THOR EXPLORATIONS LTD

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2021

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This Management Discussion and Analysis ("MD&A") of the financial condition and results of operations of Thor Explorations Ltd. ("Thor" or the "Company") should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2021. 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").

This MD&A contains "forward looking statements" that are subject to risk factors set out in the cautionary note contained herein. The reader is cautioned not to place undue reliance on forward looking statements. All figures are in Canadian dollars unless otherwise indicated. Additional information relating to the Company is available on the Company's website www.thorexpl.com and under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

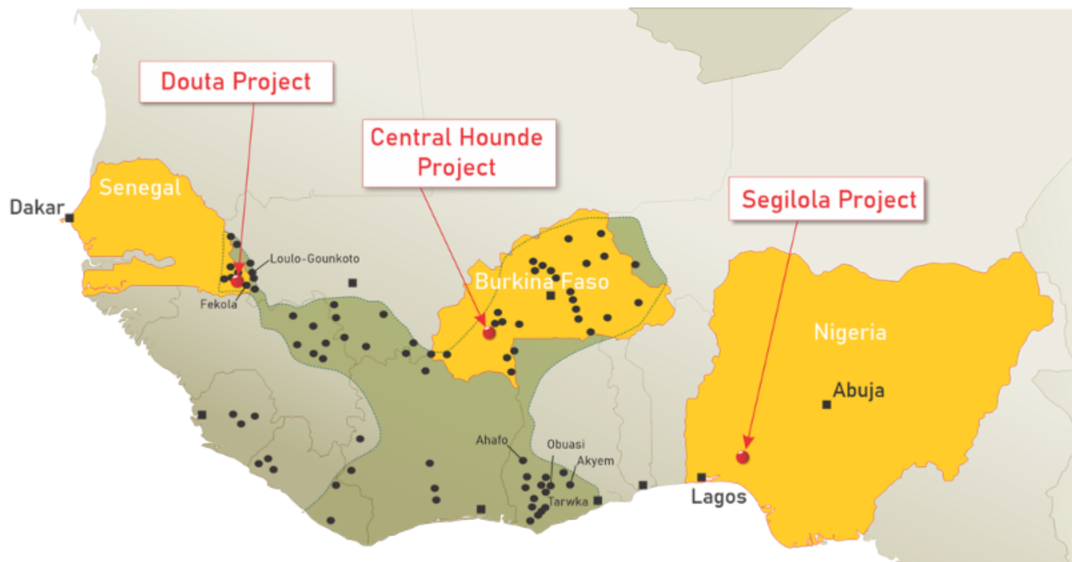
This MD&A is prepared as of April 30, 2022.

1 OVERVIEW

Thor Explorations Ltd. (“Thor” or the “Company”) is a gold production, development and exploration company focussed on West Africa and dual-listed on the TSX Venture Exchange TSX-V (THX: TSX-V) and the AIM market of the London Stock Exchange (THX: AIM). The Company’s main assets include its flagship producing Segilola Gold mine in Nigeria and the advanced exploration project, Douta, in Senegal. The company has a growing portfolio of prospective exploration licenses on the unexplored Ilesha schist belt in near proximity to the Segilola gold mine and further exploration licenses in Nigeria and Burkina Faso.

Our strategy is to operate, develop and explore mineral properties where our expertise can substantially increase shareholder value. The Company operates with transparency and in accordance with international best practices and is committed to delivering value to its shareholders through responsible development, providing economic and social benefit to our host communities and operating in a manner where health and safety and the environment are integral to our operations and development approach.

Figure 1.1: Thor’s Principal Properties in West Africa



2 HIGHLIGHTS

During the twelve months ended 31 December 2021 and subsequently to March 31, 2022:

2.1 Segilola Gold Mine, Nigeria

The Segilola Gold Mine achieved first gold production at the end of Q4 2021. Gold production during this ramp-up phase totalled 9,921 ounces in 2021 and, subsequent to the period, when commercial production was achieved, totalled 21,343 ounces for the first three months of 2022.

In May 2021, the Company released an Updated Mineral Resource and Reserve Estimate for Segilola, increasing the reserve by 28% over the March 2019 Segilola Definitive Feasibility Study to 517,800 ounces at 4.02 grams per tonne (“g/t) gold (“Au”).

All construction activities were completed except the gas fired power generation and emulsion production facilities which are due for completion in Q2 2022.

The Company continued the delivery of the Community Development Agreements with the three host communities at Segilola and progressed its Corporate Social Responsibility programmes.

During the construction period, compensation payments totalling $3.5 million were made to 234 landowners and 1044 asset owners surround Segilola

Table 2.1: Production Metrics

	Units	FY 2021*	Q1 2022
Mining			
Total Ore Mined	tonnes	309,641	226,314
Ore Processed	tonnes	145,999	221,900
Low Grade Ore Stockpiled	tonnes	158,498	179,758
Waste Mined	tonnes	6,179,443	3,533,610
Total Mined	tonnes	6,489,014	3,759,524
Total Ore Mined Gold Grade	g/t Au	2.47	2.68
Ore Processed	g/t Au	2.65	3.18
Low Grade Ore Stockpiled	g/t Au	1.58	1.23
Processing			
Ore Milled	tonnes	145,999	221,920
Daily Throughput Rate (average)	tonnes	86	115
Daily Throughput / Nameplate Capacity	tonnes	96.64	128.36
Ore Processed Gold Grade	g/t Au		
Recovery	%	83.90	94.10
Gold Recovered	oz	9,888	21,343
Gold Poured	oz	9,656	19,531

*ramp-up production phase

2.2 Douta Project, Senegal

In November 2021 Thor issued a Maiden mineral resource estimate (“MRE”) for the Makosa deposit at the Douta Gold Project (“Douta”) in Senegal.

The MRE is classified as Inferred Resources and is constrained within optimised pit shells and comprises 15.3 million tonnes grading 1.5 g/t gold for 730,000 ounces of gold.

Exploration drilling at the Mansa Prospect, which is located 5km along strike from Makosa, resulted in encouraging drilling intersections including 4m grading 3.11 g/t Au, 5m grading 1.75g/t Au and 2m grading 10.65g/t Au. The encouraging drilling results have warranted further follow up exploration drilling in 2022.

The Makosa MRE encompasses the Makosa, Makosa North and Makosa Tail zones, which all remain open along strike and down dip, and are expected to grow with ongoing drilling either along strike or at depth.

The MRE provides a foundation for continued resource growth along strike to the north from Makosa North together with the satellite deposits, including the newly discovered Mansa, that are currently being assessed along the 30 kilometre long Makosa gold corridor.

2.3 Corporate

In April 2021, the Company signed an agreement with Barrick Gold Corporation ("Barrick"), to terminate the 2015 Earn-In Agreement between Thor and Acacia Mining PLC (Acacia Mining PLC has subsequently been acquired by Barrick), on the Central Houndé Project in south-western Burkina Faso. Following the signing of the agreement, Thor acquired Barrick's 51% ownership of the Central Houndé Project in exchange for a 1% Net Smelter Royalty.

The Central Houndé Project, which lies in one of West Africa's highly regarded Birimian greenstone belts. The Central Houndé project adds depth to the Company's exploration portfolio, which supports the Company's strategy to become a leading West African gold producer and developer.

In June 2021, the Company completed a dual listing on the AIM market of the London Stock Exchange. The admission to the AIM market increases the Company's access to UK and European investors, provides additional liquidity for the Company's current and future shareholders and broadens the marketing of the Company's shares as Thor continues to progress through a transformational period in the Company's development.

In Nigeria, the Company has entered into earn-in agreements on prospective ground located within a 20km radius of Segilola with the aim of fast tracking potential satellite opportunities to extend the mine life and expand production at Segilola.

2.4 COVID-19 PANDEMIC

The COVID-19 pandemic continued in 2021 and has had a significant impact on businesses through restrictions put in place by governments around the world including the jurisdictions in which we conduct our business. Over the last two years, aspects of the Company's operations have been impacted by COVID-19 for a variety of reasons, such as government and other restrictions on transportation and the mobility of personnel and mandatory quarantine periods and border closures.

As of the date of this MD&A, it is not possible to determine the extent of the impact that this pandemic will have on our activities as the impacts will depend on future developments which themselves are uncertain and cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, its extent and intensity, the duration of the outbreak, and possible government, societal, and individual responses to the situation.

