and Kilo believed that this was also considered part of Amuango. The alluvial M'Boro – Adumbi and Amuango exploitations were made in the hydrographical system on the slopes of a ridge of which Adumbi Hill is the summit. A total of 83,000 ounces (2.581 tonnes) of gold were exploited during the period.

From 1938 to 1955, surface and underground mining was also carried out on the Kitenge–Maiepunji and Adumbi mines. When underground mining began in 1943, a processed facility was built, “Usine de Kitenge”, and commissioned in 1944. By the early 1950s production declined rapidly at Kitenge – Maiepunji due to the lack of defined mineral reserves and by 1955 production declined at Adumbi mine due to metallurgical challenges, the depth of the mine coupled with lack of energy for milling operations, a function of exorbitant processing costs, and poor recovery in the amalgamation mills. It is reported that a total of 86,400 ounces (2.688 tonnes) of gold was exploited from the Kitenge-Maiepunji mines between 1938 to 1955. As well, 177,500 ounces (5.520 tonnes) of gold was exploited from the surface and underground working of the Adumbi mine between 1952 and closure in 1959.

Recent exploitation has all been carried out by artisanal mining operations which have mined and recovered gold from most of the easily accessible and processable gold.

2013 Mineral Resource Estimates

In April 2012, The Mineral Corporation was commissioned by Kilo Goldmines to undertake a resource estimate on the Adumbi deposit. The Mineral Corporation completed an independent NI 43-101 technical report in February 2013. At a cut-off grade of 0.5 g/t Au, The Mineral Corporation outlined an inferred

mineral resource of 1.87 million ounces (35.66 million tonnes grading 1.63 g/t Au), as set out the following table.

Adumbi Inferred Mineral Resource Estimate Undertaken by The Mineral Corporation (February 8, 2013)

Material Type	Tonnes	Grade (g/t Au)	Contained Au (million oz)
Oxide	12,310,549	1.61	0.64
Transition	4,763,163	1.66	0.25
Sulphide	18,581,569	1.63	0.98
Total	35,655,280	1.63	1.87

In February 2014, independent consultants Roscoe Postle Associates Inc. (“**RPA**”) completed an independent NI 43-101 technical report on the Imbo Project and estimated 1.675 million ounces (20.78 million tonnes grading 2.5 g/t Au) of inferred mineral resources on the three separate deposits of Adumbi, Kitenge and Manzako (see table below)

RPA Mineral Resource Estimate of Adumbi, Kitenge and Manzoka Deposits
(effective date: December 31, 2013)

Deposit	Tonnes (million)	Gold Grade (g/t Au)	Contained Gold (x10 ³ oz)
Adumbi	19.11	2.20	1,362
Kitenge	0.91	6.60	191
Manzako	0.77	5.00	122
Total	20.78	2.50	1,675

Notes:

1. CIM definitions were followed for mineral resources.
2. Mineral resources were estimated at a cut-off grade of 0.90 g/t Au for Adumbi, constrained by a Whittle pit shell with a processing and G&A cost of US\$30/t. A cut-off grade of 2.70 g/t Au was used for Kitenge and Manzako based on potential underground mining scenarios.
3. Mineral resources were estimated using a long-term gold price of US\$1,200 per ounce.
4. A minimum mining width of two metres horizontal was used.
5. A maximum of four metres internal waste was used.
6. Adumbi bulk densities of 1.8 for oxide, 2.2 for transition and 3.0 for sulphide materials were used.
7. Kitenge and Manzako bulk densities of 1.7 for oxide, 2.2 for transition and 2.7 for sulphide materials were used.
8. High gold assays were capped to 18 g/t Au for Adumbi, 50 g/t Au for Kitenge and 50 g/t Au for Manzako, prior to compositing at two metre intervals

Geology and Mineralisation

The Imbo Project is located in the east of the Ngayu Archean greenstone belt. Gold occurrences at the Imbo Project are hosted within the Upper Kibalian Formation which consists of chemical metasedimentary units including banded iron formation (BIF), clastic metasedimentary rocks (assigned the field name of “greywacke”), black shales and mafic volcanic flows. Adumbi, Kitenge and Manzako are currently the three deposits within the Imbo Project with mineral resources. Mineralization within the Ngayu belt is similar to the Geita and Moto greenstone belts of Tanzania and DRC, respectively, with

gold spatially related to banded ironstones (BIF). The Ngayu greenstone belt is three to four times the size of the Geita belt.

Based on examined drill holes, the rocks at Adumbi mainly comprise a subvertical sequence of metamorphosed clastic sediments (pelites, siltstones and greywacke) interbedded with units of BIF of varying width. The grade of metamorphism is lower greenschist facies, and the clastic units are petrographically classified as schists.

Re-logging of core at the Adumbi deposit indicates five distinct geological domains with the BIF unit package attaining a thickness of up to 130 metres in the central part of the deposit. From northeast to southwest these are:

- Hanging wall schists: dominantly quartz carbonate schist, with interbedded carbonaceous schist.
- Upper BIF Sequence: an interbedded sequence of BIF and chlorite schist, 45 to 130 metres in thickness.
- Carbonaceous Marker: a distinctive three to 17-metre-thick unit of black carbonaceous schist with pale argillaceous bands.
- Lower BIF Sequence: BIF interbedded with quartz carbonate, carbonaceous and/or chlorite schist in a zone four to 30 metres in thickness.
- Footwall Schists: similar to the hanging wall schist sequence.

There is a higher-grade zone of gold mineralization termed the Replaced Rock Zone (“RP Zone”) associated with alteration and structural deformation that has destroyed the primary host lithological fabric. The RP Zone occurs in the lower part of the Upper BIF package and in the Lower BIF package, and transgresses the Carbonaceous Marker, located between the Upper and Lower BIF packages, both along strike and down dip.

Gold mineralization at Adumbi is generally associated with quartz and quartz-carbonate pyrite $\pm$ pyrrhotite $\pm$ arsenopyrite veins in a BIF package of rocks. In the central part of the Adumbi deposit, three main zones of gold mineralization are present:

- within the Lower BIF Sequence.
- in the lower part of the Upper BIF Sequence. Zones 1 and 2 are separated by the Carbonaceous Marker, which is essentially unmineralized; and
- a weaker zone in the upper part of the Upper BIF Sequence.

Gold mineralisation within the Adumbi deposit is related to the northwest trending shear zones, which dip steeply towards the northeast and which, in some parts of the area, seem to utilize the competency contrast between two lithologies, namely the BIF-chert and the tuffaceous-greywacke metasedimentary lithologies. This mineralization occurs over a strike length of two kilometres in a zone approximately 100 metres wide and to a depth of approximately 400 metres. The continuity of mineralisation appears to be oriented vertically close to the wall rocks of the BIF. The strike orientation of the BIF is northwest-southeast, which is parallel to the trend of the Upper Kibalian rocks. The BIF is interpreted to have a steep, near-vertical dip. A series of north-northwest striking faults appear to dislocate the BIF, and it is interpreted that these faults have a strike-slip component, resulting in an apparent thickening of the BIF in the central part of Adumbi deposit.

Based on studies including age dating undertaken in 2017 by Barrick (which has joint ventures with Loncor in the Ngayu belt), a major structural, mineralized fracture zone separates an older volcano-sedimentary domain in the northern part of the Ngayu belt from a younger, predominantly sedimentary

basin in the south. At the Kibali mine where Barrick is the operator, a similar geological setting has been determined with the gold deposits spatially related to a major structural break between an older volcano-sedimentary domain and a younger predominantly sedimentary basin.

At Ngayu, the major structural fracture trends east-northeast through the Imva area where a number of targets under the Loncor-Barrick joint ventures are located, and then trends southeast through the Imbo Project area where the Adumbi, Kitenge and Manzako deposits are located, and then across the Imbo river to the Imbo East prospect. In total, this major structural break extends for 16 kilometres within the Imbo Project.

Deposit Types

Gold deposits within the Imbo Project are associated with the globally important Neo-Archean orogenic gold deposits, examples of which are found in most Neo-Archean cratons around the world. Gold mineralisation is associated with epigenetic mesothermal style of mineralization. This style of mineralization is typical of gold deposits in Neo-Archean greenstone terranes and is generally associated with regionally metamorphosed rocks that have experienced a long history of thermal and deformational events. These deposits are invariably structurally controlled. Mineralisation in this environment is commonly the fracture and vein type in brittle fracture to ductile dislocation zones. At the Adumbi deposit, the gold mineralisation is generally associated with quartz and quartz-carbonate-pyrite $\pm$ pyrrhotite $\pm$ arsenopyrite veins in a BIF horizon. Examples of similar type gold deposits to Adumbi include Geita in Tanzania, Kibali in northeastern DRC, Tasiast in Mauritania, Homestake (U.S.A.), Lupin (Canada) and Moro Velho in Brazil.

Exploration

Summary of Pre-2014 Exploration

Kilo Goldmines' main objectives for conducting exploration on the Imbo Project were to:

- enhance understanding of the extent and style of mineralization in order to successfully diamond drill leading to mineral resource estimates for Adumbi, Manzako, and Kitenge; and
- optimize deposit models and exploration strategies to be applied in delineating other potential deposits within the Imbo Project.

Initial exploration in the Imbo Project in 2010 concentrated on the Adumbi deposit. The exploration techniques employed included soil sampling, geological mapping and sampling of existing adits, trenching, and diamond drilling. Localities of historical and active artisanal mining operations provided guidance for the initial exploration activities.

(A) Soil Sampling: A total of 9,246 soil samples (including QA/QC samples) were collected over an area of 63 km² from 2010 through 2013 covering the Kitenge, Manzako, Canal, Vatican, Monde Arabe, and Adumbi deposits and prospects. Sample spacing over the Manzako deposit was 20 metres x 80 metres and elsewhere, 320 metres x 20 metres with some infills at 160 metres x 20 metres. All soil samples were collected at a vertical depth of one metre.

Analytical Solutions Ltd. (ASL) compiled a report on the soil geochemistry of the Imbo Project in October 2013 and concluded as follows:

- Multi-element data mirrors the lithological interpretation based on the airborne magnetic and radiometric survey.

- There is limited mechanical or chemical dispersion of the medium sampled.
- Six gold anomalous areas were delineated underlain by metavolcanic rocks and void of historical or artisanal exploitation.
- Two gold anomalous areas were delineated underlain by metasedimentary rocks (and possibly some iron formation rocks) that warrant follow-up exploration.
- Elements usually considered “immobile” are reasonably well digested by aqua regia in deeply weathered soils allowing reliable lithological interpretation.

(B) Geological Mapping: Geological mapping in 2010 was focused on areas of historical gold exploitation and active artisanal mining activities. Approximately 8.4 km² covering Adumbi, Kitenge, Manzako, Adumbi North and the Vatican prospects was mapped. Lithological contacts and shear zones within the metasediments at Adumbi as well as exposure of weathered or oxidized BIF and chert units on the top of Adumbi Hill were mapped. There was limited outcrop at Kitenge, nonetheless, multiple quartz veins within the Kitenge shear zone was mapped. Mapping at Manzako identified a northwest–southeast trending shear zone (over 2 kilometres strike length) hosting a number of existing adits and narrow open pits trending parallel to the strike direction of the shear zone. Mapping at Bagbaie, Vatican and Monde Arabe identified northwest-southeast trending quartz vein hosted shear zone with artisanal workings.

(C) Trenching: Trenching was undertaken in order to evaluate near-surface gold mineralization and to provide lithological information to determine the strike extent of mineralization and gold bearing host rocks. In all, 44 trenches totalling 4,753 metres were excavated over the Adumbi, Kitenge and Manzako deposits from 2010 through 2012. This comprised 23 trenches for 2,745 metres at Adumbi, 6 trenches for 878 metres at Kitenge and 15 trenches for 1,130 metres at Manzako.

(D) Underground Exploration: Accessible adits and underground workings were geologically mapped and sampled at Adumbi, however, those at Kitenge and Manzako were not readily accessible. In 2010, Kilo geologists sampled four historical adits at Adumbi totalling 609 metres and generated 549 horizontal channel samples (including QA/QC samples). In 2012, a Kilo contract geologist mapped and sampled an additional three adits and two cross-cuts at Adumbi. He also mapped the four adits sampled in 2010 and other mine workings where accessible. In all, a total of 907 metres were sampled to generate 843 channel samples. None of the other historical underground mine workings on the Imbo Project were geologically mapped or sampled by Kilo.

(E) Airborne Geophysical Survey: Kilo contracted New Resolution Geophysics (NRG) from South Africa to complete a high resolution, helicopter mounted, XPlorer magnetic and radiometric survey for the Imbo Project. The survey was flown from April 12 to 15, 2012, over 1,416 kilometres at a line spacing of 100 metres by 1,000 metres orientated at 040° – 220°.

The magnetic survey delineated a number of linear anomalies characterized by demagnetization. In addition, a BIF was delineated over a strike length of two kilometres from the demarcated northwestern limit of the Adumbi-Canal gold deposit. The total field and radiometric data were utilized by Kilo in the compilation of the structural and lithological interpretation for the Imbo Project.

Post 2014 Exploration

Following the inferred mineral resource of 1.675 million ounces of gold outlined in February 2014 by independent consultants Roscoe Postle Associates Inc. (“**RPA**”) on three separate deposits, Adumbi, Kitenge and Manzako, RPA made a number of recommendations on Adumbi, which were subsequently undertaken. The following sub-sections outline the work carried out.

(a) Soil Sampling

In 2017, a soil sampling program (area of 1.5 x 5 kilometres, on a 40 x 160 metre grid) was planned east of the Imbo River with the objective of further investigating BLEG and rock chip anomalies identified in 2015. This however was not carried out as planned. In April 2020, soil sampling by Loncor commenced in the Imbo East prospect and is continuing.

(b) Regional BLEG Survey

A BLEG (Bulk Leach Extractable Gold) survey was carried out over the Imbo Project between March and June 2015. BLEG sampling is a regional geochemical technique involving the analysis of stream sediments with the objective of defining areas of gold anomalism for more detailed follow-up. It has the advantage of reliably assessing large tracts of ground relatively quickly and cost-effectively. The main objective of the program by Kilo was to assess the parts of the Imbo Project not covered by grid mapping and soil geochemistry, in particular the area to the east of the Imbo River where no ground work has been carried out. However, in order to compare results in these areas with zones of known mineralization, the whole of the licence area was covered. The survey was conducted in two stages, Phases 1 and 2 covering the areas to the west and east of the Imbo River respectively.

(c) Geological Mapping

Mapping and channel sampling of workings in the Adumbi, Adumbi West and Adumbi Hill areas was undertaken in 2014 and 2015. Mapping in the area to the west of the Adumbi Hill exposed several abandoned and active workings including, trenches, artisanal pits, adits and some outcrops found along cross lines. These features are concentrated around the Mabele Mokonzi area located to the eastern part of Mambo Bado artisanal camps, the western part of Adumbi Hill, Kananga located to the northeast of the grid, and a small part of the Adumbi Hill. A large riverine swamp being drained by the Adumbi River is the locus of moderate alluvial activity by artisanal miners. Three zones of BIF were inferred based on rare outcrop and float, and occur within a sequence of quartz carbonate, carbonaceous and chlorite schists. Quartz veins up to 45 centimeters wide occur within the schist and are being exploited by artisanal miners. In the vicinity of these veins, the host rocks contain weak to moderate foliation parallel quartz veinlets, patches of limonite, and may also display disseminated crystals of pyrite and boxworks. Rock chip sampling was also carried out in tandem with the geological mapping exercise. A total of 267 samples were collected for assay.

(d) Trenching

Re-excavation of an 850 metre-long colonial trench was commenced in August 2014 aimed at exposing lithologies for lithostructural mapping purposes. Selective sampling was also carried out in places where significant alteration was observed. Trenching was however suspended in September 2014 due to continued sidewall collapse and repeated cleaning and clearing efforts required after heavy rainfalls. A total 301 metres was cleaned/reopened, and 74 samples collected. Sampling was not carried out where no significant alteration was observed, or where the trench was deemed unsafe. The main lithologies observed are quartz carbonate schist and chlorite schist, totally oxidized with weak foliation parallel veins of quartz ranging from 0.5 to 25 cm wide. The BIF unit targeted was not intersected, and no major altered or sheared zones were encountered prior to suspending the program. The foliation and quartz veins have an average strike of 310° and dip mostly at about 70° to the NE.

(e) Pitting

A total of 52 pits on selected IP lines at 80 metre intervals were dug in the Adumbi West, Adumbi South, Vatican and Senegal areas. The pits were designed to assist the interpretation of responses from underlying soil geochemistry and IP signatures, and to further the understanding of regolith patterns and distribution in these areas, and the wider Imbo Project. All pits were vertically channeled, with the different regolith horizons and saprolite sampled separately.

The pitting program demonstrated the complexity of the regolith in the Adumbi area and supports the conclusion from radiometric and ICP data that a large proportion of the area is overlain by transported soil. The pit logging showed that most of the previous soil samples would have been taken within the transported horizon, despite being sampled at a depth of one metre. Although the program suggested some of the transported material may be proximal, this was not always the case. The possibility therefore exists that the soil results are locally (a) giving false anomalies, or (b) not detecting underlying mineralization.

(f) Topography Survey

All the Adumbi drill hole collars, trenches and accessible adits and adit portals were accurately surveyed and the data appropriately georeferenced. In addition, all accessible underground excavations and workings were accurately surveyed. Survey work commenced in late July 2014. Co-ordinates were based on the existing reference control points, which were corrected and re-fixed by a consulting surveyor from Map Africa, RSA.

(g) Airborne Geophysics Survey

Induced Polarisation (IP) and LiDAR are the only geophysical surveys conducted during the post 2014 exploration campaign.

Induced Polarisation (IP) Surveys - An initial Pole-Dipole (PDP) orientation survey was undertaken over known mineralisation and results of which warranted a systematic Pole-Dipole sections in other prospective areas in order to generate drilling targets, in particular the Adumbi West prospect. The program was completed in June 2015.

Gradient Array Data - Given the fact that the sectional pole-dipole IP data was proving to be very useful in the structural interpretation of the Adumbi area, gradient array IP was planned in order to provide chargeability and resistivity data in plan view. The gradient array surveys were carried out on 1 kilometre x 1 kilometre blocks, with a 50 metre line spacing and a station spacing of 25 metres along the lines. The Gradient Array survey was completed, and processed data was received from Spectral Geophysics.

LiDAR Survey – As per RPA's recommendation, a LIDAR survey was completed over Adumbi by Southern Mapping of South Africa. The survey was carried out in January 2020 as part of a large program covering the Ngayu Kibali areas encompassing the Imbo Project area. The topographical survey was undertaken to produce rectified color images and a digital terrain model (DTM) of the surveyed project area.

(h) Relative Density (RD) Measurements

Relative density (RD) measurements on Adumbi drill core were previously determined by ALS Chemex in Johannesburg and by a laboratory in Vancouver, however, discrepancies exist between the two data sets, and in many cases the reported RD values are very different from what would be expected from the

drilled lithologies. The reliability of one or both data sets was therefore questionable. Given the critical role reliable RD values play in resource estimation and mine planning, it was deemed necessary by Minecon in preparing the Imbo Technical Report to carry out systematic measurements on all Adumbi drill core. All RD measurements were undertaken on site.

The relative density (RD) program was completed with a total of 5,360 measurements taken. The average oxide, transition and sulphide zone RDs for mineralized (≥ 0.5 g/t Au) rock are 2.45, 2.82 and 3.05 respectively. The RD figures used for the February 2014 resource study were 1.8, 2.2 and 3.0 for the oxide, transition and sulphide zones respectively. See the discussion below under “Imbo Project Mineral Resources” for additional information regarding the RD program.

Exploration Potential

Minecon concluded in the Imbo Technical Report as follows:

- There is significant additional resource potential within the Imbo Project.
- At the Adumbi deposit, the gold mineralization is still open at depth and the drilling of an additional 12 core holes (7,000 metres) has the potential to add and upgrade mineral resources within the US\$1,500 pit as well as outline potential underground resources below the pit (this drilling program recommended by Minecon was commenced by Loncor in October 2020 and is ongoing as of the date of this Form 20-F). After this drilling program has been completed, additional drilling may be undertaken before a Preliminary Economic Assessment is initiated to include additional mineral resource determinations, metallurgical testwork, open pit and potential underground studies, metallurgical plant processing, infrastructural, environmental and economic studies.
- At the Kitenge and Manzako deposits, additional drilling may also be undertaken to further define and increase the inferred mineral resources at these deposits.
- Ongoing exploration including gridding, soil sampling, trenching and channel sampling is planned to be undertaken at the Imbo East prospect in order to generate potential drill targets.

Imbo East Exploration (2020 to present)

In press releases issued in September 2020 and February 2021, Loncor announced exploration results from the Imbo East prospect area. Loncor reported that analytical results have been received for all soil samples from the completed 5.4 kilometre by 2.3 kilometre grid, east of the Imbo River where soil samples were collected every 40 metres on lines 160 metres apart. Geological mapping, soil geochemical, rock chips and channel sampling of old colonial trenches and artisanal workings have outlined four significant mineralised trends - Esio Wapi, Museveni, Mungo Iko and Paradis - approximately 8 to 10 kilometres southeast of the Adumbi deposit (see Figures 5 and 6 below).

At Esio Wapi, soil geochemical results have outlined a number of plus 130 ppb Au (parts per billion) gold in soil anomalies with a maximum value of 2,230 ppb Au over a 1.9 kilometre long mineralised trend (see Figure 6 below). Channel sample results from old colonial workings included 19.80 metres grading 1.58 g/t Au (open to the northeast), 8 metres grading 1.11 g/t Au and 5.0 metres grading 1.65 g/t Au in brecciated banded ironstone (BIF) and metasediment. Individual rock sample values included 15.10 g/t and 7.88 g/t Au in quartz veins, 6.39 g/t and 3.08 g/t Au in BIF and 9.06 g/t, 7.91 g/t and 3.24 g/t Au in metasediments.

On the Paradis trend, soil sample results have outlined a broad 1.0 kilometre trend (plus 130 ppb Au) with maximum value of 870 ppb Au. Significant channel samples along the Paradis trend include 6.8 metres grading 5.44 g/t Au (open to the southwest) in metasediments with quartz veins. Individual rock sample values included 22.40 g/t, 5.84 g/t and 2.31 g/t Au in quartz veins.

On the Museveni mineralized trend, anomalous soil samples and artisanal workings occur over a strike of 3.2 kilometres with a maximum value of 5,850 ppb Au in soils. Channel samples from the artisanal workings include 6.0 metres grading 4.37 g/t Au and 1.40 metres grading 62.10 g/t Au and represent high grade quartz veins in metasediment. Individual rock sample values included 53.90 g/t, 32.80 g/t and 32.60 g/t Au in quartz veins and 18.10 g/t Au in metasediment.

On the Mungo Iko trend, soil samples have outlined a 3.1 kilometre long mineralized trend (plus 130ppb Au) with maximum value of 1,540 ppb Au. Individual rock sample values include 12.30 g/t and 3.50 g/t Au in brecciated BIF, 14.20 g/t, 4.81 g/t, and 3.68 g/t Au in metasediments, and 1.97 g/t Au in quartz veins. Further mapping is required to determine whether the eastern part of the Mungo Iko trend represents a faulted extension of the Esio Wapi trend.

Additional infill soil sampling, augering and channel sampling is planned to be undertaken at Esio Wapi, Paradis, Museveni and Mungo Iko to better define these mineralised trends prior to outlining drill targets.

Quality Control and Quality Assurance re Imbo East Results - Soil, channel and rock samples were put in sealed bags by Company geologists and sent to the independent SGS Laboratory in Mwanza, Tanzania. The samples were then crushed at the laboratory down to minus 2 mm and split with one-half of the sample pulverized down to 90% passing 75 microns. Gold analyses were carried out on 50g aliquots by fire assay. In addition, checks assays were also carried out by the screen fire assay method to verify high grade sample assays obtained by fire assay. Internationally recognized standards and blanks were inserted as part of the internal QA/QC analytical procedures at a frequency of four standards and two blanks per every 50 samples. Every eighth sample collected in the field was split and submitted as an unmarked duplicate for assay.

Figure 5: Imbo Project Simplified Geology

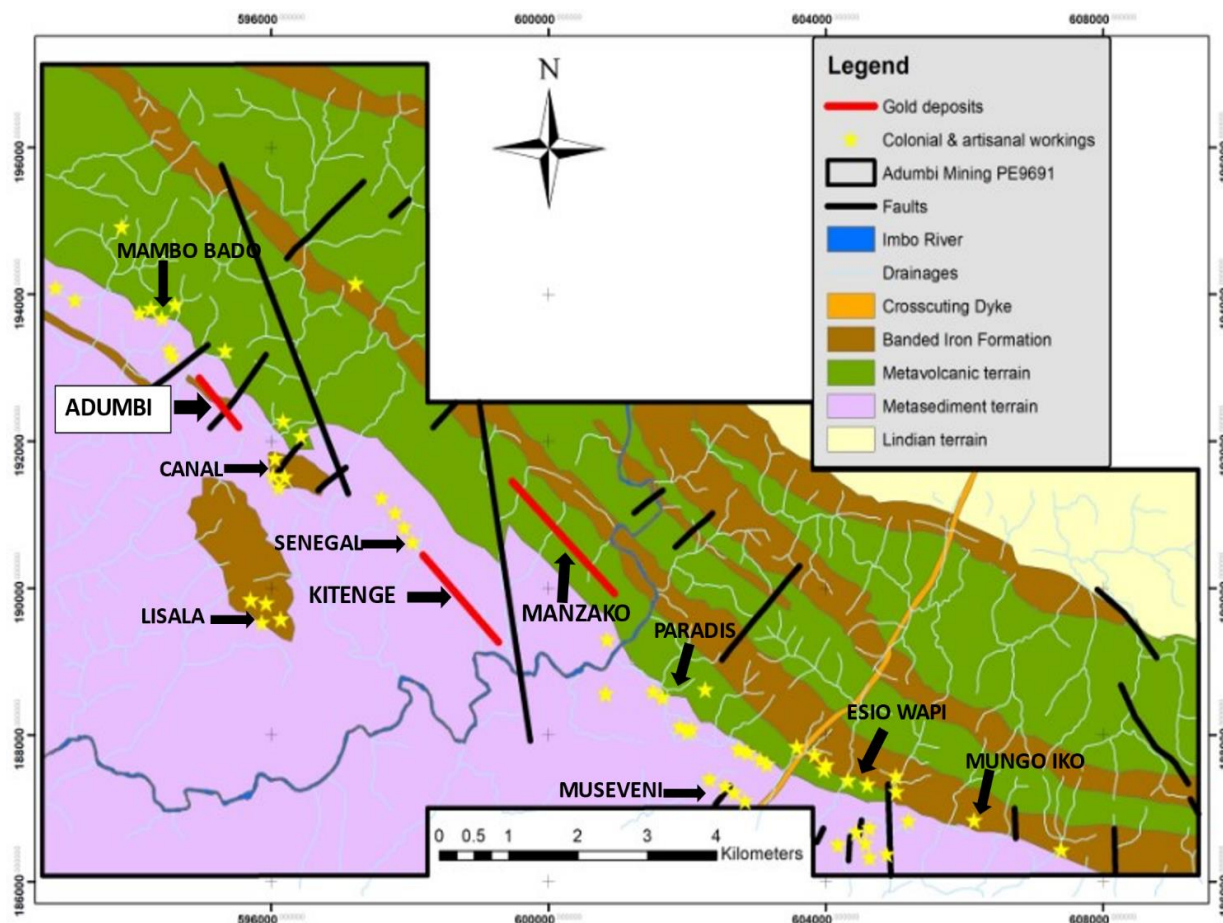
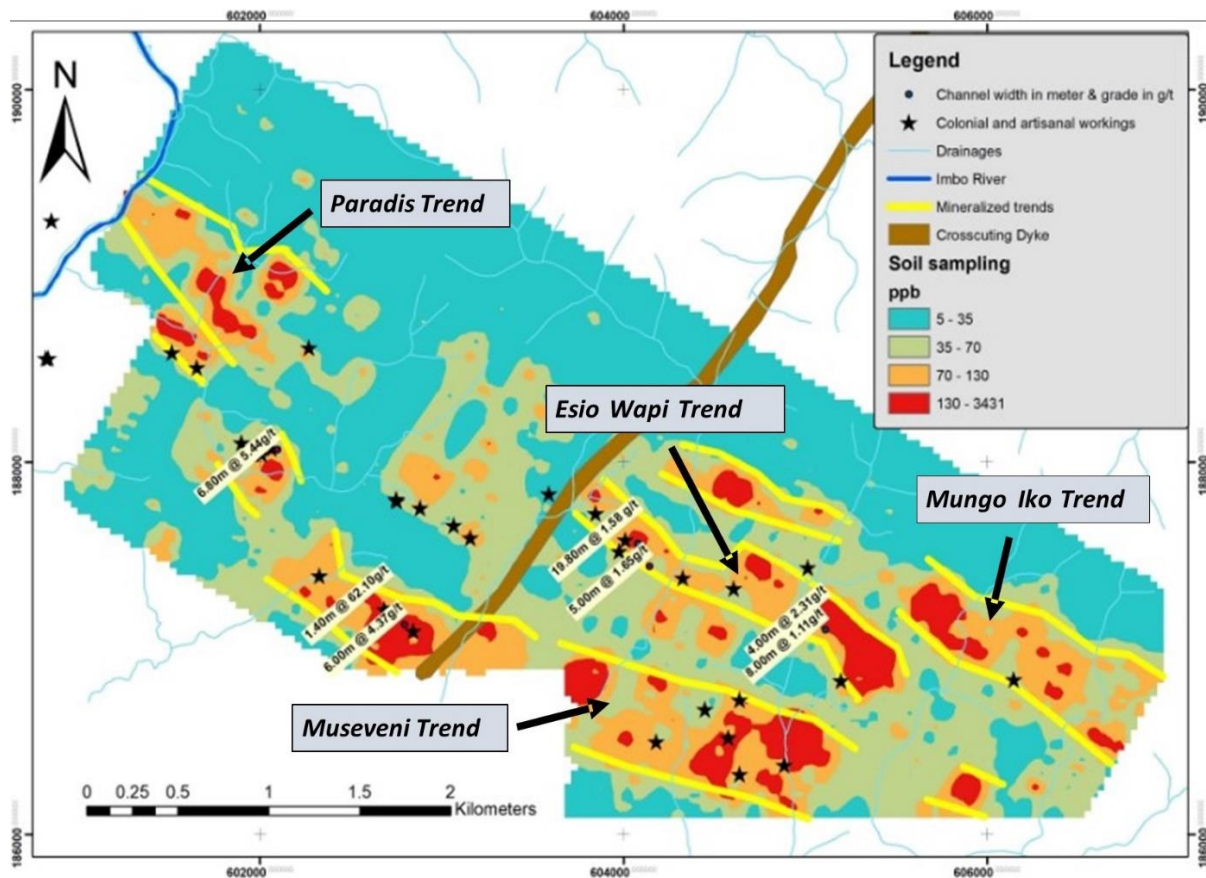


Figure 6: Soil Geochemical Trends with Colonial/Artisanal Workings and Channel Samples



Pre-2020 Drilling

Historical work on the Imbo Project included three diamond drill holes completed by BRGM in 1980. Neither this drilling nor any historical trenching or underground sampling by Belgian explorers and operators has been compiled into the Kilo drill hole databases.

