THOR EXPLORATIONS LTD

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")
(For the Year Ended December 31, 2020)

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, 2020 and 2019.

This MD&A should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2020. 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 April 30, 2021.

HIGHLIGHTS

The Company continues to keep its strong safety precautions and measures in order to operate safely in the midst of the COVID-19 pandemic.

The key highlight of 2020 was reaching Financial Close for the Company's 100% owned Segilola Gold Project in Nigeria (the "Project") and commencing construction of the Segilola mine.

Highlights of the Financing:

- 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 raising gross proceeds of C$5,643,150 (US$4,250,000) through the issuance of 28,215,750 Common Shares to AFC at a price of C$0.20 per Common Share closed on April 29, 2020;
- Issuance of 34,750,000 shares to Norinco 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;
- Supplier credit facility US$1,950,000;
- US$21,000,000 gold stream prepayment;

- US$6,500,000 EPC deferred payment facility;
- US$54,000,000 senior secured credit facility.

Construction of the Project commenced in February 2020 with the Company's EPC Contractor, Norinco International Cooperation Limited. First Gold Pour was targeted for Q2 2021.

Construction and procurement were on track at the end of the year. The procurement of long lead items for the Segilola Gold Project was completed with a number of shipments arriving in Nigeria during December and the remainder arriving in country in early 2021. As of the date of this report, construction remains on track for first gold pour in June 2021.

The Company also closed a private placement of approximately US$10 million, enabling the Company to carry out further exploration in Nigeria and on its Douta Project in Senegal, with the aim of expanding the Company's reserve and resource inventory.

In Senegal, the Company completed a 10,000 metre auger program and a 10,000 metre Reverse Circulation ("RC") drilling program on a number of targets on its Douta Project. The drilling programme yielded positive results and, consequently, the Company is now undertaking a further 10,000 metre RC drilling program.

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 is a growing, West African focused, gold company engaged in the acquisition, exploration and development of mineral properties with a current portfolio located in Nigeria, Senegal and Burkina Faso.

The Company's main focus is currently on its flagship 100% owned Segilola Gold Project located in Osun State, Nigeria approximately 120km northeast of Lagos. The Segilola Gold Project contains a high grade open pit probable reserve of 517,800 ounces at 4.02 grams per tonne ("g/t") within an open pit indicated mineral resource estimate of 532,000 ounces of gold grading at 4.5 g/t, an underground indicated resource of 76,000 ounces of gold grading at 6.1 g/t, with additional significant exploration upside potential. Please refer to the NI 43-101 technical report titled "Segilola Mineral Reserve Update 2021 – March 2021", available on the Company's website in the 'Investors' section and on SEDAR for further details.

The Company is in a transformational period, having fully funded its 100% owned Segilola Gold Project in Nigeria which has been in construction since February 2020. First Gold Pour is scheduled for Q2 2021. The first four years have a projected average annual production targeted at approximately 90,000 ounces. The project is economically robust, and with strong prevailing gold prices, the Company is aiming, from its own internally-generated financial resources, to comprehensively explore its extensive licence holdings in the Segilola region, and at its Douta Project in Senegal, with the objective of substantially increasing gold resources, reserves and production.


Figure 1: The Segilola Gold Project Plant Site

Thor currently has a substantial prospective land package in Nigeria which consists of tenure over nine exploration licences and one mining licence that cover a total of 912 km^2 of the prospective gold bearing Ilesha Schist Belt that forms part of the crystalline basement complex of southwestern Nigeria. The licences are located in good proximity to the Segilola Gold Project and cover sections of the structural trends that extend from the Segilola high grade gold deposit. Initial stream sediment and soil sampling has revealed gold occurrences in all of the Company's exploration licences.

Thor also holds a 70% interest in the Douta Gold Project in Senegal. The Douta Gold Project, located in south-eastern Senegal, approximately 700 km east of the capital city Dakar, currently consists of an advanced stage gold exploration license which hosts two discoveries. The permit lies within the Kéniéba Inlier which hosts over 40 million ounces of gold deposits and has attracted major international mining companies. The Douta Gold Project lies within 5km of the Massawa Gold Deposit which was recently acquired by Teranga Gold Corporation from Barrick Gold Corporation ("Barrick") for US$430 million. The permit covers an area of 103 km^2, and lies in proximity to recent discoveries of significant gold deposits.

In Burkina Faso, Thor was in a joint venture with Barrick comprising two contiguous gold permits, Bongui and Legue, covering an area of 233 km^2, and 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 was being advanced through a Farm-out Agreement with Barrick who could earn up to an 80% interest in the project. Barrick has previously met the minimum spending requirement for the Phase 1 Earn-in, and as a result, as at December 31st, 2020, had a 51% interest in the Central Houndé Project. In April 2021, Thor re-acquired Barrick's 51% interest in the project in exchange for a 1% Net Smelter Royalty. Thor now holds 100% of the Project.

SIGNIFICANT EVENTS AND TRANSACTIONS

Segilola Project, Nigeria

Executive Summary

Despite the effects that Covid-19 presented around the globe, the Company made excellent progress throughout the year. The Company introduced a number of initiatives that has enabled work to continue normally. Best in practise protocols have been implemented that have resulted in zero Covid-19 cases at site to date.

The Project remained Lost-time-injury ("LTI") free in 2020, with over 700,000 LTI free shifts being recorded since the Project commenced.

Work at site began in February 2020. Civils work at the Process Plant are near completion with the Water Storage Dam operational, and significant progress at the Camp and ancillary infrastructure and buildings at an advanced stage.

The Mining Contract was signed between the Company and Sino Hydro and the mobile fleet was procured prior to the end of the year. Installation is well under way with shipments having already arrived into the Lagos ports and subsequent deliveries made to site. Engineers and the installation team from The Yantai Orient Metallurgy Design & Research Institute, arrived at site in Q4 2020 focussing on design work and readiness for installation works.


Figure 2: Segilola Project Site – Camp View

Health & Safety

The Covid-19 safety protocols were implemented at the end of the first quarter 2020 and continue to remain in force and followed diligently, with temperature checks, social distancing, regular hand sanitising and the wearing of masks now a normal part of operating procedures. To date there have been no cases of Covid-19 recorded at the Segilola Gold Mine construction site. Health and Safety efforts which focused on Contractor Management at Site were implemented in the first quarter and continued throughout the year, with Site Health and Safety rules being further consolidated. Systems and Safe Operating Procedures continue to be developed to ensure compliance with safety rules and to date the construction site and all other Segilola work locations remain lost time injury free.