Possible impacts of the continuing or worsening spread of COVID-19, including new variants of the virus, may include mandated or voluntary closures of operations, illness among the Company's workforce, restricted mobility of personnel, interruptions in the Company's logistics and supply chain, delay at or closure of the Company's refining and smelting service providers and global travel restrictions, all of which could disrupt the Company's operations and negatively impact its financial performance.

2.5 WAR IN UKRAINE

The conflict in Ukraine does not currently have any direct impact on Thor's business as we have no operations or offices in Ukraine or Russia. There is potential for broader markets and supply chains to be affected and we are working with our partners and industry bodies to monitor the situation and prepare for any disruption.

Prices of oil, metal and other commodities have soared as fighting in Ukraine has intensified, adding to concerns that the rising prices will contribute to higher inflation rates, which are already at the highest in decades. The Group expects that costs of raw materials will increase over the next twelve months and will work to mitigate the effect of these increases as much as possible.

3 OPERATIONS REVIEW

3.1 Segilola Gold Mine, Nigeria

Description

The Company's flagship operation is the Segilola Gold mine located in Osun State, Nigeria, approximately 120 kilometres ("km") northeast of Lagos. Segilola is forecast to produce between 80,000 and 100,000oz of gold in 2022 at an All in Sustaining Cost of US$850-950 per oz. Following an updated Mineral Resource and Mineral Reserve Estimate and improved Life of Mine plan announced in the first quarter of the Year, Segilola contains a high grade open pit probable reserve of 517,800 oz at 4.02 grams per tonne ("g/t") within an open pit indicated MRE of 532,000 oz of gold grading at 4.5 g/t, and an underground indicated resource of 76,000 oz of gold grading at 6.1 g/t, with additional significant exploration upside potential.

Figure 3.1: The Thor Explorations team celebrating first gold production from Segilola

Production Update

The Company is now in production at its flagship Segilola mine, having produced 9,921 oz of gold in the operational months of the Year. After a production ramp-up phase in the fourth quarter of 2021 Thor transitioned into commercial production in Q1 2022 and expects to produce 80,000 to 100,000 oz gold in 2022.

The commissioning period at Segilola was extended primarily due to supply chain issues, and delayed commissioning of the laboratory. Whilst these issues have been mostly resolved, the mining operations completed the year behind schedule and as a result head grade in the first half of 2022 is expected to be lower than anticipated in the updated Mineral Reserve Estimate. These challenges have been largely offset by the process plant outperforming the definitive feasibility study design capacity of 650,000 tonnes per annum with a current annualised production rate of 780,000 tonnes per annum, representing a c.20% improvement over the definitive feasibility study design capacity. In addition to this, recoveries from the gravity circuit were also higher than designed in the Definitive Feasibility Study. This increased process plant capacity, combined with the current gold price and additional lower grade material identified during grade control drilling has also presented the opportunity to review and optimise Segilola's cut-off grade, which offers the opportunity to realise additional production ounces over the life of mine.

Despite the effects that Covid-19 presented around the globe, the Company continued to make excellent progress throughout the Year. The Company introduced a number of initiatives that have enabled work to continue normally.

Construction Activities

The Year began with the installation of the processing plant, with the SAG Mill already in place, and construction progress at both the camp and the mining contractors camp. Significant progress was also made on the tailings storage facility ("TSF"). On the mining operations side, access roads and clearing commenced, as well as the preparation for the construction of the Run of Mine ("ROM") pad.

Later on in the Year, significant progress was made across all of these areas, with the addition of advanced work on the Water Storage Dam and the ROM pad delivering ore to the stockpiles. In the third quarter of the Year, the majority of the work was completed, including the processing plant which was fully operational, and the mill and crusher. First gold was poured in July 2021. The camp was also fully operational with phase 1a construction at the TSF complete.

Figure 3.2: The Segilola Project Site – Camp View

Health & Safety

The Covid-19 restrictions which came into place at the end of the first quarter of 2020 continue. Temperature checks, social distancing and the wearing of masks have become a regular part of operating procedures. Health and Safety efforts continued, with Site Health and Safety rules being further consolidated. Systems and Safe Operating Procedures continue to be developed to ensure compliance with safety rules. In the third quarter, the project site experienced its first cases of Covid-19 with measures swiftly put in place to minimize its spread. Those infected were isolated for a period before being allowed to resume duties. Enhanced protective measures were taken across the site which were successful with cases having dropped significantly by the end of the quarter.

The Company regrettably recorded a serious Lost Time Injury ("LTI") in August 2021, during its project construction period. Thor voluntarily suspended operations for two days whilst the relevant authorities were informed, who carried out an independent investigation. The Company also completed an internal investigation which resulted in the implementation of changes to its operating and training procedure. Thor recorded over 1,565,505 LTI free hours up until the incident.

Staffing & Project Office

Staffing of Segilola was ongoing throughout the Year and completed in the third quarter. The engineering department is fully established with benefits in quality control being realised. The human resources department is continuously implementing and establishing the HR policies and effective working practice across the Company. In the Year, the finance department became fully operational, and the supply chain team established purchasing and warehousing standard operating procedures. The security team is in place and being further developed. In addition, the technical team for survey, mine engineering and grade control were put in place, and the processing plant team and maintenance technicians were fully established. A performance management process has been implemented and a training department established.

Community

Compensation payments to landowners and farmers were completed over the year. Over 250 community workers have benefited from employment at site. The communities are being favoured for most unskilled work and a number of community projects have been initiated.

Social & Environment

The start of the Year saw the continued construction of facilities, infrastructure, the processing plant, camp, perimeter security wall and administration buildings at Segilola. In addition, during the first quarter, TSF construction commenced. Compensation to project affected persons for the loss of land and/or assets ran ahead of areas being cleared for this construction.

The relocation of the emulsion and detonator stores and access road near the TSF triggered further land and asset surveys and compensation payments. Evaluating new exploration licences has involved the community development and stakeholder team, in meetings with community leaders in new jurisdictions to discuss the proposed exploration programme. Additionally, in the fourth quarter of the Year, community liaison and Health Safety Security and Environment (“HSSE”) personnel were assigned to the exploration team to proactively address environment and social exploration focused actions. This led to the Temporary Damages Compensation Procedure being updated to better reflect exploration compensation concerns.

Progress on a range of HSSE management plans occurred throughout the Year with a particular emphasis on requirements for the project finance lenders set out in their Environment and Social Action Plan.

In the first quarter of the Year, community benefits with the three host communities around Segilola included awarding the first round of 26 scholarships to high and senior school and technical college students from vulnerable households to enable them to continue their studies. These scholarships will be provided annually. In the second quarter of the Year, community benefits included a women’s training initiative programme, grading of local roads and maintenance of community boreholes. These benefits were maintained and improved upon all year round.

With production from Segilola imminent, in the second quarter of the Year, operational readiness was the focus of environment and social management plans, standards operating procedures and on-site training. The operational phase activities included community training on blasting procedures, including siren system and the erection of blasting notices in the three host communities. Additionally, a community health, safety and security plan was completed to comply with Performance Standard for Environment and Social Sustainability.

In the second quarter of the Year, a Nigerian consultancy firm was appointed to aid the Company in the selection, analysis and preparation of business plans for livelihood restoration programmes for project affected persons.

Corporate Social Responsibility (“CSR”) programmes progressed in the second quarter, including the construction of local markets, improvements to an important road, replacing degraded wooden pylons with steel electricity pylons, and the training of community members in applying for jobs and preparing a C.V. In the third quarter of the Year, CSR programmes included the opening of local produce markets and increased work undertaken to make improvements to the road.

