THOR EXPLORATIONS LTD

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

(For the Year Ended December 31, 2019)

The following MD&A is intended to assist the reader to assess material changes in financial condition and results of operations of Thor Explorations Ltd. ("Thor" or the "Company") as at and for the years ended December 31, 2019 and 2018.

This MD&A should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2019. These audited consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

All dollar amounts are expressed in Canadian dollars unless otherwise indicated. Note that additional information relating to the Company is available on SEDAR at www.sedar.com.

DATE

This MD&A is prepared as of June 15, 2020.

OVERVIEW

Thor Explorations Ltd. ("Thor" or the "Company") is a Canadian mineral development and exploration company and trades on the TSX Venture Exchange (the "Exchange") under the symbol "THX-V". Thor has no revenues and is engaged in the acquisition, exploration and development of mineral properties located in Nigeria, Senegal and Burkina Faso.

Thor has a prospective portfolio of development and exploration projects in Nigeria, Senegal and Burkina Faso. The Company's strategy is to seek early cash flow through the construction of the 100%-owned Segilola mine in Nigeria based on the current gold reserve. The Company should then be able, from its own internally-generated, financial resources, to comprehensively explore its extensive licence holdings in the Segilola region, and at the Douta Project in Senegal, with the objective of substantially increasing gold resources, reserves and production.

The Company's main focus is currently on its 100% owned Segilola Gold Project located in Osun State, Nigeria approximately 120km northeast of Lagos. The Segilola Gold Project contains an open pit probable reserve of 405,000 ounces of gold grading at 4.2 g/t within an open pit and underground indicated mineral resource estimate of 469,000 ounces of gold grading at 4.7 g/t. and an open pit and underground inferred mineral resource estimate of 162,000 ounces of gold grading at 7.4 g/t, with additional significant exploration upside potential and near-term production potential. Please refer to the NI 43-101 technical report titled "Segilola Definitive Feasibility Study – March 2019", available on the Company's website in the 'Investors' section and on SEDAR for further details. As of the date of this report, the Company has commenced construction of the Segilola mine with a target of first gold production in 2Q 2021. The first year's production is targeted at 100,000 ounces.

In December 2017, the Office of the Nigeria Mining Cadastre granted four licenses to Segilola Gold Limited, a wholly owned subsidiary of the Company. The licenses which total 334 km^2 are located between 30km and 80km north-east of the Segilola Gold Project and cover significant sections of the structural trends that extend northwards from the Segilola high grade gold deposit.

On April 1, 2019, the Office of the Nigeria Mining Cadastre granted two new licenses to Segilola Gold Limited, a wholly owned subsidiary of the Company. The licenses located in southwest Nigeria total 142 km^2, are located between 17km and 25km south of the Segilola Gold Project and cover significant sections of the structural trends that extend southwards from the Segilola high grade gold deposit.

On October 2, 2019, the Office of the Nigeria Mining Cadastre granted a further two new licenses to Segilola Gold Limited. The licenses are contigouous from Segilola, with a combined area of 343 km^2 and cover significant sections of the structural trends that extend northwards from the Segilola high grade gold deposit.

The four licenses granted to date in 2019 are in addition to the four licences granted in December 2017, which total 334 km^2, are located between 30km and 80km north-east of the Segilola Gold Project and cover significant sections of the structural trends that extend northwards from the Segilola high grade gold deposit.

In addition to its mining lease over the Segilola gold deposit Thor's total exploration tenure now consists of nine licences covering 912 km^2 highly prospective gold-bearing Ilesha Schist Belt.

Senegal

Thor holds a 70% interest in the Douta Gold Project located in southeastern Senegal. The Douta Gold Project currently consists of an early stage gold exploration license located in southeastern Senegal, approximately 700 km east of the capital city Dakar. The permit lies within the Kéniéba Inlier which hosts significant gold deposits and has attracted major international mining companies. The permit covers an area of 103 km^2, and lies in proximity to recent discoveries of significant gold deposits.

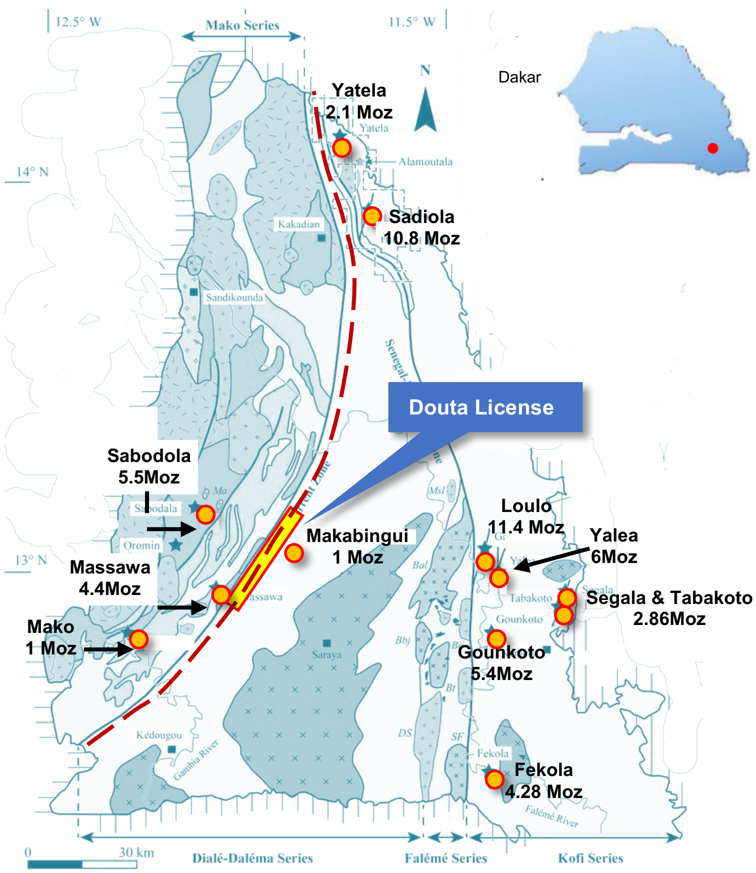

Figure 1: Location of Douta exploration license, Senegal

Burkina Faso

Thor also holds a 49% interest in two contiguous gold permits, Bongui and Legue, covering an area of 233 km^2, and a 49% interest in the Ouere gold permit, covering an area of approximately 241 km^2. These three Burkina Faso permits comprise the Central Houndé Project, located within the Houndé belt, 260 km southwest of the capital Ouagadougou, in western Burkina Faso. The Central Houndé Project is being advanced through a Farm-out Agreement with Barrick Gold Corp ("Barrick") which can earn up to an 80% interest in the project. As at December 31, 2019, Barrick has met the minimum spending requirement for the Phase 1 Earn-in. As a result, Barrick earned a 51% interest in the Central Houndé Project.

SIGNIFICANT EVENTS AND TRANSACTIONS

Segilola Project, Nigeria

On February 4, 2019, the Company announced positive results of its Independent Definitive Feasibility Study ("DFS") for an open pit Gold Project on its 100% Segilola Gold Project in Nigeria ("Segilola"). The DFS demonstrated the existence of a robust open pit project with an unlevered after tax NPV5% of US$138 million at an assumed gold price of US$1300/oz, a 50% IRR and a payback period of under 1.4 years (at a US$1,300/oz gold price) with pre-production Capex of US$87 million and and a life of mine all in sustaining cost of US$662/oz. The projected production from the open pit is 80,000 ounces per annum.