Staffing and Project Office

The Project Management Office expanded throughout the year with key members of the mining team recruited and on site in Nigeria and reporting templates and management plans developed.

Staffing of the Project was a major focus for 2020 with numbers at site increasing throughout the course of the year as operations and preparations ramped up. The engineering department was fully established with benefits in quality control already being realized.

Community

Compensation payments to landowners and farmers for land occupied was over 90% complete at the end of the year with over 200 Community Workers benefitting from employment at site.

<u>Social & Environment</u>

The start of construction on site in Q1 2020 triggered the commencement of payment of compensation to Project Affected Persons (“PAPs”) for the loss of land and assets within the mine footprint. To ensure fair compensation to PAPS, and in line with Nigerian regulations and international guidelines, rental rates for land and replacement value rates for assets (trees of economic value and crops) were determined. These rates were agreed with the Ministry of Mines and Steel Development in February 2020.

The construction phase of the Project also triggered the putting in place of a range of site specific HSE plans and procedures including daily HSE data proformas, an incident reporting procedure and workers HSE induction training.

As part of corporate social responsibility and duty of care, SROL’s COVID-19 assistance was given to three host communities closest to the Mine project.

The completion of the Draft Final Livelihood Restoration Plan (LRP) in December 2020 outlined that the Mine footprint contained a total of 219 landowner parcels and 813 asset owners. The total area is 427.8 ha. Compensation as of December 2020 was just over 90% complete. The LRP also outlined livelihood restoration programmes to aid in PAPs restoring their livelihoods with support over a 4 year period. Such programmes will be rolled out late Q2 to Q4 2021 and supported to 2024.

Progress on a range of Health Safety Security and Environment (HSSE) management plans occurred from Q3 to Q4 2020 with emphasis on requirements of the Environmental and Social Action Plan 2 (ESAP 2). HSSE plans, policies, procedures and protocols issued in Q3 and Q4 2020 in line with ESAP 2 included:

- Transport Management Plan
- Livelihood Restoration Plan
- Cultural Heritage Management Plan
- Water Management Plan
- Waste and Hazardous Waste Management and Controls Plan
- Noise and Vibration Management and Controls Plan
- Soils Management and Controls Plan
- Environment Policy
- Social Policy
- Occupational Health and Safety Policy
- COVID 19 Protocol
- Emergency Response and Evacuation Plan
- Environment and Social Management System
- Aspects and Impacts Register

Nigerian Exploration Licenses

The high grade Segilola gold deposit is located on the major regional shear zone that extends for several hundred kilometres through the gold-bearing Ilesha schist belt (structural corridor) of Nigeria. Thor's exploration tenure currently comprises nine explorations licences. Together with the mining lease over the Segilola Gold Deposit, Thor's total exploration tenure amounts to 912 km². The Company's exploration strategy includes further expansion of its Nigerian land package as and when attractive new licences become available.

Activities during the year comprised drilling, regional steam sediment sampling and detailed auger soil sampling.

2020 Exploration Activities

Statistics

Drilling	No. Holes	No. metres
Diamond	28	4,082
Reverse Circulation	61	4,746
Auger sampling	9,090	12,123
Total	**9,179**	**20,951**

Geochemical Assays	No. samples
Core	996
RC	4,043
Auger geochemistry	7,009
Total	**12,048**

Table 1: Segilola Exploration Statistics 2020

Drilling

Drilling comprised twenty eight exploration diamond holes (including three geotechnical and eight diamond grade control holes) and 61 reverse circulation (RC) holes. The diamond core drilling program was designed to target and de-risk the lower portions of the in-pit resource by upgrading the portions previously classified as Inferred Resources in the Segilola Definitive Feasibility Study. The RC drilling programs carried out included sterilisation drilling within the waste dump area and satellite target exploration.

In-pit drilling confirmed mineralisation to a depth of at least 22m below the design pit. The drilling program included two higher grade zones of 6.8m true width grading 4.0g/tAu and the southern continuation of the higher-grade footwall zone which returned 1.1m true grading 7.5g/tAu. This footwall zone was also intersected in an historic up-dip drillhole which returned 2.5m (1.2m true) at 37g/tAu.

The diamond drilling program was successful and, with optimization of the March 2019 Segilola Definitive Feasibility Study ("DFS"), resulted in an updated Probable Reserve of 517,800 ounces at 4.02 grams per tonne ("g/t") representing a 28% increase over the DFS.

The Segilola process plant design capacity was increased to 715,000 tonnes per annum ("tpa") representing a 14% increase to the DFS design. The Life Of Mine plan has been optimised to support the increased process plant production rate with an average Life Of Mine All-in sustaining cost ("AISC") of $685/oz.

At a $1,600 gold price, the Project now has a Net Present Value ("NPV") of $311m at a 5% discount rate and Internal Rate of Return ("IRR") of 85%.

