MANAGEMENT DISCUSSION & ANALYSIS

for the three months ended March 31, 2023

THOR EXPLORATIONS LTD

Amount in United States Dollars

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).

TABLE OF CONTENTS

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 quarter ended March 31, 2023. These unaudited 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 United States 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.

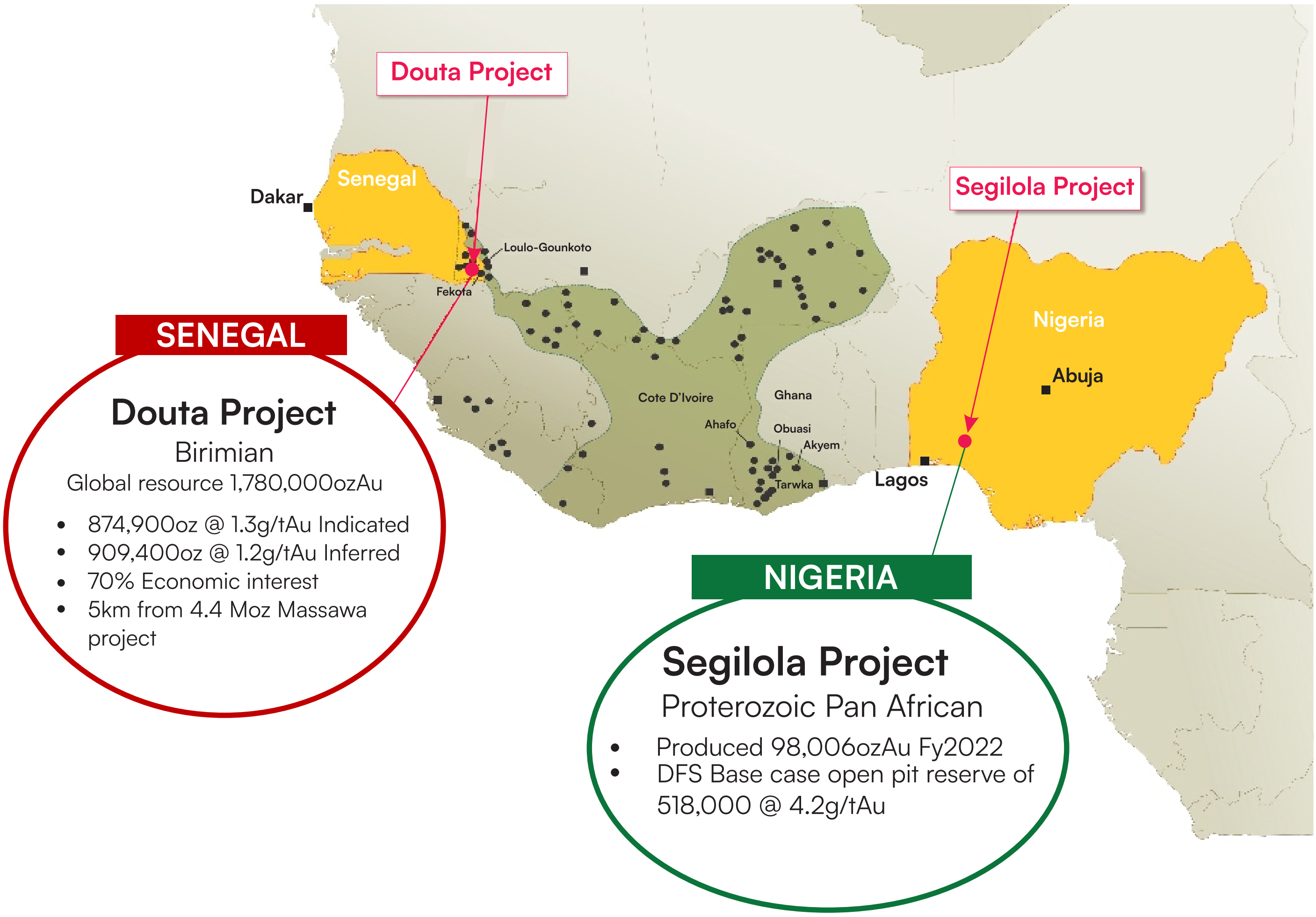
This MD&A is prepared as of May 29, 2023.

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 licences on the unexplored Ilesha schist belt in near proximity to the Segilola gold mine and further exploration licences in Nigeria.

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 AND ACTIVITIES — FIRST QUARTER 2023

Operating results for the quarter were highlighted by the selling of 21,553 ounces ("oz") of gold during the year at a cash operating cost1 of $899 per oz sold, with an all-in sustaining cost ("AISC")1 of $1,346 per oz sold.

The Company maintains its production guidance at 85,000 to 95,000 oz for the year, while AISC1 guidance for 2023 is also maintained at US$1,150 per ounce to US$1,350 per ounce.

During the period, the international price of key consumables used by the Company, in particular ammonium nitrate and diesel have reduced significantly from the levels experienced in the second half of 2022. These reductions in price are expected to result in lower than forecast consumable costs at Segilola as the Company resupplies.