At the same time the Company also announced completion of an Independent Preliminary Economic Assessment ("PEA") for a proposed supplemental underground mining project at Segilola. The PEA demonstrated an accretive NPV5% of US$35 million and a development capital requirement of US$13 million to be funded from the open pit cash flow. The Underground Project considers an initial three year underground operation which can be brought on during the open pit mine life to supplement the open pit ore with high grade underground production. The deposit remains open below the resource considered in the underground project. The projected production from the underground is 33,000 ounces per annum.

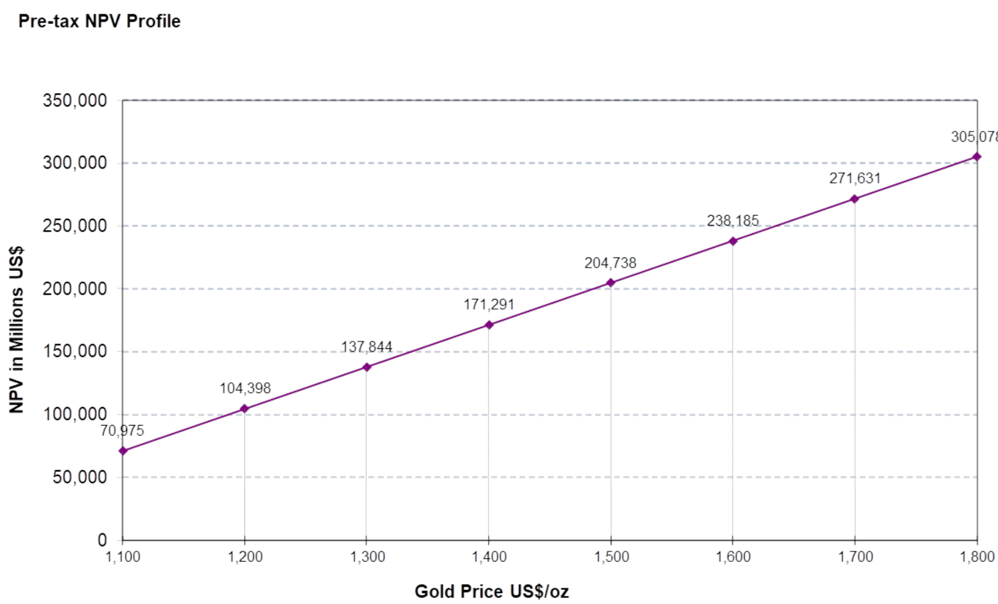

Figure 2: DFS Financial Model gold output prices

On April 15, 2019, the Company announced that it had received Investment Committee approval for a US$78 million financing package with the Africa Finance Corporation ("AFC") for the construction and ramp-up of the Segilola Gold mine. The funding package was subsequently increased to US$86 million and concluded post balance date on April 29, 2020 consisting of US$54 million senior secured credit facility, a US$21 million gold stream prepayment and a US$11 million equity investment in Thor. Refer to the subsequent events section for further detail.

On April 16, 2019, the Company announced it had received a commitment from Norinco International Corperation Limited ("Norinco International") for a 10% financing of a US$65 million turnkey, engineering, procurement and construction contract ("EPC Contract") awarded to Norinco International for the development of the Company's Segilola Gold Mine.

On May 8, 2019, the Company announced the appointment of Mr Michael Kelly as General Manager of the Segilola Gold Project. Mr Kelly is a mining engineer with over thirty years experience and a proven track record in developing mining projects having worked in key senior mining positions for Zara Mining, Centerra Gold, AngloGold Ashanti and also as a mining contractor. Mr Kelly has achieved success in delivering projects and operating mines in several locations in Africa and Asia with wide ranging industry experience focused on gold, having managed mining operations, in both production and technical roles and having been involved in the planning and optimisation of several open pit mines.

On May 31, 2019, the Company announced that it had signed the EPC contract with Norinco International. The EPC Contract was agreed on a lump sum turnkey basis and provided Thor with a fixed price of US$67.5 million for the full delivery of design, engineering, procurement, construction and commissioning of the proposed 650,000 tonne per annum gold ore processing plant within 18 months of the commencement date and includes guarantees for construction schedule and plant performance.

The Company commenced a Resettlement Action Plan ("RAP") which requires no physical relocation, but compensation for economic displacement. The survey process began in May with a newspaper publication announcement in local newspapers. RAP sensitisation meetings were carried out in June 2019, with the RAP surveys on land delineation, valuation, asset and socio-economic surveys commencing on 21st June, 2019 and as at the date of this report are close to conclusion.

During the year the Company made preparations as it moves towards development. The main initiatives undertaken were:

- Advancing the design of the facilities at site, furthering mine optimisation and working with the communities in and around the site;
- Holding meetings at the Yantai Orient Metallurgy Design & Research Institute, to further enhance the design of the Process Plant, Camp and Administration buildings;
- Work on the optimisation of the Open Pit Mine Design;
- Initiated a tender process for the contract mining works. Seven companies initially submitted tenders with three of these companies eliminated in the first round. The remaining bidders submitted revised tenders during Q4;
- Met with the newly appointed Minister of Mines and Steel Development to discuss financial incentives that the Company is seeking;
- Submitted construction drawings to the Osun State Government for approval which subsequently released the necessary permits that allow the Company to start construction works at site.

Post Year-end Operational Update

On April 29 2020, The Company announced that it had closed a private placement 28,215,750 common shares of the Company with the Africa Finance Corporation ("**AFC**") for gross proceeds of C$5,643,150 (US$4,250,000) to reach full funding of the Segilola Gold Project.

The Company also announced the issuance of 34,750,000 Common Shares against US$5,000,000 of invoices under its EPC schedule.

The Company completed the signing of definitive documentation with the AFC for the provision of a US$54,000,000 senior secured credit facility (the "**Facility**") and a US$21,000,000 gold stream prepayment. In connection with the Facility, the Company issued to AFC 33,329,480 Common Shares at a deemed price of C$0.20 per Common Share (the "**Bonus Shares**").

Following the signing of the definitive documents, the Company made the Final Investment Decision to proceed with construction of the Project, following the implementation of Covid-19 procedures at the Project.

Highlights of the Financing:

- Total expected fundraising of US$104,500,000;
- Tranche 1 private placement (closed on December 5 2019) raising gross proceeds of C$15,733,850 (US$11,830,000) through the issuance of 78,669,250 Common Shares at a price of C$0.20;
- Tranche 2 private placement raising gross proceeds of C$5,643,150 (US$4,250,000) through the issuance of 28,215,750 Common Shares at a price of C$0.20 per Common Share closed on April 29, 2020;
- Issuance of 34,750,000 shares at a price of C$0.20 per Common Share in lieu of US$5,000,000 (C$6,950,000) of EPC construction costs;
- US$21,000,000 gold stream prepayment;
- US$6,500,000 EPC deferred payment facility;
- US$54,000,000 senior secured credit facility.

Private Placement

On June 12, 2020, the Company announced the undertaking of a private placement to raise up to US$10 million through the issue of new common shares.

Board Appointment

The Company was pleased to appoint and welcome to it's board, an AFC nominee, Mr. Oliver Andrews. Oliver is an Executive Director and the Chief Investment Officer at AFC. Oliver has over 35 years experience in investing and developing infrastructure as well as mining projects and transactions. Oliver joined the Thor board as a Non-executive Director.

Nigerian Exploration Licenses

Activities during 2019 comprised mainly regional target generation over an expanded exploration tenure which currently amounts to 912 km^2. Field activities comprised surface geochemical surveys and geological mapping in conjunction with limited drilling.

Exploration Tenure

During the year exploration licences EL29977, EL29978, EL28802 and EL28801 were granted to Segilola Gold Limited (a fully owned subsidiary of Thor Explorations Ltd).The tenements are valid for three years and are renewable for two further periods of two years. Thor's exploration tenure now comprises nine explorations licences and one mining licence.