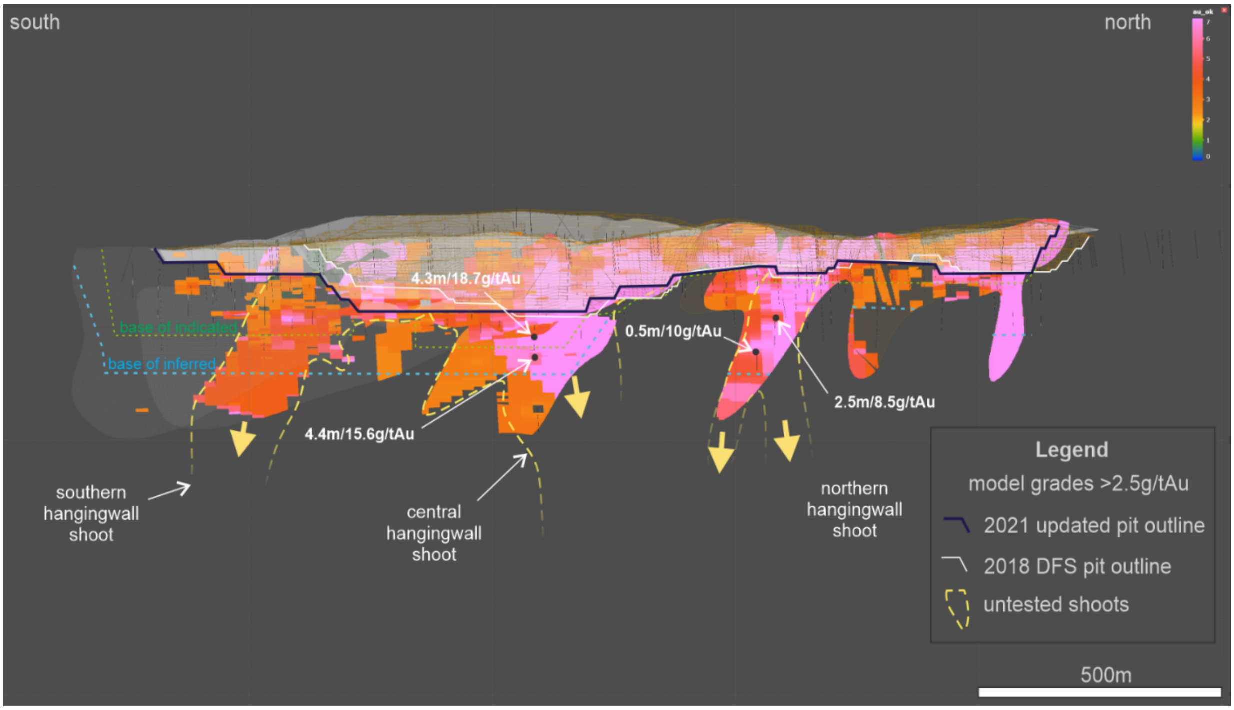

Figure 3: Longitudinal section of the Segilola Resource showing resource block model grades in excess of 2.5g/tAu and future drilling targets

Exploration

The Company has commenced detailed systematic exploration programs in Nigeria across its entire land package. The objective is to prioritise a number of mineral targets within the proximity of Segilola and also to identify any potential standalone targets on its licence portfolio.

The initial phase of exploration focussed on sterilising near mine anomalies to the east of the Segilola pit.

The Segilola Underground exploration program has been paused whilst the Company prioritises the Segilola Project Completion and subsequently commercial production. Once this is successfully achieved, the Company intends to return to the Segilola Underground exploration program.

The Company has also invested in its exploration infrastructure. This includes:

On site lab

The company is investing in a fully accredited onsite lab. The lab will be managed by MS Analytical. This will enable the Company to significantly reduce its sample turnaround time in Nigeria, thereby improving its exploration efficiency.

Government Aeromagnetic Data

The exploration activity has also included acquiring and re-processing Government Aeromagnetic/EM data. Interpretation has been undertaken to identify potentially mineralised structural zones.

Exploration Team

The Company is also significantly building up its in-country exploration expertise. Three on the ground senior exploration geologists joined the team in late January 2021 and represent a change in approach to in country exploration, focussing on working up exploration targets across all the Company's exploration portfolio.

Douta Project, Senegal

During the year, activities undertaken on the Douta project were:

- Geological mapping and grab sampling to confirm gold mineralization at the three main prospects Makosa, Maka and Mansa
- Interpretation of Auger drilling results from drilling carried out in Q2 2020.
- 10,000 metre RC Drilling program

Between March and July 2020, a total of 785 auger drillholes were completed over the Maka, Mansa and Makosa Tail prospects in order to define targets for the follow-up reverse circulation (RC) drilling.

In late 2020, a 10,000m Reverse Circulation ("RC") drilling program was completed across three prospects; Makosa North, Makosa Tail and Maka.

Drilling at the Maka Prospect indicated a number of areas for further investigation. However, the Makosa Prospect will remain priority for follow up where there may be potential for a 7.5km mineralised strike length.