Table 2.1 Key Operating and Financial Statistics

		Three Month Period ended March 31, 2023	Three Month Period ended March 31, 2022
Operating			
Gold Sold	Au	21,553	13,463
Average realized gold price[1]	$/oz	1,902	1,824
Cash operating cost[1]	$/oz	899	688
AISC (all-in sustaining cost)[1]	$/oz	1,346	1,108
EBITDA[1]	$/oz	745	996
Financial			
Revenue	$/oz	40,287,830	24,865,482
Net Income/(Loss)	$/oz	4,331,347	3,490,938
EBITDA[1]	$/oz	16,065,334	13,414,642
Financial			
Cash and cash equivalents	$/oz	4,505,071	6,688,037
Deferred Income	$/oz	-	6,581,743
Net Debt[1]	$/oz	24,940,762	31,650,722

1 Refer to "Non-IFRS Measures" section.

2.1 Segilola Gold Mine, Nigeria

Mining

During the three months ended March 31, 2023, 4,194,689 tonnes of material was mined, equivalent to a mining rate of 46,608 tonnes of material per day. In this period, 198,425 tonnes of ore were mined, equivalent to a mining rates of 2,205 tonnes of ore per day, at an average grade of 2.85g/t. Tonnes were affected by difficult mining conditions encountered in the West wall of the pit. Conditions are improving and an increase in mining rates is expected in quarter 2.

Grade was lower than planned due to geotechnical problems encountered in the North of the pit, delaying access to the higher-grade ore zones in this area. These zones will now be mined during the second quarter of 2023.

The stockpile balance at the end of the period was 270,215 tonnes of ore at an average of 1.14g/t. This comprised 2,130 tonnes (4.35g/t) at high grade, 4,327 tonnes (2.03g/t) at medium grade, 273,903 tonnes (1.04g/t) at low grade and 3,442 tonnes (2.65g/t) on the coarse ore stockpile.

Processing

During the three months ended March 31, 2023, a total of 231,001 tonnes of ore, equivalent to a throughput rate of 2,567 tonnes per day, was processed. Throughput was affected by an unplanned reline of the SAG mill.

The mill feed grade was 2.95g/t gold with recovery at 94.1% for a total of 20,629 ounces of gold produced. A delay in the commissioning of an additional crusher, specifically used to reduce mill rejected ore bearing material ("scats"), which was held for several weeks at the Nigerian border crossing, affected grade during the quarter. The scats will be processed during quarter 2.

All of the main operating units of the process plant continue to perform better than expected, with the plant operating above nameplate capacity. Several improvement projects are being undertaken through the remainder of 2023.

Table 2.2: Production Metrics

	Units	Q1 - 2023	Q4 - 2022	Q3 - 2022	Q2 - 2022	Q1 - 2022
Mining						
Total Mined	Tonnes	4,194,689	4,296,494	4,018,431	4,031,584	3,759,524
Waste Mined	Tonnes	3,996,264	3,974,073	3,793,249	3,747,504	3,533,610
Ore Mined	Tonnes	198,425	322,421	225,182	284,079	226,314
Grade	g/t Au	2.85	3.51	4.43	3.63	2.68
Daily Total Mining	Tonnes/Daily	46,608	46,701	43,679	44,303	41,772
Daily Ore Mining Rate	Tonnes/Daily	2,205	3,505	2,448	3,122	2,515
Stockpiled						
Ore Stockpiled	Tonnes	270,215	300,531	229,909	249,281	179,758
Ore Stockpiled	g/t Au	1.14	1.48	1.19	1.46	1.23
Ore Stockpiled	oz	9,904	14,300	8,796	11,701	7,109
Processing						
Ore Processed	Tonnes	231,001	254,824	241,434	211,582	221,900
Grade	g/t Au	2.95	3.38	3.58	3.66	3.18
Recovery	%	94.1	95.0	95.5	95.5	94.1
Gold Recoverd	oz	20,629	26,331	26,523	23,785	21,343
Milling Throughput	Tonnes/Daily	2,567	2,770	2,624	2,325	2,466

2.1.1 Environment and Social Summary Q3 2022

Two Lost Time Injuries (LTIs) were reported in January 2023 within the site maintenance workshop which triggered intensive HSE training exercises and retraining of maintenance workshop supervisors by SROL HSE. Analysis of near misses and unsafe acts identified subcontractors to have a higher rate of incidents. The SROL HSE team instigated regular meetings with contract HSE staff to provide training and feedback on reoccurring issues. Attendance at such meetings is being recorded to reinforce the importance of the training exercises. Targeting and visiting construction and maintenance activities on the project site has also been increased. Installation of video cameras in road vehicles is being investigated. Regular meetings are also being held with health related Toolbox themes covering hepatitis and cancer awareness.