From 2010 through 2013, Kilo completed 167 diamond drill holes totaling 35,400 metres on the Imbo Project.

Drilling commenced again in November 2016 at the Adumbi West, Adumbi South and Kitenge extension targets. The drilling results from the Adumbi West, Adumbi South and Kitenge Extension targets where most of the drilling was undertaken in 2016-17 were disappointing with no significant intersections and only at the end of the drilling campaign, was drilling undertaken at Adumbi where the deposit remained open at depth. Results in mid-2017 from the deeper drilling at Adumbi were encouraging and warranted further drilling. However, lack of funding resulted in no further drilling being undertaken at Adumbi or elsewhere on the Imbo Project until 2020 (see the discussion below under “2020-2021 Drilling by Loncor at Imbo Project”). Thus, the significant additional exploration and drilling conducted on the Imbo Project from 2014 to 2017 was never quantified until 2020 when Loncor took over the project and commissioned independent consultants Minecon to assess and quantify this additional exploration data.

Imbo Project Mineral Resources

On April 17, 2020, Loncor announced a 49% increase in mineral resources at its Imbo Project. Compared to the inferred mineral resources of 1.675 million ounces of gold (20.78 million tonnes grading 2.5 g/t Au) outlined in January 2014 by independent consultants Roscoe Postle Associates Inc. (“RPA”) on three separate deposits, Adumbi, Kitenge and Manzako at Imbo, inferred mineral resources increased by 49% to 2.5 million ounces of gold (30.65 million tonnes grading 2.54 g/t Au), this increase coming from the Adumbi deposit. This assessment was undertaken by the Company’s independent geological consultants Minecon. The updated estimate for Adumbi was based on a review of the Adumbi deposit including remodelling, grade capping and considering the CIM requirement for mineral resources to have “reasonable prospects for economic extraction”. 84.68% of this updated gold resource is attributable to Loncor via its 84.68% interest in the Imbo Project.

The Company’s strategy going forward is to further increase the mineral resources at the Imbo Project by undertaking additional drilling and advancing the project up the value curve by initiating a Preliminary Economic Assessment on the Adumbi deposit. The Company believes that significant potential still exists at Adumbi to increase and upgrade mineral resources within the open pit as well as underground potential since the mineralization remains open at depth.

Loncor has been focussing on the Adumbi deposit, where Minecon had identified significant resource upside potential from additional exploration evaluation, including drilling that was undertaken during 2017. Much of this exploration work was undertaken following on from the recommendations made by RPA in their 2014 NI 43-101 technical report and included:

- Additional Drilling

RPA recommended additional drilling at Adumbi to test the down dip/plunge extent of the mineralization. In 2017, four deeper core holes were drilled below the previously outlined RPA inferred resource over a strike length of 400 metres and to a maximum depth of 450 metres below surface. All four holes intersected significant gold mineralization in terms of widths and grade and are summarised below:

Borehole	From(m)	To(m)	Intercept Width(m)	True Width(m)	Grade (g/t) Au
SADD50	434.73	447.42	12.69	10.67	5.51
SADD51	393.43	402.72	9.29	6.54	4.09
SADD52	389.72	401.87	12.15	7.01	3.24
	419.15	428.75	9.60	5.54	5.04
SADD53	346.36	355.63	9.27	5.70	3.71
	391.72	415.17	23.45	14.43	6.08

Due to funding constraints, no follow up drilling was undertaken at the Adumbi deposit after 2017.

- Survey and Georeferencing

All the Adumbi drill hole collars, trenches and accessible adits and adit portals were accurately surveyed and the data appropriately georeferenced. In addition, all accessible underground excavations and workings were accurately surveyed.

- Re-logging of All Drill Holes

All boreholes (153 holes totalling 33,651 metres) from Adumbi were systematically relogged and all data was put on (Strata Logs software) including core orientations. The re-logging of drill holes defined the presence of five distinct geological domains in the central part of the Adumbi deposit where the BIF (Banded Iron Formation) unit attains a thickness of up to 130 metres. In the central part of the Adumbi deposit, three main zones of gold mineralization are present. There is a higher-grade zone of gold mineralization termed the Replaced Rock Zone (“**RP Zone**”) associated with alteration and structural deformation that has completely destroyed the primary host lithological fabric.

- Relative Density (“RD”) Measurements

The increase in the sample population coupled with the application of a more rigid RD determination procedure based on recommendations from the RPA resource study, indicates that the new RD measurements from both mineralized and unmineralized material and from the various material types and lithologic units have improved the confidence in the relative RD determination to be applied to any resource estimates. Relative to the six oxide RD measurements used for tonnage estimation in the RPA model, 297 oxide RD measurements within the mineralized domain were undertaken during the Minecon work. For the transition and fresh material, equal number of determinations relative to the previous RD sample volumes were undertaken with the review process employing more rigid RD determination procedures. The table below indicates significant positive variance between the previous model RD and the reviewed work for the oxide and transition materials.

Summary of Previous and Updated Mineralised Average RD Measurements for Adumbi Deposit

Material Type	RD used in Previous RPA Model	RD Determinations Used in Current Model	RD Variance (%)
Oxide	1.80	2.45	36.1
Transition	2.20	2.82	28.2
Fresh	3.00	3.05	1.7

- Oxidation and Fresh Rock Surfaces

The re-logging of the core as per the RPA recommendations identified major differences between the depths of Base of Complete Oxidation (BOCO) and Top of Fresh Rock (TOFR), and the depths used by RPA in the 2014 model. In the RPA model, the BOCO was negligible and the TOFR corresponded approximately to the re-logged BOCO. The deeper levels of oxidation that were observed during the re-logging exercise have had positive implications with respect to ore type classification and associated metallurgical recoveries, mining and processing cost estimates.

- Adit Sampling and Georeferencing

Following the accurate surveying of the 10 historical adits and appropriately georeferencing, the 796 adit samples (1,121 metres in total) when applied have positive implications on the data spacing and classification of mineral resources at the Adumbi deposit.

- Quality Control and Quality Assurance

Assessment of assay standards and blanks of the Adumbi deposit by RPA indicated that 1,014 samples within some batches failed QC and were identified for re-assay. A total of 616 pulps and 382 quarter core samples were retrieved for re-assay. The samples were submitted to the SGS Laboratory (which is independent) in Mwanza, Tanzania in November 2014, together with

international reference material from Rocklabs (8 per 100 samples) and blanks (4 per 100 samples). This was undertaken to ensure the samples passed internal QA/QC analytical procedures.

For the post 2014 drilling campaign, drill cores for assaying were taken at a maximum of one metre intervals and were cut with a diamond saw with one-half of the core placed in sealed bags by company geologists and sent to the SGS Laboratory in Mwanza. The core samples were then crushed at the laboratory down to minus 2 mm and split with one half of the sample pulverized down to 90% passing 75 microns. Gold analyses were carried out on 50g aliquots by fire assay. In addition, checks assays were also carried out by the screen fire assay method to verify high grade sample assays obtained by fire assay. Internationally recognized standards and blanks were inserted as part of the internal QA/QC analytical procedures.

Minecon has reviewed the quality of all the assay data used for the modelling and estimation of resources to ensure that they all passed the Company's internal QA/QC criteria.

- Gold Price

A gold price of US\$1,200 per ounce was used in 2014 for the RPA study. To reflect more recent market conditions, a gold price of US\$1,500 per ounce has been used in Minecon's resource determinations.

In summary, this additional 2014 to 2017 information resulted in better quantification with improved confidence in updating the geological model for grade interpolation and pit optimisation studies to determine mineral resources for the Adumbi deposit.

Geological Modelling and Grade Estimation

The Adumbi 3-Dimensional model was constructed by Minecon in collaboration with on site geologists using cross sectional and horizontal flysch plans of the geology and mineralization and was used to assist in the constraining of the 3-D geological model. The mineralization model was constrained within a wireframe at 0.5 g/t Au cut-off grade. Grade interpolation was undertaken using:

- 2 metre sample composites capped at 18 g/t Au to improve the reliability of the block grade estimates.
- Ordinary Kriging to interpolate grades into the block model.
- Relative densities of 2.45 for oxide, 2.82 for transitional and 3.05 for fresh rock were applied to the block model for tonnage estimation.

Pit Optimisation Parameters

To constrain the depth extent of the geological model and any mineral resources, an open pit for the Adumbi deposit was constructed based on the following pit optimisation parameters:

- A long-term gold price of US\$1,500 per ounce.
- Block size: 8 metres x 8 metres x 8 metres.
- A two-metre minimum mining width and a maximum of four metres of internal waste was applied.
- Mining dilution of 100% of the tonnes at 95% of the grade.
- Ultimate slope angle of minus 45 degrees.
- Metallurgical recoveries of 95% for oxide and transitional material and 90% for fresh rock (in the RPA study a fresh rock metallurgical recovery of 95% was used while Minecon reduced this to a

more conservative 90% even though no additional metallurgical testwork was undertaken after the RPA study).

- Average mining cost of US\$2.5/t mined.
- Mineral resources were estimated at a block cut-off grade of 0.9 g/t Au constrained by a Whittle pit with processing and G&A costs of US\$30/t.
- Transport of gold and refining costs equivalent to 4.5% of the gold price.
- No additional studies on depletion by artisanal activity was undertaken since the 2014 RPA study and the same total amount of material was used by Minecon.

The results of the Adumbi pit optimisation indicated an inferred mineral resource within the pit of 2.19 million ounces of gold (28.97 million tonnes at 2.35 g/t gold) (see the next table below).

Mineral Resources

Within the US\$1,500 pit shell, the following is classified as inferred mineral resource at the Adumbi deposit:

Inferred Mineral Resource for the Adumbi Deposit (with an effective date of April 17, 2020)

Material Type	Tonnage (Tonnes)	Grade (g/t Au)	Contained Gold Ounces
Oxide	3,820,000	2.44	300,000
Transitional	3,320,000	2.69	290,000
Fresh	21,820,000	2.28	1,600,000
TOTAL	28,970,000	2.35	2,190,000

Note: numbers may not add up due to rounding.

The additional drilling information, the higher RD determinations and the increased gold price, have contributed significantly to the increased mineral resources of the Adumbi deposit with improved confidence.

In summary for the Imbo Project, the inferred mineral resource for the Adumbi, Manzako and Kitenge deposits now totals 2,503,000 ounces of gold (30,650,000 tonnes grading 2.54 g/t Au) and is summarised in the table below. 84.68% of this inferred mineral resource is attributable to Loncor via its 84.68% interest in the Imbo Project.

Inferred Mineral Resource for the Imbo Project (with an effective date of April 17, 2020)

Deposit	Tonnage (Tonnes)	Grade (g/t Au)	Contained Gold Ounces
Adumbi	28,970,000	2.35	2,190,000
Kitenge	910,000	6.60	191,000
Manzako	770,000	5.00	122,000
TOTAL	30,650,000	2.54	2,503,000

Note: numbers may not add up due to rounding.

Additional Resource Potential and Recommendations of Minecon for Further Work

There is significant additional resource potential within the Imbo Project:

- At the Adumbi deposit, the gold mineralization is still open at depth and the drilling of an additional 12 core holes (7,000 metres) has the potential to add and upgrade mineral resources within the US\$1,500 pit as well as outline potential underground resources below the pit (this

7,000 metre program was commenced by Loncor in October 2020 and is ongoing as of the date of this Form 20-F; see “2020-2021 Drilling by Loncor at Imbo Project” below). After this proposed drilling program has been completed, additional drilling may be undertaken before a Preliminary Economic Assessment is initiated to include additional mineral resource determinations, metallurgical testwork, open pit and potential underground studies, metallurgical plant processing, infrastructural, environmental and economic studies.

- At the Kitenge and Manzako deposits, additional drilling may also be undertaken to further define and increase the inferred mineral resources at these deposits.
- Ongoing exploration including gridding, soil sampling, trenching and channel sampling is being undertaken at the Imbo East prospect in order to generate potential drill targets.

2020-2021 Drilling by Loncor at Imbo Project

In press releases issued November 30, 2020, December 22, 2020, January 5, 2021, February 18, 2021, March 4, 2021 and March 25, 2021, Loncor announced results from the first seven boreholes of Loncor’s ongoing 7,000 metre drilling program at the Imbo Project’s Adumbi deposit. Mineralized sections for seven boreholes are summarised in the tables below. The objective of the current drilling program at Adumbi is to outline additional mineral resources to the current inferred mineral resource of 2.5 million ounces of gold on Loncor’s 84.68%-owned Imbo Project which contains the Adumbi, Kitenge and Manzako deposits (inferred mineral resources of 30.65 million tonnes grading 2.54 g/t Au).

Borehole Number	From (m)	To (m)	Intersected Width (m)	Grade (g/t) Au
LADD001	202.58	223.35	20.77	1.72
LADD001	231.27	237.17	5.90	1.89
LADD001	251.27	258.60	7.33	5.80
LADD001	295.25	298.70	3.45	2.10
LADD001	301.62	321.95	20.33	2.47
LADD001	Incl. 317.11	321.95	4.80	5.40

Borehole LADD001 had an inclination of minus 65 degrees and azimuth of 220 degrees at the start of hole and regular measurements of inclination and azimuth were taken at 30 metre intervals down the hole. All core was orientated and it is estimated that the true widths of the mineralised sections are 82% of the intersected width. All intercepted grades are uncut.

Borehole Number	From (m)	To (m)	Intersected Width (m)	Grade (g/t) Au
LADD003	224.55	235.00	10.45	3.88
LADD003	253.50	286.80	33.30	3.25
LADD003	Incl. 253.50	259.20	5.70	7.00
LADD003	Incl. 277.73	286.80	9.07	5.11

Borehole LADD003 had an inclination of minus 57 degrees and azimuth of 220 degrees at the start of hole and regular measurements of inclination and azimuth were taken at 30 metre intervals down the hole. All core was orientated and it is estimated that the true widths of the mineralised sections are 80% of the intersected width. All intercepted grades are uncut. Borehole LADD003 was drilled in place of LADD002 which was stopped after deviating from its intended target depth.

Borehole Number	From (m)	To (m)	Intersected Width (m)	Grade (g/t) Au
LADD004	429.00	457.00	28.00	3.26
LADD004	Incl. 432.00	436.90	4.90	6.96
LADD004	Incl. 450.62	454.15	3.53	8.30
LADD004	473.80	478.40	4.60	2.07
LADD004	505.85	526.15	20.30	2.83
LADD004	Incl. 506.85	513.40	6.55	4.64
LADD004	Incl. 523.85	526.15	2.30	7.25

Borehole LADD004 had an inclination of minus 70 degrees and azimuth of 220 degrees at the start of hole and regular measurements of inclination and azimuth were taken at 30 metre intervals down the hole. All core was orientated and it is estimated that the true widths of the mineralised sections are 81% of the intersected width. All intercepted grades are uncut. LADD004 intersected the mineralized zone at a shallower depth than planned due to upward deflection of the borehole.

Borehole Number	From (m)	To (m)	Intersected Width (m)	Grade (g/t) Au
LADD007	99.95	107.80	7.85	1.45
LADD007	540.62	596.05	55.43	2.76
LADD007 including	583.60	596.05	12.45	8.11
LADD007	607.90	611.27	3.37	4.61
LADD006	299.37	302.25	2.88	2.64
LADD006	308.00	309.00	1.00	21.20
LADD006	322.10	337.30	15.20	1.67
LADD006	353.35	357.85	4.50	3.25

Borehole LADD007 had an inclination of minus 68 degrees and azimuth of 218 degrees at the start of hole and regular measurements of inclination and azimuth were taken at 30 metre intervals down the hole. All core was orientated, and it is estimated that the true widths of the mineralised sections are approximately 89% of the intersected width. All intercepted grades are uncut. Borehole LADD007 intersected the mineralization at a depth of 100 metres below S52 and approximately 40 metres below the open pit. Borehole LADD006 had an inclination of minus 58 degrees and azimuth of 218 degrees and it is estimated that the true widths of the mineralised sections of LADD006 are approximately 95% of the intersected width.

Borehole Number	From (m)	To (m)	Intersected Width (m)	Grade (g/t) Au
LADD008	235.05	278.15	43.10	1.68
LADD008	291.80	298.90	7.10	1.34
LADD008	305.15	305.93	0.78	21.8
LADD008	323.80	338.78	14.98	3.62
LADD008 including	335.75	338.78	3.09	13.28

Borehole LADD008 intersected the mineralization at a vertical depth of 272 metres below surface and within the southeastern boundary of the US\$1,500 open pit shell, and had an inclination of minus 65 degrees and azimuth of 218 degrees at the start of hole and regular measurements of inclination and

azimuth were taken at 30 metre intervals down the hole. All core was orientated, and it is estimated that the true widths of the mineralised sections are 62% of the intersected width. All intercepted grades are uncut.

Borehole Number	From (m)	To (m)	Intersected Width (m)	Grade (g/t) Au
LADD009	559.76	564.76	5.00	3.17
LADD009	581.90	614.05	32.15	6.17
LADD009 including	599.05	600.51	1.46	94.77
LADD009	629.56	644.92	15.36	3.73
LADD009 including	632.00	637.89	5.89	6.56
LADD009	650.50	657.95	7.45	1.48

Borehole LADD009 had an inclination of minus 75 degrees and azimuth of 218 degrees at the start of hole and regular measurements of inclination and azimuth were taken at 30 metre intervals down the hole. All core was orientated, and it is estimated that the true widths of the mineralised sections are approximately 82% of the intersected width. All intercepted grades are uncut with maximum internal dilution equal to or less than 4 metres of intersected width. Borehole LADD009 intersected the mineralization at a depth of approximately 140 metres below the open pit shell. Boreholes LADD012 and LADD013 are currently being drilled (LADD011 was abandoned before reaching target depth due to mechanical problems and LADD013 is being drilled in its place).

Borehole LADD009 is the deepest hole drilled to date at Adumbi as well as the highest value in terms of the product of grade multiplied by true width for the multiple intersections. These results combined with previous results from the ongoing drilling program indicate that gold grades are increasing with depth. The holes from the current drilling program have intersected significant widths and grades and will increase the current open pit mine, inferred mineral resource of 2.19 million ounces (28.97 million tonnes grading 2.35 g/t gold) at the Adumbi deposit. Studies are underway to quantify this increase.

The gold mineralization at Adumbi is associated with a thick package (up to 130 metres) of interbedded banded ironstone and quartz carbonate and chlorite schist with higher grade sections being found in a strongly altered siliceous unit termed “Replaced Rock” (RP) where structural deformation and alteration has completely destroyed the primary host lithological fabric. Disseminated sulphide assemblages include pyrite, pyrrhotite and arsenopyrite which can attain up to 20% of the total rock in places.

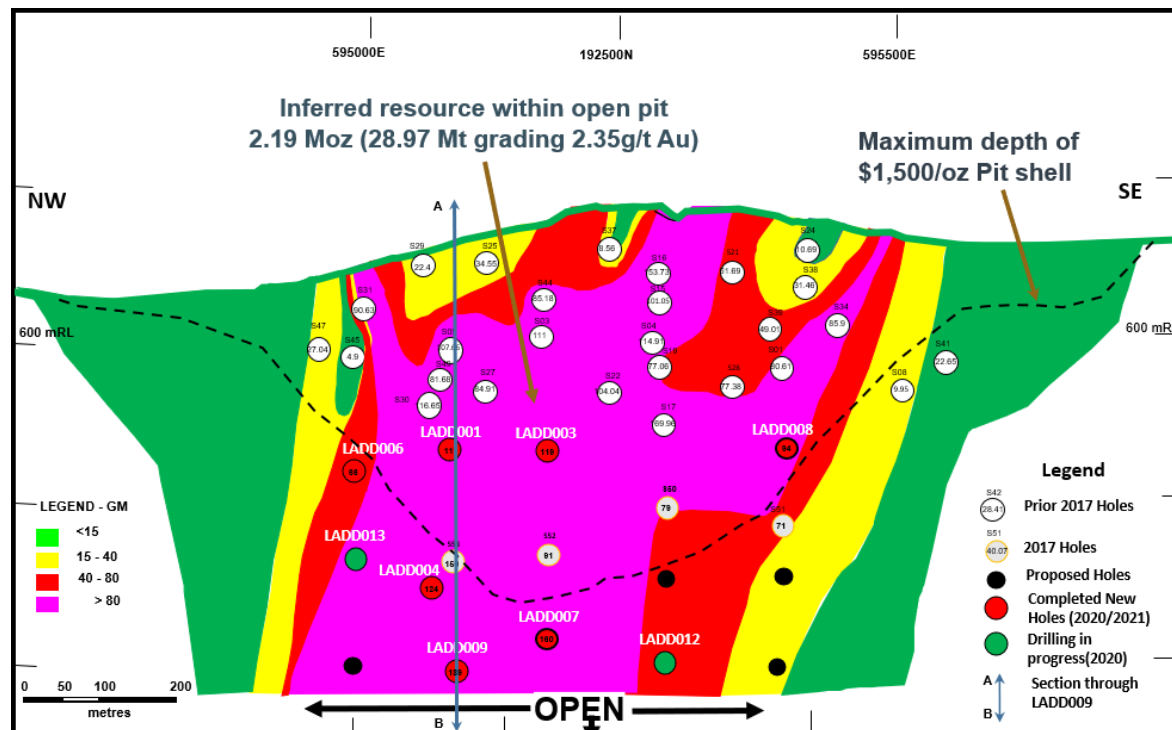
See Figure 7 below with respect to the above seven boreholes and the other holes comprising the Company’s ongoing 7,000 metre drilling program at the Adumbi deposit.

Quality Control and Quality Assurance re Current Drilling Program at the Adumbi Deposit

Drill cores for assaying were taken at a maximum of one-metre intervals and were cut with a diamond saw, with one-half of the core placed in sealed bags by Company geologists and sent to the Company’s on-site sample preparation facility. The core samples were then crushed down to 80% passing minus 2 mm and split with one half of the sample up to 1.5 kg pulverized down to 90% passing 75 microns. Approximately 150 grams of the pulverized sample was then sent to the SGS Laboratory in Mwanza, Tanzania (independent of the Company). Gold analyses were carried out on 50g aliquots by fire assay. In addition, check assays were also carried out by the screen fire assay method to verify high-grade sample assays obtained initially by fire assay. As part of the Company’s QA/QC procedures,

internationally recognized standards, blanks and duplicates were inserted into the sample batches prior to submitting to SGS Laboratory.

Figure 7: Adumbi Longitudinal Section Looking Northeast with Drill Hole (Grade x Metre)



Makapela Project and Additional Ngayu Properties of Loncor (2010 to 2016)

Loncor commenced its exploration activities in the Ngayu belt in early 2010 and a base camp was established at Yindi. Due to its large landholdings for gold in the Ngayu belt of 4,500 square kilometres at that time, it was decided to divide the exploration into two concurrent programs:

- Assessment of areas of known gold mineralization (Yindi and Makapela) with the potential to rapidly reach the drilling stage and provide a mineral resource. Soil sampling, augering, rock chip and channel sampling were carried out prior to diamond drilling.
- Regional programs aimed at assessing the remainder of the large land package as quickly and cost effectively as possible, in order to identify and prioritise mineralized target areas for follow-up, and enable less-prospective ground to be relinquished with confidence. This program mainly entailed a regional BLEG (Bulk Leach Extractable Gold) survey and detailed interpretation of regional aeromagnetic data. Both these programs were carried out under a technology consultation services agreement between Loncor and Newmont (a shareholder in Loncor), which was entered into in February 2011 (but is no longer in place).

During 2012, Loncor undertook more detailed aeromagnetic and radiometric surveys over priority target areas (i.e. Imva Fold area). Grids were established at the Yindi, Makapela, Itali, Matete, Nagasa, Mondarabe, Anguluku and Adumbi West prospects with airborne magnetic and radiometric surveys, geological mapping, stream sediment sampling, soil and rock sampling, trenching, augering, ground geophysical surveys (Induced Polarisation) and core drilling being undertaken. During the period 2010-

2013, Loncor undertook drilling programs on a number of prospects in the Ngayu belt and outlined mineral resources at Makapela (see below) in the west of the belt.

Loncor holds 100% of the Makapela project, which is a 5 kilometre radius, circular parcel of land within the western part of the Archean Ngayu greenstone belt surrounding and including the Makapela deposit. It does not form part of any of the joint ventures with Barrick, although Barrick has certain pre-emptive rights over the Makapela deposit.

After undertaking soil and channel sampling, a core drilling program at Makapela commenced in November 2010 with the objective of testing along strike and at depth the sub-vertical, vein mineralized system being exploited by the artisanal miners at the Main, North and Sele Sele pits which returned significant results from soil and channel sampling. Drill results at Makapela were announced by Loncor via a number of press releases in 2011 and 2012. Significant drill intersections included 7.19 metres grading 64 g/t Au, 4.28 metres @ 32.6 g/t Au, 3.47 metres grading 24.9 g/t Au, 4.09 metres @ 21.7 g/t Au and 4.35 metres grading 17.5 g/t Au.

After conducting preliminary metallurgical test work, in May 2012, the Company announced a maiden mineral resource estimate for Makapela of 4.10 million tonnes grading 7.59 g/t Au (using a 2.75 g/t Au cut-off) for an inferred mineral resource of 1.0 million ounces of gold to a maximum vertical depth 500 metres below surface with gold mineralization open at depth. The mineral resource was updated in April 2013 when the Company announced updated mineral resource estimates for Makapela of an indicated mineral resource of 0.61 million ounces of gold (2.20 million tonnes grading at 8.66 g/t Au) and an inferred mineral resource of 0.55 million ounces of gold (3.22 million tonnes grading at 5.30 g/t Au).

A total of 56 core holes (18,091 metres) were completed in the vicinity of the Main and North pits and 15 holes (3,594 metres) were drilled at Sele Sele. In addition to the above resource drilling program, a total of 12 holes (1,560 metres) were drilled to locate potential extensions to the known reefs and new mineralized structures indicated by soil, rock chip and auger sampling. Several units of Banded Ironstone Formation (BIF) are interlayered within basalts, and range up to 13 metres in thickness, although the width is generally less than 6 meters. Quartz porphyry and quartz-feldspar porphyry dykes and sills are also present. In the vicinity of the mineralized zones, the intrusive units are generally no more than a few metres in width.

Three styles of gold mineralization are present at Makapela:

- Quartz veins emplaced into shear zones within the basalt sequence. The best developed and economically significant vein (Reef 1) is exploited in the Main pit and consists of white quartz with irregularly distributed pyrite. Visible gold is quite common, occurring in 28% of the intersections as isolated specks and small aggregates up to 2 mm across. Reef 1 has been intersected over a strike length of 480 metres and to a vertical depth of 480 metres, and dips to the WNW at 80 - 90°. It has an average true width and grade of 2.15 metres @ 11.15 g/t Au. A characteristic of Reef 1 is the good geological continuity between drill sections; although the width and grade is variable, the vein was present in almost all holes, in approximately the expected position. The basalt hosting Reef 1 shows intense hydrothermal alteration for several metres into the hanging wall and footwall.
- A second style containing strike-parallel mineralization up to 6 metres in width is closely associated with shearing within and on the margins of narrow BIF units. The most important zone (Reef 2) is exploited in the North pit. Visible gold is much less common than in Reef 1 occurring in 5% of intersections. Mineralization in the Sele Sele pit, 2 kilometres NNE of the North pit, has similar characteristics to Reef 2, and is interpreted to be on the same BIF unit.

However, the Sele Sele zone is generally wider and lower grade than in the North pit area, the best intersection drilled being 15.68 metres @ 5.35 g/t Au. The mineralization plunges to the SSE at about 40°.

- A third area of Reef 2 style mineralization occurs in the Bamako area where channel sampling returned an intersection of 4.60 metres @ 11.42 g/t Au. The mineralization is associated with a 2-kilometre long soil anomaly, and although the best intersection from preliminary drilling was of relatively low grade (3.60 metres @ 4.43 g/t Au), further work is warranted.

The deposit at Makapela is open down plunge creating the prospect of drilling to below the current 500-metre depth to extend the resources as well as potentially exploring for additional resources between the main target areas delineated and further along the regional structure. It is also considered unlikely by Loncor that all the mineralized bodies are outcropping and good potential exists for locating blind mineralized shoots along well-defined structures with an aggregate strike of over 5 kilometres.

Besides Makapela, Loncor drilled other prospects during this period and significant intersections were obtained at Yindi (21.3 metres grading 3.3 g/t Au, 24.0 metres grading 1.5 g/t Au and 10.3 metres grading 4.1 g/t Au) and at Itali (38.82 metres at 2.66 g/t Au, 14.70 metres @ 1.68 g/t Au and 3.95 metres @ 19.5 g/t Au).

At the end of 2013, due to a significant drop in the gold price, exploration was reduced and no further drilling was undertaken by Loncor.

Additional information with respect to the Company's Makapela project, and certain other properties of the Company in the Ngayu gold belt, is contained in the technical report of Venmyn Rand (Pty) Ltd dated May 29, 2012 and entitled "Updated National Instrument 43-101 Independent Technical Report on the Ngayu Gold Project, Orientale Province, Democratic Republic of the Congo". A copy of the said report can be obtained from SEDAR at www.sedar.com and EDGAR at www.sec.gov.