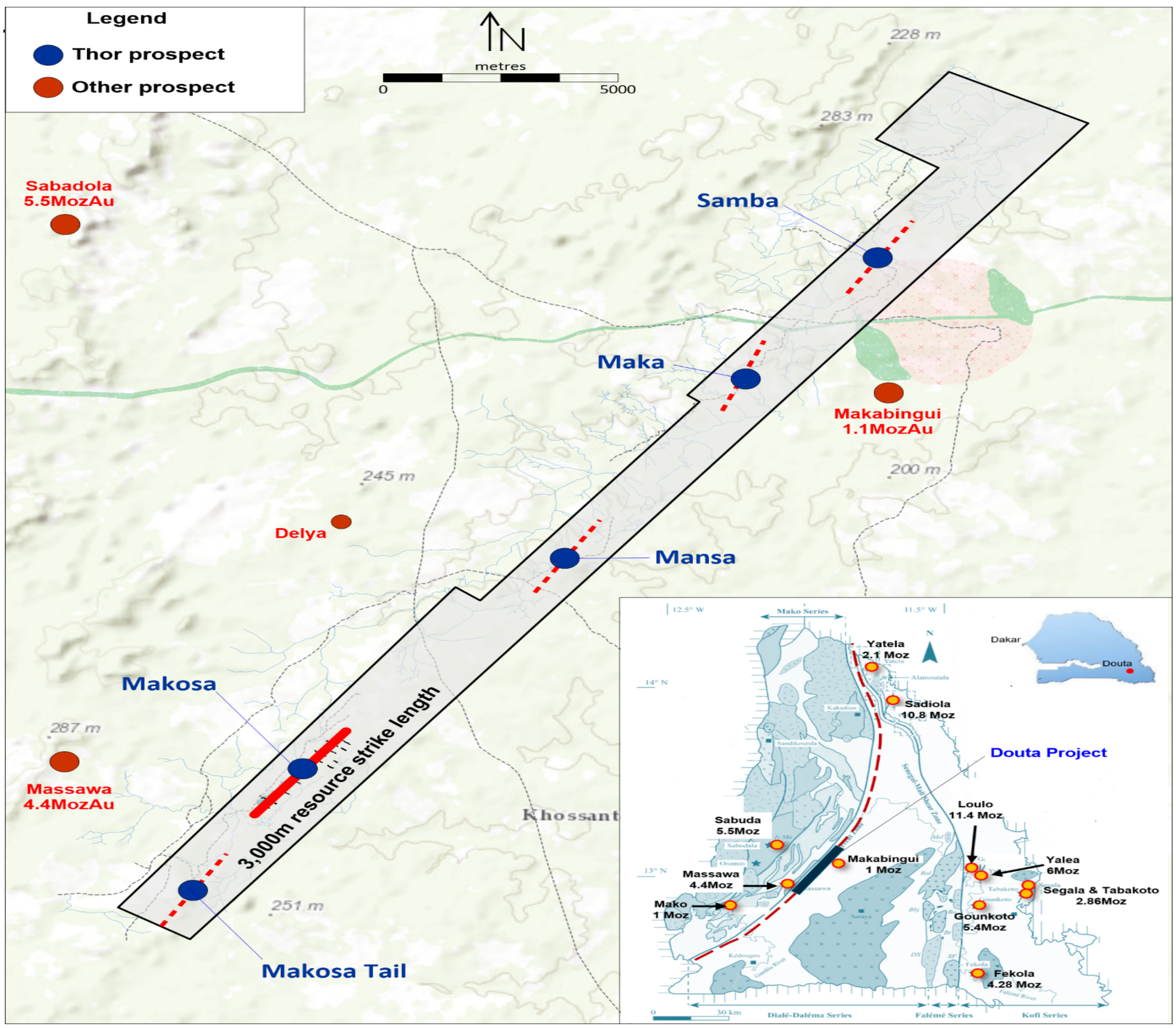

Figure 4: Douta Gold Project location map

Makosa

The Makosa discovery is the most significant of several significant exploration targets to be drilled by Thor within the Douta Gold Project. Prior to 2020, a total of 13 diamond holes and 82 RC drillholes had delineated continuous mineralisation over a strike length of 3,000m. Additional RC drilling of 4,500 metres were drilled in 2020 designed to increase the mineralised footprint of the mineralisation which is open-ended both along strike to the north and south and at depth.

The results from Makosa North indicate multiple parallel lodes over a strike length of 1,000m. Of the 46 drillholes only 5 returned no mineralisation. These results demonstrated continuous mineralisation over nearly 4,000m of strike length. The best result, including 5m grading 3.37g/tAu from 32m, was returned from drillhole DTRC129 which is located on the northern-most section completed in this program. There is thus good potential to extend the mineralised strike length further to the north. Ongoing exploration is planned to explore the Makosa North mineralisation both to the north and at depth.

The results from Makosa Tail indicate up to four parallel, steep north-westerly dipping, mineralised horizons that are developed within a shale/greywacke sequence.

The Makosa Tail drilling intersected multiple parallel lodes over a strike length of 1,000m with a higher grade zone potentially extending for 300m.

Significantly, there is a 1,600m strike length between Makosa Tail and Makosa that is yet to be drill-tested in 2021.

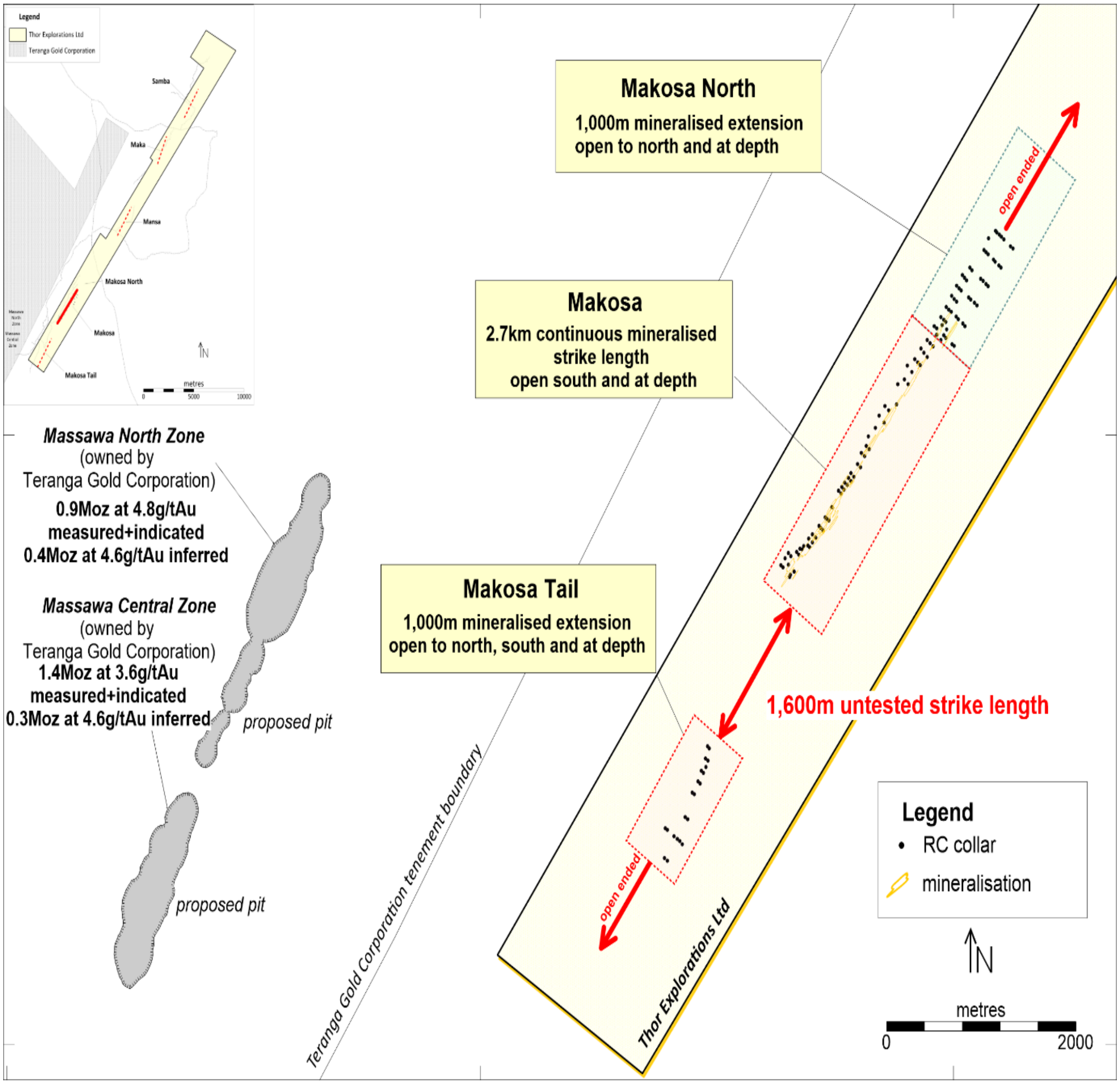

Figure 5: Makosa Discovery Mineralised Trend

Burkina Faso

In Burkina Faso, in April 2021, Thor regained a 100% interest in its Central Houndé Project, where it was in a joint venture with Barrick. Thor acquired Barrick's 51% ownership of the Project in exchange for a 1% Net Smelter Royalty. Thor now holds 100% of the Project which consists of two contiguous gold permits, Bongui and Legue, covering an area of 233 km^2, and 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.