The Group currently has tenure over nine exploration licences and one mining licence that cover a total of 912 km² of the prospective Ilesha Schist Belt that forms part of the crystalline basement complex of southwestern Nigeria (Figure 3).

Schist belts in Nigeria occur as northerly trending domains of Upper Proterozoic (2,000 Ma) meta-sedimentary, meta-volcanic, and intrusive sequences that are oriented parallel to the boundary between the West African Craton and the Pan African Province. These schist belts are deeply infolded into a migmatite-gneiss-granite basement of Archean to Lower Proterozoic age and have been intruded by granitoids of the Pan African (600 Ma) orogenic suite.

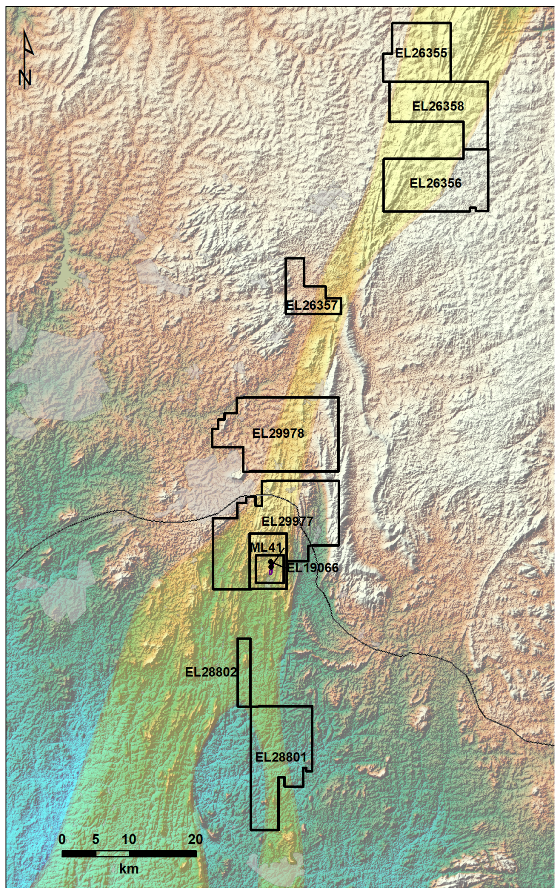

Figure 3: Location of Segilola mining license and exploration licenses, Nigeria

Exploration Statistics 2019

Type	No. Holes	Total Metres	No. Samples
Diamond drilling			
RC drilling	9	1,005	
Diamond Core			
RC			881
Stream sediment			520
Auger soil sample			
Surface soil sample			395
Rock chip			76
Trench			572
Total	9	1,005	2,444

Exploration 2019

To identify additional drilling targets, Thor undertook a reconnaissance stream sediment sampling program comprising a total of 520 sample sites.

The assay results clearly highlight the highly anomalous nature of the Segilola area with a peak assay of 1.96g/tAu returned from a sample located 750m east of the Segilola ore body. A duplicate sample from the same area returned 1.37g/tAu. Stream sediment anomalies of 2.84g/tAu and 0.45g/tAu were also located 5km along strike to the northfrom Segilola. A stream sediment anomaly of 0.49g/tAu was located 11km along strike from Segilola (Figure 4).

In addition, the results from the more regional reconnaissance stream sediment sampling program have returned anomalous gold assays ranging from 44 to 1,113ppbAu from areas 35km to the south and 66km to the north of Segilola.

Thor considers these initial results to be encouraging in that they establish the presence of anomalous gold in areas not previously explored.

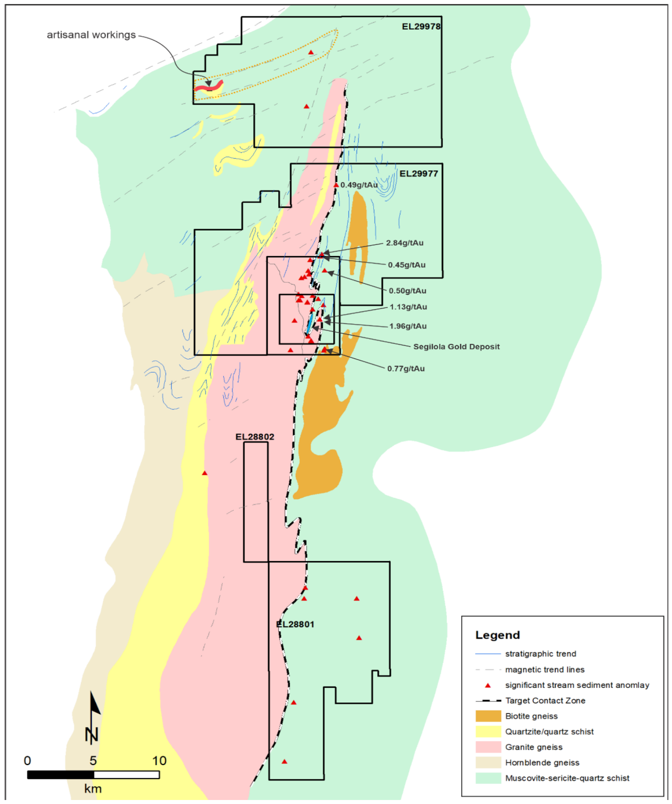

Figure 4: Geological map showing mineralised trends and geochemical anomalies

A limited eight hole reverse circulation (RC) drilling program was completed over part of the northern strike length of the Segilola mineralised trend. Two holes that intersected the mineralised structure 600m north from Segilola returned anomalous results.

HOLE ID	Easting	Northing	Total Depth (m)	Azimuth	Dip	From (m)	To (m)	Downhole Interval (m)	True Thickness (m)	Average Grade (Aug/t)
SGRC005	702071	832800	110	90	-60	78	79	1.0	0.85	0.82
SGRC009	702106	832806	86	90	-60	44	44	1.0	0.85	1.41

Table 1: Significant Results – Regional RC Drilling

Results were received from trench sampling and two RC holes that were completed within the resource area in late 2018 were received. Significant results included:

Type	HOLE ID	Easting	Northing	Total Depth (m)	Azimuth	Dip	From (m)	To (m)	Downhole Interval (m)	True Thickness (m)	Average Grade (Aug/t)
RC	SGRC007	701717	830975	120	90	-90	61.0	64.0	**3.0**	**1.60**	**3.08**
RC	SGRC007						81.0	93.0	12.0	6.60	1.25
RC	SGRC007						97.0	104.0	**7.0**	**3.60**	**4.10**
RC	SGRC008	701857	831575	37	90	-90	23.0	30.0	7.0	5.10	5.88
trench	SGTR001	701848	831551	50	90	0	22.4	29.1	**6.7**	**6.70**	**4.22**

Table 2: Significant Results – Infill RC Drilling and Trenching

Exploration January 2020 to May 2020

Exploration Statistics 2020

Type	No. Holes	Total Metres	No. Samples
Diamond drilling	11	1130	
Diamond Core			355
Stream sediment			48
Auger soil sample			1,108
Rock chip			12
Total	11	1,130	1,523

Exploration 2020

During the period January 2020 to date exploration has comprised:

- generating targets within the mining lease and surrounding exploration licence using auger drill geochemical sampling (Figure 5)
- Infill diamond drilling to confirm the upper portions of the early mining resource
- Open pit geotechnical drilling
- Diamond drilling to test for extensions of the mineralisation at depth

Drillhole locations are shown in Figure 6.