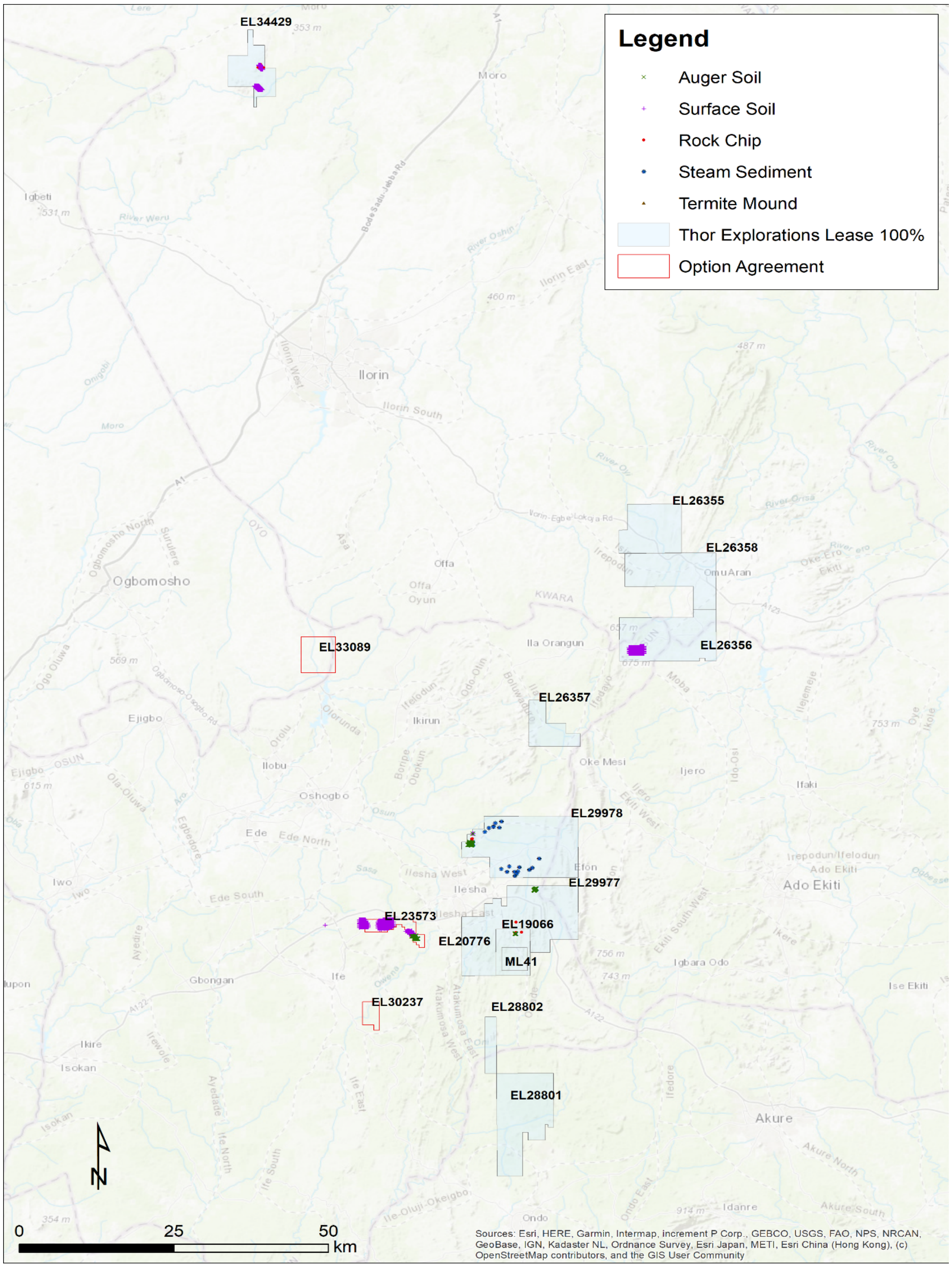
By the fourth quarter of the Year, Thor employed 260 local employees out of 850 total employees at the Segilola mine site. Additionally, the final compensation for the project footprint was completed in the final quarter and by the year end, the compensation budget for Segilola sat at $3.508 million, in line with the overall compensation budget for the project. This provides compensation to 234 landowners and 1044 asset owners.

3.2 Nigerian Exploration Licenses

Description

Thor currently has a substantial prospective land package in Nigeria which consists of tenure over eleven exploration licences and one mining licence that cover the prospective gold bearing Ilesha Schist Belt (the major regional shear zone that extends for several hundred kilometres) that forms part of the crystalline basement complex of southwestern Nigeria. The licences are located in close 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 have revealed gold occurrences in all of the Company's exploration licences. The Company's exploration strategy includes further expansion of its Nigerian land package as and when attractive new licences become available.

Figure 3.3: Thor Explorations Exploration Licence Portfolio



The second quarter of the Year saw a significant increase in exploration activities, focused on generating high quality drill targets and comprised of regional stream sediment sampling, detailed auger soil sampling, trenching and detailed geological mapping. The sampling programmes were successful in identifying a large area of scattered low-level gold anomalies. Additional geochemical sampling and trenching was carried out to better define potential drilling targets. Further near mine exploration identified a structural trend, extending north of the Segilola Pit, with gold anomalism occurring along a three km strike length.

In the third quarter of the Year, Thor commenced an initial 4,000 metre reverse circulation (“RC”) drilling programme with the objective of finding truckable open pit ounces to the Segilola Plant to supplement production and potentially extend the Segilola mine life. This commenced following successful initial soil geochemistry, mapping of the Segilola package sequence and the appearance of visible gold in a number of the trenches. This program was paused whilst awaiting commissioning of the on-site lab, and resumed in Q1 2022.

Activity during the quarter generated a total of 4,065 surface geochemical samples. Initial rock chip sampling and geological mapping commenced on a new exploration lease (EL34429). Reconnaissance geochemical sampling also commenced on three exploration leases that are held under option agreements.

Regional Growth Opportunities

Thor expanded its exploration footprint via licence applications and options over what the Company believes to be prospective exploration targets in the region surrounding the Segilola Gold Mine and the existing package of wholly owned exploration and mining leases. Thor was granted licence EL34429, which is located in Kwara State to the north of Segilola. In addition, Thor agreed four separate option agreements over prospective exploration leases located in Ogun, Osun and Oyo States (refer to Figure 3.3).

The focus has been on consolidating prospective ground within trucking distance of Segilola and also acquiring prospective licences further away which have demonstrated strong gold mineralisation prospectively through target generation, ground truthing and artisanal mining.

EL34429 (100% SROL, Kwara State) is notable for the number of artisanal workings that are located within the lease. This suggests that gold mineralisation is widespread within a north easterly trending schist belt. Preliminary exploration work on the exploration lease has returned anomalous rock chip results of up to 1.41 g/t of gold from a number of workings dug into lateritised saprolite.

On Site Laboratory

The Company has invested in a fully accredited onsite lab which is being managed by MS Analytical. The lab was commissioned during the 4th quarter of the Year. The lab which is currently being used to support mining operations is being expanded to include exploration sampling capability. This will enable the Company to significantly reduce its sample turnaround time in Nigeria, thereby improving its exploration efficiency. It is expected that this expansion will be completed in the 3rd quarter of 2022.

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 are leading in country exploration, focussing on working up exploration targets across all the Company’s exploration portfolio.

Next Steps

Subsequent to year end, the Company has commenced an initial 7,500 metre Reverse Circulation (“RC”) and diamond drilling program. The program has been designed to test both near mine and regional drill targets that have been generated during the period and are within trucking distance of the Segilola Plant. The Company expects to receive its first drilling results in Q2 2022.