Joint Ventures between Loncor and Barrick in the Ngayu Belt (2016 to present)

Loncor has several joint ventures with Barrick (TSX: "ABX"; NYSE: "GOLD") covering properties held by Loncor in the Ngayu belt. The joint venture areas are located approximately 220 kilometres southwest of the large Kibali gold mine, which is operated by Barrick. As per the joint venture agreements entered between Loncor and Barrick (the first of which was signed in January 2016), Barrick manages and funds exploration on approximately 2,000 km² of Loncor ground in the Ngayu belt until the completion of a pre-feasibility study on any gold discovery meeting the investment criteria of Barrick. Subject to the DRC's free carried interest requirements, Barrick would earn 65% of any discovery with Loncor holding the balance of 35%. Loncor will be required, from that point forward, to fund its pro-rata share in respect of the discovery in order to maintain its 35% interest or be diluted. Loncor's Imbo and Makapela Projects, as well as the Yindi prospect, do not form part of the joint ventures with Barrick.

In January 2017, Loncor announced preliminary results of the geophysical airborne survey undertaken by Randgold as part of its joint venture with Loncor (it is noted that Randgold and Barrick merged under Barrick's name in early 2019). A 10,013 line-kilometre helicopter borne electromagnetic 'VTEM' survey was completed over the Ngayu belt. This survey provided a valuable additional layer of geological information through mapping the conductivity nature of the belt. The new data has assisted with resolving the lithological nature of the belt as well as assisting in identifying major structures and areas of structural complexity.

The belt scale exploration strategy of Barrick is to focus on the discovery of large high-quality gold deposits by rapidly identifying and progressing targets that show the potential to meet these filters. Gold mineral resources have already been identified within the Ngayu greenstone belt in the Makapela and Adumbi deposits, and the objective is to further unlock the potential of the Ngayu greenstone belt for a world class discovery using cutting edge geophysics, geochemistry, structural interpretation and driven by an experienced and proven exploration team on the ground.

By the end of 2019, Barrick had identified a number of priority drill targets which were to be drilled during 2020. Barrick commenced its drilling program in June 2020. Initial results under the Barrick drilling program were announced by Loncor on November 23, 2020.

The Kibali Gold Mine, approximately 220 kilometres northeast by air from the Imbo Project, is owned 45% by each of Barrick and AngloGold Ashanti with Societe Miniere de Kilo-Moto (SOKIMO) owning the remaining 10%. Barrick is the operator of this mine. In 2020, Kibali produced 808,134 ounces of gold.

North Kivu Project

Loncor owns or controls a contiguous block of 46 exploration permits (or "**PRs**") covering an area of approximately 13,000 square kilometers to the northwest of Lake Edward in the North Kivu province in the DRC. The areas covered by these PRs are located between the two major gold belt terrains of the DRC: the Twangiza-Namoya gold belt, owned by Banro Corporation Ltd., and the Kilo-Moto gold belt, previously controlled by Moto Gold and now owned by Barrick and AngloGold Ashanti. In addition to gold, there are a number of alluvial platinum occurrences in the project area, including the type locality for the platinum selenide mineral luberoite near Lubero. To date, no primary source has been found for the alluvial platinum occurrences. Due to the poor security situation in much of the North Kivu province, all of the North Kivu PRs are currently under force majeure.

Historical data was compiled from the colonial period of alluvial gold mining and exploration which outlined ten gold prospects for follow-up, the most prospective being the Manguredjipa prospect where 300,000 ounces of alluvial gold was reportedly mined during the colonial period up to 1960. Other gold prospects warranting follow up included Lutunguru, Lubero, Makwasu, Lutela, Bilolo, Manzia, Mohanga and Ludjulu.

The Company's most explored gold prospect area within the North Kivu project area has been Manguredjipa. Information relating to the Manguredjipa prospect is included in the independent technical report dated February 29, 2012 and entitled "National Instrument 43-101 Independent Technical Report on the Manguredjipa Gold Project, North Kivu Province, Democratic Republic of the Congo" prepared for Loncor by Venmyn Rand (Pty) Ltd. A copy of this technical report can be obtained from SEDAR at www.sedar.com and EDGAR at www.sec.gov.

No exploration has been undertaken at the North Kivu project by the Company since 2012 due to the force majeure situation in respect of the PRs and in order to focus exploration and funds on the priority Ngayu properties.

Qualified Person

Peter N. Cowley, President of the Company and a "qualified person" as such term is defined in National Instrument 43-101, has reviewed and approved the technical information in this Form 20-F relating to the Company's mineral projects.

Item 4A. Unresolved Staff Comments

Not applicable.

Item 5. Operating and Financial Review and Prospects

See the management's discussion and analysis of the Company for the year ended December 31, 2020 incorporated by reference into this Form 20-F as Exhibit 15.1.

A. Operating Results

See the management's discussion and analysis of the Company for the year ended December 31, 2020 incorporated by reference into this Form 20-F as Exhibit 15.1.

B. Liquidity and Capital Resources.

See the management's discussion and analysis of the Company for the year ended December 31, 2020 incorporated by reference into this Form 20-F as Exhibit 15.1.

C. Research and Development, Patents and Licenses, etc.

The Company is a mineral exploration company and does not carry on any research and development activities.

D. Trend Information

None of the Company's assets are currently in production or generate revenue. However, the cyclical nature of the prices of metals, particularly the price of gold, is reasonably likely to have an effect on the Company's liquidity and capital resources. If the price of gold or the worldwide demand for gold decreases, there would likely be an adverse effect on the Company's ability to raise additional funding and attract exploration partners for its projects. For a number of years, junior mineral exploration companies have experienced difficulties raising new money, and capital raising activities completed by such companies have often resulted in substantial dilution to existing shareholders.

Additionally, any outbreaks of contagious diseases and other adverse public health developments in countries where the Company operates could have a material and adverse effect on the Company's business, financial condition and results of operations. For example, the outbreak of COVID-19 has resulted in significant restrictive measures being implemented by governments of various countries to control the spread of COVID-19. Such COVID-19 related restrictions and disruptions, including for employees, industry experts, personnel and suppliers across different industries, may negatively impact the Company's business operations and therefore the Company's operational results and financial condition. In addition, COVID-19 has resulted in a widespread health crisis that has adversely affected the economies and financial markets of many countries, resulting in an economic downturn that could affect the Company's ability to access or raise capital through issuances of the Company's securities as and when needed for the Company's business operations.

E. Off-Balance Sheet Arrangements.

The Company does not have any off-balance sheet arrangements.

F. Tabular Disclosure of Contractual Obligations

The following information is as of December 31, 2020 and the amounts shown are in U.S. dollars:

Contractual Obligations	Payments due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt	-	-	-	-	-
Capital (finance) lease obligations	\$348,244	\$188,370	\$159,874	-	-
Operating lease obligations	-	-	-	-	-
Purchase obligations	-	-	-	-	-
Other long-term liabilities	-	-	-	-	-
Loan	\$38,151	\$11,650	\$26,501	-	-
Total	\$386,395	\$200,020	\$186,375	-	-

G. Safe Harbor

Not applicable.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

The directors and officers of the Company and term of continuous service are as follows:

<u>Name</u>	<u>Position(s) with the Company</u>	<u>Served as a Director Since</u>
Arnold T. Kondrat	Chief Executive Officer and a director	August 24, 1993
Peter N. Cowley	President and a director	June 26, 2020
Donat K. Madilo	Chief Financial Officer	Not applicable
John Barker	Vice President of Business Development	Not applicable
Fabrice Matheys	General Manager, DRC	Not applicable
Geoffrey G. Farr	Corporate Secretary	Not applicable
Zhengquan (Philip) Chen ^{(1) (2)}	Director	June 28, 2019
Richard J. Lachcik ^{(1) (2)}	Director	June 29, 1998
William R. Wilson ^{(1) (2)}	Director	July 15, 1997

(1) Member of the audit committee of the board of directors of the Company.

(2) Member of the compensation committee of the board of directors of the Company.

Arnold T. Kondrat - Mr. Kondrat is the Company's principal founder and has over 30 years of management experience in the resource exploration industry. During this time he has been a senior officer and director of a number of publicly-traded resource exploration companies, in both Canada and the United States, including principal founder of several of these companies. In addition to his positions with Loncor, Mr. Kondrat is also presently Chief Executive Officer, President and a director of Gentor Resources Inc. (a mineral exploration company listed on the TSX Venture Exchange), and President of Sterling Portfolio Securities Inc. (a private venture capital firm based in Toronto). He was a senior officer of Banro Corporation (a gold mining company in the DRC) from 1994 to 2017.

Peter N. Cowley – Mr. Cowley is a geologist with over 40 years' experience in the minerals industry and a history of major exploration successes in Africa, including the DRC. Among his major accomplishments, Mr. Cowley was Chief Executive Officer and President of Banro Corporation from 2004 to 2008 where he led the exploration that delineated major gold resources at Twangiza and Namoya in the DRC. Prior to joining Banro, Mr. Cowley was Managing Director of Ashanti Exploration, where he led the exploration team in the discovery and development of the Geita mine in Tanzania. Prior to Ashanti, he was Technical Director of Cluff Resources which discovered and developed mines in Zimbabwe, Ghana and Tanzania. He holds an M.Sc from the Royal School of Mines, an MBA from the Strathclyde Business School and is a Fellow of the Institute of Materials, Minerals and Mining. He previously served as Chief Executive Officer and President of Loncor from 2009 to 2015 (he re-joined Loncor as President in October 2019).

Donat K. Madilo – Mr. Madilo has over 30 years of experience in accounting, administration and finance in the DRC and North America. He held senior officer positions with Banro Corporation (a gold mining company in the DRC) from 1996 to 2018 (including Senior Vice President, Commercial & DRC Affairs and Chief Financial Officer). In addition to being Chief Financial Officer of Loncor, he is also presently Chief Financial Officer of Gentor Resources Inc. Mr. Madilo's previous experience includes director of finance of Coocec-ceaz (a credit union chain in the DRC) and senior advisor at Conseil Permanent de la Comptabilité au Congo, the accounting regulation board in the DRC. He holds a Bachelor of Commerce (Honours) degree from Institut Supérieur de Commerce de Kinshasa, a B.Sc. (Licence) in Applied Economics from University of Kinshasa and a Masters of Science in Accounting (Honours) from Roosevelt University in Chicago.

John Barker – Mr. Barker has over 30 years of global mining experience encompassing many key elements of the mining world. His experience includes 15 years as a leading mining analyst, including with RBC DS heading up their Global Gold Mining initiative and focussing on African mining equities. Subsequently, he was Vice President Corporate Development for TSX-listed SouthernEra Resources, which was taken over by Lonmin, and was instrumental in the Guinor Gold sale to Crew Gold. More recently he has been involved in various copper, diamond and platinum initiatives in Southern Africa. During his career he has been involved in numerous asset sales and equity issues raising over US\$600m in Canada, Australia, Europe and RSA.

Fabrice Matheys – Mr. Matheys is a professional geologist with more than 28 years of experience in Africa. Prior to his role with Loncor, Mr. Matheys served as Exploration Geologist for De Beers in Botswana, West Africa and South Africa and spent eight years as Exploration Manager in the DRC with exploration programs focused on gold, diamonds, niobium and tungsten.

Geoffrey G. Farr – Mr. Farr has been a partner of the law firm Dickinson Wright LLP (which acts as legal counsel to Loncor) from July 2019 to present. He practices corporate and securities law. From February 2011 to June 2019, Mr. Farr was General Counsel to and Corporate Secretary of each of Loncor and Gentor Resources Inc. (he remains Corporate Secretary of each). From February 2011 to October 2018, Mr. Farr was Vice President, General Counsel and Corporate Secretary of Banro Corporation, and

from June 2017 to January 2019, he was General Counsel to and Corporate Secretary of Kuuhubb Inc. (a company listed on the TSX Venture Exchange focused on lifestyle and mobile video game applications). Prior to February 2011, Mr. Farr practised corporate and securities law in Toronto for 17 years, which included extensive experience in representing public companies. He holds a LL.B. from the University of Ottawa and a B.Comm. from Queen's University.

Zhengquan (Philip) Chen – Mr. Chen is Managing Partner and Co-Founder of Dynaco Capital Inc., a financial advisory firm based in Toronto and associated with numerous North American and Asian venture capital and private equity funds and multi-billion dollar Chinese conglomerates. He works on transactions between Chinese firms and North American companies. Prior to founding Dynaco Capital Inc. in September 2007, Mr. Chen was a senior associate of an international private investment bank, from February 1998 to June 2006, where he was directly involved in dozens of listings of Chinese companies on the TSX Venture Exchange and Frankfurt Stock Exchange and numerous financial advisory assignments in a variety of sectors. Prior to that he served as Executive Vice President of a subsidiary of a Chinese conglomerate in New York from March 1996 to July 1997. Mr. Chen gained his BSc and LLM degrees in China and an EMBA degree from the University of Hawaii.

Richard J. Lachcik – Prior to his retirement in 2017, Mr. Lachcik practiced corporate and securities law in Toronto, Canada for over 30 years. His practice included extensive experience in representing public companies, as well as acting for a number of investment dealers. He has been an officer and director of a number of Canadian public resource companies.

William R. Wilson – Mr. Wilson is Director, Executive Vice President and Chief Financial Officer of TUVERA Exploration Inc. TUVERA is a private holding company for the ARVENUT exploration properties in Nevada, Utah and New Mexico. He has created and managed 11 mining companies over 25 years with properties in the U.S., Canada, Russia, the DRC and Ukraine. Mr. Wilson is a Qualified Professional in Mining, Metallurgy/Processing and Environmental Compliance (Member no. 01063QP) of the Mining and Metallurgical Society of America. He has a degree in Metallurgical Engineering from the Colorado School of Mines and a Masters of Business Administration degree from the University of Southern California. Mr. Wilson has been involved in the mining industry for more than 40 years. He has been a director and senior officer of a number of public companies in both Canada and the United States, and has been a member of the audit committee of several of these companies.

There are no family relationships among any of the Company's directors or senior management.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to above was selected as a director or officer of the Company.

The following directors of the Company are presently directors of other issuers that are public companies:

<u>Name of Director</u>	<u>Names of Other Issuers</u>
Arnold T. Kondrat	Gentor Resources Inc.
Zhengquan (Philip) Chen	Fandom Sports Media Corp. Kontrol Technologies Corp.
Peter N. Cowley	Deltic Energy plc

<u>Name of Director</u>	<u>Names of Other Issuers</u>
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Richard J. Lachcik	Gentor Resources Inc.
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William R. Wilson	Gentor Resources Inc.
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Other than the board of directors, the Company does not have an administrative, supervisory or management body.

B. Compensation

Named Officers

Summary Compensation Table

The following table sets forth certain information with respect to compensation paid to the officers of the Company set out in the following table (the "NEOs") for the financial year ended December 31, 2020.

Name and Principal Position	Year	Salary (US\$) ⁽¹⁾	Share-based awards (US\$)	Option-based awards (US\$)	Non-equity incentive plan compensation - Annual Incentive Plan (US\$)	All other Compensation (US\$)	Total Compensation (US\$)
Arnold T. Kondrat Chief Executive Officer	2020	\$233,694	N/A	N/A	N/A	\$6,154 ⁽³⁾	\$239,848
Donat K. Madilo Chief Financial Officer	2020	\$141,667	N/A	N/A	N/A	\$8,330 ⁽³⁾	\$149,997
Peter N. Cowley President	2020	\$100,000	N/A	N/A	N/A	Nil	\$100,000
John Barker Vice President of Business Development	2020	\$111,915 ⁽¹⁾	N/A	\$71,245 ⁽²⁾	N/A	Nil	\$183,160
Fabrice Matheys General Manager, DRC	2020	\$120,000	N/A	N/A	N/A	\$2,507 ⁽³⁾	\$122,507

(1) The salary for Mr. Barker was paid in Canadian dollars. The U.S. dollar amount set out in the above table for such salary was calculated using an average exchange rate for 2020 of Cdn\$1.00 = US\$0.7461.

(2) This amount represents the grant date fair value of the stock options awarded to Mr. Barker in 2020, calculated in Canadian dollars and then converted to U.S. dollars using an average exchange rate for 2020 of Cdn\$1.00 = US\$0.7461. There were two stock option grants to Mr. Barker in 2020 – on April 19 and September 15. Grant date fair value of the stock options granted on April 19, 2020 was calculated in accordance with the Black-Scholes model using the price of the Company's common shares on the date of grant of Cdn\$0.45 per share, with the key valuation assumptions being stock price volatility of 84.72%, risk free interest rate of 0.46%, no dividend yield and expected life of 3 years. Grant date fair value of the stock options granted on September 15, 2020 was calculated in accordance with the Black-Scholes model using the price of the Company's common shares on the date of grant of Cdn\$0.60 per share,

with the key valuation assumptions being stock price volatility of 86.08%, risk free interest rate of 0.27%, no dividend yield and expected life of 3 years.

- (3) This amount represents medical and life insurance premiums paid by the Company.

Incentive Plan Awards

The following table provides details regarding outstanding option and share-based awards held by the NEOs as at December 31, 2020:

<i>Outstanding share-based awards and option-based awards</i>							
	Option-based Awards					Share-based Awards	
Name	Option grant date	Number of securities underlying unexercised options ⁽¹⁾ (#)	Option exercise price ⁽²⁾ (\$)	Option expiration date	Aggregate value of unexercised in-the-money options ⁽³⁾ (US\$)	Number of shares or units that have not vested (#)	Market or payout value of share-based awards that have not vested (US\$)
Arnold T. Kondrat	Dec. 6, 2019	500,000	Cdn\$0.40 (US\$0.31)	Dec. 6, 2024	\$70,000	N/A	N/A
	June 24, 2019	250,000	Cdn\$0.18 (US\$0.14)	June 24, 2024	\$77,500		
	Mar. 14, 2019	125,000	Cdn\$0.14 (US\$0.11)	Mar. 14, 2024	\$42,500		
	Mar. 11, 2016	250,000	Cdn\$0.12 (US\$0.09)	Mar. 11, 2021	\$90,000		
Donat K. Madilo	Dec. 6, 2019	150,000	Cdn\$0.40 (US\$0.31)	Dec. 6, 2024	\$21,000	N/A	N/A
	June 24, 2019	125,000	Cdn\$0.18 (US\$0.14)	June 24, 2024	\$38,750		
	Mar. 14, 2019	125,000	Cdn\$0.14 (US\$0.11)	Mar. 14, 2024	\$42,500		
	Mar. 11, 2016	250,000	Cdn\$0.12 (US\$0.09)	Mar. 11, 2021	\$90,000		
Peter N. Cowley	Dec. 6, 2019	500,000	Cdn\$0.40 (US\$0.31)	Dec. 6, 2024	\$70,000	N/A	N/A
John Barker	Sept. 15, 2020	100,000	Cdn\$0.60 (US\$0.47)	Sept. 15, 2025	Nil	N/A	N/A
	April 19, 2020	250,000	Cdn\$0.45 (US\$0.35)	April 19, 2025	\$25,000		
Fabrice Matheys	Dec. 6, 2019	200,000	Cdn\$0.40 (US\$0.31)	Dec. 6, 2024	\$28,000	N/A	N/A

- (1) The stock options granted on March 11, 2016, March 14, 2019, April 19, 2020 and September 15, 2020 vest (or vested as applicable) as follows: 1/4 of the stock options granted to each optionee vest (or vested as applicable) on each of the 6 month, 12 month, 18 month and 24 month anniversaries of the grant date. The stock options granted on June 24, 2019 and on December 6, 2019, vested as follows: 100% of the stock options granted to each optionee vested on the 4 month anniversary of the grant date.
- (2) The exercise price of each of the stock options held by the NEOs is in Canadian dollars. The U.S. dollar figures set out in this column of the table were calculated using the exchange rate on December 31, 2020 as reported by the Bank of Canada for the conversion of Canadian dollars into U.S. dollars of Cdn\$1.00 = US\$0.7854.
- (3) This is based on (a) the closing sale price per share of the Company's common shares on December 31, 2020 of Cdn\$0.57 as reported by the Toronto Stock Exchange, and (b) converting that price into a price of US\$0.45 using the exchange rate on December 31, 2020 as reported by the Bank of Canada for the conversion of Canadian dollars into U.S. dollars of Cdn\$1.00 = US\$0.7854.

The following table provides details regarding outstanding option-based awards, share-based awards and non-equity incentive plan compensation held by the NEOs, which vested and/or were earned during the year ended December 31, 2020:

<i>Incentive plan awards - value vested or earned during the year</i>			
Name	Option-based awards - Value vested during the year ⁽¹⁾ (US\$)	Share-based awards - Value vested during the year (US\$)	Non-equity incentive plan compensation - Value earned during the year (US\$)
Arnold T. Kondrat	\$18,408	N/A	N/A
Donat K. Madilo	\$18,408	N/A	N/A
Peter N. Cowley	Nil	N/A	N/A
John Barker	\$982	N/A	N/A
Fabrice Matheys	Nil	N/A	N/A

(1) Identifies the aggregate dollar value that would have been realized by the officer if the officer had exercised all options exercisable under the option-based award on the vesting date(s) thereof.

Non-Executive Directors

Director compensation is designed to achieve the following goals: (a) compensation should attract and retain the most qualified people to serve on the board of directors of the Company (the "**Board**"); (b) compensation should align directors' interests with the long-term interests of shareholders; (c) compensation should fairly pay directors for risks and responsibilities related to being a director of an entity of the Company's size and scope; and (d) the structure of the compensation should be simple, transparent and easy for shareholders to understand.

The amounts earned by the non-executive directors of the Company during the financial year ended December 31, 2020 are set out in the table below under "Director Summary Compensation Table".

Non-executive directors are entitled to receive stock option grants under the Company's Stock Option Plan, as recommended by the Board's compensation committee and determined by the Board. The exercise price of such stock options is determined by the Board, but shall in no event be less than the last closing price of the Company's common shares on the Toronto Stock Exchange prior to the date the stock options are granted. See the disclosure below under "Incentive Stock Option Plan" for a summary of the terms of the Company's Stock Option Plan.

Non-executive directors of the Company are also reimbursed for all reasonable out-of-pocket expenses incurred in attending Board or committee meetings and otherwise incurred in carrying out their duties as directors of the Company.

Executive directors of the Company are compensated as employees of the Company and are not entitled to additional compensation for performance of director duties. Mr. Kondrat and Mr. Cowley are executive directors of the Company.

Director Summary Compensation Table

The following compensation table sets out the compensation paid to each of the Corporation's directors in the year ended December 31, 2020, other than Mr. Kondrat and Mr. Cowley. See "Summary Compensation Table" above for details regarding the compensation paid to each of Mr. Kondrat and Mr. Cowley as an executive of the Company in respect of services rendered during 2020.

Name	Fees earned (US\$)	Share-based awards (US\$)	Option-based awards ⁽¹⁾ (US\$)	Non-equity incentive plan compensation (US\$)	All other Compensation (US\$)	Total (US\$)
Zhengquan (Philip) Chen	\$22,984	N/A	N/A	N/A	N/A	\$22,984
Richard J. Lachcik	\$22,984	N/A	N/A	N/A	N/A	\$22,984
William R. Wilson	\$22,984	N/A	N/A	N/A	N/A	\$22,984

(1) None of the directors set out in the above table was granted stock options by the Company in 2020.

Incentive Plan Awards

The following table provides details regarding the outstanding option and share based awards held as at December 31, 2020 by the directors of the Company other than Mr. Kondrat and Mr. Cowley. See "Named Officers - Incentive Plan Awards" above for details regarding the outstanding stock options held by Mr. Kondrat and Mr. Cowley as at December 31, 2020.

<i>Outstanding share-based awards and option-based awards</i>							
	Option-based Awards					Share-based Awards	
Name	Option grant date	Number of securities underlying unexercised options ⁽¹⁾ (#)	Option exercise price ⁽²⁾ (\$)	Option expiration date	Aggregate value of unexercised in-the-money options ⁽³⁾ (US\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (US\$)
Zhengquan (Philip) Chen	Dec. 6, 2019	100,000	Cdn\$0.40 (US\$0.31)	Dec. 6, 2024	\$14,000	N/A	N/A
	July 2, 2019	75,000	Cdn\$0.18 (US\$0.14)	July 2, 2024	\$23,250		
Richard J. Lachcik	Dec. 6, 2019	100,000	Cdn\$0.40 (US\$0.31)	Dec. 6, 2024	\$14,000	N/A	N/A
	June 24, 2019	75,000	Cdn\$0.18 (US\$0.14)	June 24, 2024	\$23,250		
	Mar. 14, 2019	75,000	Cdn\$0.14 (US\$0.11)	Mar. 14, 2024	\$25,500		
	Mar. 11, 2016	150,000	Cdn\$0.12 (US\$0.09)	Mar. 11, 2021	\$54,000		
William R. Wilson	Dec. 6, 2019	100,000	Cdn\$0.40 (US\$0.31)	Dec. 6, 2024	\$14,000	N/A	N/A
	June 24, 2019	75,000	Cdn\$0.18 (US\$0.14)	June 24, 2024	\$23,250		
	Mar. 14, 2019	75,000	Cdn\$0.14 (US\$0.11)	Mar. 14, 2024	\$25,500		
	Mar. 11, 2016	150,000	Cdn\$0.12 (US\$0.09)	Mar. 11, 2021	\$54,000		

-
- (1) The stock options granted on March 11, 2016, March 14, 2019 and July 2, 2019 vest (or vested as applicable) as follows: 1/4 of the stock options granted to each optionee vest (or vested as applicable) on each of the 6 month, 12 month, 18 month and 24 month anniversaries of the grant date. The stock options granted on June 24, 2019 and on December 6, 2019, vested as follows: 100% of the stock options granted to each optionee vested on the 4 month anniversary of the grant date.
- (2) The exercise price of each of the stock options held by the directors is in Canadian dollars. The U.S. dollar figures set out in this column of the table were calculated using the exchange rate on December 31, 2020 as reported by the Bank of Canada for the conversion of Canadian dollars into U.S. dollars of Cdn\$1.00 = US\$0.7854.
- (3) This is based on (a) the closing sale price per share of the Company's common shares on December 31, 2020 of Cdn\$0.57 as reported by the Toronto Stock Exchange, and (b) converting that price into a price of US\$0.45 using the exchange rate on December 31, 2020 as reported by the Bank of Canada for the conversion of Canadian dollars into U.S. dollars of Cdn\$1.00 = US\$0.7854.

The following table provides details regarding outstanding option-based awards, share-based awards and non-equity incentive plan compensation in respect of the directors of the Company other than Mr. Kondrat and Mr. Cowley, which vested and/or were earned during the year ended December 31, 2020. See "Named Officers - Incentive Plan Awards" above for details regarding the outstanding option-based awards, share-based awards and non-equity incentive plan compensation in respect of Mr. Kondrat and Mr. Cowley, which vested and/or were earned during the year ended December 31, 2020.

<i>Incentive plan awards - value vested or earned during the year</i>			
Name	Option-based awards - Value vested during the year ⁽¹⁾ (US\$)	Share-based awards - Value vested during the year (US\$)	Non-equity incentive plan compensation - Value earned during the year (US\$)
Zhengquan (Philip) Chen	\$9,719	N/A	N/A
Richard J. Lachcik	\$11,045	N/A	N/A
William R. Wilson	\$11,045	N/A	N/A

-
- (1) Identifies the aggregate dollar value that would have been realized by the director if the director had exercised all options exercisable under the option-based award on the vesting date(s) thereof.

Other Information

Neither the Company nor its subsidiaries provides pension, retirement or similar benefits.

C. Board Practices

Each director of the Company holds office until the close of the next annual meeting of shareholders of the Company following his election or appointment, unless his office is earlier vacated in accordance with the by-laws of the Company. See Item 6.A. of this Form 20-F for the dates the directors of the Company were first elected or appointed to the Board.

CEO Employment Contract

The Company and Arnold T. Kondrat have entered into an employment contract (the "**CEO Agreement**") which sets out the terms upon which Mr. Kondrat performs the services of CEO of the Corporation. Mr. Kondrat's annual salary under the CEO Agreement is US\$250,000. The term of the CEO Agreement

commenced on January 1, 2020 and continues until December 31, 2024, provided that the Company may terminate the CEO Agreement at any time for just cause upon written notice to Mr. Kondrat.

The CEO Agreement includes a “performance bonus arrangement” consisting of a “Market Cap Performance Bonus” and a “Change of Control Performance Bonus” (as such terms are defined below). These potential bonuses are alternative one-time cash bonuses, which are contingent on (a) the Company achieving a certain market capitalization (Cdn\$2.00 per share) in the case of the Market Cap Performance Bonus, and (b) in the case of the Change of Control Performance Bonus, a change of control of the Company occurring where the purchase consideration paid by the acquiror is in excess of Cdn\$165,000,000. If one of these bonuses is paid, the other bonus will cease to be available. In addition, in order to receive either of the bonuses, Mr. Kondrat must remain an employee in good standing of the Company (or a successor entity) immediately prior to the date that the bonus becomes available.

(a) Market Cap Performance Bonus

The CEO Agreement provides that, in the event that the closing price of the common shares of the Company (“**Common Shares**”) on the Toronto Stock Exchange equals or exceeds Cdn\$2.00 per share for each of 45 consecutive trading days (such 45 trading days, the “**Trading Period**”):

- (i) The Company shall, within two business days following the end of the Trading Period, provide written notice (the “**Company Notice**”) to Mr. Kondrat stating that Mr. Kondrat is entitled to receive the Market Cap Performance Bonus (where “**Market Cap Performance Bonus**” means an amount equal to 5% of the “applicable market capitalization”, where “**applicable market capitalization**” means Cdn\$2.00 multiplied by the number of Common Shares outstanding as of the close of business on the last day of the Trading Period). For example, if the applicable market capitalization is Cdn\$220,000,000, the Market Cap Performance Bonus would be Cdn\$11,000,000.
- (ii) Subject to paragraph (iii) below, the Company shall pay the Market Cap Performance Bonus to Mr. Kondrat on a date (the “**Payment Date**”) determined by Mr. Kondrat, provided, however, that the Payment Date must be within 24 months of Mr. Kondrat receiving the Company Notice.
- (iii) Mr. Kondrat may at any time prior to the Payment Date by written notice to the Company waive his right to receive the Market Cap Performance Bonus and the Market Cap Performance Bonus shall thereafter forever cease to be available.

(b) Change of Control Performance Bonus

The CEO Agreement also provides that, upon the occurrence of a “change of control” (as such term is defined in the CEO Agreement) of the Company where the “Sale Consideration” (as defined below) exceeds Cdn\$165,000,000, the Company shall pay to Mr. Kondrat a cash amount (the “**Change of Control Performance Bonus**”) equal to 5% of the Sale Consideration (for example, if the Sale Consideration is Cdn\$170,000,000, the Change of Control Performance Bonus would be Cdn\$8,500,000). The Change of Control Performance Bonus shall be paid by the Company to Mr. Kondrat immediately upon the consummation of the change of control transaction.