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.

Corporate Finance

On April 29, 2020, The Company announced that it had closed a private placement of 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 to Norinco against US$5,000,000 of invoices under its EPC schedule.

The Company signed and closed definitive agreements with the AFC for the provision of a US$54,000,000 senior secured debt facility and a US$21,000,000 gold stream prepayment (refer to Note 11 of the 2020 Audited Financial Statements for further detail on the terms of the 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**.**

Highlights of the Financing:

- 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 raising gross proceeds of C$5,643,150 (US$4,250,000) through the issuance of 28,215,750 Common Shares to AFC at a price of C$0.20 per Common Share closed on April 29, 2020;
- Issuance of 34,750,000 shares to Norinco 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;
- Supplier credit facility US$1,950,000;
- US$21,000,000 gold stream prepayment;
- US$6,500,000 EPC deferred payment facility;
- US$54,000,000 senior secured credit facility.

The Company has drawn down fully on the gold stream prepayment.

On July 13, 2020, the Company raised up US$10 million through the issue of new common shares to institutional investors.

On December 1, 2020, announced completion of the financial closing of the US$54,000,000 project finance senior debt facility from the AFC for the construction of the Segilola Gold Project. Following the closing an initial disbursement of US$21,500,000 was received, representing 40% of the facility.

OVERALL PERFORMANCE

For the year ended December 31 2020, the Company incurred a net loss of $3,870,107 ($0.007 loss per share) compared to a net loss of $4,887,463 ($0.013 loss per share) for the year ended December 31, 2019. The decrease in net loss is primarily due to a deemed gain on creditor settlement of $1,042,500, and reversal of impairment of receivables of $2,081,704, with all outstanding amounts received in 2020. These gains were partially offset by an impairment charge of $1,604,564 of exploration & evaluation assets in Burkina

Faso, and an increase in personnel and share based payment costs arising from the issue of options to directors, officers and group consultants.

For the three and twelve months ended December 31, 2020, the Company incurred the following costs excluding acquisition and impairments across its mining tenements:

	Three Months ended December 31,		Year ended December 31,		Total cumulative expenditure
	2020	**2019**	**2020**	**2019**	**December 31, 2020**
Assets under construction	$ **22,228,831**	$ 1,258,581	$ **61,745,825**	$ 4,363,717	$ **73,590,633**
Exploration expenditures	**859,076**	105,785	**1,742,891**	317,978	**9,531,224**
Total	$ **23,087,907**	$ 1,364,367	$ **63,488,716**	$ 4,681,695	$ **83,121,857**

The majority of the expenditure for the year ended December 31, 2020, was on the construction of the Segilola Gold Mine in Nigeria of $61,745,825, including $5,135,465 in capitalised Project Finance costs, and exploration works at the Douta Gold Project in Senegal of $1,705,210.

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 construction of the Project. In accordance with the provisions of IFRS 6, this milestone achievement triggered a change in accounting treatment for expenditure on the Project whereby the costs incurred on the Project were transferred from Exploration and Evaluation Assets to tangible assets. This transfer has been reflected in the Audited Financial Statements. Upon transfer of the Segilola Gold Project from Exploration and Evaluation assets to Assets under Construction, the Company undertook an impairment assessment in accordance with IAS 36 and determined that no impairment was required to be recognised based on the Open Pit DFS valuation of US$138 million, which was significantly above the value of the project recorded on the balance sheet of $37 million (US$29 million) as at the date of the Final Investment Decision.

Financing of the Project included a Gold Stream Prepayment of $28 million (US$21 million) and a secured loan facility of $68.7m (US$54m), of which $27.9 million (US$21.5 million) had been drawn down.

With the commencement of construction during 2020, the Company has recognised a provision for restoration costs of $618,586 for future rehabilitation work.

During the year, $318,152 of acquisition costs were incurred in connection with the Segilola Project. The payments became payable to former owners under terms of the Share Purchase Agreement upon the Company making the Final Investment Decision to develop the Segilola Gold Mine. The cumulative acquisition costs for the Segilola Gold Project, Nigerian exploration licenses, Douta Gold Project and Central Houndé Project expenditures at December 31, 2020, amount to $20,065,625, $35,896, $6,199,492 and $664,145 respectively.

The value of the Central Houndé Project has been impaired fully as at December 31, 2020, with a charge of $1,604,564 being recognised in the Consolidated Statement of Comprehensive Loss.

As at December 31, 2020, the Company had cash of $28,261,552, restricted cash of $4,460,026, and net working capital excluding Gold Stream repayments which are contingent upon production of $22,307,767 (December 31, 2019 - cash of $5,402,920, cash receivables of $1,145,837 and net working capital of $5,655,019).

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 2020 $	Q3 Sep 30 2020 $	Q2 Jun 30 2020 $	Q1 Mar 31 2020 $	Q4 Dec 31 2019 $	Q3 Sep 30 2019 $	Q2 June 30 2019 $	Q1 Mar 31 2019 $
Revenues	-	-	-	-	-	-	-	-
Net (loss)/profit for period	(2,033,901)	(1,371,821)	1,124,648	(1,589,033)	(3,069,974)	(487,506)	(769,811)	(560,172)
Basic and fully diluted loss per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total assets	141,505,374	108,989,434	100,439,234	54,754,250	53,712,727	46,408,726	45,771,069	45,154,089
Total long-term liabilities	(46,499,308)	(18,877,481)	(28,657,690)	(21,568)	(35,354)	(970)	(999)	(1,005)

RESULTS OF OPERATIONS

The review of the results of operations should be read in conjunction with the Company's Consolidated Financial Statements and notes thereto for the year ended December 31, 2020.

Results of operations for the year ended December 31, 2020 and 2019

Loss for the year

The Company reported a net loss of $3,870,107 ($0.007 loss per share) for the year ended December 31, 2020, as compared to a net loss of $4,887,463 ($0.013 loss per share) for the year ended December 31, 2019. The decrease in loss was largely the result of:

- gain on creditor settlement of $1,042,500;
- reversal of impairment of receivables charges of $2,081,704; and
- A decrease in office costs of $42,963 from $214,710 in 2019 to $171,747 in 2020.