3.3 Douta Project, Senegal

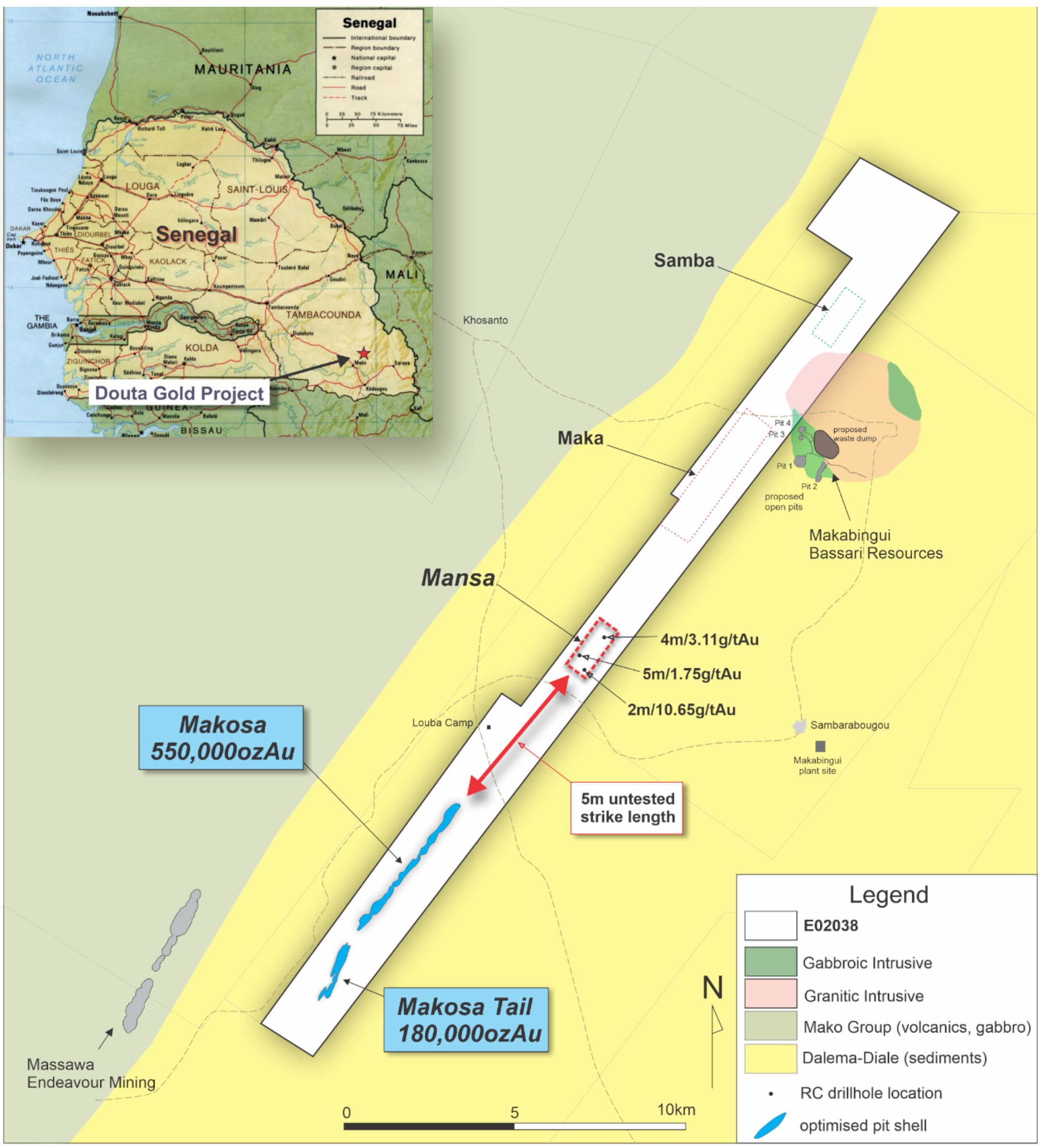
Project Description

The Douta Gold Project is a gold exploration permit that covers an area of 58 km² and is located within the Kéniéba Inlier which hosts over 40 million oz of gold deposits and has attracted major international mining companies. Douta is within 5 km of the Massawa Gold Deposit which was acquired by Teranga Gold Corporation (subsequently acquired by Endeavour Mining) from Barrick Gold Corporation ("Barrick") for US$430 million.

The Douta licence is strategically positioned between the Massawa and Sabadola deposits to the west and the Makabingui deposit to the east. Within the licence five separate gold prospects were initially identified using surface geochemical sampling and shallow auger drilling. These comprise the more advanced Makosa prospect, and the earlier exploration stage Maka, Mansa, Samba and Makosa Tail prospects.

Thor holds a 70% economic interest in the Douta Gold Project in south-eastern Senegal that is located approximately 700 km east of the capital city Dakar Douta and currently consisting of an advanced stage gold exploration license which hosts two discoveries at Makosa and Mansa.

Figure 3.4 : Douta Project location map



In November 2021, the Company announced a maiden MRE for the highly prospective Makosa Deposit, which is located in the southern portion of the Douta Gold Project in Senegal. The resource comprises 730,000 oz of gold grading at 1.5 g/t, supported by a total of 35,728 metres of drilling. Mineralisation at the Makosa Deposit remains open along strike with further growth potential. In addition, exploration has uncovered a new mineralised discovery at the Mansa Prospect located 5km along strike from Makosa. Drilling remains underway at Douta to further upgrade the current resource and to test three additional priority targets.

Operations Update

The first quarter of the Year saw Thor announce drilling results from the Makosa North and Makosa Tail prospects at Douta which included highlight holes of 5 metres at 3.4 g/t gold from 37 metres and 12 metres at 1.3 g/t gold from 46 metres. In addition, geological and structural mapping was undertaken at Makosa Tail and Makosa in order to improve the understanding of the mineralised zone defined for a further RC drilling programme. Further exploration in the form of detailed structural mapping to the west of the Makosa prospect was completed in order to identify other zones that may contain other lodes of gold mineralisation parallel to the Makosa main trend.

In the second quarter of the Year, Thor announced drilling results from the Makosa Tail prospect. The exploratory programme was designed to infill the initial wide-spaced drilling that was completed in late 2020 which led to the Makosa Tail discovery. The results confirm the continuation of the Makosa mineralised system along strike to the south. Highlight holes included 5 metres at 11.0 g/t gold from 17 metres and 5 metres at 10.1 g/t gold from 7 metres.

RC drilling continued in the second quarter, at Makosa Tail and Makosa North, extending the mineralised strike length to a total of over 7.4 km. Further target generative work, comprising termite mound sampling and auger-assisted geochemical sampling, resumed at the Maka and Mansa prospects. Exploration activity generated a total of 16,894 samples with analyses carried out by ALS Laboratories in Mali.

In the third quarter of the Year, we announced further drilling results from the exploratory RC drilling programme at Makosa North, which extended the mineralisation a further 1,500 metres to the north. Significantly, a highlight hole intersected 10 metres at 1.42 g/t gold, which indicates that the mineralisation remains open-ended to the north. Additional highlights from this set of drilling results include 16 metres at 1.58 g/t gold and 9 metres at 2.93 g/t gold.

The Company received all outstanding drill results from its drilling programme in the third quarter. These exciting results went on to form the maiden MRE and discovery at Douta which was announced in the fourth quarter of the Year. The initial resource is of 15 million tonnes (“Mt”) grading 1.53 g/t gold for 730,000 oz in the Inferred category and encompasses the Makosa, Makosa North and Makosa Tail zones, which are collectively named the Makosa Resource.

The MRE has been estimated by an independent consultant and is reported at a cut-off grade of 0.3 g/t gold within optimised shells using a gold price of US$2,200.

Table 3.2: Douta Gold Project Mineral Resource Estimate, November 2021 (reported at cut-off grade of 0.3g/t Au)

Deposit	Classification	Tonnage Mt	Grade Au g/t	Contained Metal koz Au	Thor Interest
Makosa	Inferred	11.7	1.5	550	70%
Makosa Tail	Inferred	3.6	1.6	180	70%
Total Makosa	Inferred	15.3	1.5	730	70%

- Open Pit Mineral Resources are reported in situ at a cut-off grade of 0.30 g/t Au. A Whittle shell ($2,200) was used to constrain the resources.
- The Mineral Resource is considered to have reasonable prospects for economic extraction by open pit mining methods above a 0.30 g/t Au and within an optimized pit shell.
- Metallurgical and mining recovery factors not applied.
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
- Totals may not add exactly due to rounding.
- The statement used the terminology, definitions and guidelines given in the CIM Standards on Mineral resources and Mineral Reserves (May 2014) as required by NI 43-101.
- Bulk density is assigned according to weathering profile with a weighted average of 2.78.

- Mr. B. Diouf (CP), Principal Geologist of Azimuth Consulting Senegal, is responsible for this Mineral Resource statement and is an “Independent Qualified Person” as defined in NI 43-101.
- Mr. Diouf has undertaken several site visits during the course of the resource drilling and is satisfied that industry-standard sampling and QAQC procedures have been followed.