“**Sale Consideration**” means the total fair market value of the gross consideration received or receivable by the Company’s shareholders or, as applicable, by the Company (or one or more of its subsidiaries, as the case may be) pursuant to the change of control transaction, as determined in good faith by the Board.

CFO Employment Contract

The Company and Donat K. Madilo have entered into an employment contract (the "**CFO Agreement**") which sets out the terms upon which Mr. Madilo performs the services of CFO of the Company. Mr. Madilo's annual salary under the Madilo Agreement is US\$150,000. The Company may terminate the CFO Agreement at any time for just cause upon written notice to Mr. Madilo.

The CFO Agreement also provides as follows: (a) in the event of a "change of control" (as such term is defined in the CFO Agreement) of the Company or the "constructive dismissal" (as such term is defined in the CFO Agreement) of Mr. Madilo, Mr. Madilo has the right to terminate his employment agreement and is entitled to be paid by the Company an amount (the "**Retiring Allowance**") equal to the sum of (i) two times his annual salary and (ii) two times the "Bonus Amount" (see below for definition of "Bonus Amount"); (b) if immediately prior to such termination Mr. Madilo holds stock options of the Company, he shall be entitled to exercise all such stock options (vested and unvested) at any time during the period of time commencing upon such termination and ending on the expiry date of such stock options; and (c) in the event the Company terminates the CFO Agreement without cause, Mr. Madilo is entitled to the stock option exercise rights described above in item (b) and to be paid by the Company the Retiring Allowance.

"**Bonus Amount**" is defined to mean an amount equal to one-half of the aggregate amount of all bonuses paid or payable to Mr. Madilo by the Company and its subsidiaries in respect of the two most recent fiscal years.

Audit Committee

The Board has an audit committee (the "**Audit Committee**"), the members of which are Zhengquan (Philip) Chen, Richard J. Lachcik and William R. Wilson. Each member of the Audit Committee is independent within the meaning of Canadian National Instrument 52-110 - Audit Committees ("**NI 52-110**") and Section 803A of the NYSE American Company Guide. Each member of the Audit Committee is also "financially literate" within the meaning of NI 52-110. At no time since the commencement of the Company's financial year ended December 31, 2020 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board. The Audit Committee's charter is incorporated by reference into this Form 20-F as Exhibit 1.3.

Compensation Committee

The Board has a compensation committee, the members of which are Zhengquan (Philip) Chen, Richard J. Lachcik and William R. Wilson. See the discussion above under "Audit Committee" with respect to the independence of the members of the compensation committee. The primary function of the compensation committee is to assist the Board in fulfilling its oversight responsibilities with respect to: (a) human resources policies; and (b) executive compensation. To carry out its oversight responsibilities, the compensation committee's duties include the following:

1. review and recommend for approval to the Board, the Company's key human resources policies;
2. review and recommend for approval to the Board the compensation and benefits policy and plans (including incentive compensation plans) for the Company;
3. review and recommend to the Board the employment agreements of the Company's executive officers;

4. evaluate annually the performance of the Chief Executive Officer of the Company and recommend to the Board his annual compensation package and performance objectives;
5. review annually and recommend to the Board the annual compensation package and performance objectives of the other executive officers of the Company;
6. review annually and recommend to the Board the annual salaries (or percentage change in salaries) for the Company's non-executive staff;
7. review annually and recommend to the Board the adequacy and form of the compensation of the Company's directors and be satisfied the compensation realistically reflects the responsibilities and risk involved in being such a director;
8. review annually and recommend for approval to the Board the executive compensation disclosure of the Company in its information circular, and be satisfied that the overall compensation philosophy and policy for senior officers is adequately disclosed and describes in sufficient detail the rationale for salary levels, incentive payments, share options and all other components of executive compensation as prescribed by applicable securities laws;
9. determine grants of options to purchase shares of the Company under the Company's Stock Option Plan and recommend same to the Board for approval;
10. engage, at the Company's expense, any external professional or other advisors which it determines necessary in order to carry out its duties hereunder; and
11. perform any other activities consistent with this mandate as the compensation committee or the Board deems necessary or appropriate.

Retention Allowance

Loncor previously had a policy which provided that employees were entitled to receive a retention allowance (the "**Retention Allowance**") on termination of their employment with the Company, provided the employee had been with the Company for a minimum of two years and provided that termination was not due to misconduct (in the case of misconduct, the Retention Allowance was forfeited). The amount of the Retention Allowance was equal to the employee's monthly base salary multiplied by the number of years the employee was with the Company (up to a maximum of 10 years), with any partial year being recognized on a pro rata basis. While the Retention Allowance policy was discontinued by Loncor effective December 31, 2017, the Retention Allowance amounts accrued for the NEOs up to December 31, 2017 remain recorded as a liability in Loncor's financial statements.

D. Employees

The following sets out the number of employees which the Company and its subsidiaries had as at December 31, 2020, December 31, 2019 and December 31, 2018, providing a breakdown of these employees by location/project:

<u>Location/Project</u>	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Loncor office in Toronto, Canada	4	3	4
Loncor office in Beni, DRC	3	-	-
Ngayu project	-	1	-
Imbo Project camp	38	4	-
Totals:	45	8	4

- (1) The Imbo Project was acquired by the Company in September 2019 (see “Information on the Company – History and Development of the Company”). The significant increase in employees at the Imbo Project camp during 2020 is a result of the commencement by the Company of an exploration program at the Imbo Project following its acquisition.

Neither the Company nor any of its subsidiaries has any unionized employees.

Neither the Company nor any of its subsidiaries employ a significant number of temporary employees.

E. Share Ownership

The following table sets out the number of common shares of the Company held by the Company's directors and officers as of March 24, 2021 (including the percentage of the Company's outstanding common shares represented by such shares). See Item 6.B. of this Form 20-F for information regarding the stock options of the Company held by the Company's directors and officers as of December 31, 2020.

<u>Name</u>	<u>Number of Common Shares Owned</u>	<u>Percentage of Outstanding Common Shares</u>
John Barker	98,000	0.08%
Zhengquan (Philip) Chen	30,000	0.02%
Peter N. Cowley	110,000	0.09%
Geoffrey G. Farr	302,500	0.24%
Arnold T. Kondrat	29,683,909 ⁽¹⁾	23.79%
Richard J. Lachcik	155,833	0.13%
Donat K. Madilo	420,000	0.34%
Fabrice Matheys	nil	-
William R. Wilson	151,667	0.12%

- (1) Mr. Kondrat also holds 100,000 common share purchase warrants of the Corporation, with each such warrant entitling the holder thereof to purchase common share of the Corporation at a price of Cdn\$0.75 until February 3, 2022.

Incentive Stock Option Plan

The Company has a Stock Option Plan (the "**Plan**"), the principal purposes of which are: (A) to retain and attract qualified directors, officers, employees and consultants which the Company and its subsidiaries require; (B) to promote a proprietary interest in the Company and its subsidiaries; (C) to provide an incentive element in compensation; and (D) to promote the development of the Company and its subsidiaries. The following summarizes the terms of the Plan:

- (a) Stock options may be granted from time to time by the Board to such directors, officers, employees and consultants of the Company or a subsidiary of the Company, and in such numbers, as are determined by the Board at the time of the granting of the stock options.
- (b) The total number of common shares of the Company issuable upon the exercise of all outstanding stock options granted under the Plan shall not at any time exceed 10% of the total number of outstanding common shares of the Company, from time to time (as at the date of this Form 20-F, there are outstanding under the Plan 6,055,000 stock options entitling the holders to purchase an aggregate of 6,055,000 common shares of the Company (which is equal to 4.85% of the number of common shares of the Company which are outstanding as at the date of this Form 20-F), such that the number of new stock options currently available for future grants under the Plan is stock options to purchase an aggregate of 6,422,417 common shares of the Company (which is equal to 5.15% of the number of common shares of the Company which are outstanding as at the date of this Form 20-F).
- (c) The exercise price of each stock option shall be determined in the discretion of the Board at the time of the granting of the stock option, provided that the exercise price shall not be lower than the "Market Price". "Market Price" means the last closing price of the common shares of the Company on the Toronto Stock Exchange prior to the date the stock option is granted.
- (d) The total number of common shares of the Company issued to "insiders" (as such term is defined in Part 1 of the TSX Company Manual) of the Company, within any one year period, under all "security based compensation arrangements" (within the meaning of the rules of the Toronto Stock Exchange) of the Company shall not exceed 10% of the total number of outstanding common shares of the Company.
- (e) The total number of common shares of the Company issuable to "insiders" (as such term is defined in Part 1 of the TSX Company Manual) of the Company, at any time, under all "security based compensation arrangements" (within the meaning of the rules of the Toronto Stock Exchange) of the Company shall not exceed 10% of the total number of outstanding common shares of the Company.
- (f) All stock options shall be for a term determined in the discretion of the Board at the time of the granting of the stock options, provided that no stock option shall have a term exceeding five years and, unless the Board at any time makes a specific determination otherwise (but subject to the terms of the Plan), a stock option and all rights to purchase common shares of the Company pursuant thereto shall expire and terminate immediately upon the optionee who holds such stock option ceasing to be at least one of a director, officer or employee of or consultant to the Company or a subsidiary of the Company, as the case may be.
- (g) Unless otherwise determined by the Board at the time of the granting of the stock options, one-quarter of the stock options granted to an optionee vest on each of the 6 month, 12 month, 18 month and 24 month anniversaries of the grant date.

- (h) Except in limited circumstances in the case of the death of an optionee, stock options shall not be assignable or transferable.
- (i) Disinterested shareholder approval is required prior to any reduction in the exercise price of a stock option if the optionee holding such stock option is an insider of the Company.
- (j) The Company may amend from time to time the terms and conditions of the Plan by resolution of the Board. Any amendments shall be subject to the prior consent of any applicable regulatory bodies, including the Toronto Stock Exchange (to the extent such consent is required).
- (k) The Board has full and final discretion to interpret the provisions of the Plan, and all decisions and interpretations made by the Board shall be binding and conclusive upon the Company and all optionees, subject to shareholder approval if required by the Toronto Stock Exchange.
- (l) The Plan does not provide for financial assistance by the Company to an optionee in connection with an option exercise.

The Board may, in its sole discretion, accelerate the vesting of currently outstanding stock options granted under the Plan in the event a take-over bid is made for the common shares of the Company, any change of control of the Company occurs or any other transaction involving the Company occurs.

A copy of the Plan is incorporated by reference into this Form 20-F as Exhibit 4.1.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

To the knowledge of management of the Company, based on a review of publicly available filings as at March 24, 2021, the following are the only persons or companies who beneficially own 5% or more of the outstanding common shares of the Company:

<u>Name of Shareholder</u>	<u>Number of Common Shares Owned</u>	<u>Percentage of Outstanding Common Shares</u> ⁽¹⁾
Arnold T. Kondrat ⁽²⁾	29,683,909	23.79%
Resolute Canada 2 Pty Ltd ⁽³⁾	30,850,000	24.72%
Newmont Canada FN Holdings ULC ⁽⁴⁾	7,275,000	5.83%

(1) The information in this column of the table is based on the number of common shares of the Company outstanding as at March 24, 2021.

(2) Mr. Kondrat is Chief Executive Officer and a director of the Company. As at March 21, 2018, Mr. Kondrat held 37,150,409 (or 46.82%) of the outstanding common shares of the Company. See Item 4A. of this Form 20-F ("History and Development of the Company") with respect to (a) the share sale transaction with Resolute pursuant to which Mr. Kondrat sold 12,500,000 common shares of the Company in June 2018, and (b) the private placement transaction pursuant to which Mr. Kondrat acquired 350,000 common shares of the Company in June 2018. Immediately following these transactions, Mr. Kondrat held 25,000,409 (or 26.68%) of the outstanding common shares of the Company. During 2019, 2020 and 2021 (as at March 24 2021), Mr. Kondrat acquired, in total, an additional 4,683,500 common shares, such that he currently holds 29,683,909 (or 23.79%) of the outstanding common shares of the Company.

- (3) See Item 4A. of this Form 20-F ("History and Development of the Company") which sets out the transactions pursuant to which Resolute Canada 2 Pty Ltd ("**Resolute**") acquired in 2018 25,500,000 common shares of the Company. Immediately following these transactions, these 25,500,000 common shares represented 27.22% of the outstanding common shares of the Company. In 2020 and 2021 (as at March 24 2021), Resolute acquired, in total, an additional 5,350,000 common shares of the Company, such that Resolute currently holds 30,850,000 (or 24.72%) of the outstanding common shares of the Company.
- (4) See Item 4A. of this Form 20-F ("History and Development of the Company") which sets out the transactions pursuant to which Newmont Canada FN Holdings ULC acquired the common shares of the Company currently held by it as reflected in the above table.

None of the shareholders disclosed above have any voting rights with respect to their respective common shares of the Company that are different from any other holder of common shares of the Company.

As of March 9, 2021, based on the Company's shareholders' register, there were 94 shareholders of record of the Company's common shares in the United States, holding 6.56% of the outstanding common shares of the Company.

Control by Foreign Government or Other Persons

To the best of the knowledge of management of the Company, the Company is not directly or indirectly owned or controlled by another corporation, any foreign government, or any other natural or legal person, severally or jointly.

Change of Control

As of the date of this Form 20-F, there are no arrangements known to the Company which may at a subsequent date result in a change in control of the Company.

B. Related Party Transactions

On February 25, 2020, the Company closed a private placement 6,000,000 common shares of the Company at a price of Cdn\$0.40 per share for gross proceeds of Cdn\$2,400,000. Arnold T. Kondrat ("**Kondrat**"), who is Chief Executive Officer and a director of the Company, purchased 1,440,000 of such shares, Resolute Canada 2 Pty Ltd ("**Resolute**"), which holds more than 10% of the outstanding common shares of the Company, purchased 300,000 of such shares, and Donat K. Madilo ("**Madilo**"), who is Chief Financial Officer of the Company, purchased 50,000 of such shares.

On July 31, 2020, the Company closed a first tranche of a private placement financing for 8,000,000 common shares of the Company at a price of Cdn\$0.50 per share for gross proceeds of Cdn\$4,000,000. Kondrat purchased 270,000 of such shares, Resolute purchased 3,000,000 of such shares, Madilo purchased 70,000 of such shares, and Peter N. Cowley, who is President and a director of the Company, purchased 50,000 of such shares.

On February 3, 2021, the Company closed a first tranche of a private placement financing for 8,000,000 units of the Company (the "**Units**") at a price of Cdn\$0.50 per Unit for gross proceeds of Cdn\$4,000,000. Each Unit consisted of one common share of the Company and one-half of one common share purchase warrant (each whole common share purchase warrant, a "**Warrant**") of the Company, with each Warrant entitling the holder thereof to acquire one common share of the Company at an exercise price of Cdn\$0.75 for a period of 12 months following the closing date of the issuance of the Units. Kondrat purchased 200,000 of the Units and Resolute purchased 1,200,000 of the Units.

Reference is also made to Note 7 to the consolidated financial statements of the Company filed as part of this annual report under Item 18, for additional information regarding related party transactions.

C. Interests of Experts and Counsel

This Form 20-F is being filed as an annual report under the U.S. Exchange Act and, as such, there is no requirement to provide any information under this item.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

Consolidated Financial Statements

The consolidated financial statements of the Company are filed as part of this annual report under Item 18.

Legal or Arbitration Proceedings

The Company is not aware of any current or pending material legal or arbitration proceeding to which it is or is likely to be a party or of which any of its properties are or are likely to be the subject.

The Company is not aware of any material proceeding in which any director, member of senior management or affiliate of the Company is either a party adverse to the Company or any of its subsidiaries or has a material interest adverse to the Company or any of its subsidiaries.

Dividend Policy

The Company has not paid any dividend or made any other distribution in respect of its outstanding shares and management does not anticipate that the Company will pay dividends or make any other distribution in respect on its shares in the foreseeable future. The Company's Board, from time to time, and on the basis of any earnings and the Company's financial requirements or any other relevant factor, will determine the future dividend or distribution policy of the Company with respect to its shares.

B. Significant Changes

There have been no significant changes in the affairs of the Company since the date of the audited annual consolidated financial statements of the Company as at and for the year ended December 31, 2020, other than as discussed in this Form 20-F.

Item 9. The Offer and Listing

A. Offer and Listing Details

The Company's common shares (a) are listed for trading on the Toronto Stock Exchange (the "TSX") under the symbol "LN", and (b) are quoted on the OTCQX tier of the OTC Markets (the "OTC") under the symbol "LONCF". The prices in the following tables have been adjusted as applicable to reflect the two to one Share Consolidation implemented by the Company in September 2019.

Toronto Stock Exchange

The Company's common shares commenced trading on the TSX on April 26, 2013. Prior to April 26, 2013, such shares traded on the TSX Venture Exchange. The following table discloses the annual high and low sales prices in Canadian dollars for the common shares of the Company for the five most recent financial years of the Company as traded on the TSX:

Year	High (Cdn\$)	Low (Cdn\$)
2020	\$0.89	\$0.315
2019	\$0.49	\$0.13
2018	\$0.26	\$0.12
2017	\$0.40	\$0.15
2016	\$0.50	\$0.03

The following table discloses the high and low sales prices in Canadian dollars for the common shares of the Company for each quarterly period within the two most recent financial years of the Company as traded on the TSX:

Quarter Ended	High (Cdn\$)	Low (Cdn\$)
December 31, 2020	\$0.87	\$0.51
September 30, 2020	\$0.89	\$0.47
June 30, 2020	\$0.70	\$0.36
March 31, 2020	\$0.88	\$0.315
December 31, 2019	\$0.49	\$0.325
September 30, 2019	\$0.44	\$0.18
June 30, 2019	\$0.18	\$0.13
March 31, 2019	\$0.20	\$0.13

The following table discloses the monthly high and low sales prices in Canadian dollars for the common shares of the Company for the most recent six months as traded on the TSX:

Month	High (Cdn\$)	Low (Cdn\$)
March 2021 ⁽¹⁾	\$0.71	\$0.57
February 2021	\$0.72	\$0.53
January 2021	\$0.63	\$0.50
December 2020	\$0.64	\$0.51
November 2020	\$0.87	\$0.58
October 2020	\$0.71	\$0.51

Month	High (Cdn\$)	Low (Cdn\$)
September 2020	\$0.89	\$0.52

(1) From March 1, 2021 to March 9, 2021.

US Trading

From April 27, 2011 to April 24, 2014, the Company's common shares were traded in the United States on the NYSE American, from April 25, 2014 to April 30, 2015, the Company's common shares traded in the United States on the OTCQB tier of the OTC, from May 1, 2015 to June 20, 2019, the Company's common shares traded in the United States on the OTC Pink tier of the OTC, and from June 21, 2019 to July 31, 2020, the Company's common shares traded in the United States on the OTCQB tier of the OTC. Since August 3, 2020, the Company's common shares have traded in the United States on the OTCQX tier of the OTC.

The following table discloses the annual high and low sales prices in United States dollars for the common shares of the Company for the five most recent financial years of the Company as traded on the OTC Pink, OTCQB and OTCQX tiers of the OTC, as applicable.

Year	High (US\$)	Low (US\$)
2020	\$0.66	\$0.22
2019	\$0.40	\$0.19
2018	\$0.18	\$0.08
2017	\$0.28	\$0.10
2016	\$0.40	\$0.02

The following table discloses the high and low sales prices in United States dollars for the common shares of the Company for each quarterly period within the two most recent financial years as traded on the OTC Pink, OTCQB and OTCQX tiers of the OTC, as applicable:

Quarter Ended	High (US\$)	Low (US\$)
December 31, 2020	\$0.66	\$0.38
September 30, 2020	\$0.63	\$0.35
June 30, 2020	\$0.50	\$0.26
March 31, 2020	\$0.64	\$0.22
December 31, 2019	\$0.38	\$0.24
September 30, 2019	\$0.40	\$0.11
June 30, 2019	\$0.13	\$0.09
March 31, 2019	\$0.14	\$0.09

The following table discloses the monthly high and low sales prices in United States dollars for the common shares of the Company for the most recent six months as traded on the OTCQX tier of the OTC:

Month	High (US\$)	Low (US\$)
March 2021 ⁽¹⁾	\$0.55	\$0.46
February 2021	\$0.56	\$0.41
January 2021	\$0.48	\$0.40
December 2020	\$0.51	\$0.38
November 2020	\$0.66	\$0.46
October 2020	\$0.52	\$0.39
September 2020	\$0.63	\$0.40

(1) From March 1, 2021 to March 9, 2021.

B. Plan of Distribution

This Form 20-F is being filed as an annual report under the U.S. Exchange Act and, as such, there is no requirement to provide any information under this item.

C. Markets

The Company's outstanding common shares are listed on the TSX and are quoted on the OTCQX tier of the OTC.

D. Selling Shareholder

This Form 20-F is being filed as an annual report under the U.S. Exchange Act and, as such, there is no requirement to provide any information under this item.

E. Dilution

This Form 20-F is being filed as an annual report under the U.S. Exchange Act and, as such, there is no requirement to provide any information under this item.

F. Expenses of the Issue

This Form 20-F is being filed as an annual report under the U.S. Exchange Act and, as such, there is no requirement to provide any information under this item.

Item 10. Additional Information

A. Share Capital

This Form 20-F is being filed as an annual report under the U.S. Exchange Act and, as such, there is no requirement to provide any information under this item.

B. Memorandum and Articles of Association

A copy of the Company's articles of amalgamation and articles of amendment are incorporated by reference into this Form 20-F as Exhibit 1.1 and Exhibit 1.5, respectively. The Company's general by-law is incorporated by reference into this Form 20-F as Exhibit 1.2.

The Company is a corporation governed by the Ontario *Business Corporations Act* (the "**OBCA**"). Under the OBCA, the articles of the Company may, by "special resolution" (see below for definition), be amended to add, change or remove any rights, privileges, restrictions and conditions, including rights to accrued dividends, in respect of all or any of its shares, whether issued or unissued. Under the OBCA, "special resolution" means a resolution passed by a majority of not less than two-thirds of the votes cast by the shareholders who voted in respect of that resolution or signed by all the shareholders entitled to vote on that resolution.

The Company's articles provide that there are no restrictions on the business the Company may carry on and there are no restrictions on the powers the Company may exercise.

The Company's authorized share capital consists of an unlimited number of common shares and an unlimited number of preference shares, issuable in series, of which 124,774,174 common shares and no preference shares were issued and outstanding as of March 24, 2021. The following is a summary of the material provisions attaching to the common shares and preference shares.

Common Shares - The holders of the common shares are entitled to receive notice of and to attend all meetings of the shareholders of the Company and shall have one vote for each common share held at all meetings of the shareholders of the Company, except for meetings at which only holders of another specified class or series of shares are entitled to vote separately as a class or series. Subject to the prior rights of the holders of the preference shares or any other shares ranking senior to the common shares, the holders of the common shares are entitled to (a) receive any dividends as and when declared by the Board, out of the assets of the Company properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine, and (b) receive the remaining property of the Company in the event of any liquidation, dissolution or winding-up of the Company.

Preference Shares - The Board may issue the preference shares at any time and from time to time in one or more series, each series of which shall have the designations, rights, privileges, restrictions and conditions fixed by the directors. The preference shares of each series shall rank on a parity with the preference shares of every other series, and shall be entitled to priority over the common shares and any other shares of the Company ranking junior to the preference shares, with respect to priority in the payment of dividends and the return of capital and the distribution of assets of the Company in the event of the liquidation, dissolution or winding-up of the Company.

Under the Company's general by-law, a director of the Company who is a party to, or who is a director or officer of a party to, or has a material interest in any person who is a party to, a material contract or material transaction or proposed material contract or proposed material transaction with the Company, must disclose the nature and extent of their interest at the time and in the manner provided by the OBCA and such material interest must be entered in the minutes of the meetings of directors or otherwise noted in the records of the Company. Any such material contract or material transaction or proposed material contract or proposed material transaction must be referred to the Board or shareholders for approval even if such contract is one that in the ordinary course of the Company's business would not require approval by the Board or shareholders. Such a director must not attend any part of a meeting of directors during which the contract or transaction is discussed and must not vote on any resolution to approve the same except as provided by the OBCA.

Also under the Company's general by-law, the Company's directors may be paid such remuneration for their services as the Board may from time to time determine. The directors are also entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof.

With respect to borrowing powers, the Company's general by-law provides that, without limiting the borrowing powers of the Company as set forth in the OBCA, the Board may from time to time on behalf of the Company, without authorization of the shareholders:

- (a) borrow money upon the credit of the Company;
- (b) issue, reissue, sell or pledge debt obligations of the Company;
- (c) subject to the OBCA, give a guarantee on behalf of the Company to secure performance of an obligation to any person; and
- (d) mortgage, hypothecate, pledge, or otherwise create a security interest in all or any property of the Company, owned or subsequently owned, to secure any obligation of the Company.

A director of the Company need not be a shareholder of the Company. There is no age limit requirement for a director of the Company.

The annual meeting of shareholders of the Company is held at such time in each year (but not later than 15 months after holding the last preceding annual meeting of shareholders) and at such place as the Board may from time to time determine. The Board has the power to call a special meeting of shareholders of the Company at any time.

The only persons entitled to be present at a meeting of shareholders are those entitled to vote thereat, the directors and auditor of the Company and others who, although not entitled to vote, are entitled or required under any provision of the OBCA or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairperson of the meeting or with the consent of the meeting.

A quorum for the transaction of business at any meeting of shareholders is two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxyholder or representative for a shareholder so entitled.

Disclosure of Share Ownership

In general, under applicable securities regulation in Canada, a person or company who beneficially owns, directly or indirectly, voting securities of an issuer or who exercises control or direction over voting securities of an issuer or a combination of both, carrying more than 10% of the voting rights attached to all the issuer's outstanding voting securities is an insider and must, within 10 days of becoming an insider, file a report in the required form effective the date on which the person became an insider. The report must disclose any direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer. Additionally, securities regulation in Canada provides for the filing of a report by an insider of a reporting issuer whose holdings change, which report must be filed within five days from the day on which the change takes place.

The rules in the U.S. governing the ownership threshold above which shareholder ownership must be disclosed are more stringent than those discussed above. Section 13 of the U.S. Exchange Act imposes reporting requirements on persons who acquire beneficial ownership (as such term is defined in Rule 13d-3 under the U.S. Exchange Act) of more than 5% of a class of an equity security registered under Section 12 of the U.S. Exchange Act. In general, such persons must file, within 10 days after such acquisition, a report of beneficial ownership with the SEC containing the information prescribed by the regulations under Section 13 of the U.S. Exchange Act. This information is also required to be sent to the issuer of the securities and to each exchange where the securities are traded.

C. Material Contracts

Except for contracts entered into in the ordinary course of business and other than as disclosed elsewhere in this Form 20-F, there are no material contracts to which the Company is currently a party that were entered into by the Company or any of its subsidiaries during the two years immediately preceding the date of this Form 20-F.

D. Exchange Controls

There are no governmental laws, decrees, regulations or other legislation, including foreign exchange controls, in Canada which may affect the export or import of capital or that may affect the remittance of dividends, interest or other payments to non-resident holders of the Company's securities. Any remittances of dividends to United States residents, however, are subject to a withholding tax pursuant to the Income Tax Act (Canada) and the Canada-U.S. Income Tax Convention (1980), each as amended. Remittances of interest to U.S. residents entitled to the benefits of such Convention are generally not subject to withholding taxes except in limited circumstances involving participating interest payments. Certain other types of remittances, such as royalties paid to U.S. residents, may be subject to a withholding tax depending on all of the circumstances.

Restrictions on Share Ownership by Non-Canadians

There are no limitations under the laws of Canada or in the organizational documents of the Company on the right of foreigners to hold or vote securities of the Company, except that the *Investment Canada Act* (the "ICA") may require review and approval by the Minister of Innovation, Science and Economic Development ("ISED") of certain acquisitions of "control" of the Company by a "non-Canadian". The threshold for acquisitions is generally defined as being one-third or more of the voting shares of the Company. "Non-Canadian" generally means an individual who is not a Canadian citizen, or a corporation, partnership, trust or joint venture that is ultimately controlled by non-Canadians.

Under the ICA, transactions exceeding certain financial thresholds, and which involve the acquisition of control of a Canadian business by a non-Canadian, are subject to review and cannot be implemented unless the ISED Minister and/or, in the case of a Canadian business engaged in cultural activities, the Minister of Canadian Heritage, are satisfied that the transaction is likely to be of "net benefit to Canada". If a transaction is subject to review (a "**Reviewable Transaction**"), an application for review must be filed with the Investment Review Division of ISED Canada and/or the Department of Canadian Heritage prior to the implementation of the Reviewable Transaction. The responsible Minister is then required to determine whether the Reviewable Transaction is likely to be of net benefit to Canada, taking into account, among other things, certain factors specified in the ICA and any written undertakings that may have been given by the applicant. The ICA contemplates an initial review period of up to 45 days after filing; however, if the responsible Minister has not completed the review by that date, s/he may unilaterally extend the review period by up to 30 days (or such longer period as may be agreed to by the applicant and the Minister) to permit completion of the review. If the responsible Minister is not satisfied

that the investment is likely to be of net benefit to Canada, s/he may prohibit the investment or order a divestiture (if the investment has already been completed).

If the transaction is not reviewable because it does not meet or exceed the applicable financial threshold, the non-Canadian investor must still give notice to ISED Canada and, in the case of a Canadian business engaged in cultural activities, Canadian Heritage, of its acquisition of control of a Canadian business within 30 days of the implementation of the investment.

Furthermore, under the ICA, every investment in, or acquisition of control of, a Canadian business by a non-Canadian is subject to a "national security" review which examines whether the transaction could be injurious to Canada's national security. There is no minimum threshold for the size of transaction potentially subject to such review. If the ISED Minister, after consultation with the Minister of Public Safety and Emergency Preparedness and the investor, considers that the investment could be injurious to national security, the Minister refers the matter to the Governor in Council. Following its review, if the Governor in Council may take any measures in respect of the investment that it considers advisable to protect national security, including denying the investment, asking for undertakings, imposing terms or conditions for the investment or ordering a divestiture (if the investment has already been completed).

E. Certain United States Federal Income Tax Considerations

The following is a general summary of certain material U.S. federal income tax considerations applicable to a U.S. Holder (as defined below) arising from and relating to the acquisition, ownership and disposition of common shares of the Company ("**Common Shares**").