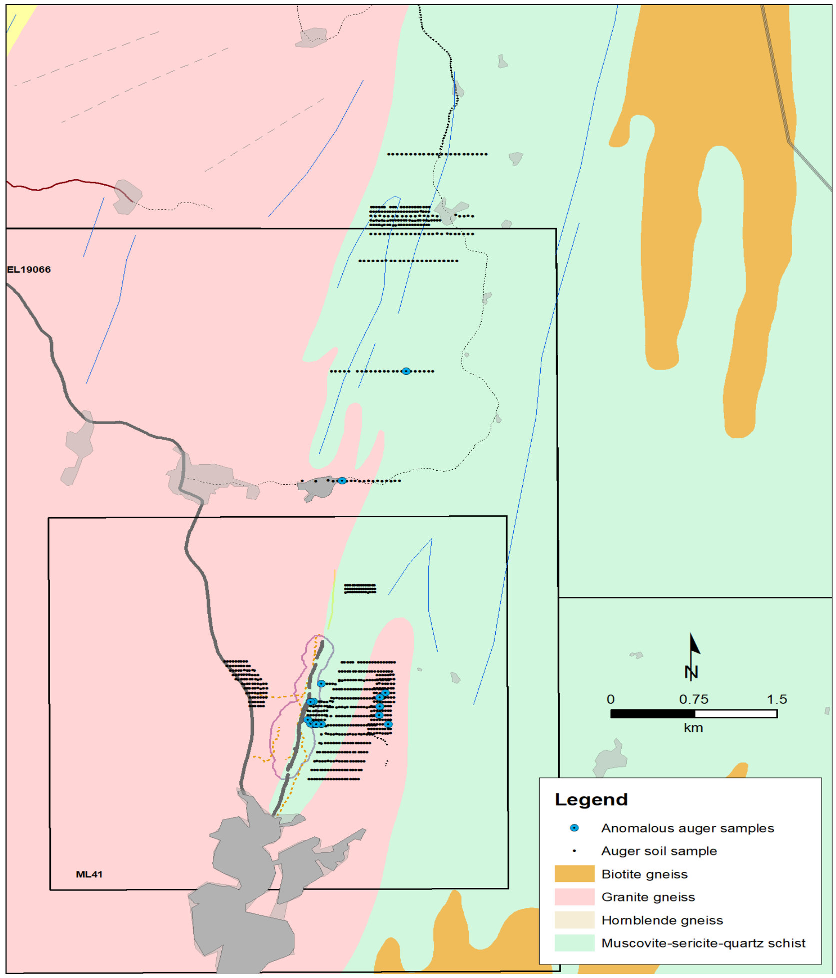

Figure 5: Auger soil sampling location map

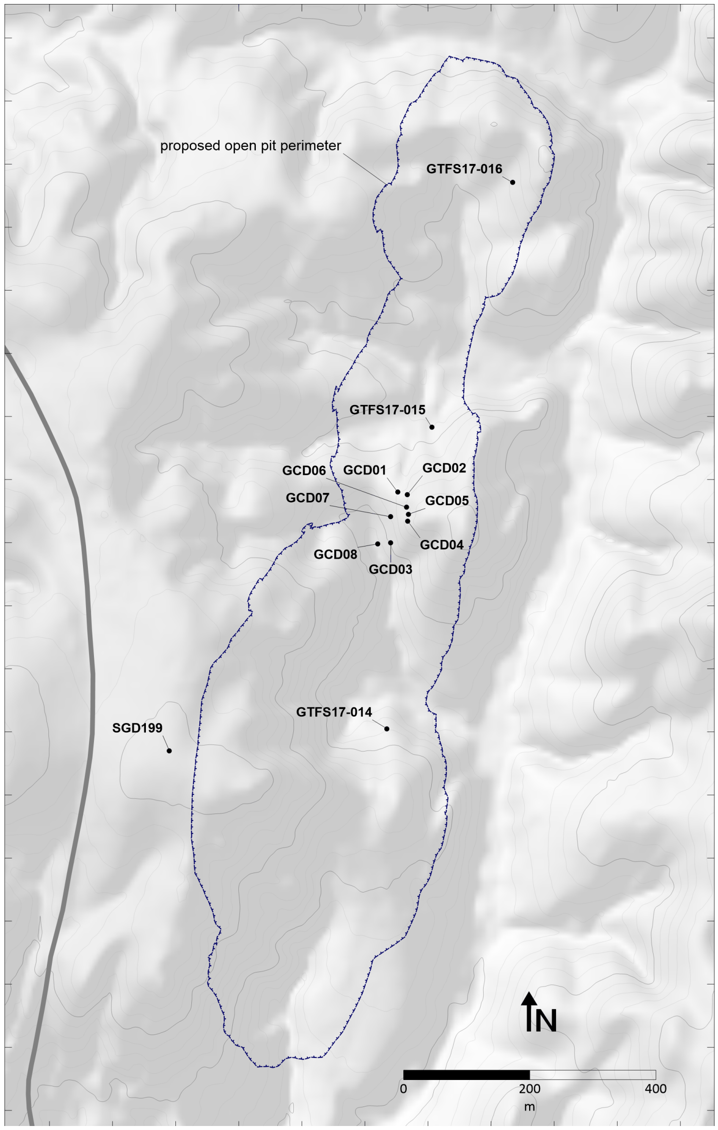

Figure 6: Drillhole location map

Douta Project, Senegal

While the main operational focus for the Company during 2019 was on the Segilola Gold Project in Nigeria, the Company did continue to make progress on it's Douta Project in Senegal. During 2019, a revised analysis of the soil geochemistry database was completed, four areas were selected for follow up auger/RAB drilling and, in Q4, preparations including drilling contract negotiations for an upcoming auger sampling program were undertaken.

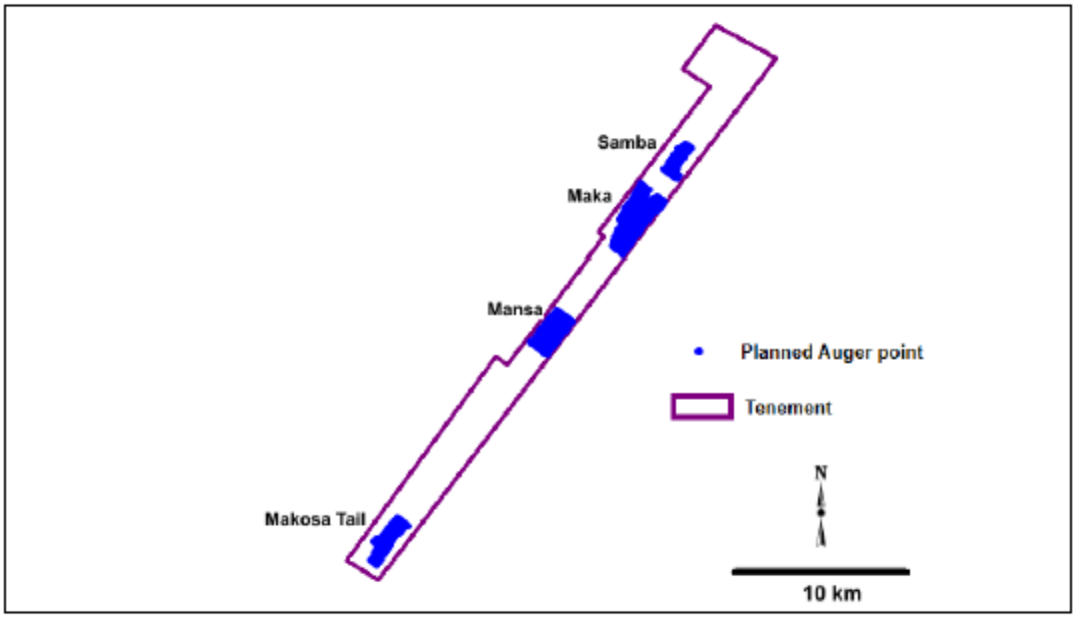

Figure 7: Planned Douta targets, Senegal

Burkina Faso

In 2019,_Barrick completed an acquisition of Acacia Mining plc ("Acacia") through the purchase of the ordinary share capital of Acacia that Barrick did not already own. The acquisition did not affect work undertaken at the Central Hounde Gold Project in Burkina Faso where Barrrick continued the exploration work as per Acacia's JV with Thor.