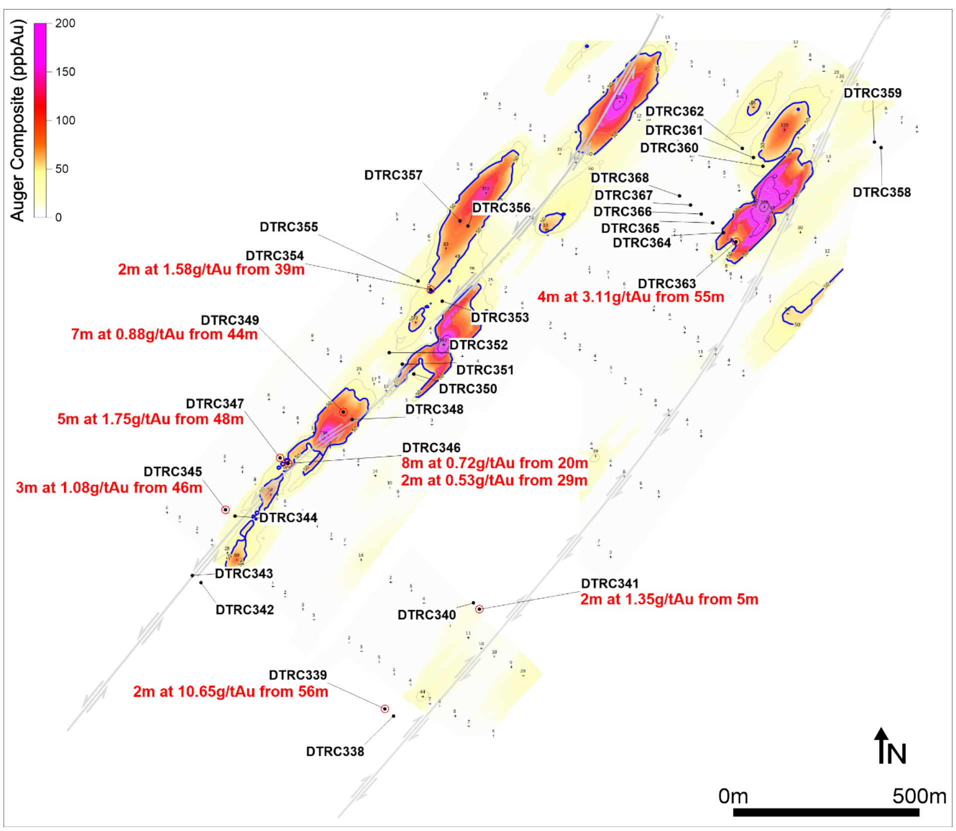
In the fourth quarter of the Year, exploratory RC drilling results from the Mansa Prospect comprised 31 holes totalling 2,405 metres and tested anomalous zones as defined by the regional auger geochemical survey completed in 2020. Significant intersections are listed in Table 3 and located in Figure 3.5. The results have confirmed primary gold mineralisation associated with two parallel zones suggested by the geochemical data. The geological setting of Mansa is similar to that of Makosa with mineralisation hosted by deformed sedimentary rocks near the contact with gabbro or volcaniclastics.

Table 3.3: Mansa Significant Results

HOLE-ID	Easting	Northing	Elevation	Length (m)	From (m)	To (m)	Interval (m)	Grade (g/tAu)	True Width (m)
DTRC339	181675	1442731	200	90	56	58	2	10.65	1.8
DTRC341	181929	1442998	200	78	5	7	2	1.35	1.6
DTRC345	181247	1443265	200	90	46	49	3	1.08	2.7
DTRC346	181415	1443389	200	70	20	28	8	0.72	7.0
DTRC346				and	29	31	2	0.53	1.8
DTRC347	181393	1443404	200	90	48	53	5	1.75	4.5
DTRC349	181563	1443527	200	84	44	51	7	0.88	6.4
DTRC354	181798	1443855	200	81	39	41	2	1.58	1.8
DTRC363	182618	1443983	200	70	55	59	4	3.11	3.6

(0.5g/t Au lower cut off; maximum 2m internal dilution)

Figure 3.5: Mansa Drillhole Location Map



The initial exploration results from Mansa indicate the occurrence of gold mineralisation over a wide area measuring approximately 800 metres wide and 2,000 metres along strike.

Next Steps

Thor intends to progress the Makosa Resource expansion drilling together with parallel workstreams including detailed metallurgical sampling and testing, environmental and social baseline monitoring as part of an Environmental and Social Impact Assessment, geotechnical and hydrological studies.

The main resource expansion priorities are:

- Extensional drilling northwards from the Makosa Resource that will bridge the gap between the Makosa and the Mansa prospect.
- Infill and resource definition drilling at the Mansa Prospect.
- Continue exploration northwards from Mansa.

The broad project level objectives are:

- To upgrade the Inferred Resource to a sufficient inventory of material in the Indicated Resource category so that preliminary mining studies can be undertaken.
- To identify higher grade mineralisation in the oxide zone that can be upgraded to Indicated Resources as a priority.

Continued drilling to increase the overall resource base through extensional drilling along the prospective corridor.

In the period post Year end, Thor announced the commencement of drilling at Douta in the form of a comprehensive exploration programme, that commences with a first phase of 5,000 metres of RC drilling, and which has been designed to extend the strike extensions of the resource which remains open-ended along strike to the north. During 2022, the work programme, which includes an additional 25,000 metres of RC and diamond drilling, is also targeting an upgrade to the existing resource at Makosa and testing three priority targets within the licence.

3.4 Burkina Faso

In Burkina Faso, Thor was in an earn-in agreement with Barrick Gold Corporation (“Barrick”) comprising two contiguous gold permits, Bongui and Legue, covering an area of 233km², and the Ouere gold permit, covering an area of approximately 241km². These three Burkina Faso permits comprise the Central Houndé Project, located within the Houndé belt, 260km 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, had a 51% interest in the Central Houndé Project.

In April 2021, Thor regained a 100% interest in its Central Houndé Project, acquiring Barrick’s 51% ownership of the Project in exchange for a 1% Net Smelter Royalty.

As at December 31, 2021, a permit extension for Ouere has been received, and all documentation for permit extensions for Bongui and Legue has been submitted and is currently pending with the Mining Cadastre.

4 NON-IFRS MEASURES

This MD&A refers to certain financial measures, such as average realized gold price, which are not recognized under IFRS and do not have a standardized meaning prescribed by IFRS. These measures may differ from those made by other companies and accordingly may not be comparable to such measures as reported by other companies. These measures have been derived from the Company's financial statements because the Company believes that, with the achievement of gold production, they are of assistance in the understanding of the results of operations and its financial position.

4.1 Average realised gold price per ounce sold

Average realized gold price is a metric used to better understand the gold price realized during a period. This is calculated as sales less treatment and refining charges, and sales agreement costs divided by gold oz sold.

Table 4.3: Average annual realised price per ounce sold

		December 31, 2021	December 31, 2020
Revenues[1]	$	7,815,621	-
Treatment and refining charges	$	(65,869)	-
Stream payments	$	(564,438)	-
Offtake payments	$	(95,345)	-
Gold Sales	$	7,089,969	-
Gold ounces sold	oz Au	3,425	-
Average realised price per ounce sold	$	2,070	-

[1]Included in revenue is sales of silver which is a produced and sold as a by-product and is not material to the calculation.

5 SUBSEQUENT EVENTS

5.1 Production update

On January 31, 2022, the Company's wholly owned subsidiary Segilola Resources Operating Limited received the Facility taking-over Certificate from the EPC contractor for its Segilola Gold Mine.

Operations performed in line with forecast in Q1 2022, with a throughput of 221,920 tonnes at an average head grade of 3.18 grammes per tonne ("g/t") and overall recovery of 94.1% for a total of 21,343 ounces of gold produced. The Company exported the gold regularly throughout the period selling 16,658 ounces of gold and 922 ounces of silver in the period and had a further gold dore inventory of 6,626 ounces on hand.

For the month of March, the Segilola process plant continued to operate at a steady state, above design mill throughput, with 69,907 tonnes of ore processed at an average head grade of 3.38g/t and an overall gold recovery of 95.1% for a total of 7,220 ounces of gold produced.

As the mining plan moves into the fresh ore, mined ore tonnes and grade are reconciling well to the reserve model and process recoveries are in line with the metallurgical recovery model.

The Company is also pleased to report that at the end of Q1 2022, it started commissioning its compressed natural gas generators at Segilola, following which the process plant will transition from diesel to compressed natural gas generation in Q2 2022.

5.2 Gold Sales

As at the end of Q1, 2022 the Company has sold 16,658 ounces of gold in addition to the gold sales as at 31 December 2021 for a realised revenue of US$31,650,000.

5.3 Gold Inventory

As at the end of Q1, 2022 the Company has a gold dore inventory of 6,626 ounces of gold.

5.4 Commodity price protection

Subsequent to reporting date, and in order to support the Company's cashflows during the early period of debt repayment (March-July 2022), the Company entered into a commodity price protection program which has been implemented on a zero-cost collar basis. The program provides price protection for 22,500 ounces of gold representing approximately 55% of the forecast production of approximately 8,000 ounces per month.

The program provides price support for 3,000 ounces per month at US$1,820/oz and 1,500 ounces per month at US$1,860/oz with a cap at US$1,930/oz and US$2,000/oz respectively.