This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may apply to a U.S. Holder arising from and relating to the acquisition, ownership and disposition of Common Shares. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences to such U.S. Holder, including specific tax consequences to a U.S. Holder under an applicable tax treaty. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. Except as specifically set forth below, this summary does not discuss applicable tax reporting requirements. This summary does not address the U.S. federal net investment income, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and foreign tax consequences to U.S. Holders of the acquisition, ownership and disposition of Common Shares. Each prospective U.S. Holder should consult its own tax advisor regarding the U.S. federal, U.S. federal net investment income, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and foreign tax consequences relating to the acquisition, ownership and disposition of Common Shares.

No legal opinion from U.S. legal counsel or ruling from the Internal Revenue Service (the "**IRS**") has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the acquisition, ownership and disposition of Common Shares. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the conclusions described in this summary.

Scope of this Summary

Authorities

This summary is based on the *Internal Revenue Code of 1986*, as amended (the "**Code**"), Treasury Regulations (whether final, temporary, or proposed), published rulings of the IRS, published administrative positions of the IRS, the Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital, signed September 26, 1980, as amended (the "**Canada-U.S. Tax Convention**"), and U.S. court decisions that are applicable and, in each case, as in effect and available, as of the date of this document. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive or prospective basis which could affect the U.S. federal income tax considerations described in this summary. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive or prospective basis.

U.S. Holders

For purposes of this summary, the term "**U.S. Holder**" means a beneficial owner of Common Shares that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the U.S.;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) organized under the laws of the U.S., any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the U.S. and the control of one or more U.S. persons for all substantial decisions or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

Non-U.S. Holders

For purposes of this summary, a "**non-U.S. Holder**" is a beneficial owner of Common Shares that is not a U.S. Holder. This summary does not address the U.S. federal income tax consequences to non-U.S. Holders arising from and relating to the acquisition, ownership and disposition of Common Shares. Accordingly, a non-U.S. Holder should consult its own tax advisors regarding the U.S. federal, U.S. federal net investment income, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and foreign tax consequences (including the potential application of and operation of any income tax treaties) relating to the acquisition, ownership and disposition of Common Shares.

U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax considerations applicable to U.S. Holders that are subject to special provisions under the Code, including, but not limited to, U.S. Holders that: (a) are tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; (b) are financial institutions, underwriters, insurance companies, real estate investment trusts, or regulated investment companies; (c) are broker-dealers, dealers, or traders in securities or currencies that elect to apply a mark-to-market accounting method; (d) have a "functional currency" other than the U.S. dollar; (e) own Common Shares as part of a straddle, hedging transaction, conversion transaction,

constructive sale, or other integrated transaction; (f) acquired Common Shares in connection with the exercise of employee stock options or otherwise as compensation for services; (g) hold Common Shares other than as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment purposes); (h) own, have owned or will own (directly, indirectly, or by attribution) 10% or more of the total combined voting power or value of the outstanding shares of the Company; (i) are U.S. expatriates or former long-term residents of the U.S.; (j) are subject to taxing jurisdictions other than, or in addition to, the U.S.; or (k) are subject to special tax accounting rules with respect to the Common Shares. U.S. Holders that are subject to special provisions under the Code, including, but not limited to, U.S. Holders described immediately above, should consult their own tax advisors regarding the U.S. federal, U.S. federal net investment income, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and foreign tax consequences relating to the acquisition, ownership and disposition of Common Shares.

If an entity or arrangement that is classified as a partnership (or other “pass-through” entity) for U.S. federal income tax purposes holds Common Shares, the U.S. federal income tax consequences to such entity and the partners (or other owners) of such entity generally will depend on the activities of the entity and the status of such partners (or owners). This summary does not address the tax consequences to any such owner. Partners (or other owners) of entities or arrangements that are classified as partnerships or as “pass-through” entities for U.S. federal income tax purposes should consult their own tax advisors regarding the U.S. federal income tax consequences arising from and relating to the acquisition, ownership and disposition of Common Shares.

Passive Foreign Investment Company Rules

If the Company were to constitute a “passive foreign investment company” under the meaning of Section 1297 of the Code (a “**PFIC**”, as defined below) for any year during a U.S. Holder’s holding period, then certain potentially adverse rules will affect the U.S. federal income tax consequences to a U.S. Holder resulting from the acquisition, ownership and disposition of Common Shares. The Company believes that it was classified as a PFIC during the tax year ended December 31, 2020, and due to the nature of the Company’s assets and the income that the Company expects to generate, the Company expects to be a PFIC for its current tax year and may be a PFIC in subsequent tax years. No opinion of legal counsel or ruling from the IRS concerning the status of the Company as a PFIC has been obtained or is currently planned to be requested. The determination of whether any corporation was, or will be, a PFIC for a tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether any corporation will be a PFIC for any tax year depends on the assets and income of such corporation over the course of each such tax year and, as a result, cannot be predicted with certainty as of the date of this document. Accordingly, there can be no assurance that the IRS will not challenge any determination made by the Company (or any subsidiary of the Company) concerning its PFIC status. Each U.S. Holder should consult its own tax advisor regarding the PFIC status of the Company and any subsidiary of the Company.

In addition, in any year in which the Company is classified as a PFIC, such holder will be required to file an annual report with the IRS containing such information as Treasury Regulations and/or other IRS guidance may require. A failure to satisfy such reporting requirements may result in an extension of the time period during which the IRS can assess a tax. U.S. Holders should consult their own tax advisors regarding the requirements of filing such information returns under these rules, including the requirement to file a IRS Form 8621 annually.

The Company generally will be a PFIC if, for a tax year, (a) 75% or more of the gross income of the Company is passive income (the “**income test**”) or (b) 50% or more of the value of the Company’s assets either produce passive income or are held for the production of passive income, based on the quarterly

average of the fair market value of such assets (the "**asset test**"). "Gross income" generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources, and "passive income" generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions.

Active business gains arising from the sale of commodities generally are excluded from passive income if substantially all of a foreign corporation's commodities are stock in trade or inventory, depreciable property used in a trade or business, or supplies regularly used or consumed in a trade or business and certain other requirements are satisfied.

For purposes of the PFIC income test and asset test described above, if the Company owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, the Company will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation. In addition, for purposes of the PFIC income test and asset test described above, and assuming certain other requirements are met, "passive income" does not include certain interest, dividends, rents, or royalties that are received or accrued by the Company from certain "related persons" (as defined in Section 954(d)(3) of the Code), to the extent such items are properly allocable to the income of such related person that is not passive income.

Under certain attribution rules, if the Company is a PFIC, U.S. Holders will generally be deemed to own their proportionate share of the Company's direct or indirect equity interest in any company that is also a PFIC (a "**Subsidiary PFIC**"), and will be subject to U.S. federal income tax on their proportionate share of (a) any "excess distributions," as described below, on the stock of a Subsidiary PFIC and (b) a disposition or deemed disposition of the stock of a Subsidiary PFIC by the Company or another Subsidiary PFIC, both as if such U.S. Holders directly held the shares of such Subsidiary PFIC. In addition, U.S. Holders may be subject to U.S. federal income tax on any indirect gain realized on the stock of a Subsidiary PFIC on the sale or disposition of Common Shares. Accordingly, U.S. Holders should be aware that they could be subject to tax even if no distributions are received and no redemptions or other dispositions of Common Shares are made.

Default PFIC Rules Under Section 1291 of the Code

If the Company is a PFIC for any tax year during which a U.S. Holder owns Common Shares, the U.S. federal income tax consequences to such U.S. Holder of the acquisition, ownership and disposition of Common Shares will depend on whether and when such U.S. Holder makes an election to treat the Company and each Subsidiary PFIC, if any, as a "qualified electing fund" or "QEF" under Section 1295 of the Code (a "**QEF Election**") or makes a mark-to-market election under Section 1296 of the Code (a "**Mark-to-Market Election**"). A U.S. Holder that does not make either a QEF Election or a Mark-to-Market Election will be referred to in this summary as a "**Non-Electing U.S. Holder**".

A Non-Electing U.S. Holder will be subject to the rules of Section 1291 of the Code (described below) with respect to (a) any gain recognized on the sale or other taxable disposition of Common Shares and (b) any excess distribution received on the Common Shares. A distribution generally will be an "excess distribution" to the extent that such distribution (together with all other distributions received in the current tax year) exceeds 125% of the average distributions received during the three preceding tax years (or during a U.S. Holder's holding period for the Common Shares, if shorter).

Under Section 1291 of the Code, any gain recognized on the sale or other taxable disposition of Common Shares (including an indirect disposition of the stock of any Subsidiary PFIC), and any "excess

distribution” received on Common Shares or with respect to the stock of a Subsidiary PFIC, must be ratably allocated to each day in a Non-Electing U.S. Holder’s holding period for the respective Common Shares. The amount of any such gain or excess distribution allocated to the tax year of disposition or distribution of the excess distribution and to years before the entity became a PFIC, if any, would be taxed as ordinary income. The amounts allocated to any other tax year would be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in each such year, and an interest charge would be imposed on the tax liability for each such year, calculated as if such tax liability had been due in each such year. A Non-Electing U.S. Holder that is not a corporation must treat any such interest paid as “personal interest,” which is not deductible.

If the Company is a PFIC for any tax year during which a Non-Electing U.S. Holder holds Common Shares, the Company will continue to be treated as a PFIC with respect to such Non-Electing U.S. Holder, regardless of whether the Company ceases to be a PFIC in one or more subsequent tax years. A Non-Electing U.S. Holder may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the rules of Section 1291 of the Code discussed above), but not loss, as if such Common Shares were sold on the last day of the last tax year for which the Company was a PFIC.

QEF Election

A U.S. Holder that makes a timely and effective QEF Election for the first tax year in which its holding period of its Common Shares begins generally will not be subject to the rules of Section 1291 of the Code discussed above with respect to its Common Shares. A U.S. Holder that makes a timely and effective QEF Election will be subject to U.S. federal income tax on such U.S. Holder’s pro rata share of (a) the net capital gain of the Company, which will be taxed as long-term capital gain to such U.S. Holder, and (b) the ordinary earnings of the Company, which will be taxed as ordinary income to such U.S. Holder. Generally, “net capital gain” is the excess of (a) net long-term capital gain over (b) net short-term capital loss, and “ordinary earnings” are the excess of (a) “earnings and profits” over (b) net capital gain. A U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such amounts for each tax year in which the Company is a PFIC, regardless of whether such amounts are actually distributed to such U.S. Holder by the Company. However, for any tax year in which the Company is a PFIC and has no net income or gain, U.S. Holders that have made a QEF Election would not have any income inclusions as a result of the QEF Election. If a U.S. Holder that made a QEF Election has an income inclusion, such a U.S. Holder may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge. If such U.S. Holder is not a corporation, any such interest paid will be treated as “personal interest,” which is not deductible.

A U.S. Holder that makes a timely and effective QEF Election with respect to the Company generally (a) may receive a tax-free distribution from the Company to the extent that such distribution represents “earnings and profits” of the Company that were previously included in income by the U.S. Holder because of such QEF Election and (b) will adjust such U.S. Holder’s tax basis in the Common Shares to reflect the amount included in income or allowed as a tax-free distribution because of such QEF Election. In addition, a U.S. Holder that makes a QEF Election generally will recognize capital gain or loss on the sale or other taxable disposition of Common Shares.

The procedure for making a QEF Election, and the U.S. federal income tax consequences of making a QEF Election, will depend on whether such QEF Election is timely. A QEF Election will be treated as “timely” if such QEF Election is made for the first year in the U.S. Holder’s holding period for the Common Shares in which the Company was a PFIC. A U.S. Holder may make a timely QEF Election by filing the appropriate QEF Election documents at the time such U.S. Holder files a U.S. federal income tax return for such year. If a U.S. Holder does not make a timely and effective QEF Election for the first year in the U.S. Holder’s holding period for the Common Shares, the U.S. Holder may still be able to

make a timely and effective QEF Election in a subsequent year if such U.S. Holder meets certain requirements and makes a “purging” election to recognize gain (which will be taxed under the rules of Section 1291 of the Code discussed above) as if such Common Shares were sold for their fair market value on the day the QEF Election is effective. If a U.S. Holder owns PFIC stock indirectly through another PFIC, separate QEF Elections must be made for the PFIC in which the U.S. Holder is a direct shareholder and the Subsidiary PFIC for the QEF rules to apply to both PFICs.

A QEF Election will apply to the tax year for which such QEF Election is timely made and to all subsequent tax years, unless such QEF Election is invalidated or terminated or the IRS consents to revocation of such QEF Election. If a U.S. Holder makes a QEF Election and, in a subsequent tax year, the Company ceases to be a PFIC, the QEF Election will remain in effect (although it will not be applicable) during those tax years in which the Company is not a PFIC. Accordingly, if the Company becomes a PFIC in another subsequent tax year, the QEF Election will be effective and the U.S. Holder will be subject to the QEF rules described above during any subsequent tax year in which the Company qualifies as a PFIC.

U.S. Holders should be aware that there can be no assurances that the Company will satisfy the record keeping requirements that apply to a QEF, or that the Company will supply U.S. Holders with information that such U.S. Holders are required to report under the QEF rules, in the event that the Company is a PFIC. Thus, U.S. Holders may not be able to make a QEF Election with respect to their Common Shares. Each U.S. Holder should consult its own tax advisor regarding the availability of, and procedure for making, a QEF Election.

A U.S. Holder makes a QEF Election by attaching a completed IRS Form 8621, including a PFIC Annual Information Statement, to a timely filed United States federal income tax return. However, if the Company cannot provide the required information with regard to the Company or any of its Subsidiary PFICs, U.S. Holders will not be able to make a QEF Election for such entity and will continue to be subject to the rules discussed above that apply to Non-Electing U.S. Holders with respect to the taxation of gains and excess distributions.

Mark-to-Market Election

A U.S. Holder may make a Mark-to-Market Election only if the Common Shares are marketable stock. The Common Shares generally will be “marketable stock” if the Common Shares are regularly traded on (a) a national securities exchange that is registered with the U.S. Securities and Exchange Commission, (b) the national market system established pursuant to section 11A of the *Securities and Exchange Act of 1934*, or (c) a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located, provided that (i) such foreign exchange has trading volume, listing, financial disclosure, and surveillance requirements, and meets other requirements and the laws of the country in which such foreign exchange is located, together with the rules of such foreign exchange, ensure that such requirements are actually enforced and (ii) the rules of such foreign exchange effectively promote active trading of listed stocks. If such stock is traded on such a qualified exchange or other market, such stock generally will be “regularly traded” for any calendar year during which such stock is traded, other than in de minimis quantities, on at least 15 days during each calendar quarter.

A U.S. Holder that makes a Mark-to-Market Election with respect to its Common Shares generally will not be subject to the rules of Section 1291 of the Code discussed above with respect to such Common Shares. However, if a U.S. Holder does not make a Mark-to-Market Election beginning in the first tax year of such U.S. Holder’s holding period for the Common Shares or such U.S. Holder has not made a timely QEF Election, the rules of Section 1291 of the Code discussed above will apply to certain dispositions of, and distributions on, the Common Shares.

A U.S. Holder that makes a Mark-to-Market Election will include in ordinary income, for each tax year in which the Company is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the Common Shares, as of the close of such tax year over (b) such U.S. Holder's tax basis in such Common Shares. A U.S. Holder that makes a Mark-to-Market Election will be allowed a deduction in an amount equal to the excess, if any, of (a) such U.S. Holder's adjusted tax basis in the Common Shares, over (b) the fair market value of such Common Shares (but only to the extent of the net amount of previously included income as a result of the Mark-to-Market Election for prior tax years).

A U.S. Holder that makes a Mark-to-Market Election generally also will adjust such U.S. Holder's tax basis in the Common Shares to reflect the amount included in gross income or allowed as a deduction because of such Mark-to-Market Election. In addition, upon a sale or other taxable disposition of Common Shares, a U.S. Holder that makes a Mark-to-Market Election will recognize ordinary income or ordinary loss (not to exceed the excess, if any, of (a) the amount included in ordinary income because of such Mark-to-Market Election for prior tax years over (b) the amount allowed as a deduction because of such Mark-to-Market Election for prior tax years). Losses that exceed this limitation are subject to the rules generally applicable to losses provided in the Code and Treasury Regulations.

A Mark-to-Market Election applies to the tax year in which such Mark-to-Market Election is made and to each subsequent tax year, unless the Common Shares cease to be "marketable stock" or the IRS consents to revocation of such election. Each U.S. Holder should consult its own tax advisor regarding the availability of, and procedure for making, a Mark-to-Market Election.

Although a U.S. Holder may be eligible to make a Mark-to-Market Election with respect to the Common Shares, no such election may be made with respect to the stock of any Subsidiary PFIC that a U.S. Holder is treated as owning, because such stock is not marketable. Hence, the Mark-to-Market Election will not be effective to eliminate the application of the default rules of Section 1291 of the Code described above with respect to deemed dispositions of Subsidiary PFIC stock or excess distributions from a Subsidiary PFIC.

Other PFIC Rules

Under Section 1291(f) of the Code, the IRS has issued proposed Treasury Regulations that, subject to certain exceptions, would cause a U.S. Holder that had not made a timely QEF Election to recognize gain (but not loss) upon certain transfers of Common Shares that would otherwise be tax-deferred (e.g., gifts and exchanges pursuant to corporate reorganizations). However, the specific U.S. federal income tax consequences to a U.S. Holder may vary based on the manner in which Common Shares are transferred.

Certain additional adverse rules may apply with respect to a U.S. Holder if the Company is a PFIC, regardless of whether such U.S. Holder makes a QEF Election. For example, under Section 1298(b)(6) of the Code, a U.S. Holder that uses Common Shares as security for a loan will, except as may be provided in Treasury Regulations, be treated as having made a taxable disposition of such Common Shares.

Special rules also apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution from a PFIC. Subject to such special rules, foreign taxes paid with respect to any distribution in respect of stock in a PFIC are generally eligible for the foreign tax credit. The rules relating to distributions by a PFIC and their eligibility for the foreign tax credit are complicated, and a U.S. Holder should consult with its own tax advisor regarding the availability of the foreign tax credit with respect to distributions by a PFIC.

The PFIC rules are complex, and each U.S. Holder should consult its own tax advisors regarding the PFIC rules and how the PFIC rules may affect the U.S. federal income tax consequences of the acquisition, ownership and disposition of Common Shares.

Ownership and Disposition of Common Shares to the Extent that the PFIC Rules do not Apply

The following discussion is subject in its entirety to the rules described above under the heading “Passive Foreign Investment Company Rules.”

Distributions on Common Shares

A U.S. Holder that receives a distribution, including a constructive distribution, with respect to a Common Share will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of the current or accumulated “earnings and profits” of the Company, as computed for U.S. federal income tax purposes. A dividend generally will be taxed to a U.S. Holder at ordinary income tax rates if the Company is a PFIC. To the extent that a distribution exceeds the current and accumulated “earnings and profits” of the Company, such distribution will be treated first as a tax-free return of capital to the extent of a U.S. Holder's tax basis in the Common Shares and thereafter as gain from the sale or exchange of such Common Shares. (See “Sale or Other Taxable Disposition of Common Shares” below). However, the Company may not maintain the calculations of earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder should therefore assume that any distribution by the Company with respect to the Common Shares will constitute ordinary dividend income. Dividends received on Common Shares generally will not be eligible for the “dividends received deduction”. Subject to applicable limitations and provided the Company is eligible for the benefits of the Canada-U.S. Tax Convention or the Common Shares are readily tradable on a United States securities market, dividends paid by the Company to non-corporate U.S. Holders, including individuals, generally will be eligible for the preferential tax rates applicable to long-term capital gains for dividends, provided certain holding period and other conditions are satisfied, including that the Company not be classified as a PFIC in the tax year of distribution or in the preceding tax year. The dividend rules are complex, and each U.S. Holder should consult its own tax advisor regarding the application of such rules.

Sale or Other Taxable Disposition of Common Shares

Upon the sale or other taxable disposition of Common Shares, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between the U.S. dollar value of cash received plus the fair market value of any property received and such U.S. Holder's tax basis in such Common Shares sold or otherwise disposed of. A U.S. Holder's tax basis in Common Shares generally will be such holder's U.S. dollar cost for such Common Shares. Gain or loss recognized on such sale or other disposition generally will be long-term capital gain or loss if, at the time of the sale or other disposition, the Common Shares have been held for more than one year.

Preferential tax rates currently apply to long-term capital gain of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gain of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Code.

Additional Considerations

Receipt of Foreign Currency

The amount of any distribution paid to a U.S. Holder in foreign currency, or on the sale, exchange or other taxable disposition of Common Shares, generally will be equal to the U.S. dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into U.S. dollars at that time). A U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who converts or otherwise disposes of the foreign currency after the date of receipt may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Different rules apply to U.S. Holders who use the accrual method of tax accounting. Each U.S. Holder should consult its own U.S. tax advisor regarding the U.S. federal income tax consequences of receiving, owning, and disposing of foreign currency.

Foreign Tax Credit

Subject to the PFIC rules discussed above, a U.S. Holder that pays (whether directly or through withholding) Canadian income tax with respect to dividends paid on the Common Shares generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year. The foreign tax credit rules are complex and involve the application of rules that depend on a U.S. Holder's particular circumstances. Each U.S. Holder should consult its own U.S. tax advisor regarding the foreign tax credit rules.

Backup Withholding and Information Reporting

Under U.S. federal income tax law and Treasury Regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, U.S. return disclosure obligations (and related penalties) are imposed on individuals who are U.S. Holders that hold certain specified foreign financial assets in excess of certain threshold amounts. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non-U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a foreign entity. U.S. Holders may be subject to these reporting requirements unless their Common Shares are held in an account at certain financial institutions. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult with their own tax advisors regarding the requirements of filing information returns, including the requirement to file an IRS Form 8938.

Payments made within the U.S. or by a U.S. payor or U.S. middleman, of dividends on, and proceeds arising from the sale or other taxable disposition of, Common Shares will generally be subject to information reporting and backup withholding tax, at the rate of 24%, if a U.S. Holder (a) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on IRS Form W-9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax, or (d) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, certain exempt persons generally are excluded from these information

reporting and backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner. Each U.S. Holder should consult its own tax advisor regarding the information reporting and backup withholding rules.

F. Dividends and Paying Agents

This Form 20-F is being filed as an annual report under the U.S. Exchange Act and, as such, there is no requirement to provide any information under this item.

G. Statement By Experts

This Form 20-F is being filed as an annual report under the U.S. Exchange Act and, as such, there is no requirement to provide any information under this item.

H. Documents on Display

The documents referred to and/or incorporated by reference in this Form 20-F can be viewed at the office of the Company at 1 First Canadian Place, 100 King Street West, Suite 7070, Toronto, Ontario, M5X 1E3, Canada. The Company is required to file financial statements and other information with the securities regulatory authorities in each of the Canadian provinces (other than Quebec), electronically through the Canadian System for Electronic Document Analysis and Retrieval (SEDAR), which can be viewed at www.sedar.com. The Company is subject to the informational requirements of the U.S. Exchange Act and files reports and other information with the SEC. The SEC maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC at <http://www.sec.gov>.

I. Subsidiary Information

Not applicable.

Item 11. Quantitative and Qualitative Disclosures About Market Risk.

See Note 17 to the Company's audited consolidated financial statements filed as part of this Form 20-F under Item 18.

Item 12. Descriptions of Securities Other than Equity Securities

Not applicable.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies.

Not applicable.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds.

14.A.-D. Modifications to the Rights of Security Holders

The Company was formed under the OBCA on August 24, 1993 by articles of amalgamation. The name of the Company upon amalgamation was Taylor Rand Incorporated. On June 25, 1996, pursuant to the filing of articles of amendment, the Company changed its name from Taylor Rand Incorporated to Sheridan Reserve Incorporated and consolidated its outstanding common shares. Articles of amendment were filed by the Company on January 28, 1997 to consolidate its outstanding series of preference shares. The Company changed its name from Sheridan Reserve Incorporated to Nevadabobs.com Inc. on August 4, 2000 pursuant to the filing of articles of amendment. The Company changed its name from Nevadabobs.com Inc. to Nevada Bob's International Inc. on August 24, 2001 pursuant to articles of amendment. Articles of amendment were filed by the Company on May 6, 2002 to consolidate its outstanding common shares. Articles of amendment were filed by the Company on April 30, 2003 to create a series of preference shares. On November 28, 2008, immediately following the acquisition by the Company of Old Loncor, the Company filed articles of amalgamation which amalgamated the Company with Old Loncor and changed the Company's name from Nevada Bob's International Inc. to Loncor Resources Inc. Pursuant to articles of amendment dated September 19, 2019, the Company consolidated its outstanding common shares on a two to one basis. All amounts in this Form 20-F have been adjusted to reflect this share consolidation.

14.E. Use of Proceeds

Not applicable.

Item 15. Controls and Procedures.

(a) Disclosure Controls and Procedures

Under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, the Company evaluated the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rule 13a-15(e) or 15d-15(e) under the U.S. Exchange Act) for the year ended December 31, 2020. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were adequately designed and are effective to ensure that information required to be disclosed by the Company in the reports it files or submits under the U.S. Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms.

In addition, the Company's Chief Executive Officer and Chief Financial Officer have determined that the disclosure controls and procedures are effective to ensure that information required to be disclosed in the reports that are filed under the U.S. Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

(b) Management's Annual Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the U.S. Exchange Act. The Company's management has employed a framework consistent with U.S. Exchange Act Rule 13a-15(c), to evaluate the Company's internal control over financial reporting described below. The Company's

internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation and fair presentation of financial statements for external purposes in accordance with IFRS issued by the International Accounting Standards Board.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an evaluation of the design and operation of the Company's internal control over financial reporting as of December 31, 2020 based on the criteria set forth in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on this evaluation, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2020 and no material weaknesses were discovered.

(c) Attestation Report of the Registered Public Accounting Firm

This annual report on Form 20-F does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Under the *Jumpstart Our Business & Startups Act* ("JOBS Act"), emerging growth companies are exempt from Section 404(b) of the *Sarbanes-Oxley Act*, which generally requires public companies to provide an independent auditor attestation of management's assessment of the effectiveness of their internal control over financial reporting. The Company qualifies as an emerging growth company under the JOBS Act and therefore has not included an independent auditor attestation of management's assessment of the effectiveness of its internal control over financial reporting.

(d) Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the year ended December 31, 2020, that management believes have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

The Company's management, including the Chief Executive Officer and Chief Financial Officer, does not expect that its disclosure controls and procedures or internal controls and procedures will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Item 16.A. Audit Committee Financial Expert

The Company's Board has determined that William R. Wilson satisfies the requirements as an audit committee financial expert, in that he has an understanding of IFRS and financial statements; is able to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves; has experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that can reasonably be expected to be raised by the Company's financial statements (or experience actively supervising one or more persons engaged in such activities); has an understanding of internal controls over financial reporting; and has an understanding of audit committee functions. Mr. Wilson is independent as defined in Section 803A of the NYSE American LLC Company Guide.

Item 16.B. Code of Ethics.

The Company has adopted a code of business conduct and ethics for directors, officers and employees (including the Company's principal executive officer, principal financial officer and principal accounting officer) (the "**Code**"). A copy of the Code is incorporated by reference into this Form 20-F as Exhibit 1.4. A copy of the Code may also be obtained free of charge from the Chief Financial Officer of the Company at dmadilo@loncor.com and is also available on SEDAR at www.sedar.com, EDGAR at www.sec.gov and the Company's website at www.loncor.com. Each director, officer and employee of the Company is provided with a copy of the Code and is required to confirm annually that he or she has complied with the Code. Any observed breaches of the Code must be reported to the Company's Chief Executive Officer.

No amendment was made to the Code during the Company's most recently completed financial year and no waiver from a provision of the Code was granted by the Company during the Company's most recently completed financial year.

In accordance with the OBCA (the Company's governing corporate legislation), directors of the Company who are a party to, or are a director or an officer of or have a material interest in a party to, a material contract or material transaction or a proposed material contract or proposed material transaction, are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. In addition, in certain cases, an independent committee of the Company's Board may be formed to deliberate on such matters in the absence of the interested party.

The Company has also adopted a "whistleblower" policy which provides employees, consultants, officers and directors with the ability to report, on a confidential and anonymous basis, violations within the Company's organization including, (but not limited to), questionable accounting practices, disclosure of fraudulent or misleading financial information, instances of corporate fraud, or harassment. The Company believes that providing a forum for such individuals to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical business conduct. The Company has also adopted an insider trading policy to encourage and promote a culture of ethical business conduct.

Item 16.C. Principal Accountant Fees and Services

The following summarizes the total fees billed by the external auditors of the Company (Kreston GTA LLP) for each of the years ended December 31, 2020 and December 31, 2019. All dollar amounts are inclusive of applicable taxes.

	<u>2020</u>	<u>2019</u>
Audit Fees	Cdn\$45,000	Cdn\$50,850
Audit-Related Fees	Nil	Cdn\$11,618
Tax Fees	\$5,000	Cdn\$5,650
All Other Fees	Nil	Nil

In accordance with existing Audit Committee policy and the requirements of the *Sarbanes-Oxley Act*, all services to be provided by the external auditors of the Company are subject to pre-approval by the Audit Committee. This includes audit services, audit-related services, tax services and other services. In some cases, pre-approval is provided by the full Audit Committee for up to a year, and relates to a particular category or group of services and is subject to a specific budget. All of the fees listed above have been approved by the Audit Committee.

Item 16.D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16.E. Purchase of Equity Securities by the Issuer and Affiliated Purchasers

The Company did not purchase any of its common shares during the financial year ended December 31, 2020.

Item 16.F. Change in Registrant's Certifying Accountant

On November 29, 2019, McGovern Hurley LLP (“**McGovern**”) resigned as auditor of the Company. The reason provided by McGovern for the resignation was McGovern had recently decided as a firm that it will no longer perform audit services for public entities registered with the SEC. Kreston GTA LLP was engaged as the Company’s new independent auditor effective January 16, 2020. The disclosure required pursuant to this Item 16.F was included in the Company’s Current Report on Form 6-K filed with the SEC on January 28, 2020 including Exhibits 99.1, 99.2 and 99.3, which are hereby incorporated by reference into this Annual Report on Form 20-F.

Item 16.G. Corporate Governance

Not applicable.

Item 16.H. Mine Safety

Not applicable.

PART III

Item 17. Financial Statements

Not applicable.

Item 18. Financial Statements

The financial statements appear on pages F-1 through F-40.