A drilling programme was undertaken in 2019 that continued into Q3 until early August when it was interrupted by the rainy season. A total of 16,175m of drilling was completed during the year, comprising 7,109m of reverse circulation drilling and 9,066m of air-core drilling, with some encouraging results received.

A total of 1,219 soil samples were collected with all assay results received.

During Q4, a desktop re-evaluation of all geochemical, geological and geophysical data across the prospecting license was undertaken with an aim to generate targets for further work.

The Company notes that post completion of Barrick's acquisition of Acacia, the Option Agreement contains right of first refusal clauses regarding the Company's right to reclaim Barrick's interest in the Central Houndé Project and the Company will assess its options in this regard.

Qualified Person's Statement

Scientific or technical information in this MD&A that relates to the Company's exploration activities in Nigeria, Senegal and Burkina Faso has been prepared under the supervision of Alfred Gillman (Fellow AusIMM, CP), who is designated as a "qualified person" under National Instrument 43-101 and has reviewed and approved the content of this MD&A. Mr. Gillman consents to the inclusion in this MD&A of the information, in the form and context in which it appears.

Private Placements

On August 19, 2019, the Company announced a proposed non-brokered private placement to issue up to 100,500,000 Common Shares ("Common Shares") at a price of $0.20 per Common Share for gross proceeds of $20,100,000. The placement closed on December 5, 2019 with 78,669,250 Common Shares being issued raising gross proceeds of $15,733,850. The Company paid $291,092 as finder's fees to third party finders.

OVERALL PERFORMANCE

For the year ended December 31, 2019, the Company incurred a net loss of $4,887,463 ($0.01 loss per share) compared to a net loss of $4,192,061 ($0.01 loss per share) for the year ended December 31, 2018. The increase in net loss is mainly due to the recognising of an impairment provision against receivables and increase in director fees which is partially offset by a decrease in both stock-based compensation expenses arising from the issue of options to directors, officers and group consultants, and accretion expense on the deferred payable.

For the year ended December 31, 2019, the Company incurred a total of $4,681,695 of deferred exploration expenditures (year ended December 31, 2018 - $6,551,713). The exploration expenditures are mainly works undertaken on the Segilola Gold Project in Nigeria of $4,363,717. The cumulative exploration expenditures incurred to December 31, 2019 across all of the Company's projects amounts to approximately $19,633,140.

During the year, the Company made payments totalling $10,643 for the acquisition of new exploration licenses in Nigeria. The cumulative Segilola Gold Project, Nigerian exploration licenses, Douta Gold Project and Central Houndé Project expenditures at December 31, 2019 amount to $19,747,473, $35,896, $6,199,492 and $664,145 respectively

As at December 31, 2019, the Company had cash of $5,402,920, cash receivables of $1,145,837 and net working capital of $5,655,019 as at December 31, 2019 (December 31, 2018 - cash of $304,067 cash receivables of $1,711,261 and a net working capital deficit of ($246,538)).

SUMMARY OF QUARTERLY RESULTS

The table below sets forth selected results of operations for the Company's eight most recently completed quarters (in Canadian dollars, except per share amounts).

Description	Q4 Dec 31 2019 $	Q3 Sep 30 2019 $	Q2 June 30 2019 $	Q1 Mar 31 2019 $	Q4 Dec 31 2018 $	Q3 Sep 30 2018 $	Q2 June 30 2018 $	Q1 Mar 31 2018 $
Revenues	-	-	-	-	-	-	-	-
Net loss for period	(3,069,974)	(487,506)	(769,811)	(560,172)	(773,290)	(415,388)	(541,881)	(2,461,502)
Basic and fully diluted loss per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
Total assets	53,712,727	46,408,726	45,771,069	45,154,089	45,234,303	46,339,901	39,824,270	40,461,747
Total long term liabilities	(35,354)	(970)	(999)	(1,005)	(1,047)	(18,826)	(19,298)	(19,985)

RESULTS OF OPERATIONS

The review of the results of operations should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2019.

Results of operations for the twelve months ended December 31, 2019 and 2018

Loss for the year

The Company reported a net loss of $4,887,463 ($0.01 loss per share) for the year ended December 31, 2019 as compared to a net loss of $4,192,061 ($0.01 loss per share) for the year ended December 31, 2018. The increase in loss was largely the result of an increase over the comparable period in:

- impairment of receivables of $2,026,301 recognised in 2019;
- depreciation of $75,811 from $50,922 in 2018 to $126,733 in 2019;
- directors fees of $440,164 from $381,166 in 2018 to $821,330 in 2019:
- consultancy costs and salaries of $365,893 from $515,613 in 2018 to $881,506 in 2019; and
- foreign exchange losses of $104,149 from $139,851 in 2018 to $244,000 in 2019.

partially offset by decreases in:

- share based payments of $1,972,354, from $2,110,354 in 2018 to $138,000 in 2019; and
- accretion of deferred consideration of $271,547 from $271,547 in 2018 to $nil in 2019;

Revenue

The Company does not have any operating revenue. The Company's sole source of income is interest income on cash balances. No interest was earned during the year ended December 31, 2019 and 2018.

Results of operations for the three months ended December 31, 2019 and 2018

Loss for the period

The Company reported a net loss of $3,069,974 ($0.00 loss per share) for the three months ended December 31, 2019 as compared to a net loss of $773,290 ($0.00 loss per share) for the three months ended December 31, 2018. The increase in net loss is mainly due an increase in:

- impairment of receivables of $2,026,301 recognised in 2019;
- directors fees of $247,597 from $187,298 in 2018 to $265,895 in 2019;
- consultancy costs and salaries of $353,120 from $134,926 in 2018 to $488,046 in 2019; and
- depreciation of $57,473 from $14,047 in 2018 to $71,520 in 2019;

partially offset by decreases in:

- audit & legal fees of $42,867 from $146,259 in 2018 to $103,392 in 2019;
- stock based compensation of $150,047 from $150,047 in 2018 to $nil in 2019; and
- office & miscellaneous costs of 43,311 from $47,097 in 2018 to $3,786 in 2019.

Revenue

The Company does not have any operating revenue. The Company's sole source of income is interest income on cash balances. No interest was earned during the three months ended December 31, 2019 and 2018.

SELECTED ANNUAL INFORMATION

FOR THE YEAR ENDED	DECEMBER 2019 $	DECEMBER 2018 $	DECEMBER 2017 $
Total revenues	Nil	Nil	Nil
Net loss	(4,887,463)	(4,192,061)	(2,646,010)
Loss per share – basic and diluted	0.01	0.01	0.01
Total assets	53,712,727	45,234,303	36,051,988
Total long term liabilities	35,354	1,047	18,896
Cash dividends declared	Nil	Nil	Nil

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash of $5,402,920, receivables of $1,145,837 and net working capital of $5,655,019 as at December 31, 2019 (December 31, 2018: cash of $304,067 and a net working capital deficit of ($246,538)). The increase in cash balance of $5,098,853 is due to total funds received from share placements of $14,185,402 offset by exploration expenditure payments of $5,123,835, payments for property plant and equipment of $14,216, partial repayment of the deferred payable of $860,275 and operational expenditure of $2,596,136.