5.5 Senior debt facility

As at the date of this MD&A the Company has reduced the US$54,000,000 senior debt facility by 5.0% to US$51,334,000:

- In January 2022, the Company cancelled the remaining US$1,346,000 undrawn amount under the facility;
- On March 31, 2022, the Company made the first repayment of US$2,530,000 comprising of US$1,316,000 principal and US$1,214,000 interest for Q1 2022;
- The Group had cash balances of US$6,400,000 as at March 31, 2022.

5.6 Corporate

On January 17, 2022, the Company announced the exercise of share options by Directors and Persons Discharging Managerial Responsibilities for a total of 9,539,000 common shares at prices of 12 and 14.5 Canadian Dollar cents per common share.

6 OUTLOOK AND UPCOMING MILESTONES

We are focussed on advancing the Company's strategic objectives and near term milestones which include:

- Maintain our rigorous health and safety protocols
- 2022 Operational Guidance and Outlook

Gold Production	oz	80,000-100,000
All-in Sustaining Cost ("AISC")	US$/oz Au sold	$850 - $950
Capital Expenditure	US$	9,243,000
Exploration:		
Nigeria	US$	4,200,000
Senegal	US$	2,000,000

- Continue to advance the Douta project to preliminary feasibility study ("PFS")
- Continue to advance exploration programs across the portfolio:
    - Segilola near mine exploration
    - Segilola underground project
    - Segilola regional exploration program
    - Douta extension program
    - Douta infill program
    - Assess regional potential targets in Nigeria

7 SELECTED ANNUAL FINANCIAL INFORMATION

The review of the results of operations should be read in conjunction with the Company's Consolidated Financial Statements and notes thereto.

Table 7.4: Selected annual information

For the year ended		December 2021	December 2020	December 2019
Total revenues	$	7,815,621	Nil	Nil
Net loss	$	(2,511,656)	(3,870,107)	(4,887,463)
Loss per share (cents) – basic and diluted	$	(0.40)	(0.70)	(1.00)
Total assets	$	263,222,716	141,505,374	53,712,727
Total long-term liabilities	$	80,621,372	46,499,308	35,354
Cash dividends declared	$	Nil	Nil	Nil

7.1 Results of operations for the year ended December 31, 2021, and 2020

The Company reported a net loss of $2,511,656 (0.40 cents loss per share) for the year ended December 31, 2021, as compared to a net loss of $3,870,107 (0.70 cents loss per share) for the Year ended December 31, 2020. The decrease in loss was largely the result of:

- Pre-commercial production sales in Q4 2021 of $7,815,621 in 2021 (2020: nil);
- foreign exchange gains of $1,141,982 from losses of ($192,026) in 2020 primarily on fluctuations between the US Dollar and Nigerian Naira; and
- a decrease in salaries and benefits of $467,562 from $2,099,369 in 2020, which included bonuses, to $1,631,807 in 2021.

Partially offset by:

- costs of listing on the AIM Market of the London Stock Exchange of $1,740,376;
- an increase in bank charges of $192,808, from $71,103 in 2020 to $263,910 in 2021 due to an increase in both number and value of payments made;
- an increase in travel costs of $118,335, from $95,316 in 2020 to $213,651 in 2021 with the easing of travel restrictions caused by the Covid-19 pandemic and the return to international travel; and
- an increase in office & miscellaneous costs of $306,434 from $171,748 in 2020 to $478,182 in 2021 most notably an increase in the cost of insurance, rent and utilities.

The Segilola mine was in construction throughout 2021. In December 2021, while the mine was still in a ramp up phase, the Company recorded pre-commercial production sales revenue of $7,815,621.

Volatility in cost of sales during the first few months of start-up is normal and is to be expected. Costs of production indicated during this start-up period (i.e., before commercial production) are not necessarily indicative of costs to be expected during commercial production. Cost guidance for FY 2022 has been provided in the outlook section.

The Group achieved first gold sales from its Segilola Gold Mine ("Segilola") in Osun state, Nigeria in December 2021, with first production from the Mill occurring in October 2021. During Q4 2021 production from the Mill was intermittent and below operating capacity per its mine plan, while overall recovery was approximately 13% below capacity. The Group's focus during Q4 2021, was the ramp-up of production to mine plan level which was not achieved on a consistent basis prior to year-end. After careful consideration Management has determined that mining operations to December 31, 2021, were not at sustainable commercial levels and that the correct classification of Segilola was Assets under construction. During the test phase, the Group earned pre-production sales revenue from gold sales. Refer to Note 3f of the 2021 Audited Financial Statements for detail on the impact of commencement of commercial production in 2022. Refer to Note 3u for further detail on accounting treatment for revenue and cost of production during the testing and ramp-up phase to December 31, 2021.

For the year ended December 31, 2021, the Company incurred the following costs excluding acquisition and impairments across its mining tenements:

Table 7.5: Costs excluding acquisition and impairments

$	Year ended December 31,		Total cumulative expenditure
	2021	2020	December 31, 2021
Assets under construction	90,235,195	22,228,831	163,825,829
Exploration expenditures	3,584,433	859,076	13,115,654
Total	93,819,628	23,087,907	176,289,181

The majority of the expenditure for the year ended December 31, 2021, was on the construction of the Segilola Gold Mine in Nigeria of $90,235,195, including $15,109,684 in capitalised Project Finance costs, and exploration works at the Douta Gold Project in Senegal of $2,530,224.

The Company has recognised a provision for restoration costs of $6,440,018 for future rehabilitation work (refer to Note 14 of the 2021 Audited Financial Statements).

During the year acquisition costs of $93,027 were incurred on exploration licenses in Nigeria, and $9,268,302 of deemed acquisition costs under IAS 3 in the form of third-party royalty obligations were brought to account for the acquisition of the Segilola Gold Project. The cumulative acquisition costs for the Segilola Gold Project, Nigerian exploration licenses, Douta Gold Project and Central Houndé Project expenditures at December 31, 2021, amount to $29,333,926, $128,923, $6,199,492 and $664,145 respectively.

The value of the Central Houndé Project has been impaired fully as at December 31, 2021, with a charge of $129,109 being recognised in the Consolidated Statement of Comprehensive Loss.

As at December 31, 2021, the Company had cash of $1,621,927, restricted cash of $4,445,121, and 5,725 ounces of gold to be sold (December 31, 2020: cash of $28,261,552, restricted cash allocated to the Segilola Gold Project of $4,460,026).

8 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).

Table 8.6: Summary of quarterly results

$	2021 Q4 Dec 31	2021 Q3 Sep 30	2021 Q2 Jun 30	2021 Q1 Mar 31
Revenues	7,815,621	-	-	-
Net profit/(loss) for period	3,357,385	580,532	(6,849,148)	399,575
Basic and fully diluted loss per share (cents)	0.50	0.10	(1.10)	(0.06)

$	2020 Q4 Dec 31	2020 Q3 Sep 30	2020 Q2 Jun 30	2020 Q1 Mar 31
Revenues	-	-	-	-
Net profit/(loss) for period	(2,033,901)	(1,371,821)	1,124,648	(1,589,033)
Basic and fully diluted loss per share (cents)	(0.33)	(0.22)	0.22	(0.35)

8.1 Results of operations for the three months ended December 31, 2021, and 2020

The Company reported a net profit of $3,357,385 ($0.005 profit per share) for the three months December 31, 2021, as compared to a net (loss) of ($2,033,901) ($0.001 loss per share) for the three months ended December 31, 2020. The move to profit for the three months was largely due to:

- pre-commercial production sales in Q4 2022 of $7,815,621in 2021 (020: nil);
- foreign exchange gains of $2,364,790 from losses of ($579,051) in 2020; and
- a decrease in the impairment of mineral interests of $1,602,197, from $1,604,564 in 2020 to 2,367 in 2021.

These were offset partially by:

- costs of listing on the AIM Market of the London Stock Exchange of $172,211;
- an increase in travel costs of $50,587 from $30,320 in 2020 to $80,907 in 2021.

The Company recorded pre-commercial production sales revenue of $7,815,621 for the three months ended December 31, 2021, and $nil for the three months to December 31,2020. No interest was earned during the three months ended December 31, 2021, and 2020.

9 LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2021, the Company had cash of $1,621,927, restricted cash of $4,445,121, and 5,725 ounces of gold to be sold and a working capital deficit of ($53,880,473).