Item 19. Exhibits

The following exhibits are filed as part of this Form 20-F:

<u>EXHIBIT NUMBER</u>	<u>DESCRIPTION</u>
	Constating Documents
1.1	Company's articles of amalgamation ⁽¹⁾
1.2	Company's general by-law ⁽¹⁾
1.3	Audit Committee's charter ⁽¹⁾
1.4	Company's Business Conduct Policy ⁽¹⁾
1.5	Company's articles of amendment ^(1A)
	Registered Securities
2.1	Description of the registered securities
	Material Contracts
4.1	Company's stock option plan
	Subsidiaries
8.1	List of subsidiaries of the Company
	Certifications
12.1	Certification of the Chief Executive Officer of the Company pursuant to Section 302 of Sarbanes-Oxley Act of 2002
12.2	Certification of the Chief Financial Officer of the Company pursuant to Section 302 of Sarbanes-Oxley Act of 2002
13.1	Certification of the Chief Executive Officer of the Company pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2	Certification of the Chief Financial Officer of the Company pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
	Other Exhibits
15.1	Management's discussion and analysis of the Company for the year ended December 31, 2020
15.2	Notice of Change in Auditor dated January 17, 2020 ⁽²⁾
15.3	Letter from Successor Auditor ⁽²⁾
15.4	Letter from Former Auditor ⁽²⁾

XBRL

101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File

Notes:

- (1) Previously filed as an exhibit to the Company's annual report on Form 20-F filed with the SEC on March 30, 2012. SEC file number 001-35124.
- (1A) Previously filed as exhibit 99.1 to the Company's current report on Form 6-K filed with the SEC on April 3, 2020.
- (2) Previously filed as exhibits 99.1, 99.2 and 99.3, respectively, to the Company's current report on Form 6-K filed with the SEC on January 28, 2020.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Date: March 31, 2021

LONCOR RESOURCES INC.
(Registrant)

By: (signed) "Arnold T. Kondrat"
Arnold T. Kondrat
Chief Executive Officer

EXHIBIT 2.1

Description of the Registered Securities

The rights of shareholders of Loncor Resources Inc. (the “**Company**”) are governed by the Ontario *Business Corporations Act* (“**OBCA**”) and the Company’s articles and by-laws. The Company’s authorized share capital consists of an unlimited number of common shares, without par value, and an unlimited number of preference shares, issuable in series, without par value.

Item 9.A.3

The Company’s common shares do not contain any pre-emptive purchase rights.

Item 9.A.5

The Company’s class of common shares are registered with the U.S. Securities and Exchange Commission. The Company may issue an unlimited number of common shares, without par value. Other than under applicable securities laws, there are no restrictions on the transferability of common shares.

Item 9.A.6

See 10.B. 3 below.

Item 9.A.7

As of the end of the period covered by the Annual Report on Form 20-F with which this exhibit is filed, the Company’s common shares are the only class of Company securities that are registered under Section 12 of the U.S. Securities Exchange Act of 1934, as amended.

Item 10.B.3

The following is a summary of the material provisions attaching to the Company’s common shares and preference shares (there are currently no preference shares outstanding).

Common Shares - The holders of the common shares are entitled to receive notice of and to attend all meetings of the shareholders of the Company and shall have one vote for each common share held at all meetings of the shareholders of the Company, except for meetings at which only holders of another specified class or series of shares are entitled to vote separately as a class or series. Subject to the prior rights of the holders of the preference shares or any other shares ranking senior to the common shares, the holders of the common shares are entitled to (a) receive any dividends as and when declared by the board of directors of the Company (the “**Board**”), out of the assets of the Company properly applicable to the payment of dividends, in such amount and in such form as the Board may from time to time determine, and (b) receive the remaining property of the Company in the event of any liquidation, dissolution or winding-up of the Company.

Preference Shares - The Board may issue the preferences shares at any time and from time to time in one or more series, each series of which shall have the designations, rights, privileges, restrictions and conditions fixed by the directors. The preference shares of each series shall rank on a parity with the preference shares of every other series, and shall be entitled to priority over the common shares and any other shares of the Company ranking junior to the preference shares, with respect to priority in the

payment of dividends and the return of capital and the distribution of assets of the Company in the event of the liquidation, dissolution or winding-up of the Company.

Item 10.B.4

The Company is a corporation governed by the Ontario *Business Corporations Act* (the "**OBCA**"). Under the OBCA, the articles of the Company may, by "special resolution" (see below for definition), be amended to add, change or remove any rights, privileges, restrictions and conditions, including rights to accrued dividends, in respect of all or any of its shares, whether issued or unissued. Under the OBCA, "special resolution" means a resolution passed by a majority of not less than two-thirds of the votes cast by the shareholders who voted in respect of that resolution or signed by all the shareholders entitled to vote on that resolution.

Item 10.B.6

There are no limitations under the laws of Canada or in the organizational documents of the Company on the right of foreigners to hold or vote securities of the Company, except that the *Investment Canada Act* (the "**ICA**") may require review and approval by the Minister of Innovation, Science and Economic Development ("**ISED**") of certain acquisitions of "control" of the Company by a "non-Canadian". The threshold for acquisitions is generally defined as being one-third or more of the voting shares of the Company. "Non-Canadian" generally means an individual who is not a Canadian citizen, or a corporation, partnership, trust or joint venture that is ultimately controlled by non-Canadians.

Under the ICA, transactions exceeding certain financial thresholds, and which involve the acquisition of control of a Canadian business by a non-Canadian, are subject to review and cannot be implemented unless the ISED Minister and/or, in the case of a Canadian business engaged in cultural activities, the Minister of Canadian Heritage, are satisfied that the transaction is likely to be of "net benefit to Canada". If a transaction is subject to review (a "**Reviewable Transaction**"), an application for review must be filed with the Investment Review Division of ISED Canada and/or the Department of Canadian Heritage prior to the implementation of the Reviewable Transaction. The responsible Minister is then required to determine whether the Reviewable Transaction is likely to be of net benefit to Canada, taking into account, among other things, certain factors specified in the ICA and any written undertakings that may have been given by the applicant. The ICA contemplates an initial review period of up to 45 days after filing; however, if the responsible Minister has not completed the review by that date, s/he may unilaterally extend the review period by up to 30 days (or such longer period as may be agreed to by the applicant and the Minister) to permit completion of the review. If the responsible Minister is not satisfied that the investment is likely to be of net benefit to Canada, s/he may prohibit the investment or order a divestiture (if the investment has already been completed).

If the transaction is not reviewable because it does not meet or exceed the applicable financial threshold, the non-Canadian investor must still give notice to ISED Canada and, in the case of a Canadian business engaged in cultural activities, Canadian Heritage, of its acquisition of control of a Canadian business within 30 days of the implementation of the investment.

Furthermore, under the ICA, every investment in, or acquisition of control of, a Canadian business by a non-Canadian is subject to a "national security" review which examines whether the transaction could be injurious to Canada's national security. There is no minimum threshold for the size of transaction potentially subject to such review. If the ISED Minister, after consultation with the Minister of Public Safety and Emergency Preparedness and the investor, considers that the investment could be injurious to national security, the Minister refers the matter to the Governor in Council. Following its review, if the Governor in Council may take any measures in respect of the investment that it considers advisable to

protect national security, including denying the investment, asking for undertakings, imposing terms or conditions for the investment or ordering a divestiture (if the investment has already been completed).

Item 10.B 7

There are no provisions in the Company's articles or by-laws that would have the effect of delaying, deferring or preventing a change in control of the Company and that operate only with respect to a merger, acquisition or corporate restructuring involving the Company (or any of its subsidiaries).

Item 10.B 8

There are no provisions in the Company's by-laws requiring disclosure of share ownership.

In general, under applicable securities regulation in Canada, a person or company who beneficially owns, directly or indirectly, voting securities of an issuer or who exercises control or direction over voting securities of an issuer or a combination of both, carrying more than 10% of the voting rights attached to all the issuer's outstanding voting securities is an insider and must, within 10 days of becoming an insider, file a report in the required form effective the date on which the person became an insider. The report must disclose any direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer. Additionally, securities regulation in Canada provides for the filing of a report by an insider of a reporting issuer whose holdings change, which report must be filed within five days from the day on which the change takes place.

Item 10.B 9

See Items 10.B 3 10.B 6 and 10.B.8 above.

Item 10.B.10

There are no conditions imposed by the Company's articles governing changes in the Company's capital, where such provisions are more stringent than those required by law.

Items 12.A; 12.B.; 12.C.; 12.D.1; 12.D.2

N/A

EXHIBIT 4.1

LONCOR RESOURCES INC.

Stock Option Plan

The board of directors of Loncor Resources Inc. (the "Corporation") wishes to establish a stock option plan (the "Plan") governing the issuance of stock options (the "Stock Options") to directors, officers and employees of the Corporation or subsidiaries of the Corporation and persons or corporations who provide services to the Corporation or its subsidiaries on an on-going basis, or have provided or are expected to provide a service or services of considerable value to the Corporation or its subsidiaries. Capitalized terms, not otherwise defined herein, have the meanings ascribed thereto in the TSX Venture Exchange Corporate Finance Manual.

The terms and conditions of the Plan for issuance of Stock Options are as follows:

1. **Purposes**

The principal purposes of the Plan are:

- (a) to retain and attract qualified directors, officers, employees and service providers which the Corporation and its subsidiaries require;
- (b) to promote a proprietary interest in the Corporation and its subsidiaries;
- (c) to provide an incentive element in compensation; and
- (d) to promote the profitability of the Corporation and its subsidiaries.

2. **Reservation of Shares**

The total number of common shares in the capital of the Corporation ("Common Shares") issuable upon the exercise of all outstanding Stock Options granted under this Plan shall not at any time exceed 10% of the total number of outstanding Common Shares, from time to time. This Plan is considered an "evergreen" plan, since the Common Shares covered by Stock Options which have been exercised or terminated shall be available for subsequent grants under this Plan and the number of Stock Options available to grant increases as the number of outstanding Common Shares increases.

3. **Eligibility**

Stock Options shall be granted only to persons, firms or corporations ("Eligible Optionees") who are Directors, Employees, Consultants or Management Company Employees of the Corporation or a subsidiary of the Corporation. Where the Eligible Optionee is an Employee, Consultant or Management Company Employee, the board of directors of the Corporation (the "Board") shall confirm that the Eligible Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be, of the Corporation or a subsidiary of the Corporation prior to any grant of Stock Options.

Stock Options may also be granted to a corporation which is wholly-owned by an Eligible Optionee if the corporation agrees not to effect or permit any transfer of ownership or option of shares of the corporation, nor to issue further shares of any class in the corporation to any other individual or entity as long as any Stock Options granted to the corporation remain outstanding, without the prior written

consent of the TSX Venture Exchange. Unless the context otherwise requires, the term Eligible Optionee as used herein, shall include any such corporation.

4. **Granting of Stock Options**

The Board may from time to time grant Stock Options to Eligible Optionees. At the time a Stock Option is granted, the Board shall determine the number of Common Shares of the Corporation available for purchase under the Stock Option, the date when the Stock Option is to become effective and, subject to the other provisions of this Plan, all other terms and conditions of the Stock Option.

5. **Exercise Price**

The exercise price (the "Exercise Price") of each Stock Option shall be determined in the discretion of the Board at the time of the granting of the Stock Option, provided that the exercise price shall not be lower than the "Market Price". "Market Price" shall mean the last closing price of the Common Shares on the TSX Venture Exchange prior to the date the Stock Option is granted; provided that in the event the Common Shares are not listed on the TSX Venture Exchange but are listed on another stock exchange or stock exchanges, the foregoing reference to the TSX Venture Exchange shall be deemed to be a reference to such other stock exchange, or if more than one, to such one as shall be designated by the Board, and to the extent that the Common Shares are not listed on any exchange, the Market Price shall be such price as is determined by the Board in good faith.

6. **Term and Exercise Periods**

- (a) All Stock Options shall be for a term determined in the discretion of the Board at the time of the granting of the Stock Options, provided that no Stock Option shall have a term exceeding five years and, unless the Board at any time makes a specific determination otherwise, a Stock Option and all rights to purchase Common Shares pursuant thereto shall expire and terminate immediately upon the Eligible Optionee who holds such Stock Option ceasing to be at least one of a Director, Employee, Management Company Employee or Consultant of the Corporation or a subsidiary of the Corporation.
- (b) Unless otherwise determined by the Board at the time of the granting of the Stock Options pursuant to clause 6(c)(iii) below, 1/4 of the Stock Options granted pursuant hereto will vest on each of the 6 month, 12 month, 18 month and 24 month anniversaries of the date of the grant of the Stock Options (the "Grant Date"). For greater clarity, unless otherwise determined pursuant to the terms hereof, all Stock Options granted to an Eligible Optionee will be available to exercise and purchase Common Shares on the 24 month anniversary of the Grant Date.
- (c) By way of example, without limiting the generality of the foregoing or the discretion of the Board, the Board may, at the time of the granting of the Stock Option, determine:
 - (i) that a Stock Option is exercisable only while the Eligible Optionee remains at least one of a Director, Employee, Management Company Employee or Consultant and for a limited period of time ("Additional Period") after the Eligible Optionee ceases to be at least one of a Director, Employee, Management Company Employee or Consultant (which Additional Period may not exceed 90 days or, in the case of an Eligible Optionee engaged in Investor Relations Activities, 30 days);

- (ii) that a Stock Option can be exercisable for an Additional Period or for its remaining term (which Additional Period or remaining term may not exceed one year) after the death, disability or incapacity of an Eligible Optionee;
- (iii) that a Stock Option has a different vesting schedule than that specified in subsection 6(b) above; or
- (iv) that a Stock Option may provide for early exercise and/or termination or other adjustment in the event of a death of a person and in other circumstances, such as if the Corporation shall resolve to sell all or substantially all of its assets, to liquidate or dissolve, or to merge, amalgamate, consolidate or be absorbed with or into any other corporation, if a take-over bid is made for Common Shares of the Corporation, or if any change of control of the Corporation occurs.

7. **Non-Assignability**

Other than a limited right of assignment, subject to the terms upon which the Stock Option is granted, in the event of the death of an Eligible Optionee to allow the exercise of Stock Options by the Eligible Optionee's legal representative, Stock Options shall not be assignable or transferable by the Eligible Optionees.

8. **Payment of Exercise Price**

All shares issued pursuant to the exercise of a Stock Option shall be paid for in full in Canadian funds at the time of exercise of the Stock Option and prior to the issue of the shares. All Common Shares issued in accordance with the foregoing shall be issued as fully paid and non-assessable Common Shares.

9. **Non-Exercise**

If any Stock Option granted pursuant to the Plan is not exercised for any reason whatsoever, upon the expiry of the Stock Options pursuant to the terms of its grant or the terms hereof, the shares reserved and authorized for issuance pursuant to such Stock Option shall revert to the Plan and shall be available for other Stock Options. Notwithstanding the foregoing, at no time shall there be outstanding Stock Options exceeding, in the aggregate, the number of Common Shares reserved for issuance pursuant to Stock Options under this Plan.

10. **Adjustment in Certain Circumstances**

In the event:

- (a) of any change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise; or
- (b) of any stock dividend to holders of Common Shares (other than such stock dividends issued at the option of shareholders of the Corporation in lieu of substantially equivalent cash dividends); or
- (c) that any rights are granted to holders of Common Shares to purchase Common Shares at prices substantially below fair market value; or

- (d) that as a result of any recapitalization, merger, consolidation or otherwise the Common Shares are converted into or exchangeable for any other shares;

then in any such case the Board may make such adjustment in the Plan and in the Stock Options granted under the Plan as the Board may in its sole discretion deem appropriate to prevent substantial dilution or enlargement of the rights granted to, or available for, holders of Stock Options, and such adjustments may be included in the Stock Options.

11. **Expenses**

All expenses in connection with the Plan shall be borne by the Corporation.

12. **Compliance with Laws**

The Corporation shall not be obliged to issue any shares upon exercise of Stock Options if the issue would violate any law or regulation or any rule of any governmental authority or stock exchange. The Corporation shall not be required to issue, register or qualify for resale any shares issuable upon exercise of Stock Options pursuant to the provisions of a prospectus or similar document, provided that the Corporation shall notify the TSX Venture Exchange or any other stock exchange on which the shares of the Corporation are listed and any other appropriate regulatory bodies in Canada of the existence of the Plan and the issuance and exercise of Stock Options.

In addition to any resale restrictions that may be applicable under applicable securities laws, all Stock Options and any shares issued on the exercise of Stock Options shall be legended with a four month hold period from the date the Stock Options are granted, as required by the rules of the TSX Venture Exchange.

13. **Disinterested Shareholder Approval**

Disinterested shareholder approval shall be obtained by the Corporation prior to any reduction in the Exercise Price if the Optionee is an Insider of the Corporation at the time of a proposed reduction of the Exercise Price.

14. **Form of Stock Option Agreement**

All Stock Options shall be issued by the Corporation in a form which meets the general requirements and conditions set forth in this Plan and the requirements of the TSX Venture Exchange or such other exchange on which the shares of the Corporation are listed from time to time.

15. **Amendments and Termination**

The Corporation shall retain the right to (a) amend from time to time the terms of the Plan or to terminate the Plan by resolution of the Board, and (b) amend from time to time the terms of outstanding Stock Options by resolution of the Board. Any such amendments or termination shall be subject to the consent of any applicable regulatory body, including any stock exchange on which the Corporation's shares are listed (to the extent such consent is required). Any amendment to the terms of outstanding Stock Options shall be subject to the consent of the Eligible Optionee holding such Stock Options. Any amendment to the terms of the Plan shall take effect only with respect to Stock Options granted thereafter, provided that such amendment may apply to any Stock Options previously granted with the consent of the Eligible Optionees holding such Stock Options.

16. **Delegation of Administration of the Plan**

Subject to the *Business Corporations Act* (Ontario) or any other legislation governing the Corporation, the Board may delegate to one or more directors of the Corporation, on such terms as it considers appropriate, all or any part of the powers, duties and functions relating to the granting of Stock Options and the administration of the Plan.

17. **Applicable Law**

This Plan shall be governed by and construed in accordance with the laws in force in the Province of Ontario.

18. **Stock Exchange**

To the extent applicable, the issuance of any shares of the Corporation pursuant to Stock Options issued pursuant to this Plan is subject to approval of the Plan and the issuance of the Stock Options by the TSX Venture Exchange or other stock exchange upon which the Common Shares are listed, and the Plan shall be subject to the ongoing requirements of such exchange.

19. **Administration**

This Plan shall be administered by the Board. The Board shall have full and final discretion to interpret the provisions of this Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of this Plan. All decisions and interpretations made by the Board shall be binding and conclusive upon the Corporation and on all persons eligible to participate in this Plan, subject to shareholder approval if required by any stock exchange on which the Corporation's shares are listed.

20. **Limitation on Shares Issuable to Insiders**

- (a) The total number of Common Shares issued to "insiders" (as such term is defined in Part 1 of the TSX Company Manual) of the Corporation, within any one year period, under all "security based compensation arrangements" (within the meaning of the rules of the Toronto Stock Exchange) of the Corporation shall not exceed 10% of the total number of outstanding Common Shares.
- (b) The total number of Common Shares issuable to "insiders" (as such term is defined in Part 1 of the TSX Company Manual) of the Corporation, at any time, under all "security based compensation arrangements" (within the meaning of the rules of the Toronto Stock Exchange) of the Corporation shall not exceed 10% of the total number of outstanding Common Shares.

EXHIBIT 8.1

List of subsidiaries of the Company

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Direct/Indirect
Loncor Resources Congo SARL	Democratic Republic of the Congo	100%	Direct
Devon Resources SARL	Democratic Republic of the Congo	100%	Indirect
Navarro Resources SARL	Democratic Republic of the Congo	100%	Indirect
Loncor Kilo Inc.	Ontario, Canada	100%	Direct
Adumbi Mining S.A.	Democratic Republic of the Congo	84.68%	Indirect
KGL Isiro Atlantic Ltd	British Virgin Islands	100%	Indirect
Nevada Bob's Franchising, Inc. (this subsidiary is dormant)	Delaware, USA	100%	Direct



CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

(Expressed in U.S. dollars - audited)

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Management's Report

Management's Responsibility for Financial Statements

The consolidated financial statements and the notes thereto have been prepared in accordance with International Financial Reporting Standards and are the responsibility of the management of Loncor Resources Inc. (the "Company"). The financial information presented elsewhere in the Management's Discussion and Analysis is consistent with the data that is contained in the consolidated financial statements. The consolidated financial statements, where necessary, include amounts which are based on the best estimates and judgments of management.

In order to discharge management's responsibility for the integrity of the consolidated financial statements, the Company maintains a system of internal controls. These controls are designed to provide reasonable assurance that the Company's assets are safeguarded, transactions are executed and recorded in accordance with management's authorization, proper records are maintained and relevant and reliable information is produced. These controls include maintaining quality standards in hiring and training of employees, policies and procedures manuals, a corporate code of conduct and ensuring that there is proper accountability for performance within appropriate and well-defined areas of responsibility. The system of internal controls is further supported by a compliance function, which is designed to ensure that we and our employees comply with securities legislation and conflict of interest rules.

The Board of Directors is responsible for overseeing management's performance of its responsibilities for financial reporting and internal control. The Audit Committee, which is composed of non-executive directors, meets with management as well as the external auditors to ensure that management is properly fulfilling its financial reporting responsibilities to the Directors who approve the consolidated financial statements. The external auditors have full and unrestricted access to the Audit Committee to discuss the scope of their audits, the adequacy of the system of internal controls and review reporting issues.

The consolidated financial statements for the year ended December 31, 2020 have been audited by Kreston GTA LLP, Chartered Professional Accountants and Licensed Public Accountants, in accordance with the standards of the Public Company Accounting Oversight Board (United States).

(Signed) "*Arnold T. Kondrat*"

Arnold T. Kondrat
Chief Executive Officer

(Signed) "*Donat K. Madilo*"

Donat K. Madilo
Chief Financial Officer



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors of Loncor Resources Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statement of financial position of Loncor Resources Inc. (the "Company") as of December 31, 2020 and 2019, and the related consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the years ended December 31, 2020 and 2019, and the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years ended December 31, 2020 and 2019, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which describe the events and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Company's auditor since 2019.

Comparative Information

The consolidated financial statements of the Company as at December 31, 2018 and for the year ended December 31, 2018, were audited by another auditor who expressed an unqualified (unmodified) opinion on those financial statements on March 29, 2019.

Kreston GTA LLP

Chartered Professional Accountants

Licensed Public Accountants

Markham, Canada

March 30, 2021



Audit. Tax. Advisory.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Directors of Loncor Resources Inc.

OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of Loncor Resources Inc. (the “Company”), which comprise the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year ended December 31, 2018, and the related notes (collectively referred to as the “consolidated financial statements”).

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial performance and its consolidated cash flows of the Company for the year ended December 31, 2018 in conformity with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

UNCERTAINTY RELATED TO GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company produced a net loss for the year ended December 31, 2018 and as of that date the Company had a working capital deficit. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that casts substantial doubt on the Company’s ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

BASIS FOR OPINION

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

McGovern Hurley

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatements of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provide a reasonable basis for our opinion.

UHY McGOVERN HURLEY LLP

UHY McGovern Hurley LLP

CHARTERED PROFESSIONAL ACCOUNTANTS LICENSED PUBLIC ACCOUNTANTS

Toronto, Canada
March 29, 2019

251 Consumers Road, Suite 800
Toronto, Ontario
M2J 4R3
mcgovernhurley.com
t. 416-496-1234

Loncor Resources Inc.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in U.S. dollars)

	Notes	December 31, 2020	December 31, 2019
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents		256,624	77,696
Advances receivable and prepaid expenses	6	236,667	63,895
Due from related parties	7	26,474	-
Total Current Assets		519,765	141,591
Non-Current Assets			
Property, plant and equipment	8	527,904	781,172
Exploration and evaluation assets	9	31,623,192	28,752,093
Intangible assets	10	1	1
Total Non-Current Assets		32,151,097	29,533,266
Total Assets		32,670,862	29,674,857
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable	12	715,452	336,256
Accrued liabilities		221,634	270,237
Due to related parties	7	284,920	950,464
Employee retention allowance	19	184,159	180,519
Lease obligation - current portion	16	188,370	204,248
Loans - current portion	13a	11,650	27,274
Current Liabilities		1,606,185	1,968,998
Common share purchase warrants	14c	-	31,888
Lease obligation - long-term portion	16	159,874	386,935
Loans - long-term portion	13b	26,501	-
Total Liabilities		1,792,560	2,387,821
Shareholders' Equity			
Share capital	14	85,147,700	79,841,286
Reserves		8,940,059	8,411,647
Deficit		(63,209,457)	(60,965,897)
Total Shareholders' Equity		30,878,302	27,287,036
Total Liabilities and Shareholders' Equity		32,670,862	29,674,857

Approved and authorized for issue by the Board of Directors on March 30, 2021.

Signed on behalf of the Board of Directors by:

/s/ William R. Wilson

/s/ Arnold T. Kondrat

William R. Wilson
Director

Arnold T. Kondrat
Director

Going concern (Note 2b)

Event after the reporting period (Note 22)

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

Loncor Resources Inc.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in U.S. dollars)

		For the year ended		
	Notes	December 31, 2020	December 31, 2019	December 31, 2018
		\$	\$	\$
Expenses				
Consulting, management and professional fees		898,831	794,481	194,662
Employee benefits		555,150	358,794	172,597
Office and sundry		128,323	68,290	205,386
Share-based payments	15	289,665	154,789	1,676
Travel and promotion		240,320	111,965	167,681
Depreciation	8, 16	185,348	196,694	4,002
Interest and bank expenses		11,781	4,421	5,252
Interest on lease obligation	16	21,393	35,419	-
Fair value gain on government loan	13	(5,206)	-	-
(Gain) loss on derivative instruments	14c	(31,888)	30,349	(65,907)
Foreign exchange loss (gain)		49,927	11,236	(11,469)
Loss before other items		(2,343,644)	(1,766,438)	(673,880)
Interest and other income, including government assistance	16, 21	100,084	115,693	9,118
Loss and comprehensive loss for the year		(2,243,560)	(1,650,745)	(664,762)
Loss per share, basic and diluted	14d	(0.02)	(0.02)	(0.01)
Weighted average number of shares - basic and diluted	14d	105,203,090	93,885,097	86,498,291

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

Loncor Resources Inc.**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY****(Expressed in U.S. dollars)**

	Common shares		Reserves	Deficit	Total shareholders' equity
	Number of shares	Amount			
Balance at January 1, 2018	79,344,956	\$ 77,286,874	\$ 8,219,502	\$ (58,650,391)	\$ 26,855,985
Loss for the year	-	-	-	(664,761)	(664,761)
Share-based payments (Note 15)	-	-	1,676	-	1,676
Common shares issued (Note 14b)	14,350,000	2,089,332	-	-	2,089,332
Balance at December 31, 2018	93,694,956	\$ 79,376,206	\$ 8,221,178	\$ (59,315,152)	\$ 28,282,232
Loss for the year	-	-	-	(1,650,745)	(1,650,745)
Common shares issued (Note 14b)	-	-	190,469	-	190,469
Common shares issued	1,586,023	465,080	-	-	465,080
Balance at December 31, 2019	95,280,979	\$ 79,841,286	\$ 8,411,647	\$ (60,965,897)	\$ 27,287,036
Loss for the year	-	-	-	(2,243,560)	(2,243,560)
Share-based payments (Note 15)	-	-	528,412	-	528,412
Common shares issued (Note 14b)	16,943,195	5,306,414	-	-	5,306,414
Balance at December 31, 2020	112,224,174	\$ 85,147,700	\$ 8,940,059	\$ (63,209,457)	\$ 30,878,302

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

Loncor Resources Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in U.S. dollars)

	Notes	For the year ended		
		December 31, 2020	December 31, 2019	December 31, 2018
		\$	\$	\$
Cash flows from operating activities				
Loss for the year		(2,243,560)	(1,650,745)	(664,762)
Adjustments to reconcile loss to net cash used in operating activities				
Depreciation		185,348	196,694	4,002
Share-based payments	15	450,912	519,549	1,676
Fair value gain on government loan	13	(5,062)	-	-
Accretion expense on government loan	13	623	-	-
(Gain) loss on derivative instruments	14c	(31,888)	30,349	(65,766)
Interest on lease obligation	16	21,393	35,419	-
Changes in non-cash working capital				
Advances receivable and prepaid expenses		(172,772)	(13,314)	83,183
Due from related parties		(26,474)	-	4,518
Employee retention allowance	19	3,640	8,652	(36,286)
Accounts payable		379,196	35,974	(59,368)
Accrued liabilities		33,082	(41,001)	(57,161)
Net cash used in operating activities		(1,405,562)	(878,423)	(789,964)
Cash flows from investing activities				
Acquisition of subsidiary, net of cash acquired	4	-	(97,525)	-
Acquisition of additional interest in subsidiary	4	(140,000)	-	-
Acquisition of mineral properties		-	-	(8,598)
Expenditures on exploration and evaluation assets		(2,796,013)	(227,089)	(258,287)
Net cash used in investing activities		(2,936,013)	(324,614)	(266,885)
Cash flows from financing activities				
Proceeds from share issuances, net of issuance costs		5,383,914	136,000	2,012,082
Loans received (repaid)	13	15,316	(12,767)	(347,712)
Principal repayment of lease obligation	16	(213,183)	(183,342)	-
Due to related parties		(665,544)	689,940	23,219
Net cash provided from financing activities		4,520,503	629,831	1,687,589
Effect of foreign exchange on cash balances		-	-	-
Net increase (decrease) in cash and cash equivalents during the year		178,928	(573,206)	630,740
Cash and cash equivalents, beginning of the year		77,696	650,902	20,162
Cash and cash equivalents, end of the year		256,624	77,696	650,902

Supplemental cash flow information (Note 18)

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

Loncor Resources Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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1. CORPORATE INFORMATION

Loncor Resources Inc. (the "Company" or "Loncor") is a corporation governed by the Ontario *Business Corporations Act*. The principal business of the Company is the acquisition and exploration of mineral properties.

These consolidated financial statements as at December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019 and 2018 include the accounts of the Company and of its wholly owned subsidiaries in the Democratic Republic of the Congo (the "Congo"), Loncor Resources Congo SARL, in the U.S., Nevada Bob's Franchising, Inc., and in Canada, Loncor Kilo Inc. Loncor Resources Congo SARL owns 100% of the common shares of Devon Resources SARL and 100% of Navarro Resources SARL.