The Company has no source of income and is dependent on securing additional financing to fund current activities and corporate overhead. The Company's Segilola Gold Project is fully funded but the Company does require additional funding to enable it to meet its ongoing working capital requirements. Although the Company has been successful in securing additional financing in the past, there can be no certainty that future fundraisings will be successful which raises material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. As at December 31, 2019, the Company had no long term debt. Refer to subsequent events for further information on fundraising progress post reporting period date.

RELATED PARTY DISCLOSURES

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

a) Trading transactions

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

	Nature of relationship
Goldstream Capital Corporation	Directors Fees

b) Compensation of key management personnel

There are no other related party disclosures other than those disclosed in the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2019.

OFF–BALANCE SHEET ARRANGEMENTS

Except as otherwise noted, the Company is not committed to any material off-balance sheet arrangements.

PROPOSED TRANSACTIONS

Except as otherwise noted, the Company does not have any other material proposed transactions.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

a) Future accounting pronouncements

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods and which the group has decided not to adopt early. The most significant of these are as follows, which are all effective for the period beginning January 1, 2020:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Definition of Material)
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- IFRS 3 Business Combinations (Amendment – Definition of Business)
- Revised Conceptual Framework for Financial Reporting

The Group is currently assessing the impact of these new accounting standards and amendments. None of these are expected to have a significant effect on the Group.

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

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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

Fair value of financial assets and liabilities

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

The carrying amount for cash, amounts receivable, and accounts payable, accrued liabilities and lease liabilities on the statement of financial position approximate their fair value because of the limited term of these instruments. The carrying value of the deferred payment approximated its fair value. The investments are carried at cost as they are not traded on an active market.

Financial risk management objectives and policies

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

- Credit risk
- Liquidity and funding risk
- Market risk

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

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

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

Financial instruments by category

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

31 December 2019		Total
Assets		
Cash and cash equivalents	$	5,402,920
Amounts receivable		1,145,837
Total assets measured at amortised cost		**6,548,757**

		Total
Liabilities		
Accounts payable and accrued liabilities	$	1,032,776
Lease liabilities		96,665
Total liabilities measured at amortised cost	**$**	**1,129,441**

31 December 2018		Total
Assets		
Cash and cash equivalents	$	304,067
Amounts receivable		1,711,261
Total assets measured at amortised cost		**2,015,328**

		Total
Liabilities		
Accounts payable and accrued liabilities	$	1,506,438
Deferred payment		893,405
Total liabilities measured at amortised cost	**$**	**2,399,843**

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

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

At December 31, 2019 amounts receivable is comprised primarily of share subscription monies to be received from subscribers pursuant to private placements. The Company has formed the opinion that it is exposed to credit risk and counterparty risks. In accordance with the provisions of IFRS 9 the Company has undertaken a credit assessment risk with regards to this outstanding receivable and has determined it appropriate to make an impairment provision for $2,026,000 through Consolidated Statement of Comprehensive Loss.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at December 31, 2019 and 2018 were as follows:

		Year ended December 31, 2019		Year ended December 31, 2018
Cash	$	5,402,920	$	304,067
Amounts receivable		1,145,837		1,711,261
Total	**$**	**6,548,757**	**$**	**2,015,328**

Liquidity and funding risk

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

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

The following table summarizes the Company's significant remaining contractual maturities for financial liabilities at December 31, 2019 and 2018.

Contractual maturity analysis as at December 31, 2019

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

Contractual maturity analysis as at December 31, 2018

	Less than 3 months $	3 – 12 Months $	1 – 5 Year $	Longer than 5 years $	Total $
Accounts payable	888,522	199,351	-	-	1,087,873
Accrued liabilities	418,565	-	-	-	418,565
Other non-current liabilities	893,405	-	-	-	893,405
	2,200,492	**199,351**	**-**	**-**	**2,399,843**

Market risk

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

a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets or liabilities. See note 11 of the Consolidated Financial Statements. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

The following table shows the interest rate profile of interest-bearing financial instruments as at December 31, 2019 and December 31, 2018:

	Year ended December 31, 2019	Year ended December 31, 2018
Variable rate instruments		
Financial assets	$ -	$ -
Financial liabilities	-	(893,405)
	$ -	**$ (893,405)**

The deferred payment was not subject to interest until August 18, 2018.

Sensitivity analysis

An increase of 100 basis points in interest rates at each reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit and other equity.

	Profit and loss	
	Year ended December 31, 2019	Year ended December 31, 2018
Variable rate instruments	$ -	$ 8,934

b) Foreign currency risk

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

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

The following table shows the currency of net monetary assets and liabilities by functional currency of the underlying companies for the years ended December 31, 2019 and 2018:

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

	Functional currency					
	Canadian dollar	US dollar	Pound Sterling	Nigerian Naira	West African Franc	Total
Currency of net monetary asset/(liability)	December 31, 2018 CAD$	December 31, 2018 CAD$	December 31, 2018 CAD$	December 31, 2018 CAD$	December 31, 2018 CAD$	December 31, 2018 CAD$
Canadian dollar	(245,994)	-	-	-	-	(245,994)
US dollar	623,662	-	-	421	-	624,083
Pound Sterling	(185,567)	-	9	-	-	(185,558)
Nigerian Naira	-	-	-	(80,707)	-	(80,707)
West African Franc	-	-	-	-	(244,190)	(244,190)
Australian dollar	(90,843)	-	-	-	-	(90,843)
Total	101,257	-	9	(80,286)	(244,190)	(223,210)

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

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

December 31, 1018				
Comprehensive income (loss)				
Financial assets and liabilities	$	36,116	$	(36,116)

ADDITIONAL INFORMATION

Additional disclosure of the Company's material change reports, news releases and other information can be obtained on SEDAR at www.sedar.com

Disclosure of Outstanding Share Data

a) Authorized:

Unlimited common shares without par value

b) Common shares issued:

	Number
Balance, December 31, 2019	449,352,215
Balance, June 15, 2020	545,647,445

c) The number of warrants that were outstanding and the remaining contractual lives of the warrants at December 31, 2019 and as at the date of this report were as follows:

Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life	Expiry Date
$0.28	44,453,335	1.67	August 31, 2021
$0.18	1,664,534	0.67	August 31, 2020
	46,117,869	1.17	

During the year ended December 31, 2018, 44,453,335 warrants were issued to subscribers as a part of the private placement ("closing options") that closed on August 31, 2018. These warrants were issued with an exercise price of $0.28 per share with an exercise period of three years from the date of closing. In addition the Company issued a total of 1,497,867 broker warrants plus 166,667 broker warrants as an advisory fee, each broker warrant being exercisable for a common share at C$0.18 for a period of two years from the date the closing options were issued. During the year ended December 31, 2019 no warrants were issued. No warrants expired during the year ended December 31, 2019 or the year ended December 31, 2018.

d) The number of stock options that were outstanding and the remaining contractual lives of the options at December 31, 2019 were as follows:

Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life	Expiry Date
$0.12	9,750,000	2.06	January 16, 2022[1]
$0.12	500,000	2.35	May 7, 2022[2]
$0.145	12,800,000	3.20	March 12, 2023
$0.140	750,000	3.76	October 5, 2023
	23,800,000	2.73	

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

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

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

During the year ended December 31, 2019, no options were issued. During the year ended December 31, 2018, 13,550,000 options were issued, and during the year ended December 31, 2017 10,250,000 options were issued. No options expired during the year ended December 31, 2019 or the year ended December 31, 2018.

Under the 2020 Share Option Plan, 44,900,000 common shares of the Company are reserved for issuance upon exercise of options.