These were partially offset by:

- impairment of exploration & evaluation assets of $1,604,564 ($nil in 2019);
- an increase in share-based payment charges of $769,594 from $138,000 in 2019 to $907,594 in 2020;
- an increase in consulting fees of $185,354 from $578,447 in 2019 to $763,801 in 2020;
- an increase in salaries and benefits of $1,394,474 from $704,895 in 2019 to $2,099,369 in 2020

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 years ended December 31, 2020, and 2019.

Results of operations for the three months ended December 31, 2020 and 2019

Loss for the period

The Company reported a net loss of $2,033,901 ($0.00 loss per share) for the three months December 31, 2020, as compared to a net loss of $3,069,974 ($0.00 loss per share) for the three months ended December 31, 2019. The decrease in loss was largely the result of the gain on creditor settlement of $1,042,500.

This was partially offset by:

- impairment of exploration & evaluation assets of $1,604,564 ($nil in 2019);
- consulting fees of $299,334 from $98,312 in 2019 to $397,646 in 2020;
- directors' fees of $23,176 from $83,478 in 2019 to $106,654 in 2020;
- investor relations costs of $30,836 from $33,406 in 2019 to $64,242 in 2020;
- increase in foreign exchange losses of $387,390 from $191,661 in 2019 to $579,051 in 2020; and
- increase in salaries and benefits of $222,819 from $151,830 in 2019 to $374,649 in 2020.

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, 2020, and 2019.

SELECTED ANNUAL INFORMATION

FOR THE YEAR ENDED	DECEMBER 2020 $	DECEMBER 2019 $	DECEMBER 2018 $
Total revenues	Nil	Nil	Nil
Net loss	(3,870,107)	(4,887,463)	(41,92,061)
Loss per share – basic and diluted	0.01	0.01	0.01
Total assets	141,505,374	53,712,727	45,234,303
Total long-term liabilities	46,499,308	35,354	1,047
Cash dividends declared	Nil	Nil	Nil

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash of $28,261,552, restricted cash allocated to the Segilola Gold Project of $4,460,026, and net working capital, excluding Gold Stream repayments which are contingent upon production, of $22,307,767 as at December 31, 2020 (December 31, 2019: cash of $5,402,920, cash receivables of $1,145,837 and net working capital of $5,655,019). The increase in cash and restricted cash balance of $27,318,658 are mainly due to net funds received from the issue of new common shares of $19,243,403, the prepayment of a gold stream from the AFC of $28,197,777 (US$21,000,000) and drawdowns from the secured loan facility of $27,927,401 (US$21,500,000), partially offset by expenditure on assets under construction of $37,592,724, exploration and evaluation expenditures of $2,027,359, the purchase of property plant and equipment of $2,397,530, borrowing costs of $4,339,276, and operational overheads.

The Company has no current source of income. As at December 31, 2020, in addition to cash and restricted cash balances, the Company has undrawn debt facilities of $41.4 million (US$32.5 million) which will provide sufficient funding for the completion of the construction of its Segilola Gold Mine in Osun state, Nigeria. The Board has reviewed the Group's cash flow forecasts up until December, 2022, having regard to its current financial position and operational objectives. The Board is satisfied that the Group has sufficient financial resources to meet its commitments for at least the next twelve months. Refer to note 2c of the 2020 Audited Financial Statements for further detail on going concern.

RELATED PARTY DISCLOSURES

a) Trading transactions

The Africa Finance Corporation ("AFC") is deemed to be a related party given the size of its shareholding in the Company. There have been no other transactions with the AFC other than the Gold Stream liability as disclosed in Note 11, and the secured loan as disclosed in Note 12 of the Audited Financial Statements.

b) Compensation of key management personnel

There are no other related party disclosures other than those disclosed in the Company's Consolidated Financial Statements and notes thereto for the year ended December 31, 2020.

OFF–BALANCE SHEET ARRANGEMENTS

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. None of these are expected to have a significant effect on the Group, in particular:

- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- Amendments to IFRS 16 Leases Covid 19 – Related Rent Concessions
- Annual improvements to IFRSs (2018-2020 Cycle)
- Amendments to IFRS 9, IAS 39 and IFRS 7; interest rate benchmark reform – Phase 2.

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.

Financial risk management objectives and policies
The Group has exposure to the following risks from its use of financial instruments

- Interest rate risk
- 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:

December 31, 2020		Total
Assets		
Cash and cash equivalents	$	28,261,552
Restricted cash		4,460,026
Amounts receivable		56,705
Total assets measured at amortised cost		32,778,283

		Total
Liabilities		
Accounts payable and accrued liabilities	$	10,915,964
Loans and Borrowings		20,600,067
Gold stream liabilities		31,416,951
Lease liabilities		38,969
Total liabilities measured at amortised cost	**$**	62,971,951

December 31, 2019		Total
Assets		
Cash and cash equivalents	$	5,402,920
Restricted cash		-
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**

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 will be by changes in market interest rates as the Group's secured loans from the AFC incurs Interest at LIBOR plus 9% (Refer to Note 12 of the Audited Financial Statements). The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

The following table discusses the Company's sensitivity to a 1% increase or decrease in interest rates:

		Interest rate Appreciation By 1%		Interest rate Depreciation By 1%
December 31, 2020				
Comprehensive income (loss)				
Financial assets and liabilities	$	280,700	$	(280,700)
December 31, 2019				
Comprehensive income (loss)				
Financial assets and liabilities	$	-	$	-

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, Mauritian, Nigerian, and Senegalese Chartered banks that are believed to be creditworthy.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at December 31, 2020, and December 31, 2019, were as follows:

		December 31, 2020		December 31, 2019
Cash	$	28,261,552	$	5,402,920
Restricted cash		4,460,026		-
Amounts receivable		56,705		1,145,837
Total	**$**	32,778,283	**$**	**6,548,757**

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 with the exception of restricted cash which is only available to be applied against the cost of the construction of the Segilola Gold Mine until construction is completed, at which point it will then be available on demand. Funding risk is the risk that the Company may not be able to raise additional 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 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, 2020, and December 31, 2019.

Contractual maturity analysis as at December 31, 2020

	Less than 3 months $	3 – 12 Months $	1 – 5 Year $	Longer than 5 years $	Total $
Accounts payable	9,855,297	508,638	-	-	10,363,935
Accrued liabilities	552,029	-	-	-	552,029
Loans and borrowings	-	68,279	30,127,064	-	30,195,343
	10,407,326	**576,917**	**30,127,064**	**-**	**41,111,307**

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
	785,457	**247,319**	**-**	**-**	**1,032,776**

Market risk

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. 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) Foreign currency risk

The Group seeks to manage its exposure to this risk by holding its cash balances in the same denomination as that of the majority of expenditure to be incurred. The Group also seeks to ensure that 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, Nigerian Naira 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, Nigerian Naira and UK Pounds Sterling. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations.