Loncor Kilo Inc. owns 84.68% of the outstanding shares of Admubi Mining S.A. ("Adumbi"), a company registered in the Congo which changed its name from KGL-Somituri SARL in January 2020, and 100% of the common shares of Kilo Isiro Atlantic Ltd (a British Virgin Islands company). Kilo Isiro Atlantic Ltd owns 49% of the shares of Isiro (Jersey) Limited which in turn owns 100% of the shares of KGL Isiro SARL in the Congo.

The Company is a publicly traded company whose outstanding common shares trade on the Toronto Stock Exchange, the OTCQX market in the United States and the Frankfurt Stock Exchange. The head office of the Company is located at 1 First Canadian Place, 100 King St. West, Suite 7070, Toronto, Ontario, M5X 1E3, Canada.

2. BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements as at December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019 and 2018 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The accompanying financial information as at December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019 and 2018 has been prepared in accordance with those IASB standards and IFRS Interpretations Committee ("IFRIC") interpretations issued and effective, or issued and early-adopted, at December 31, 2020.

The date the Company's Board of Directors approved these consolidated financial statements was March 30, 2021.

b) Going Concern

The Company incurred a net loss of \$2,243,560 for the year ended December 31, 2020 (year ended December 31, 2019 - net loss of \$1,650,745 and year ended December 31, 2018 - net loss of \$664,762) and as at December 31, 2020 had a working capital deficit of \$1,086,420 (December 31, 2019: a working capital deficit of \$1,827,407).

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

Management is also closely monitoring the impact of COVID-19 on the Company's business, including the impact on employees, operations, supplies, liquidity and capital resources. In order for the Company to continue as a going concern and fund its operations, the Company will require additional financing. The availability of financing will be affected by, among other things, the state of the capital markets considering the impact of COVID-19 and strategic partnership arrangements. The recoverability of the amount shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain financing to continue to perform

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exploration activity or complete the development of the properties where necessary, or alternatively, upon the Company's ability to recover its incurred costs through a disposition of its interests, all of which are uncertain.

In addition, if the Company raises additional funds by issuing equity securities, then existing security holders will likely experience dilution, and the incurring of indebtedness would result in increased debt service obligations and could require the Company to agree to operating and financial covenants that would restrict its operations. Any failure on its part to raise additional funds on terms favourable to the Company or at all, may require the Company to significantly change or curtail its current or planned operations in order to conserve cash until such time, if ever, that sufficient proceeds from operations are generated, and could result in the Company not taking advantage of other available business opportunities.

In the event the Company is unable to identify recoverable resources, receive the necessary permitting, or arrange appropriate financing, the carrying value of the Company's assets and liabilities could be subject to material adjustment. These matters create material uncertainties that cast significant and substantial doubt upon the validity of the going concern assumption.

These consolidated 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 statements of loss and comprehensive loss that might be necessary if the Company was unable to continue as a going concern.

c) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities which are presented at fair value. These consolidated financial statements have also been prepared on an accrual basis, except for cash flow information.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by all group entities and to all periods presented in these consolidated financial statements, unless otherwise indicated.

a) Basis of Consolidation**i. Subsidiaries**

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as ability to offset these returns through the power to direct the relevant activities of the entity. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company's share capital. The financial statements of subsidiaries are included in the consolidated financial statements of the Company from the date that control commences until the date that control ceases. Consolidation accounting is applied for all of the Company's wholly-owned subsidiaries (see note 5).

ii. Transactions eliminated on consolidation

Inter-company balances, transactions, and any unrealized income and expenses, are eliminated in preparing the consolidated financial statements.

Unrealized gains arising from transactions with associates are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

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b) Use of Estimates and Judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about critical judgments in applying accounting policies and estimates that have the most significant effect on the amounts recognized in these consolidated financial statements is included in the following notes:

Estimates:

i. Impairment

Assets, including property, plant and equipment, and exploration and evaluation assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. If an impairment assessment is required, the assessment of fair value often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, rehabilitation and restoration costs, future capital requirements and future operating performance. Changes in such estimates could impact recoverable values of these assets. Estimates are reviewed regularly by management.

ii. Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 15.

For warrant-based derivative financial instruments, the Company uses the Black-Scholes option pricing model to estimate fair value of the derivative instruments. The assumptions and models used for estimating fair value of warrant-based derivative financial instruments are disclosed in Note 14.

Judgments:

i. Provisions and contingencies

The amount recognized as provision, including legal, contractual, constructive and other exposures or obligations, 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. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. The Company assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements. As at December 31, 2020 and 2019, the Company does not have any material asset retirement obligations related to its exploration and evaluation assets.

ii. Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may

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be affected by undetected defects, government renegotiation, other legal claims, and non-compliance with regulatory, social and environmental requirements.

iii. Exploration and evaluation expenditure

The application of the Company's accounting policy for exploration and evaluation expenditure requires significant judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. There are key circumstances that would indicate a test for impairment is required, which include: the expiry of the right to explore, substantive expenditure on further exploration is not planned, exploration for and evaluation of the mineral resources in the area have not led to discovery of commercially viable quantities, and/or sufficient data exists to show that the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale. If information becomes available suggesting impairment, the amount capitalized is written off in the consolidated statement of loss and comprehensive loss during the year the new information becomes available.

Significant judgements have been made with regards to the potential for indicators of impairment. This includes judgements related to the ability to carry out the desired exploration activities as a result of various permits currently being under force majeure due to the poor security situation at the North Kivu property and the need to allocate resources amongst different projects based on the availability of capital and funding.

iv. Functional and presentation currency

Judgment is required to determine the functional currency of the Company and its subsidiaries. These judgments are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances.

c) Foreign Currency Translation**i. Functional and presentation currency**

These consolidated financial statements are presented in United States dollars ("\$"), which is the Company's functional and presentation currency. The United States dollar was determined to be the functional currency of the Company's Congo subsidiaries. References to Cdn\$ represent Canadian dollars.

ii. Foreign currency transactions

The functional currency for each of the Company's subsidiaries and any associates is the currency of the primary economic environment in which the entity operates. Transactions entered into by the Company's subsidiaries and any associates in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur except depreciation and amortization which are translated at the rates of exchange applicable to the related assets, with any gains or losses recognized in the consolidated statements of loss and comprehensive loss. Foreign currency monetary assets and liabilities are translated at current rates of exchange with the resulting gain or losses recognized in the statements of loss and comprehensive loss. Non-monetary assets and liabilities are translated using the historical exchange rates. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

d) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held on call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts.

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e) Financial assets and liabilities

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either FVPL or FVOCI, and “financial assets at amortized cost”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. The Company has classified advance receivable held for collection of contractual cash flows as financial assets measured at amortized cost.

Subsequent measurement - financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Subsequent measurement - financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss and comprehensive loss.

Subsequent measurement - financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of loss and comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statements of loss and comprehensive loss when the right to receive payments is established.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company’s only financial assets subject to impairment are advances receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated

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credit losses, advances receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities***Initial recognition and measurement***

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable, accrued liabilities, due to related parties, employee retention allowance, lease obligations, and loans, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement - financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of loss and comprehensive loss.

f) Loss Per Share

Basic loss per share is computed by dividing the net loss applicable by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is computed by dividing the net loss by the sum of the weighted average number of common shares issued and outstanding during the reporting period and all additional common shares for the assumed exercise of options and warrants outstanding for the reporting period, if dilutive. When the Company is incurring losses, basic and diluted loss per share are the same since including the exercise of outstanding options and share purchase warrants in the diluted loss per share calculation would be anti-dilutive.

g) Property, Plant and Equipment ("PPE")***i. Recognition and measurement***

Items of PPE are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, directed labor and any other cost directly attributable to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company.

ii. Subsequent costs

The cost of replacing part of an item of PPE is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized and included in net loss. If the carrying amount of the replaced component is not known, it is estimated based on the cost of the new component less estimated depreciation. The costs of the day-to-day servicing of property, plant and equipment are recognized in the consolidated statement of loss.

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iii. Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed to determine whether a component has an estimated useful life that is different from that of the remainder of that asset, in which case that component is depreciated separately. Depreciation is recognized in profit or loss over the estimated useful lives of each item or component of an item of PPE as follows:

- | | |
|---------------------------------------|--|
| • Furniture and fixtures | straight line over 4 Years |
| • Office and communications equipment | straight line over 4 Years |
| • Vehicles | straight line over 4 Years |
| • Field camps and equipment | straight line over 4 Years |
| • Right-of-use asset | straight line over the shorter of the estimated useful life of the asset or the lease term |
| • Leasehold improvements | straight line over the lease term |
| • Buildings | straight line over 25 Years |

Depreciation methods, useful lives and residual values are reviewed annually and adjusted, if appropriate. Depreciation commences when an asset is available for use. Changes in estimates are accounted for prospectively.

h) Exploration and Evaluation Assets

All direct costs related to exploration and evaluation of mineral properties, net of incidental revenues and recoveries, are capitalized under exploration and evaluation assets. Exploration and evaluation expenditures include such costs as acquisition of rights to explore; sampling, trenching and surveying costs; costs related to topography, geology, geochemistry and geophysical studies; drilling costs and costs in relation to technical feasibility and commercial viability of extracting a mineral resource.

Exploration and evaluation expenditures incurred by Barrick Gold (Congo) SARL ("Barrick") under the Farm-in arrangement (See note 9) are recorded on a cost-based approach and accounted in the same way as they would for expenditures directly incurred by the Company as described in the above paragraph. Exploration and evaluation expenditures incurred by Barrick are offset by funding received from Barrick such that no liability arises before an approved pre-feasibility study is completed.

i) Intangible Assets

Intangible assets acquired by way of an asset acquisition or business combination are recognized if the asset is separable or arises from contractual or legal rights and the fair value can be measured reliably on initial recognition.

On acquisition of a mineral property in the exploration stage, the Company estimates the fair value attributable to the exploration licenses acquired. The fair value of the exploration license is recorded as an intangible asset as at the date of acquisition. When an exploration stage property moves into development, the acquired exploration potential attributable to that property is transferred to mining interests within PP&E. Intangible assets are subject to impairment testing annually or more frequently should events or changes in circumstances indicate that they might be impaired.

j) Impairment of Non-Financial Assets

The Company's PPE, exploration and evaluation assets, and intangible assets are assessed for indication of impairment at each consolidated statement of financial position date. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, an entity shall measure, present and disclose any resulting impairment in accordance with IAS 36 Impairment of Assets. Internal factors, such as budgets and forecasts, as well as external factors, such as expected future prices, costs and other market factors are also monitored to determine if indications of impairment exist. If

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any indication of impairment exists, an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs to sell for the asset and the asset's value in use. This is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or the Company's assets. If this is the case, the individual assets are grouped together into cash generating units ("CGU") for impairment purposes. Such CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets.

If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the statements of loss and comprehensive loss so as to reduce the carrying amount to its recoverable amount (i.e., the higher of fair value less cost to sell and value in use). Fair value less cost to sell is the amount obtainable from the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Value in use is determined as the present value of the future cash flows expected to be derived from an asset or CGU. Estimated future cash flows are calculated using estimated future prices, any mineral reserves and resources and operating and capital costs. All assumptions used are those that an independent market participant would consider appropriate. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. During the year ended December 31, 2020, the Company recognized impairment of exploration and evaluation assets for \$nil (December 31, 2019 and 2018- \$nil) to adjust the carrying value of the assets to their fair value, using a level 3 value in use methodology.

k) Income Taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the statement of loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute current income tax assets and liabilities are measured at future anticipated tax rates, which have been enacted or substantively enacted at the reporting date. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred taxation is provided on all qualifying temporary differences at the reporting date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are only recognized to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and future taxable profit will be available against which the temporary difference can be utilized.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

l) Share-Based Payments

Equity-settled share-based payments for directors, officers and employees are measured at fair value at the date of grant and recorded as compensation expense in the consolidated financial statements. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period based on the Company's estimate of options that will eventually vest. The number of forfeitures likely to occur is estimated on grant date and is revised as deemed necessary.

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Compensation expense on stock options granted to consultants is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a Black-Scholes valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share-based payments is credited to share capital. Shares are issued from treasury upon the exercise of equity-settled share-based instruments.

m) Provisions and Contingencies

Provisions are recognized when a legal or constructive obligation exists, as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate current market-based pre-tax discount rate. The increase in the provision due to passage of time is recognized as interest expense.

When a contingency substantiated by confirming events, can be reliably measured and is likely to result in an economic outflow, a liability is recognized as the best estimate required to settle the obligation. A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events, or where the amount of a present obligation cannot be measured reliably or will likely not result in an economic outflow. Contingent assets are only disclosed when the inflow of economic benefits is probable. When the economic benefit becomes virtually certain, the asset is no longer contingent and is recognized in the consolidated financial statements.

n) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions are in the normal course of business and have commercial substance.

o) Decommissioning obligations

The Company recognizes an estimate of the liabilities associated with decommissioning obligations when it has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the obligation can be made. The estimated fair value of the decommissioning obligations is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is amortized over the estimated life of the asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to any earnings in the period. The decommissioning obligations are charged against the decommissioning obligations to the extent of the liability recorded. The Company has no material decommissioning obligations as at December 31, 2020 and 2019.

p) Business Combination

On the acquisition of a business, the Company uses the acquisition method of accounting, whereby the purchase consideration is allocated to the identifiable assets and liabilities on the basis of fair value at the date of acquisition.

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Incremental costs related to acquisitions are expensed as incurred. When the cost of the acquisition exceeds the fair value of the identifiable net assets acquired, the difference is recorded as goodwill. If the fair value attributable to the Company's share of the identifiable net assets exceeds the cost of acquisition, the difference is recognized as a gain in the consolidated statement of loss and comprehensive loss.

q) Derivative Financial Instruments

The Company reviews the terms of its equity instruments and other financing arrangements to determine whether or not there are embedded derivative instruments that are required to be accounted for separately as a derivative financial instrument. The derivative financial instrument is presumed to be classified as a derivative financial liability unless it meets all the criteria to recognize as equity instrument under IAS 32, Financial Instruments: Presentation. One of the criteria is that the conversion option exchanges a fixed amount of shares for a fixed amount of cash ("fixed for fixed"). For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported as charges or credits to profit or loss. The Company uses the Black-Scholes option pricing model to estimate fair value of the derivative instruments. The classification of derivative instruments, including whether or not such instruments should be recorded as liabilities or as equity, is reassessed at the end of each reporting period. If reclassification is required, the fair value of the derivative instrument, as of the determination date, is reclassified. Any previous charges or credits to income for changes in the fair value of the derivative instrument are not reversed.

r) Employee retention allowance

The Company previously had an incentive employee retention policy under which an amount equal to one month salary per year of service was accrued to each qualified employee up to a maximum of 10 months (or 10 years of service with the Company and/or a related company). To qualify for this retention allowance, an employee was required to complete two years of service with the Company and/or a related company. The full amount of retention allowance accumulated by a particular employee is paid out when the employee is no longer employed with the Company, unless other arrangements are made or unless there is a termination due to misconduct, in which case the retention allowance is forfeited. While the retention allowance policy was discontinued by the Company effective December 31, 2017, the retention allowance amounts accrued up to December 31, 2017 remain recorded as a liability in the Company's consolidated statement of financial position. There is uncertainty about the timing and amount of these potential retention allowance payments.

s) Right-of-use assets and lease obligation

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the initial amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term. Right-of-use assets are subject to impairment.

At the commencement date of the lease, the Company recognizes a lease liability measured at the present value of lease payments to be made over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

After the commencement date, the amount of the lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of the lease liability is remeasured if there is

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a modification, a change in the lease term, a change in the fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company presents right-of-use assets in the property, plant and equipment line item on the consolidated statements of financial position and the lease liability in the lease obligation line item on the consolidated statements of financial position.

Short-term leases and leases of low value assets

The Company does not to recognize right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less and do not contain a purchase option or for leases related to low value assets. Lease payments on short-term leases and leases of low value assets are recognized as an expense in the consolidated statements of loss and comprehensive loss.

Sub-leases

The Company recognizes payments received from the sub-lease arrangements as lease income while retaining the right-of-use assets and the lease liability in its consolidated statements of financial position.

t) Government Grants

Government loan programs often include conditions that borrowers must meet throughout the term of the loan. Borrowers should recognize a government grant when there is reasonable assurance that they will meet the conditions attached to it and will receive the funds.

A borrower may receive a loan from the government that, if certain conditions are met, all or a portion of the loan will be forgiven. If there is reasonable assurance that the borrower will meet the terms for the forgiveness of the loan, the loan is treated as a government grant in accordance with IAS 20. Otherwise, the loan should be accounted for in accordance with IFRS 9.

In other programs, a borrower may receive a below-market interest rate loan from the government. A below-market interest loan is initially recognized at its fair value plus or minus any transaction costs in accordance with IFRS 9. The interest rate differential, measured as the difference between the initial carrying value of the loan and the proceeds received, is treated as a government grant and accounted for in accordance with IAS 20.

u) New Accounting Standards Not Yet Adopted

IAS 1 - Presentation of Financial Statements

On January 23, 2020, the IASB issued an amendment to IAS 1 Presentation of Financial Statements providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or noncurrent depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments further clarify that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. The amendments are effective for annual periods beginning on or after January 1, 2023 and are to be applied retrospectively, with early adoption permitted. The Company is assessing the financial impact of the amendment on its consolidated financial statements.

IAS 16 - Property, Plant and Equipment

On May 14, 2020, the IASB issued an amendment to IAS 16 Property, Plant and Equipment to prohibit deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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The proceeds from selling such items, and the cost of producing those items are to be recognized in profit and loss. The amendments are effective for annual periods beginning on or after January 1, 2022 with early adoption permitted. The amendment is to be applied retrospectively only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the earliest period presented in the financial statements in the year in which the amendments are first applied. The Company is assessing the financial impact of the amendment on its consolidated financial statements.

IAS 37 - Provisions, Contingent Liabilities and Contingent Assets

On May 14, 2020, the IASB issued an amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to the contract can either be incremental costs of fulfilling the contract or an allocation of other costs that relate directly to fulfilling contracts. The amendments are effective for contracts for which the Company has not yet fulfilled all its obligations on or after January 1, 2022 with early adoption permitted. The Company is assessing the financial impact of the amendment on its consolidated financial statements.

IFRS 9 - Financial Instruments

On May 14, 2020, the IASB issued an amendment to IFRS 9 Financial Instruments clarifying which fees to include in the test in assessing whether to derecognize a financial liability. Only those fees paid or received between the borrower and the lender, including fees paid or received by either the entity or the lender on the other's behalf are included. The amendment is effective for annual periods beginning on or after January 1, 2022 with early adoption permitted. The Company is assessing the financial impact of the amendment on its consolidated financial statements.

4. ACQUISITIONS

Loncor Kilo Inc.

On September 27, 2019, the Company closed certain transactions provided for by an agreement (the "Agreement") entered into by the Company with Resolute (Treasury) Pty Ltd ("Resolute"), Kilo Goldmines Ltd. ("KGL") and Kilo Goldmines Inc. ("Kilo Inc."), and together with KGL, "Kilo"), and which resulted in the Company acquiring Kilo Inc. Pursuant to the Agreement, (a) Resolute assigned to the Company, for nominal consideration, all of Resolute's rights under a secured cash advance facility (the "Facility") which Resolute had made available to Kilo (including Resolute's rights under the security provided by Kilo in respect of the Facility (the "Security")), (b) Kilo consented to the said assignment of the Facility (including the Security) from Resolute to the Company, and (c) following implementation of the said assignment, the Company exercised its rights under the Security (the "Security Enforcement") as a secured creditor to realize on all of the outstanding shares of Kilo Inc., in full satisfaction of all amounts owing under the Facility (prior to the Security Enforcement, Kilo Inc. was a wholly-owned subsidiary of KGL). In the Agreement, Kilo agreed to cooperate with and assist the Company in the Security Enforcement and for such cooperation and assistance, the Company paid \$98,124 (Cdn\$130,000) to KGL.

Upon the Company completing the Security Enforcement, Kilo Inc. became a wholly-owned subsidiary of the Company, such that the Company now holds, through Kilo Inc., Kilo Inc.'s mineral projects in the Congo (these mineral projects consisted of a 71.25% interest in the Adumbi properties and a 49% interest in the Isiro properties, which are all located in the Ngayu gold belt in northeastern Congo near Loncor's existing Ngayu properties). See Notes 9(e) and 9(f).

The acquisition of Kilo Inc. has been recorded as a business combination under IFRS 3 Business Combinations. The total consideration has been allocated to the fair value of assets and liabilities acquired as follows:

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Total consideration:

Cash consideration	\$ 98,124
Purchase Price	\$ 98,124

Fair value of assets and liabilities:

Cash and cash equivalent	\$ 599
Property, Plant and Equipment	\$ 223,346
Exploration and Evaluation Assets	\$ 175,446
Accounts payable and accrued liabilities	\$ (301,267)
Fair value of net assets acquired	\$ 98,124

In March 2020, the Company acquired an additional 5.04% interest in Adumbi pursuant to a private transaction with one of the former minority shareholders of Adumbi for total consideration of \$140,000. This acquisition increased the Company's interest in Adumbi from 71.25% to 76.29%. In September 2020, Adumbi was restructured as per the requirements of the OHADA (Organization for the Harmonization of Business Law in Africa) Uniform Act relating to commercial companies. The restructuring resulted in the Company increasing its interest in Adumbi Mining to 84.68%, minority shareholders holding 5.32% and the Congo 10%. The Congo was allocated 10% in accordance with the requirements of the new Congo Mining Code enacted in 2018. Also as a result of the restructuring, Adumbi Mining will now operate as "Adumbi Mining S.A." rather than Adumbi Mining SARL.

Devon and Navarro

In June 2018, the Company completed the acquisition of all of the issued and outstanding shares of Devon Resources SARL (Devon), a corporation incorporated under the laws of the Congo, for total consideration comprising:

- a) The issuance by the Company of 500,000 common shares of the Company valued at Cdn\$100,000
- b) The payment of \$75,000 in cash
- c) The payment of \$190,000 in satisfaction of an outstanding loan provided by Devon to the Company.

Also, in June 2018, the Company completed the acquisition of all of the issued and outstanding shares of Navarro Resources SARL (Navarro), a corporation incorporated under the laws of the Congo, for a total purchase price of \$300,000, paid for by the settlement of a \$300,000 loan provided by the Company to Navarro.

Both acquisitions have been treated as a purchase of assets for accounting purposes as the requirements for business combinations under *IFRS 3 Business Combination* had not been met.

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5. SUBSIDIARIES

The following table lists the Company's direct and indirect subsidiaries:

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Direct/Indirect	Principal Activity
Loncor Resources Congo SARL	Democratic Republic of the Congo	100%	Direct	Mineral Exploration
Nevada Bob's Franchising, Inc.	Delaware, USA	100%	Direct	Dormant
Devon Resources SARL	Democratic Republic of the Congo	100%	Indirect	Mineral Exploration
Navarro Resources SARL	Democratic Republic of the Congo	100%	Indirect	Mineral Exploration
Loncor Kilo Inc.	Ontario, Canada	100%	Direct	Mineral Exploration
Adumbi Mining S.A.	Democratic Republic of the Congo	84.68%	Indirect	Mineral Exploration
KGL Isiro Atlantic Ltd	British Virgin Islands	100%	Indirect	Mineral Exploration

6. ADVANCES RECEIVABLE AND PREPAID EXPENSES

	December 31, 2020	December 31, 2019
Supplier prepayments and deposits	90,928	-
Loan to KGL and accrued interest	56,199	51,075
Other receivables and employee advances	22,997	12,820
Harmonized Sales Tax receivable	66,543	-
	<u>\$ 236,667</u>	<u>\$ 63,895</u>

In connection with the Kilo Agreement (Note 4), the Company provided to Kilo Goldmines Ltd. an unsecured loan in the principal amount of \$50,044 (Cdn\$65,000) bearing interest of 8% per annum and repayable on demand. For the year ended December 31, 2020, the interest accrued on the loan was \$5,147 (December 31, 2019 - \$1,008).

Other receivables and employee advances of \$22,997, are non-interest bearing, unsecured and due on demand (December 31, 2019 - \$12,820).

7. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation, and are not disclosed in this note.

a) Key Management Remuneration

Key management includes directors (executive and non-executive), the Chief Executive Officer ("CEO"), the Chief Financial Officer, and the senior executives reporting directly to the CEO. The remuneration of the key management of the Company as defined above, during the years ended December 31, 2020, December 31, 2019 and December 31, 2018 was as follows:

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	For the year ended		
	December 31, 2020	December 31, 2019	December 31, 2018
Salaries and bonus	\$ 542,558	\$ 376,386	\$ 160,869
Compensation expense-share-based payments	\$ 188,601	\$ 122,999	\$ -
	\$ 731,159	\$ 499,385	\$ 160,869

b) Other Related Party Transactions

As at December 31, 2020, an amount of \$279,154 relating to management fees and advances provided to the Company was due to Arnold Kondrat ("Mr. Kondrat"), the CEO and a director of the Company (December 31, 2019 - \$821,168). Total management fees accrued to Mr. Kondrat for the year ended December 31, 2020 were \$242,497 (2019 - \$90,444).

As at December 31, 2020, an amount of \$26,474 was due from Gentor Resources Inc. (a company with common directors) related to common expenses (December 31, 2019 - \$129,296 was due to Gentor).

As at December 31, 2020, an amount of \$5,766 was due to KGL Resources Ltd. (a company with a common officer) related to common expenses (December 31, 2019 - \$nil).

The amounts included in due to related party are unsecured, non-interest bearing and are payable on demand.

8. PROPERTY, PLANT AND EQUIPMENT

The Company's property, plant and equipment are summarized as follows:

	Furniture & fixtures	Office & Communication equipment	Vehicles	Land and Building	Field camps and equipment	Right-of-use asset	Leasehold improvements	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Balance at January 1, 2019	151,786	112,801	11,708	-	425,003	-	84,906	786,204
Additions	-	-	-	217,617	5,728	739,106	-	962,451
Disposals	-	(84,611)	-	-	(209,356)	-	-	(293,967)
Balance at December 31, 2019	151,786	28,190	11,708	217,617	221,375	739,106	84,906	1,454,688
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Revaluation of asset	-	-	-	-	-	(51,149)	-	(51,149)
Balance at December 31, 2020	151,786	28,190	11,708	217,617	221,375	687,957	84,906	1,403,539
Accumulated Depreciation								
Balance at January 1, 2019	139,607	104,688	11,708	-	425,003	-	84,906	765,912
Additions	2,259	2,528	-	2,985	989	192,810	-	201,571
Disposals	-	(84,611)	-	-	(209,356)	-	-	(293,967)
Balance at December 31, 2019	141,866	22,605	11,708	2,985	216,636	192,810	84,906	673,516
Additions	1,839	2,528	-	11,938	3,964	181,850	-	202,119
Disposals	-	-	-	-	-	-	-	-
Balance at December 31, 2020	143,705	25,133	11,708	14,923	220,600	374,660	84,906	875,635
Balance at January 1, 2019	12,179	8,113	-	-	-	-	-	20,292
Balance at December 31, 2019	9,920	2,414	-	214,632	-	546,296	-	781,172
Balance at December 31, 2020	8,081	3,057	-	202,694	775	313,297	-	527,904

During the year ended December 31, 2020, depreciation in the amount of \$16,771 (year ended December 31, 2019 - \$4,878, year ended December 31, 2018 - \$580) was capitalized to exploration and evaluation assets.

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9. EXPLORATION AND EVALUATION ASSETS

	North Kivu	Ngayu	Imbo	Total
Cost				
Balance as at January 1, 2019	\$ 10,281,524	\$ 17,460,907	\$ -	\$ 27,742,431
Additions	159,205	2,756,814	254,283	3,170,302
Earn-in Barrick payment	-	(2,762,890)	-	(2,762,890)
Balance as at December 31, 2019	\$ 10,440,729	\$ 17,454,831	\$ 254,283	\$ 28,149,843
Additions	180,637	4,279,656	2,760,307	7,220,600
Adjustment	-	-	(81,685)	(81,685)
Earn-in Barrick payment	-	(4,267,816)	-	(4,267,816)
Balance as at December 31, 2020	\$ 10,621,366	\$ 17,466,671	\$ 2,932,905	\$ 31,020,942

There is \$602,250 of intangible exploration and evaluation expenditures as at December 31, 2020 (December 31, 2019 - \$602,250). These Intangible exploration and evaluation assets are in relation to mineral rights acquired with respect to the Ngayu (\$150,000), Devon (\$152,250) and Navarro (\$300,000) properties. The intangibles have not been included in the table above.

The Company's exploration and evaluation assets are subject to renewal of the underlying permits and rights and government royalties.

a. North Kivu

The North Kivu project is situated in the North Kivu Province in eastern Congo to the northwest of Lake Edward and consists of various exploration permits. All of these exploration permits are currently under force majeure due to the poor security situation, affecting the Company's ability to carry out the desired exploration activities. The duration of the event of force majeure is added to the time limit for execution of obligations under the permits. Exploration estimates to date have not advanced to the stage of being able to identify the quantity of possible resources available for potential mining. Under force majeure, the Company has no tax payment obligations and does not lose tenure of mining titles until force majeure is lifted.

b. Ngayu

The Ngayu project consists of various exploration permits and is found within the Tshopo Province in the northeast of the Congo, approximately 270 kilometers northeast of Kisangani. The Ngayu project covers part of the Ngayu Archaean greenstone belt which is one of a number of greenstone belts in the north-east Congo Archaean craton that includes the Kilo and Moto greenstone belts. These Archaean greenstone belts are the northwestern extensions of the Lake Victoria greenstone belt terrain that hosts a number of world class gold deposits including Geita and Bulyanhulu.

In 2015, due to a decrease in gold prices coupled with the reduction of the exploration budget, the Company conducted an impairment analysis whereby the carrying value of the Ngayu exploration and evaluation asset as at December 31, 2015 was assessed for possible impairment. The asset's recoverable amount was calculated applying a fair value of \$15 per ounce of gold in the ground, which was provided by a valuation analysis of an independent report on similar African exploration companies, to the Ngayu project's Makapela estimated mineral resource. Since the carrying value of the asset was determined to be higher than its recoverable amount, an impairment loss of \$2,300,000 was recorded during the year ended December 31, 2015. As at December 31, 2020 and 2019, the Company conducted an analysis of various factors and determined that there was no further impairment recognized by IFRS 6, and no evidence to support an impairment reversal. As at December 31, 2020, the Company determined that no impairment charge or gain was required.