The decrease in cash from December 31, 2020 (cash of $26,639,625) is due mainly to expenditure on assets under construction of $34,889,010, payment of fleet mobilisation costs and lease liabilities of $7,088,176, intangible exploration assets expenditures of $3,379,592, the purchase of property plant and equipment of $2,642,214, and operational costs and corporate overheads of $22,360,715. This cash expenditure was financed by existing cash balances and drawdowns from a senior secured loan facility of $38,062,018 and $2,583,530 from the exercise of warrants and options.

Working Capital Calculation

The Working Capital Calculation excludes $16,322,931 of gold stream liabilities, and $7,045,538 in third party royalties included in current accounts payable, that are contingent upon gold sales forecast of 80,000-100,000 ounces for the year ending December 31, 2022.

Table 9.7: Working Capital

		December 31, 2021
Current Assets		
Cash and Restricted Cash	$	6,067,048
Inventory	$	23,073,178
Amounts receivable, prepaid expenses, advances and deposits	$	1,039,175
Total Current Assets for Working Capital	$	30,179,401
Current Liabilities		
Accounts Payable and accrued liabilities	$	42,859,971
Lease Liabilities	$	6,165,570
Gold Stream Liability	$	16,322,931
Loan and other borrowings	$	42,079,871
	$	107,428,343
less: Current Liabilities contingent upon future gold sales	$	(23,368,469)
Total Current Liabilities for Working Capital	$	84,059,874

Inventory

Following the commencement of the test phase of mining and processing operations, gold inventory is recognised in the ore stockpiles and in production inventory, comprised principally of ore stockpile and doré at site or in transit to the refinery, with a component of gold-in-circuit.

Table 9.8: Inventory

		December 31, 2021
Plant spares and consumables	$	1,700,832
Gold ore in stockpile	$	11,015,930
Gold in circuit	$	2,052,541
Gold dore [1]	$	8,303,875
Total assets measured at amortised cost	$	23,073,178

Note 1: Gold dore is valued at cost ($1,142/oz)

At the end 1Q 2022, the Company has produced a further 21,343 oz of gold dore and sold 16,658 ounces of gold dore for a realised revenue of $31,650,000. Further detail is found in Section 5 – subsequent events.

Liquidity and Capital Resources

The Company has generated strong operating cash flow during Q1 2022 and expects to continue to do so based on its production and AISC guidance. This strong operating cash flow will support debt repayments, regional exploration and underground expansion drilling at Segilola, planned capital expenditures and corporate overhead costs.

The Board has reviewed the Group's cash flow forecasts up until April 2023, 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 2021 Audited Financial Statements for further detail on going concern.

10 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Group's financial instruments consist of cash, restricted cash, amounts receivable, accounts payable, accrued liabilities, gold stream liability, loans and other borrowings and lease liabilities.

10.1 Fair value of financial assets and liabilities

Fair values have been determined for measurement and/or disclosure purposes. 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, restricted cash, amounts receivable, and accounts payable, accrued liabilities, loans and borrowings and lease liabilities on the statement of financial position approximate their fair value because of the limited term of these instruments.

10.2 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.

10.3 Financial instruments by category

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

Table 13.9 Financial instruments by category

December 31, 2021		Measured at amortised cost	Measured at fair value through profit and loss	Total
Assets				
Cash and cash equivalents	$	1,621,927	-	1,621,927
Restricted cash	$	4,445,121	-	4,445,121
Amounts receivable	$	294,522	-	294,522
Total assets	**$**	**6,361,570**	**-**	**6,361,570**
Liabilities				
Accounts payable and accrued liabilities	$	42,312,811	9,034,392	51,347,203
Loans and borrowings	$	68,328,319	-	68,328,319
Gold stream liability	$	-	38,478,205	38,478,205
Lease liabilities	$	23,235,696	-	23,235,696
Total liabilities	**$**	**133,876,826**	**47,512,597**	**181,389,423**

December 31, 2020		Measured at amortised cost	Measured at fair value through profit and loss	Total
Assets				
Cash and cash equivalents	$	28,261,552	-	28,261,552
Restricted cash	$	4,460,026	-	4,460,026
Amounts receivable	$	56,705	-	56,705
Total assets	**$**	**32,778,283**	**-**	**32,778,283**
Liabilities				
Accounts payable and accrued liabilities	$	10,915,964	-	10,915,964
Loans and borrowings	$	20,600,067	-	20,600,067
Lease liabilities	$	38,969	-	38,969
Total liabilities	**$**	**31,555,000**	-	**31,555,000**

10.4 Liquidity 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.

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, 2021, and December 31, 2020.

Table 13.10: Contractual maturity analysis

December 21, 2021		Less than 3 months	3 – 12 Months	1 – 5 Year	Longer than 5 years	Total
Accounts payable	$	32,563,582	6,163,103	2,475,263	-	41,201,948
Accrued liabilities	$	3,887,484	-	-	-	3,887,484
Other payables	$	6,498,378	-	-	-	6,498,378
Gold stream liabilities	$	2,836,869	13,457,565	43,049,317	-	59,343,750
Loans and borrowings	$	2,518,687	33,002,170	41,077,887	-	76,598,743
Total	$	48,305,000	52,622,838	86,602,466	-	187,530,304

December 21, 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
Total	$	10,407,326	576,917	30,127,064	-	41,111,307

10.5 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 impacted 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 2021 Audited Financial Statements). The Group's management monitors the interest rate fluctuations on a continuous basis and assesses the impact of interest rate fluctuations on the Group's cash position, and acts to ensure that sufficient cash reserves are maintained in order to meet interest payment obligations.

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

Table 13.11: Interest rate risk sensitivity

Comprehensive income (loss) Financial assets and liabilities		December 31, 2021	December 31, 2020
Interest rate Appreciation by 1%	$	526,000	280,000
Interest rate Depreciation by 1%	$	(526,000)	(280,000)

10.6 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, 2021, and December 31, 2020, were as follows:

Table 13.12: Credit risk exposure

		December 31, 2021	December 31, 2020
Cash	$	1,621,927	28,261,552
Restricted cash	$	4,445,121	4,460,026
Amounts receivable	$	294,522	56,705
Total	$	6,361,570	32,778,283

10.7 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.

10.8 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 Group's loan facilities, certain exploration expenditures, certain acquisition costs and other operating expenses are denominated in United States Dollars, Nigerian Naira and UK Pounds Sterling. The Group'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 Group has not entered into any derivative instruments to manage foreign exchange fluctuations. The Group does enter in to foreign exchange agreements during the ordinary course of operations in order to ensure that it has sufficient funds in order to meet payment obligations in individual currencies. These agreements are entered in to at agreed rates and are not subject to exchange rate fluctuations between agreement and settlement dates.

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, 2021, and December 31, 2020.

Table 13.13: Net monetary assets and liabilities by functional currency

December 31, 2021	Canadian dollar	US dollar	Pound Sterling	Nigerian Naira	West African Franc	Total
Currency of net monetary asset/(liability)	CAD$	CAD$	CAD$	CAD$	CAD$	CAD$
Canadian dollar	(615,491)	-	-	-	-	(615,491)
US dollar	(242,074)	-	-	(168,578,835)	-	(168,820,909)
Pound Sterling	(459,321)	-	-	(102,898)	-	(562,219)
Nigerian Naira	-	-	-	(4,972,624)	-	(4,972,624)
West African Franc	-	-	-	-	14,598	14,598
Australian dollar	(46,570)	-	-	(24,638)	-	(71,208)
Total	(1,363,465)	-	-	(173,678,995)	14,598	(175,027,853)

December 31, 2020	Canadian dollar	US dollar	Pound Sterling	Nigerian Naira	West African Franc	Total
Currency of net monetary asset/(liability)	CAD$	CAD$	CAD$	CAD$	CAD$	CAD$
Canadian dollar	(291,551)	-	-	-	-	(291,551)
US dollar	7,735,527	-	-	(5,903,513)	-	1,832,014
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)	(5,903,513)	1,656	1,223,282

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

Table 13.14: Currency risk sensitivity

Comprehensive income (loss) Financial assets and liabilities		December 31, 2021	December 31, 2020
Canadian Dollar Appreciation By 5%	$	8,200,000	1,934,000
Canadian Dollar Depreciation By 5%	$	(8,200,000)	(1,934,000)

11 RELATED PARTY DISCLOSURES

11.1 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 2021 Audited Financial Statements.