EXPLORATION AND EVALUATION ASSETS EXPENDITURES

Deferred exploration and acquisition expenditures for the year ended December 31, 2019 are as follows:

	Douta Gold project, Senegal	Central Houndé Project, Burkina Faso	Segilola Project	Nigerian Exploration Licenses	Total
Assays and assessments	$ -	$ -	$ 20,032	$ 24,754	$ 44,786
Geophysics, surveys and mapping	-	-	-	-	-
Camp expenses, equipment and rental	1,351	-	70,713	-	72,064
Contractor labour	-	14,306	-	-	14,306
Depreciation	7,070	328	60,580	-	67,978
Drilling and drilling sampling costs	-	-	189,223	-	189,223
Technical reports & analysis	-	-	478,434	-	478,434
Exploration - consulting	78,491	-	418,844	-	497,335
Definitive Feasibility Studies	-	-	806,584	-	806,584
Personnel costs	-	-	1,178,012	-	1,178,012
Environmental & social programmes & management plans	-	-	400,607	-	400,607
Rentals and equipment	-	-	-	-	-
Salaries and wages	168,609	-	29,958	-	198,567
Travel and accommodation	279	-	336,436	-	336,715
Vehicles and Fuel	4,144	-	18,314	-	22,458
Other	-	-	64,801	18,647	83,448
EPC Contract	-	-	291,178	-	291,178
Deferred exploration expenditures	$ 259,944	$ 14,634	$ 4,363,717	$ 43,401	$ 4,681,695
Acquisition costs	-	-	-	10,643	10,643
	$ 259,944	$ 14,634	$ 4,363,717	$ 54,044	$ 4,692,338
Foreign exchange - Opening Balance	317,651	58,535	(11,864)	-	364,322
Foreign exchange - Additions	(766,701)	(124,641)	(286,493)	(1,118)	(1,178,954)
Total Expenditures	$ (189,106)	$ (51,472)	$ 4,065,359	$ 52,925	$ 3,877,706

Total deferred exploration and acquisition expenditures as at December 31, 2019 are as follows:

	Douta Gold Project, Senegal	Central Houndé Project, Burkina Faso	Segilola Gold Project, Osun Nigeria	Nigerian exploration licenses	Total
Assays and assessments	$ 794,028	$ 80,280	$ 133,773	$ 24,754	$ 1,032,835
Geophysics, surveys and mapping	40,714	4,448	7,527	-	52,689
Camp expenses, equipment and rental	754,374	65,456	189,218	-	1,009,048
Contractor labour	159,120	79,229	52	-	238,401
Depreciation	514,077	4,294	145,508	-	663,879
Drilling and drilling sampling costs	1,345,756	135,030	2,784,654	-	4,265,440
Technical reports & analysis	26,501	3,264	1,247,032	-	1,276,797
Exploration - consulting	677,025	98,326	1,203,317	-	1,978,668
Definitive Feasibility Studies	-	-	2,026,057	-	2,026,057
Personnel costs	46,453	23,486	1,728,483	-	1,798,422
Environmental & social programmes & management plans	-	-	1,038,516	-	1,038,516
Rentals and equipment	56,370	8,674	-	-	65,044
Salaries and wages	1,564,875	187,560	194,442	-	1,946,877
Travel and accommodation	285,630	48,956	590,335	-	924,921
Vehicles	435,471	58,564	48,283	-	542,318
Other	215,356	31,615	216,433	18,647	482,051
EPC Contract	-	-	291,178	-	291,178
Deferred exploration expenditures	$ 6,915,750	$ 829,182	$ 11,844,808	$ 43,401	$ 19,633,140
Acquisition costs	6,199,492	664,145	19,747,473	35,896	26,647,006
	$ 13,115,242	$ 1,493,327	$ 31,592,281	$ 79,297	$ 46,280,146
Foreign exchange	592,902	62,611	(255,848)	81	399,746
Total Expenditures	$ 13,708,144	$ 1,555,938	$ 31,336,433	$ 79,378	$ 46,679,892

SUBSEQUENT EVENTS

On January 17, 2020, the Company announced that the TSX Venture Exchange has accepted filing of the Company's Stock Option Plan ("2020 Stock Option Plan", or "the Plan"). The Plan reserves a fixed number of shares, 44,900,000, being less than 10% of the Company's issued shares.

The Company at the same time announced the grant of 14,250,000 stock options under the terms of the Plan to directors and officers and group consultants of the Company. The options were granted at an exercise price of $0.20 per share for a period of five years and amount to 3.17% of the issued share capital at the date of issue. Following this issue there are a total of 38,050,000 stock options outstanding.

On April 15, 2020, the Company announced the appointment of AFC nominee, Mr. Oliver Andrews to the Board of Directors. Mr Andrews has over 35 years experience in investing and developing infrastructure as well as mining projects and transactions. He has an extensive background in engineering, transport and principal investments, covering strategic advisory - advising governments, international corporations, regional economic institutions and DFIs, project development and principal investing. He has successfully directed, developed and invested in numerous infrastructure deals in Africa, with a total value of c.US$40 billion. Mr Andrews is also a non-executive director of several companies and is the first Chairman of Africa Infrastructure Development Association (AfIDA).

On April 29, 2020, the Company announced the execution of definitive documents with the Africa Finance Corporation to reach full funding of the Segilola Gold Project in Nigeria (the "Project") and made the Final Investment Decision to proceed with the full construction of the Project. The Company decided to proceed with construction, following the implementation of Covid-19 procedures at the Project, established in accordance with industry best practice and the guidelines set out by the Osun State Government and the Ministry of Mines and Steel Development. Construction commenced in February 2020 and first gold production is scheduled for Q2 2021. The Company also announced the issuance of 34,750,000 Common Shares against US$5,000,000 of invoices under its EPC schedule. Highlights of the financing are:

- Total fundraising of US$104,500,000;
- Tranche 1 private placement (closed on December 5 2019) raising gross proceeds of C$15,733,850 (US$11,830,000) through the issuance of 78,669,250 Common Shares at a price of C$0.20;
- Tranche 2 private placement offering of C$5,643,150 (US$4,250,000) through the issuance of 28,215,750 Common Shares at a price of C$0.20 per Common Share closed on April 29, 2020;
- Issuance of 34,750,000 shares at a price of C$0.20 per Common Share in lieu of US$5,000,000 (C$6,950,000) of EPC construction costs;
- US$21,000,000 gold stream prepayment;
- US$6,500,000 EPC deferred payment facility; and
- US$54,000,000 senior secured credit facility

The proceeds of the private placements will be used to advance the construction of the Project and general working capital purposes.

On June 12, 2020 the Company announced the undertaking of a private placement to raise up to US$10 million through the issue of new common shares.

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

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

The Group has conducted an review of operations in Senegal and has determined that given the size of the operations to be undertaken in the near term and the limited number of personnel involved, that with the introduction of rigorous hygiene practices including the wearing of masks and regular hand sanitization, operations will continue. The Board continues to monitor the situation closely.

Work on the Joint Operation in Burkina Faso has been restricted to remote desk work in 2020 to the date of signing this report.

INVESTOR RELATIONS

The Company engaged the services of Blytheweigh to assist with investor relations during the year ended December 31, 2019. Blytheweigh provide Thor with public and investor relations services, including advising on aspects of Thor's TSX-V announcements and press releases, presentations and communications with analysts, journalists and investors.

RISKS AND UNCERTAINTIES

The following discussion summarizes the principal risk factors that apply to the Company's business and that may have a material adverse effect on the Company's business, financial condition and results of operations, or the trading price of the Common Shares.

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. The primary risk factors affecting the Company are set forth below and the risks discussed below should not be considered as all inclusive.