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c. Devon

The Devon properties consist of three (3) exploration permits situated in the province of Haut-Uele in north eastern Congo. These exploration permits were renewed during 2018 and are subject to final DRC Cadastre Minier (CAMI) administrative processing.

d. Navarro

The Navarro properties consist of six (6) exploration permits situated in the provinces of Ituri and Haut-Uele in north eastern Congo.

e. Adumbi

The Adumbi (previously KGL-Somituri, See Note 4) properties consist of six (6) mining licenses valid until 2039 and which cover an area of 361 square kilometers within the Archaean Ngayu Greenstone Belt in the Ituri and Haut Uele provinces in north eastern Congo. The Company's interest in the Adumbi properties was acquired in September 2019 through the agreement with Resolute, KGL and Kilo Inc. (see Note 4). The six mining licenses (Exploitation permits) are registered in the name of Adumbi, a company incorporated under the laws of the Congo in which the Company holds a 84.68% interest and the minority partners hold 15.32% (including 10% free carried interest owned by the government of the Congo). See Note 4.

Under an agreement signed in April 2010 with the minority partners of Adumbi, the Company's subsidiary Loncor Kilo Inc. agreed to finance all activities of Adumbi, until the filing of a bankable feasibility study, by way of loans which bear interest at the rate of 5% per annum. Within thirty days of the receipt of a bankable feasibility study, the minority partners may collectively elect to exchange their equity participation for either a 2% net smelter royalty, or a 1% net smelter royalty plus an amount equal to 2 Euros per ounce of proven mineral reserves.

f. Isiro

The Isiro properties consist of eleven (11) exploration permits registered in the name of KGL-Isiro SARL and covering an area of 1,884 square kilometers in the province of Haut Uele, in north eastern Congo. The Company owns through Loncor Kilo Inc. 100% of the common shares of Kilo Isiro Atlantic Ltd. Kilo Isiro Atlantic Ltd owns 49% of the shares of Isiro (Jersey) Limited, which in turn owns 100% of the shares in KGL-Isiro SARL (a company registered in the Congo).

The KGL Isiro SARL permits were put under force majeure with effect from February 14, 2014 pending resolution of a court action involving these properties and their expiry is extended by the period of force majeure.

The Company has entered into a joint venture agreement with Barrick Gold (DRC) Limited relating to three of the Isiro exploration permits. The terms of this agreement are substantially the same as the other joint venture agreements that the Company currently has with Barrick (see "Additional Barrick Agreements" below). Under this Isiro joint venture agreement, Barrick manages and funds all exploration of the joint venture ground until the completion of a pre-feasibility study. Once the joint venture committee has determined to move ahead with a full feasibility study, a special purpose vehicle ("SPV") would be created to hold the specific discovery area. Subject to the DRC's free carried interest requirements, Barrick would retain 65% of the SPV with Loncor holding the balance of 35%. Loncor would be required to fund its pro-rata share of the SPV in order to maintain its 35% interest or be diluted.

Additional Barrick Agreements

In January 2016, the Company's subsidiary, Loncor Resources Congo SARL ("Loncor Congo"), entered into an agreement with Randgold Resources (DRC) Limited (which is now named Barrick Gold (DRC) Limited)("Barrick") with respect to a

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portion of the Company's Ngayu project. This agreement provides for the potential future establishment of a joint venture special purpose company ("Mining Company") between Loncor Congo and Barrick. The Mining Company will be established only if exploration activities undertaken by Barrick at the Ngayu project result in an approved completed pre-feasibility study on any gold discovery meeting the investment criteria of Barrick. The agreement does not include certain parcels of land surrounding and including the Makapela and Yindi prospects which are retained by Loncor Congo and do not form part of the agreement.

Loncor Congo shall only be called upon to contribute to the future costs of the Mining Company after the approval of the completed pre-feasibility study. The parties will then (a) contribute to the funding required pro rata to their participating interests (65% for Barrick and 35% for Loncor Congo, less the free carried interest attributable to Congo authorities under applicable law, determined at the time of establishment) once the Mining Company has been established and any mining rights with respect to the area of discovery are transferred to the Mining Company, or (b) be diluted. The decision-making committee of the Mining Company will determine whether the funding is contributed (for the purpose of funding the Mining Company) by way of equity or shareholder loans.

The Devon properties are also part of an agreement with Barrick, with the terms similar to the terms of Barrick's agreement with Loncor Congo, as summarized above.

In June 2020, the Company's 84.68%-owned subsidiary, Adumbi Mining S.A. ("Adumbi Mining"), entered into a joint venture agreement (the "New Barrick JV") with Barrick for two of the exploitation permits held by Adumbi Mining (the "JV Permits") covering ground contiguous to the Company's Imva area within the Ngayu gold belt in the northeast of the Congo. The purpose of the New Barrick JV is to conduct exploration on the JV Permit properties to evaluate possible development and mining of such properties. The terms of this New Barrick JV are similar to the terms of Barrick's agreement with Loncor Congo, as summarized above.

10. INTANGIBLE ASSETS

The Company's intangible assets include licenses and rights. Based on management's assessment, these intangible assets have been valued at \$1 as their fair value is nominal.

11. SEGMENTED REPORTING

The Company has one operating segment: the acquisition, exploration and development of precious metal projects located in the Congo. The operations of the Company are located in two geographic locations, Canada and the Congo. Geographic segmentation of non-current assets is as follows:

December 31, 2020

	Property, plant and equipment	Intangible assets	Exploration and evaluation
Congo	\$205,189	-	\$31,623,192
Canada	\$322,715	\$1	-
	<u>\$527,904</u>	<u>\$1</u>	<u>\$31,623,192</u>

December 31, 2019

	Property, plant and equipment	Intangible assets	Exploration and evaluation
Congo	\$221,960	-	\$28,752,093
Canada	\$559,212	\$1	-
	<u>\$781,172</u>	<u>\$1</u>	<u>\$28,752,093</u>

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12. ACCOUNTS PAYABLE

The following table summarizes the Company's accounts payable:

	December 31, 2020	December 31, 2019
Exploration and evaluation expenditures	\$ 417,566	\$ 128,303
Non-exploration and evaluation expenditures	\$ 297,886	\$ 207,953
Total Accounts Payable	\$ 715,452	\$ 336,256

13. LOANS

- a) In June 2018, as part of the closing of the acquisition of Devon, the Company issued an unsecured non-interest bearing note in the amount \$265,000, payable on demand, in satisfaction of the non-share component of the consideration for the Devon acquisition. As at December 31, 2020, the balance of \$11,650 was outstanding (December 31, 2019 - \$27,274).
- b) In May 2020, the Company received a \$29,352 (Cdn\$40,000) line of credit ("CEBA LOC") with Toronto-Dominion Bank under the Canada Emergency Business Account ("CEBA") program funded by the Government of Canada. The CEBA LOC is non-interest bearing, can be repaid at any time without penalty.

On January 1, 2021, the outstanding balance of the CEBA LOC will automatically convert to a 2-year interest free term loan ("CEBA Term Loan"). The CEBA Term Loan may be repaid at any time without notice or the payment of any penalty. If 75% of the CEBA Term Loan is repaid on or before December 31, 2022, the repayment of the remaining 25% of such CEBA Term Loan shall be forgiven. If on December 31, 2022, the Company exercises the option for a 3-year extension, 5% interest during the term extension period will apply on any balance remaining.

The Company recorded the CEBA LOC upon initial recognition at its fair value of \$24,146 (Cdn\$32,906) using an effective interest rate of 3.45%. The difference of \$5,201 (Cdn\$7,094) between the fair value and the total amount of CEBA LOC received has been recorded as a fair value gain on loans advanced in the consolidated statement of loss and comprehensive loss. During the year ended December 31, 2020, interest of \$623 (Cdn\$835) has been accreted on the CEBA LOC and is included within "interest and bank expenses" in the consolidated statement of loss and comprehensive loss (years ended December 31, 2019 and 2018 - \$Nil).

As at December 31, 2020, the CEBA LOC is valued at \$26,501 (Cdn\$33,741) (December 31, 2019 - \$Nil (Cdn\$Nil)).

14. SHARE CAPITAL

a) Authorized

The authorized share capital of the Company consists of unlimited number of common shares and unlimited number of preference shares, issuable in series, with no par value. All shares issued are fully paid.

The holders of common shares are entitled to receive notice of and to attend all meetings of the shareholders of the Company and shall have one vote for each common share held at all meetings of shareholders of the Company, except for meetings at which only holders of another specified class or series of shares are entitled to vote separately as a class or series. Subject to the prior rights of the holders of the preference shares or any other share ranking senior to the common shares, the holders of the common shares are entitled to (a) receive any dividend as and when declared by the board of directors, out of the assets of the Company properly applicable to payment of dividends, in such amount and in such form as the board of directors may from time to time determine, and (b) receive the remaining property of the Company in the event of any liquidation, dissolution or winding up of the Company.

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The Company may issue preference shares at any time and from time to time in one or more series with designations, rights, privileges, restrictions and conditions fixed by the board of directors. The preference shares of each series are ranked on parity with the preference shares of every series and are entitled to priority over the common shares and any other shares of the Company ranking junior to the preference shares, with respect to priority in payment of dividends and the return of capital and the distribution of assets of the Company in the event of liquidation, dissolution or winding up of the Company.

b) Issued share capital

The following table summarizes the Company issued common shares

	Number of share	Amount
Balance - December 31, 2017	79,344,956	77,286,874
June 19, 2018	850,000	131,325
June 29, 2018	13,000,000	2,008,500
June 30, 2018	500,000	77,250
cost of issuance		(127,743)
Balance - December 31, 2018	93,694,956	\$79,376,206
September 17, 2019	54,326	15,993
October 31, 2019	1,000,000	304,120
December 9, 2019	31,697	8,967
December 27, 2019	500,000	136,000
Balance - December 31, 2019	95,280,979	\$79,841,286
February 3, 2020	500,000	135,594
February 6, 2020	22,659	8,502
February 25, 2020	6,000,000	1,807,200
cost of issuance		(80,842)
February 28, 2020	375,000	100,535
June 30, 2020	24,896	8,292
July 31, 2020	8,000,000	2,984,000
August 27, 2020	2,000,000	761,700
cost of issuance		(427,145)
September 9, 2020	20,640	8,578
Balance - December 31, 2020	112,224,174	\$85,147,700

On June 19, 2018, the Company closed a non-brokered private placement of 850,000 common shares of the Company at a price of Cdn\$0.20 per share for gross proceeds of \$131,325 (Cdn\$170,000). Mr. Kondrat (CEO and a director of the Company) purchased 350,000 of the shares issued under this financing.

On June 26, 2018, private placement and share swap transactions (the "Transactions") were completed with Resolute Mining Limited ("Resolute"). Pursuant to the private placement Transaction, the Company issued 13,000,000 common shares to Resolute at a price of Cdn\$0.20 per share for gross proceeds of \$2,008,500 (Cdn\$2,600,000). In connection with this private placement, the Company incurred \$127,743 of issuance costs settled in cash. Pursuant to the share swap Transaction, Resolute purchased 12,500,000 common shares of the Company held by Mr. Kondrat in exchange for the future issuance on or before July 16, 2018 by Resolute to Mr. Kondrat of \$1,931,250 (Cdn\$2,500,000) worth of Resolute ordinary shares (capped at a maximum of 3,000,000 Resolute shares).

On June 29, 2018 the Company issued 500,000 common shares at a price of Cdn\$0.20 per share as part of the acquisition of Devon (Note 4).

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In September 2019, the Company issued 54,326 common shares at a price of Cdn\$0.39 per share as the consideration for certain consulting services rendered by a third party.

Also in September 2019, all of the Company's common shares issued and outstanding were consolidated on the basis of one common share of the Company for every 2 (two) existing common shares. All of the share, stock option and warrant amounts in these consolidated financial statements have been adjusted to reflect the said share consolidation.

In October and in December 2019, the Company issued 1,000,000 common shares at a price of Cdn\$0.40 per share and 31,697 common shares at a price of Cdn\$0.375 per share, respectively, as the consideration for certain consulting services rendered by third parties. Also in December 2019, warrants to purchase 500,000 common shares of the Company were exercised at a price of Cdn\$0.36 per share for gross proceeds of \$136,000 (Cdn\$180,000).

In February 2020, the Company closed a private placement of 6,000,000 common shares of the Company at a price of Cdn\$0.40 per share for gross proceeds of \$1,807,200 (Cdn\$2,400,000). In connection with this private placement, the Company incurred \$80,842 of issuance costs settled in cash. A total of 1,790,000 of the common shares were purchased by certain insiders of the Company, including Mr. Kondrat, who purchased 1,440,000 of the common shares. The Company also issued in February 2020, 22,659 common shares at a price of Cdn\$0.50 per share as the consideration for certain consulting services rendered by a third party and warrants to purchase 875,000 common shares of the Company were exercised at a price of Cdn\$0.36 per share for gross proceeds of \$236,129 (Cdn\$315,000).

In June 2020, the Company issued 24,896 common shares at a price of Cdn\$0.4539 per share, as the consideration for consulting services rendered by a third party.

In July and August 2020, the Company closed, in two tranches, a private placement financing (the "Financing") for a total of 10,000,000 common shares of the Company at a price of Cdn\$0.50 per share for total gross proceeds of \$3,745,700 (Cdn\$5,000,000). A total of 3,390,000 of the said shares were purchased by certain insiders of the Company. In connection with this private placement, the Company incurred \$427,145 issuance costs settled in cash and warrants.

In September 2020, the Company issued 20,640 common shares at a price of Cdn\$0.5475 per share, as the consideration for consulting services rendered by a third party.

As of December 31, 2020, the Company had issued and outstanding 112,224,174 common shares (December 31, 2019 - 95,280,979). No preference shares are issued and outstanding. Subsequent to December 31, 2020, the Company issued 11,500,000 common shares pursuant to an additional private placement financing (see Note 21).

c) Common share purchase warrants

The following table summarizes the Company's common share purchase warrants outstanding as at December 31, 2020:

	Number of warrants	Weighted average exercise price (Cdn\$)	Expire Date	Weighted average remaining life (Years)
Outstanding and exercisable at December 31, 2019	875,000	0.36		
Exercised	(875,000)	0.36		
Granted	123,000	0.61	July 31, 2022	1.58
Granted	414,000	0.61	August 26, 2022	1.65
Outstanding and exercisable at December 31, 2020	537,000	0.61		1.64

During the year ended December 31, 2020, 875,000 outstanding common share purchase warrants were exercised at a price of Cdn\$0.36 per share for gross proceeds to the Company of \$236,129 (Cdn\$315,000).

During the year ended December 31, 2019, warrants to purchase 500,000 common shares of the Company were exercised and 437,500 common share purchase warrants expired unexercised. The common share purchase warrants issued in 2017 are classified as a liability because they are a derivative financial instrument due to the currency of their exercise price differing from the functional currency of the Company. The common share purchase warrants

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classified as a liability are re-valued at each period end, with a gain or loss reported on the consolidated statements of loss and comprehensive loss. For the year ended December 31, 2020, the Company recognized a gain of \$31,888 in the consolidated statements of loss and comprehensive loss representing the change in fair value on this derivative financial instrument (year ended December 31, 2019 - loss of \$30,349; year ended December 31, 2018 - gain of \$65,907).

During the year ended December 31, 2020, the Company issued 537,000 common share purchase warrants in consideration for certain services provided with respect to the July and August 2020 Financing. These warrants are classified as equity settled share-based payment transactions and accounted for under IFRS 2.

No warrants were forfeited or cancelled during the years ended December 31, 2020 and 2019.

As at December 31, 2020, the Company had 537,000 (December 31, 2019 - 875,000) common share purchase warrants outstanding and exercisable.

The value of the warrants was calculated using the Black-Scholes model and the assumptions at grant date and period end date were as follows:

- (i) Risk-free interest rate: 0.27% - 0.29%, which is based on the Bank of Canada benchmark bonds yield 2 year rate in effect at the time of grant for bonds with maturity dates at the estimated term of the warrants
- (ii) Expected volatility: 78.23% - 82.24%, which is based on the Company's historical stock prices
- (iii) Expected life: 0 - 2 year
- (iv) Expected dividends: \$Nil

d) Loss per share

Basic and diluted loss per share was calculated on the basis of the weighted average number of common shares outstanding for the year ended December 31, 2020 amounting to 105,203,090 (year ended December 31, 2019 - 93,885,097, December 31, 2018 - 86,498,291) common shares. Stock options and warrants were considered anti-dilutive and therefore were excluded from the calculation of diluted (loss) income per share.

15. SHARE-BASED PAYMENTS

The Company has an incentive Stock Option Plan under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or consultants of the Company or any of its subsidiaries. No amounts are paid or payable by the recipient on receipt of the option, and the exercise of the options granted is not dependent on any performance-based criteria. In accordance with these programs, options are exercisable at a price not less than the last closing price of the shares at the grant date.

Under this Stock Option Plan, unless otherwise determined by the board at the time of the granting of the options, 25% of the options granted vest on each of the 6 month, 12 month, 18 month and 24 month anniversaries of the grant date. As per the determination of the board, (a) the stock options granted on June 24, 2019, December 6, 2019 and January 14, 2020 and certain stock options granted on September 15, 2020 fully vested on the 4 month anniversary of the grant date, and (b) other stock options granted on September 15, 2020 vested on the grant date.

The following tables summarize information about stock options:

For the year ended December 31, 2020

Exercise Price Range (Cdn\$)	Opening Balance	During the year				Closing Balance	Weighted average remaining contractual life (years)	Vested & Exercisable	Unvested
		Granted	Exercised	Forfeiture	Expired				
0-0.70	4,840,000	665,000	-	-	-	5,505,000	3.07	5,153,750	351,250
Weighted Average Exercise Price (Cdn\$)	0.27	0.54				0.30		0.30	

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For the year ended December 31, 2019		During the year				Closing Balance	Weighted average remaining contractual life (years)	Vested & Exercisable	Unvested
Exercise Price Range (Cdn\$)	Opening Balance	Granted	Exercised	Forfeiture	Expired				
0-0.70	1,050,000	3,790,000	-	-	-	4,840,000	3.95	2,007,500	2,832,500
Weighted Average Exercise Price (Cdn\$)	0.12	0.31				0.27		0.14	

During the year ended December 31, 2020, the Company recognized in the statements of loss and comprehensive loss as share-based payments expense, \$289,665 (year ended December 31, 2019 - \$154,789; year ending December 31, 2018 - \$1,676) representing the vesting of the fair value at the date of grant of stock options previously granted to employees, directors and officers under the Company's Stock Option Plan. An amount of \$135,876 representing the vesting of fair value at the date of grant of stock options previously granted to consultants was recognized under consulting, management and professional fees in the consolidated statements of loss and comprehensive loss.

The value of the options was calculated using the Black-Scholes model and the assumptions at grant date and period end date were as follows:

- (i) Risk-free interest rate: 0.26% - 1.66%, which is based on the Bank of Canada benchmark bonds yield 3 year rate in effect at the time of grant for bonds with maturity dates at the estimated term of the options
- (ii) Expected volatility: 84.72% - 128.69%, which is based on the Company's historical stock prices
- (iii) Expected life: 2 to 3 years
- (iv) Expected dividends: \$Nil

16. LEASE OBLIGATIONS

The Company has a lease agreement for the head office location in Toronto, Canada with a monthly obligation of approximately \$16,500 (Cdn \$22,500).

Effective January 1, 2019, the Company adopted IFRS 16 to its accounting policy and recognized a right-of-use asset and a lease liability of \$739,106 (Cdn \$1,008,331) for its office lease agreement. On July 1, 2020 the right-of-use-asset was revalued at \$687,957 (Cdn \$932,123). The right-of-use asset is being amortized on a straight-line basis over the lease term. The discount rate used to revalue the lease liability was 3.45%. As at December 31, 2020, the undiscounted cash flows for this office lease agreement to October 31, 2022 were \$362,936 (Cdn \$494,598).

Changes in the lease obligation for the years ended December 31, 2020 and 2019 were as follows:

	December 31, 2020	December 31, 2019
Balance - beginning of the year	\$ 591,183	\$ 739,106
Liability settled	\$ (213,183)	\$ (183,342)
Liability revaluation	\$ (51,149)	\$ -
Interest expense	\$ 21,393	\$ 35,419
Balance - end of the year	\$ 348,244	\$ 591,183
Current portion	\$ 188,370	\$ 204,248
Long-term portion	\$ 159,874	\$ 386,935
Total lease obligation	\$ 348,244	\$ 591,183

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The following table presented the contractual undiscounted cash flows for the lease obligations as at December 31, 2020:

Undiscounted cash flows

Less than one year	197,965
Two years	164,971
	<u>362,936</u>

For the year ended December 31, 2020, the Company recognized lease revenues of \$53,623 in the consolidated statements of loss and comprehensive loss from its sub-lease arrangement with Gentor Resources Inc. (year ended December 31, 2019 - \$106,774; year ended December 31, 2018 - \$nil). The Company has an exploration office lease in Congo, which can be cancelled with three months notices in advance without any penalty. For the year ended December 31, 2020, the lease expense in the amount of \$20,400 (year ended December 31, 2019 - \$20,400; year ended December 31, 2018 - \$5,100) in relation to the Congo office, was capitalized to exploration and evaluation assets.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**a) Fair value of financial assets and liabilities**

The consolidated statements of financial position carrying amounts for cash and cash equivalents, advances receivable and prepaid expenses, amounts due to/from related parties, accounts payable, accrued liabilities and the employee retention allowance approximate fair value due to their short-term nature.

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

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

There were no transfers between Level 1, 2 and 3 during the reporting period. Cash and cash equivalents are ranked Level 1 as the market value is readily observable. The carrying value of cash and cash equivalents approximates fair value, as maturities are less than three months.

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The fair value of warrants (note 14c) would be included in the hierarchy as follows:

At December 31st, 2020

Liabilities:	Level 1	Level 2	Level 3
Canadian dollar common share purchase warrants	-	\$0	-

At December 31st, 2019

Liabilities:	Level 1	Level 2	Level 3
Canadian dollar common share purchase warrants	-	\$31,888	-

b) Risk Management Policies

The Company is sensitive to changes in commodity prices and foreign-exchange. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Although the Company has the ability to address its price-related exposures through the use of options, futures and forward contracts, it does not generally enter into such arrangements.

c) Foreign Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the United States dollar and Canadian dollar or other foreign currencies will affect the Company's operations and financial results. A portion of the Company's transactions are denominated in Canadian dollars. The Company is also exposed to the impact of currency fluctuations on its monetary assets and liabilities. Significant foreign exchange gains or losses are reflected as a separate item in the consolidated statement of loss and comprehensive loss. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The following table indicates the impact of foreign currency exchange risk on net working capital as at December 31, 2020 and 2019. The table below provides a sensitivity analysis of a 10 percent strengthening of the US dollar against the Canadian dollar which would have increased (decreased) the Company's net loss by the amounts shown in the table below. A 10 percent weakening of the US dollar against the Canadian dollar would have had the equal but opposite effect as at December 31, 2020 and 2019.

	December 31, 2020	December 31, 2019
	Canadian dollar	Canadian dollar
Cash and cash equivalents	260,173	36,539
Advances receivable and prepaids	22,353	66,339
Accounts payable and accrued liabilities	(508,573)	(548,604)
Due from related parties	42,619	-
Due to related parties	(355,419)	(1,225,436)
Employee retention allowance	(234,471)	(234,471)
Loans	(33,741)	-
Total foreign currency financial assets and liabilities	(807,060)	(1,905,633)
Foreign exchange rate at December 31	0.7854	0.7699
Total foreign currency financial assets and liabilities in US \$	(633,865)	(1,467,147)
Impact of a 10% strengthening of the US \$ on net loss	(63,386)	(146,715)

d) Credit Risk

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Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents and advances receivable. Cash and cash equivalents are maintained with several financial institutions of reputable credit and may be redeemed upon demand. It is therefore the Company's opinion that such credit risk is subject to normal industry risks and is considered minimal. The credit risk of advances receivable is, in management opinion, normal given ongoing relationships with those debtors.

The Company limits its exposure to credit risk on any investments by investing only in securities rated R1 (the highest rating) by credit rating agencies such as the DBRS (Dominion Bond Rating Service). Management continuously monitors the fair value of any investments to determine potential credit exposures. Short-term excess cash is invested in R1 rated investments including money market funds and other highly rated short-term investment instruments. Any credit risk exposure on cash balances is considered negligible as the Company places deposits only with major established banks in the countries in which it carries on operations.

The carrying amount of financial assets represents the maximum credit exposure. The Company's gross credit exposure at December 31, 2020 and December 31, 2019 was as follows:

	December 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 256,624	\$ 77,696
Advances receivable and prepaid expenses	\$ 236,667	\$ 63,895
	\$ 493,291	\$ 141,591

e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company attempts to ensure that there is sufficient cash to meet its liabilities when they are due and manages this risk by regularly evaluating its liquid financial resources to fund current and long-term obligations and to meet its capital commitments in a cost-effective manner. Temporary surplus funds of the Company are invested in short-term investments. The Company arranges the portfolio so that securities mature approximately when funds are needed. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases. The Company's liquidity requirements are met through a variety of sources, including cash and cash equivalents and equity capital markets. All financial obligations of the Company including accounts payable of \$715,452 accrued liabilities of \$221,634, due to related parties of \$284,920, employee retention allowance of \$184,159, lease obligation of \$188,370 and a loan of \$11,650 are due within one year.

f) Mineral Property Risk

The Company's operations in the Congo are exposed to various levels of political risk and uncertainties, including political and economic instability, government regulations relating to exploration and mining, military repression and civil disorder, all or any of which may have a material adverse impact on the Company's activities or may result in impairment in or loss of part or all of the Company's assets.

g) Capital Management

The Company manages its common shares, warrants and stock options as capital. The Company's policy is to maintain sufficient capital base in order to meet its short term obligations and at the same time preserve investors' confidence required to sustain future development of the business.

	December 31, 2020	December 31, 2019
Share capital	\$ 85,147,700	\$ 79,841,286
Reserves	\$ 8,940,059	\$ 8,411,647
Deficit	\$ (63,209,457)	\$ (60,965,897)
Common share purchase warrants	\$ -	\$ 31,888
	\$ 30,878,302	\$ 27,318,924

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The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2020 and December 31, 2019.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than the Toronto Stock Exchange ("TSX") which requires adequate working capital or financial resources such that, in the opinion of TSX, the listed issuer will be able to continue as a going concern. TSX will consider, among other things, the listed issuer's ability to meet its obligations as they come due, as well as its working capital position, quick asset position, total assets, capitalization, cash flow and earnings as well as accountants' or auditors' disclosures in the consolidated financial statements regarding the listed issuer's ability to continue as a going concern.

18. SUPPLEMENTAL CASH FLOW INFORMATION

During the periods indicated the Company undertook the following significant non-cash transactions:

	Note	For the year ended		
		December 31, 2020	December 31, 2019	December 31, 2018
Depreciation included in exploration and evaluation assets	8	\$ 16,771	\$ 4,878	\$ 580
Exploration and evaluation expenditures paid by Barrick	9	4,267,816	2,762,890	2,619,804
Consulting fees paid by common shares, stock options or warrants	14b	264,120	364,760	-

19. EMPLOYEE RETENTION ALLOWANCE

The following table summarizes information about changes to the Company's employee retention provision during the years ended December 31, 2020 and 2019.

	\$
Balance at December 31, 2018	171,867
Foreign exchange adjustment	8,652
Balance at December 31, 2019	180,519
Foreign exchange adjustment	3,640
Balance at December 31, 2020	184,159

20. INCOME TAXES

a) Provision for Income Taxes

Major items causing the Company's effective tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2019 - 26.50%) were as follows:

	Years Ended December 31,		
	2020	2019	2018
	\$	\$	\$
Net loss for the year	(2,243,560)	(1,650,745)	(664,762)
Expected income tax recovery based on statutory rate	(595,000)	(437,000)	(176,000)
Adjustment to expected income tax benefit			
Permanent differences	100,000	111,000	(17,000)
Other	(7,000)	54,000	651,000
Change in unrecognized deferred tax asset	502,000	272,000	(458,000)
Income tax expense	-	-	-

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b) Deferred Income Taxes

Deferred income taxes assets have not been recognized in respect to the following deductible temporary differences:

	Years Ended December 31,		
	2020	2019	2018
	\$	\$	
Non-capital losses carried forward	16,251,000	13,802,000	12,562,000
Fixed assets - Canada	212,000	203,000	189,000
Other - Canada	245,000	393,000	111,000
Capital loss carry-forwards - Canada	4,125,000	4,028,000	3,850,000
Lease - Canada	(8,000)	45,000	-
Exploration and evaluation properties - Congo	42,364,000	35,225,000	31,466,000
Total	63,189,000	53,696,000	48,178,000

Non-capital losses in Canada expire in the following years:

2026	\$ 261,000
2027	135,000
2028	196,000
2029	674,000
2030	1,520,000
2031	2,593,000
2032	2,187,000
2033	1,946,000
2034	870,000
2035	560,000
2036	612,000
2037	541,000
2038	675,000
2039	1,032,000
2040	2,449,000
	\$ 16,251,000

21. GOVERNMENT ASSISTANCE

In April 2020, the Government of Canada announced the Canada Emergency Wage Subsidy ("CEWS") in order to help employers retain and/or return Canadian-based employees to payrolls in response to challenges posed by the COVID-19 pandemic. Loncor determined that it met the employer eligibility criteria and applied for the CEWS retroactively to March 15, 2020. Cash payments of \$30,295 (Cdn \$40,604) have been received in the year 2020. The Company has recorded a total gross subsidy of \$30,295 under "interest and other income" in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2020 (years ended December 31, 2019 and 2018: \$nil and \$nil, respectively).

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In July 2020, the program was redesigned and extended until December 2020. In September and November 2020, the Government of Canada announced further extensions of the program to June 2021. The Company intends to continue its participation in the CEWS program, subject to meeting the eligibility requirements. There are no unfulfilled conditions or other contingencies attaching to the current CEWS program.

22. EVENTS AFTER THE REPORTING PERIOD

In February 2021, the Company completed its non-brokered private placement of 11,500,000 units of the Company at a price of Cdn\$0.50 per unit for gross proceeds of \$4,505,925 (Cdn\$5,750,000). Each such unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant") of the Company, with each Warrant entitling the holder thereof to acquire one common share of the Company at an exercise price of Cdn\$0.75 for a period of 12 months following the closing date of the issuance of the units. The Company intends to use the proceeds from the financing for the continued exploration and development of the Company's Imbo Project and for general corporate purposes.

In March 2021, stock options to purchase an aggregate of 1,050,000 common shares of the Company were exercised.