The following table shows a currency of net monetary assets and liabilities by functional currency of the underlying companies for the year ended December 31, 2020:

	Functional currency					
	Canadian dollar	US dollar	Pound Sterling	Nigerian Naira	West African Franc	Total
Currency of net monetary asset/(liability)	December 31, 2020 CAD$	December 31, 2020 CAD$	December 31, 2020 CAD$	December 31, 2020 CAD$	December 31, 2020 CAD$	December 31, 2020 CAD$
Canadian dollar	(291,551)	-	-	-	-	(291,551)
US dollar	7,735,527	-	-	(37,320,463)	-	(29,584,936)
Pound Sterling	(226,825)	-	(38,910)	-	-	(265,735)
Nigerian Naira	-	-	-	(26,744)	-	(26,744)
West African Franc	-	-	-	-	1,656	1,656
Australian dollar	(26,358)	-	-	-	-	(26,358)
Total	7,190,794	-	(38,910)	(37,347,207)	1,656	(30,193,668)

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

	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

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, 2020		Canadian Dollar Appreciation By 5%		Canadian Dollar Depreciation By 5%
Comprehensive income (loss)				
Financial assets and liabilities	$	1,934,000	$	(1,934,000)
December 31, 2019				
Comprehensive income (loss)				
Financial assets and liabilities	$	315,000	$	(315,000)

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, 2020	621,405,975
Balance, April 30, 2021	621,405,975

c) The number of warrants that were outstanding, and the remaining contractual lives of the warrants at December 31, 2020, 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	0.67	August 31, 2021

During the year ended December 31, 2020, no warrants were issued.

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. The broker warrants expired, unexercised, on August 31, 2020. No warrants expired during the year ended December 31, 2019.

d) The number of stock options that were outstanding and the remaining contractual lives of the options at December 31, 2020, were as follows:

Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life	Expiry Date
$0.12	9,750,000	1.05	January 16, 2022[1]
$0.12	500,000	1.35	May 7, 2022[2]
$0.145	12,800,000	2.19	March 12, 2023
$0.140	750,000	2.76	October 5, 2023
$0.20	14,040,000	4.05	January 16, 2025
	37,840,000	2.59	

[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, 2020, 14,250,000 options were issued.

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, 2020, or the year ended December 31, 2019.

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

MINERAL PROPERTY ASSETS EXPENDITURES

Deferred mineral property expenditures for year ended December 31, 2020, are as follows:

	Deferred exploration and acquisition expenditures (E&E)				Assets under construction
	Douta Gold project, Senegal	**Central Houndé Project, Burkina Faso**	**Nigerian Exploration Licenses**	**Total E&E**	**Segilola Project**
Assays and assessments	$ 190,966	$ -	$ 4,453	$ 195,419	$ 468,185
Geophysics, surveys and mapping	-	-	-	-	18,542
Camp expenses, equipment and rental	135,658	-	-	135,658	557,295
Contractor labour	-	(1,560)	-	(1,560)	231,192
Depreciation	14,557	328	-	14,885	192,232
Drilling and drilling preparation costs	968,205	-	-	968,205	2,013,684
Technical reports & analysis	-	-	-	-	1,102,316
Exploration	31,872	-	-	31,872	1,228,576
Definitive Feasibility Studies	-	-	-	-	43,302
Personnel costs	-	-	23,161	23,161	1,718,213
Environmental & social programmes	-	-	-	-	760,213
Rentals and equipment	9,751	-	-	9,751	-
Salaries and wages	248,955	2,353	-	251,308	342,837
Travel and accommodation	4,773	-	-	$ 4,773	427,520
Vehicles and Fuel	155,823	-	-	155,823	238,649
Other	(55,350)	-	8,946	(46,404)	1,097,340
EPC Contract	-	-	-	-	42,759,803
Project Finance Costs	-	-	-	-	5,496,732
Land use compensation payments	-	-	-	-	2,411,643
Restoration costs	-	-	-	-	637,553
Impairment	-	(1,604,564)	-	(1,604,564)	-
Deferred expenditures	$ 1,705,210	$ (1,603,443)	$ 36,560	$ 138,327	$ 61,745,825
Acquisition costs and payments	-	-	-	-	318,152
	$ 1,705,210	$ (1,603,443)	$ 13,399	$ 138,327	$ 62,063,977
Foreign exchange - Opening Balance	454,994	70,459	(3,895)	521,558	(764,158)
Foreign exchange - Additions	9,362	(22,954)	(1,009)	(14,601)	(2,683,509)
Total Expenditures	$ 2,169,566	$ (1,555,938)	$ 31,656	$ 645,284	$ 58,616,310

Total mineral property expenditures as at December 31, 2020, are as follows:

	Deferred exploration and acquisition expenditures (E&E)				Assets under construction
	Douta Gold Project, Senegal	**Central Houndé Project, Burkina Faso**	**Nigerian exploration licenses**	**Total E&E**	**Segilola Gold Project, Nigeria**
Assays and assessments	$ 984,994	$ 80,280	$ 29,207	$ 1,094,481	$ 601,957
Geophysics, surveys and mapping	40,714	4,448	-	45,162	26,069
Camp expenses, equipment and rental	890,032	65,456	-	955,488	746,513
Contractor labour	159,120	77,669	-	236,789	231,243
Depreciation	528,634	4,622	-	533,256	337,740
Drilling and drilling preparation costs	2,313,961	135,030	-	2,448,991	4,798,338
Technical reports & analysis	26,501	3,264		29,765	2,349,348
Exploration	708,897	98,326	-	807,223	2,431,893
Definitive Feasibility Studies	-	-	-	-	2,069,360
Personnel costs	46,453	23,486	23,161	93,100	3,446,696
Environmental & social programmes	-	-	-	-	1,798,729
Rentals and equipment	66,121	8,674	-	74,795	-
Salaries and wages	1,813,831	189,913	-	2,003,744	537,279
Travel and accommodation	290,403	48,956	-	339,359	1,017,855
Vehicles	591,293	58,564	-	649,857	286,932
Other	160,006	31,615	27,593	219,214	1,313,774
EPC Contract	-	-	-	-	43,050,981
Project Finance Costs	-	-	-	-	5,496,732
Land use compensation payments	-	-	-	-	2,411,643
Restoration costs	-	-	-	-	637,553
Impairment	-	(1,604,564)	-	(1,604,564)	-
Deferred expenditures	8,620,960	$ (774,261)	$ 79,961	$ 7,926,660	$ 73,590,633
Acquisition costs and payments	6,199,492	664,145	35,896	6,899,533	20,065,625
	$ 14,820,452	$ (110,116)	$ 115,857	$ 14,826,193	$ 93,656,258
Foreign exchange	1,057,257	110,116	(4,822)	1,162,550	(3,703,516)
Total Expenditures	$ 15,877,708	$ -	$ 111,035	$ 15,988,743	$ 89,952,742

SUBSEQUENT EVENTS

On January 28, 2021, the Company announced the resignation of Mr Oliver Andrews from the Board of Directors.