Exploration, Development and Operating Risks

Mineral exploration and development operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, base metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

The Company's activities are directed towards the search for, evaluation of, and development of mineral deposits. There is no certainty that the expenditures to be made by the Company will result in discoveries of commercial quantities of minerals. There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will compete with other interests, many of which have greater financial resources than the Company has for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Whether a mineral deposit 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 the Company not receiving an adequate return on invested capital.

Construction Risk

The Company is subject to inherent uncertainties and risks related to the construction and start-up of the Segilola Gold Project, the principal of which include: delays in pre-commissioning and ramp-up to commercial production; delays associated with contractors; budget overruns due to changes in costs of fuel, labour, power, materials and supplies; inflation and exchange rate risks; and potential opposition from non-governmental organizations, environmental groups or local groups which may delay or prevent activities.

The Company's ability to meet construction, development, and production schedules and cost estimates for the Segilola Gold Project cannot be assured. The Company has prepared estimates of capital costs and/or operating costs for the Segilola Gold Project, but no assurance can be given that such estimates will be achieved. Delays in the commencement of commercial production, failure to achieve cost estimates or material increases in costs due to increases in foreign exchange rates, imposition of exchange control restrictions, and delays in obtaining tax exemptions, could all have an adverse impact on future cash flows, profitability, results of operations and the financial condition of the Company. In order to mitigate this construction risk, the Company has signed an EPC Contract on a lump sum turnkey basis which provides Thor with a fixed price of US$67.5 million for the full delivery of design, engineering, procurement, construction and commissioning of the proposed 650,000 ton per annum gold ore processing plant within 18 months of the commencement date and includes guarantees for construction schedule and plant performance.

Land Title

Title insurance generally is not available, and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions from time to time may be severely constrained. In addition, unless the Company conducts surveys of the claims in which it holds direct or indirect interests, the precise area and location of such claims may be in doubt. In addition, such mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects.

The Company has obtained title reports from Nigerian legal counsel with respect to the Segilola Gold Project, Senegal legal counsel with respect to the Douta Gold Project and from Burkina Faso counsel with respect to the Central Houndé Project, but this should not be construed as a guarantee of title. Other parties may dispute title to any of the Company's mineral properties and any of the Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected encumbrances of defects or governmental actions.

In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respects to its properties.

Political Risks

Future political actions cannot be predicted and may adversely affect the Company. Changes, if any, in mining or investment policies or shifts in political attitude in the countries in which the Company holds property interests in the future may adversely affect the Company's business, results of operations and financial condition. Future 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 right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's consolidated business, results of operations and financial condition.

Government Regulation

The mineral exploration and development activities which may be undertaken by the Company may be subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters.

Exploration and development activities may also be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploration and production, price controls, export controls, currency availability, foreign exchange controls, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, limitations on mineral exports, high rates of inflation, increased financing costs, and site safety. This may affect both the Company's ability to undertake exploration and development activities in respect of its properties, as well as its ability to explore and operate those properties in which it currently holds an interest or in respect of which it obtains exploration and/or development rights in the future.

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 or future potential production. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

Permitting

The Company's operations may be subject to receiving and maintaining permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of such permits for future operations. Management of the Company believes it has received the necessary permits for the current operations. Prior to any development on any properties, the Company must receive permits from appropriate governmental authorities. There can be no assurance that the Company will obtain and/or continue to hold all permits necessary to develop or continue operating at any particular property. See also "Exploration, Development and Operating Risks" above.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates, and will be subject to environmental regulation in the jurisdictions in which it will operate in the future. 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. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests from time to time which are unknown to the Company and which have been caused by previous or existing owners or operators of the properties. Government approvals and permits may in the future be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from proceeding with planned exploration, production or development activities.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be 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, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses or capital expenditures or require abandonment or delays in development of new properties.

Foreign Currency Exchange Rates

Fluctuations in currency exchange rates, principally Nigerian Naira, West African CFA franc, British pound, US dollar and Australian dollar exchange rate and, to a lesser extent, other exchange rates, can impact the Company's earnings and cash flows. Certain of the Company's obligations and operating expenses may from time to time be denominated in Nigerian Naira, West African CFA franc, British pound and US dollar. If the value of the Nigerian Naira, West African CFA franc, British pound and US dollar increases relative to the Canadian dollar, the Company's results of operations, financial condition and liquidity could be materially adversely affected.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays, monetary losses and possible legal liability.

The Company currently only maintains nominal liability insurance. The Company may also be unable to maintain insurance to cover certain risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mineral exploration industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Management of the Company believes that the infrastructure in Nigeria, Senegal and Burkina Faso is comparable to those in any remote mining location located in other parts of the world.

Competition May Hinder Corporate Growth

The mining industry is competitive in all of its phases. The Company faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to acquire or maintain attractive mineral exploration properties on terms it considers acceptable or at all. Consequently, the Company's operations and financial condition could be materially adversely affected.

Additional Capital

The development of the Company's properties will require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of the Company's properties from time to time, or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

Gold Price

The price of the Common Shares, the Company's financial results and exploration and development activities may in the future be significantly adversely affected by declines in the price of gold. The gold price fluctuates widely and is affected by numerous factors beyond the Company's control such as the sale or purchase of gold by various central banks and financial institutions, interest rates, exchange 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 gold price is subject to fluctuations, and future serious price declines could cause development of any properties in which the Company may hold an interest from time to time to be impracticable. Future production from the Company's properties, if any, will be dependent upon, among other things, a gold price that is adequate to make these properties economic.

In addition to adversely affecting the Company's financial condition and exploration and development activities, a declining gold price can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Dependence on Key Personnel

The Company has a small management team and the loss of a key individual or the inability to attract suitably qualified personnel in the future could materially and adversely affect the Company's business.

Limited Operating History

The Company has no history of generating revenue or profits. There can be no assurance that it will generate profits in the future.

Covid-19

The emergence of the Covid-19 coronavirus pandemic has caused a severe adverse effect on the business environment on a global scale. The Company may be affected by disruptions to its operations in one or more locations, particularly for the foreseeable future in light of the government responses to the spread of Covid-19 or other potential pandemics. The Company's Nigerian operations have been declared as an essential business by the Nigerian authorities and so are not subject to closure. The Company decided to proceed with construction, following the implementation of Covid-19 procedures at the Segilola Gold Project, established in accordance with industry best practice and the guidelines set out by the Osun State Government and the Ministry of Mines and Steel Development. The Company maintains constant dialogue with local Nigerian government and monitors the situation among the local communities as well as the broader environment.

The Board is aware of the various risks that the pandemic presents that include but are not limited to financial, operational, staff and community health and safety, logistical challenges and government regulation. The Board continues to monitor these risks and the Company's business continuity plans.

Market Price of Common Shares

Securities of publicly-listed mineral resource companies can be subject to substantial volatility, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America, China and globally and market perceptions of the attractiveness of particular industries. The Company's share price is also likely to be significantly affected by short term changes in the price or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not continue to follow the Company; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Company's securities to be delisted from the exchange on which they trade, further reducing market liquidity.

As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Common Shares in the public market, or the potential for such sales, could decrease the trading price of the Common Shares and could impact the Company's ability to raise capital through future sales of Common Shares.

Conflict of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other Companies involved in mining and/or natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interest of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth under applicable laws.

Additional information

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Caution Regarding Forward-Looking Information:

Certain information contained in this MD&A constitutes forward-looking information, which is information relating to future events or the Company's future performance and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, but is not limited to, the Company's expectations regarding its future work capital requirements, including its ability to satisfy such requirements, the exposure of its financial instruments to various risks and its ability to manage those risks.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A.

The forward-looking information contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. All of the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.