11.2 Compensation of key management personnel

There are no other related party disclosures other than those disclosed in the Company's Audited Financial Statements and notes thereto for the year ended December 31, 2021.

12 OFF–BALANCE SHEET ARRANGEMENTS

The Company is not committed to any material off-balance sheet arrangements.

13 PROPOSED TRANSACTIONS

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

14 CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

14.1 Application of new and revised International Financial Reporting Standards

New standards impacting the Group that are adopted in the annual financial statements for the year ended December 31, 2021, are:

Standard	Detail	Effective date
IAS 16	Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use.	January 1, 2022

The Group has elected to adopt IAS 16 early as first gold sales from its Segilola Gold Mine in Osun State, Nigeria took place in December 2021, in advance of commercial production being achieved. Refer to Note 4vi) for further detail on the judgement applied by the Group on assessing the timing of achieving commercial production.

The two key variables considered by the Group in adopting IAS 16 early were:

- Accounting for sales revenue; and
- Accounting for production costs

<u>Accounting treatment of sales revenue</u>

The Group has one Customer for sales of gold as per gold stream prepayment and offtake agreements ("the Agreements") Sales made in December 2021 were under the terms of the Agreements and as such Management has determined that the correct accounting treatment for sales made to year end was in accordance with its Revenue Recognition policy as set out in Note 3j of the 2021 Audited Financial Statements.

Accounting for production costs

In accordance with IAS 16, where revenue is recognised while an entity is preparing assets for their intended use, costs of production must be measured and recorded in the statement of comprehensive income. The production sold was gold bullion and Management has determined that the most appropriate measure of cost of production is to recognise the cost of bullion sold on a number of units sold basis, using the average cost basis of direct production costs during the period September to December 2021 during which time the ore mined on a monthly basis was at a reasonably consistent level. The cost of mining and milling was divided by the number of units (ounces) produced (Refer to Note 3l for detail on the Group's policy on accounting for inventory). The resulting value of the number of ounces sold was transferred from inventory in the Consolidated Statement of Financial Position and recorded as Production Costs in the Consolidated Statement of Comprehensive Loss.

There were no other new standards or interpretations effective for the first time for periods beginning on or after January 1, 2021, that had a significant effect on the Group's financial statements.

14.2 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:

IFRS 17 – Insurance contracts	January 1, 2023
Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	January 1, 2023
Amendments to IFRS 3 Reference to the Conceptual Framework	January 1, 2022
Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract	January 1, 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle – Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture	January 1, 2022

There are no other standards issued by IASB, but not yet effective, that are expected to have a material impact of the Group.

15 DISCLOSURE OF OUTSTANDING SHARE DATA

As at the date of this MD&A, there were 632,358,009 common shares issued and outstanding stock options to purchase a total of 36,840,000 common shares.

Authorized Common Shares

Table 13.15: Common shares issued

	April 30, 2022	December 31, 2021
Common shares issued	641,897,009	632,358,009

Warrants

There were no warrants that were outstanding at December 31, 2021, and as at the date of this report.

During the year ended December 31, 2021, 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 three years from the date the closing options were issued.

During the three months ended June 30, 2021, 1,664,534 broker warrants were exercised and converted into common shares at C$0.18 each.

During the three months ended September 30, 2021, 8,287,500 placement warrants were exercised and converted into common shares at C$0.28 each, and 36,165,835 placement warrants expired during the period ended September 30, 2021.

Stock Options

The number of stock options that were outstanding and the remaining contractual lives of the options at December 31, 2021, were as follows.

Table 15.16: Options outstanding

Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life	Expiry Date
$0.12	9,250,000	0.05	January 16, 2022[1]
$0.145	12,800,000	1.19	March 12, 2023
$0.140	750,000	1.76	October 5, 2023
$0.20	14,040,000	3.05	January 16, 2025
Total	36,840,000	1.62	

[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.

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

No options were issued during the year ended December 31, 2021, and a total of 1,000,000 options were exercised at a price of $0.12 each.

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 Company’s Omnibus Incentive Plan approved by shareholder on December 17, 2021, 44,900,000 common shares of the Company are reserved for issuance upon exercise of options or other securities.

16 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.

16.1 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.

16.2 Production Risk

The Company's ability to meet development and production schedules, and cost estimates for the Segilola Gold Mine cannot be assured. The Company has prepared estimates of capital costs and/or operating costs for the Segilola Gold Mine, but no assurance can be given that such estimates will be achieved. Underperformance of the process plant, failure to achieve cost estimates, or material increases in costs due to increases in foreign exchange rates could have an adverse impact in future cash flows, profitability, results of operations, and the financial condition of the Company. The Company's primary sources of liquidity include its existing cash balance and its anticipated cash flows from its Segilola Gold Mine operations.

It is likely that actual results and/or costs for our projects will differ from our current estimates and assumptions, and these differences may be material. In addition, experience from actual mining or processing operations may identify new or unexpected conditions that could reduce production below, and/or increase capital and/or operating costs above, current estimates. If actual results are less favourable than we currently estimate, our business, results of operations, financial condition and liquidity could be materially adversely impacted.

In addition, the Company's production estimates and plans are subject to risks inherent in the mining industry including the risks described in this section, the occurrence of which could cause any such production forecasts and estimates to be materially inaccurate. The Company cannot give any assurance that it will achieve its production estimates. The Company's failure to achieve its production estimates could have a material and adverse effect on the Company's future cash flows, results of operations, production cost, financial conditions and prospects. The plans are developed based on assumptions regarding, among other things, mining experience, reserve estimates, assumptions regarding ground conditions, hydrologic conditions and physical characteristics of ores (such as hardness and presence or absence of certain metallurgical characteristics) and estimated rates and costs of production. Actual production may vary from estimates for a variety of reasons, including, but not limited to, the risks and hazards of the types discussed above, and as set out below:

- equipment failures;
- shortages of principal supplies needed for operations;
- natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes;
- accidents;
- mining dilution;
- encountering unusual or unexpected geological conditions;
- changes in power costs and potential power shortages;
- strikes and other actions by labour; and
- regulatory restrictions imposed by government agencies.

Such occurrences could, in addition to stopping or delaying gold production, result in damage to mineral properties, injury or death to persons, damage to the Company's property or the property of others, monetary losses and legal liabilities. These factors may also cause a mineral deposit that has been mined profitably in the past to become unprofitable. Estimates of production from properties not yet in production or from operations that are to be expanded are based on similar factors (including, in some instances, feasibility, scoping or other studies prepared by the Company's personnel and outside consultants) but it is possible that actual operating costs and economic returns will differ significantly from those currently estimated. It is not unusual in new mining operations or mine expansion to experience unexpected problems during the start-up phase. Delays often can occur in the commencement of production.

16.3 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.

16.4 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.

16.5 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.

16.6 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.

16.7 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.

16.8 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.

16.9 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.

16.10 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.

16.11 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.

16.12 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.

16.13 Gold Price

The Company is subject to commodity price risk from fluctuations in the market prices of gold. Commodity price risks are affected by many factors that are outside the Company's control including global or regional consumption patterns, the supply of and demand for metals, speculative activities, the availability and costs of substitutes, inflation, and political and economic conditions.

The financial instruments impacted by commodity prices are a portion of the trade receivables, the offtake obligation (a derivative liability) and the stream obligation, which are accounted for at fair value through profit or loss, are impacted by fluctuations of commodity prices.

16.14 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.

16.15 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.

16.16 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.

16.17 Covid-19

The COVID-19 pandemic continued in 2021 and has had a significant impact on businesses through restrictions put in place by governments around the world including the jurisdictions in which we conduct our business. Over the last two years, aspects of the Company's operations have been impacted by COVID-19 for a variety of reasons, such as government and other restrictions on transportation and the mobility of personnel and mandatory quarantine periods and border closures.

As of the date of this MD&A, it is not possible to determine the extent of the impact that this pandemic will have on our activities as the impacts will depend on future developments which themselves are uncertain and cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, its extent and intensity, the duration of the outbreak, and possible government, societal, and individual responses to the situation.

Possible impacts of the continuing or worsening spread of COVID-19, including new variants of the virus, may include mandated or voluntary closures of operations, illness among the Company's workforce, restricted mobility of personnel, interruptions in the Company's logistics and supply chain, delay at or closure of the Company's refining and smelting service providers and global travel restrictions, all of which could disrupt the Company's operations and negatively impact its financial performance.

16.18 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.

16.19 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.

16.20 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.

17 CAUTIONARY NOTES

17.1 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.