On March 29, 2021, the Company announced materially positive results for the updated Mineral Resource and Mineral Reserve Estimate and improved Life Of Mine (“LOM”) plan for its Segilola Gold Project in Nigeria which is scheduled to commence production in June 2021.

Highlights

- Total Probable Reserve of 517,800 ounces at 4.02 grams per tonne (“g/t”) representing a 28% increase over the March 2019 Segilola Definitive Feasibility Study (“DFS”)
- Segilola process plant design capacity increased to 715,000 tonnes per annum (“tpa”) representing a 14% increase to the DFS design
- LOM plan has been optimised to support increased process plant production rate
- LOM All-in sustaining cost (“AISC”) of $685/oz
- Project Net Present Value (“NPV”) of $311m at a 5% discount rate and Internal Rate of Return (“IRR”) of 85%

On March 31, 2021, the Company announced its intention to seek admission to trading of its common shares on the AIM market of the London Stock Exchange. The Company is targeting Admission during Q2 2021. This listing is supplementary to the Company’s listing on the TSX-V in Canada.

On April 5, 2021, the Company announced that it had re-acquired a 100% interest in the Central Houndé Project (“the Project”) in Burkina Faso following the termination of the 2015 Earn-in Agreement between Thor and Acacia Mining PLC (Acacia Mining PLC was subsequently acquired by the Barrick Gold Corporation (“Barrick”)). In exchange for the return of the 51% of the Project owned by Barrick, Barrick will receive a 1% Net Smelter Royalty from the Project.

INVESTOR RELATIONS

The Company engaged the services of Blytheweigh and Fig House Communications to assist with investor relations during the three and twelve months ended December 31, 2020, and Ms Kirsti Mattson during the three and six months ended 30 June 2020. These third parties 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.

The Properties are the only material properties of the Company. Any material adverse development affecting the progress of the Properties, in particular the Segilola Property, will have a material adverse effect on the Company's financial condition and results of operations.

If the Company loses or abandons its interest in its Properties, there is no assurance that it will be able to acquire another mineral property of merit, whether by way of direct acquisition, option or otherwise.

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 may require 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's success depends to a degree upon certain key members of the management. Those individuals have developed important government and industry relationships; they have historic knowledge of the Properties which is not recorded in tangible form or shared through data rooms; and they have extensive experience of operating in Nigeria. They are a significant factor in the Company's growth and success. The loss of such individuals could result in delays in developing the Properties and have a material adverse effect on the Company.

The Company does not currently have key man insurance in place in respect of any of its Directors or officers.

Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. To manage its growth, the Company may have to attract and retain additional highly qualified management, financial and technical personnel and continue to implement and improve operational, financial and management information systems. Although the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

Dependence on third party services

The Company will rely on products and services provided by third parties. If there is any interruption to the products or services provided by such third parties the Company may be unable to find adequate replacement services on a timely basis or at all.

The Company is unable to predict the risk of insolvency or other managerial failure by any of the contractors or other service providers currently or in the future used by the Company in its activities.

Any of the foregoing may have a material adverse effect on the results of operations or the financial condition of the Company. In addition, the termination of these arrangements, if not replaced on similar terms, could have a material adverse effect on the results of operations or the financial condition of the Company.

External contractors and sub-contractors

When the world mining industry is buoyant there is increased competition for the services of suitably qualified and/or experienced sub-contractors, such as mining and drilling contractors, assay laboratories, metallurgical test work facilities and other providers of engineering, project management and mineral processing services.

As a result, the Company may experience difficulties in sourcing and retaining the services of suitably qualified and/or experienced sub-contractors, and the Company may find this more challenging given its Nigerian operations with most third party service providers located in other countries. The loss or diminution in the services of suitably qualified and/or experienced sub-contractors or an inability to source or retain necessary sub-contractors or their failure to properly perform their services could have a material and adverse effect on the Company's business, results of operations, financial condition and prospects.

Covid-19

The emergence of the Covid-19 coronavirus pandemic has caused a severe adverse effect on the business environment on a global scale. There exists a risk that the significant outbreak of Coronavirus across the world may detrimentally impact the Company's operations in Nigeria and Senegal. The impact of the Coronavirus in both Nigeria and Senegal to date has not been as large as it has in Europe or the United States, and while infections rates have risen in recent months in both countries, the rates continue to be far below that of Western countries. 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.

There are risks and uncertainties that the Company may suffer loss including, but not limited to, loss of personnel, loss of access to resources, loss of contractors, loss of ability to attract and retain personnel, delays or increased costs in developing its projects and an adverse impact on the share price of the Company.

As a result of the Coronavirus outbreak, there are currently travel restrictions in place in many countries with many land borders closed and suspension of flights. These restrictions may have an immediate impact on the operations of the Company in terms of access to resources and supplies from neighbouring countries, access to its projects by key management personnel, disruption to operations and delays or increased costs in accessing resources and supplies. The outbreak of Coronavirus has demonstrated the need to have contingency plans in place in relation to the outbreak of pandemics and has also resulted with a number of companies across the globe being essentially shut down for an extended period of time. The impact of this is that the Company will have to ensure that its future plans include an appropriate amount of contingency planning for the current Coronavirus and future pandemics, but are also likely to result in some prices from suppliers being higher than previously thought, as they too include contingencies into their pricing models and work to ensure they remain profitable despite the period of lock down. As such, costs could escalate from the level originally anticipated.

While the Company will seek to manage the effect of Coronavirus on its personnel and operations, if and when necessary, there can be no assurance that Coronavirus will not have an adverse effect on the future operations of the Company's projects in Nigeria and Senegal or an investment in the Company.

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.