Table 2.3 HSE statistics to end Q1 2023

	2023 (Q1)	PTD	
HSE Statistics - Reactive (Lagging) Indicators			
Number of Man Shifts Worked (Total)	106,723	718,094	
Man Hours	1,029,743	6,654,187	
Lost Time Injury (LTI) recorded	2	5	
Fatality (FAT) recorded	0	2	
Medical Treatment Case (MTC) reported	10	37	
Near Miss (NM) reported	7	49	
First Aid Case (FAC) reported	12	71	
Property Damage (PD) reported	16	85	
Incidents Reported	**48**	**250**	
HSE Statistics - Proactive (Leading) Indicators			
Number of Safety Inductions conducted	89	942	
Toolbox Meeting conducted	1172	6,168	
HSE Meetings conducted	36	206	
HSE Inspections conducted	15	274	
HSE Trainings conducted	26	452	
Number of Unsafe Conditions reported	172	4,172	
Number of Unsafe acts reported	221	3,930	
Milestone Indicators	**2023 (Q1)**	**PTD**	**Target**
Lost Time Injury Frequency Rate (LTIFR)	1.94	0.75	0.40
Total Recordable Injury Frequency Rate (TRIFR)	11.65	6.61	4.00
LTI Free Shift Days	118		
LTI Free Hours	107616		

The full operation of 6 MW compressed natural gas ("CNG") generators was achieved in January 2023 so as to reduce GHG generated by diesel. In Q1 2023, SROL's GHG emissions was 5,303 tons. For the equivalent period in 2022, the GHG emissions were 8,392 tons — thus a reduction of 3,089 tons has been achieved representing a drop of 36% in GHG emissions and enabling SROL to achieve a key step in the reduction of its carbon footprint.

The annual dry season ecology survey with the Segilola EL area indicated the dominance of green algae in contrast to the dominances of diatom and blue-green algae of 2021 and 2020 respectively This is a strong indication that there is steady improvement in water quality thus providing better ecological integrity. Generally, the overall biodiversity account of 2023 survey showed better biodiversity parameters than that of 2021 and 2022, indicating an increase and improvement in overall biodiversity and water quality status.

The main focus with respect to the Company's social activities for Q1 has been progressing livelihood restoration programmes for project affected persons (PAPs) who lost land and/or assets in the Segilola mine footprint. Vegetable farms construction commenced in Q1 including the erection of a greenhouse for seedlings. Construction of fish farming ponds and associated processing and administration structures also commenced using two contractors from the host communities, thus generating local employment. PAPs part of these programmes have been assisted by SROL in establishing cooperatives to enable them to independently run the programmes once fully operational.

Progress was made on a temporary Resettlement Action Plan (RAP) programme in the period where residents and business will temporarily relocate during an 8 month blasting and mining programme in the southern area of the Segilola pit. A 500m blasting safety zone has been defined beyond the mine footprint area and all structures have been surveyed by structural engineers and valuers to determine the structural integrity and value prior to blasting and mining activities occurring. Financial support is being determined to support rental of temporary premises and refurbishment of structures before community members move back in.

Compensation continues for minor expansions the Segilola mine footprint (including truck parking and the uplift to the Tailings Management Facility ("TMF")) so now stands at $4,697,800 covering a 3-year period. Exploration activity in Nigeria has increased in Q1 hence compensation has increased to $424,400 (34 landowners and 728 asset owners).

Social listening continues (monitoring SROL and Thor mentions in Nigerian media) across electronic, TV and printed media and findings are shared with key departments in SROL. Most media coverage has been positive.

Employment on the Segilola project now stands at 1,759 across SROL and four key contractors. Of the total, 20% are from the 3 host communities surrounding the mine site. Around 750 workers are in the camp significantly reducing local and regional traffic movements.

In Senegal, exploration activities at the Douta Project have progressed throughout Q1 2023. HSE leading and lagging indicators are being recorded with no LTIs for Q1 2023. The HSE officer has formalized the sale of metal waste and the money from this sale is paid into the company's social fund for community projects. Upgrades to camp facilities were undertaken in Q1 including improvements to the kitchen, canteen and accommodation facilities. Shallow water ponds were constructed around 200m from camp to provide drinking water for local fauna — this has lured insects and fauna away from the camp itself. A contract has been signed to undertake the dry season biodiversity survey in Q2 2023.

2.1.2 Exploration Activity Summary Q1 2023

Exploration remained a priority for the Company in 2023 in both Nigeria and Senegal. In Nigeria, the Company continued to expand its portfolio through the acquisition of new licences and also entering into joint venture agreements with existing licence holders. Exploration activities were carried out on all the Company's licences, consisting of Reverse Circulation (RC) drilling, Diamond Drilling, geochemical stream sediment sampling, auger drilling and soil sampling.

In Senegal, the Company completed a RC drill program which resulted in the announcement of a materially increased mineral resource comprising a total of approximately 1.78 million ounces ("Moz") of gold ("Au"), an increase of 144% in total resource as compared with the 2022 maiden mineral resource estimate declared for Douta in November 2021.

Nigeria

Introduction

The high grade Segilola gold deposit is located on the major regional shear zone that extends for several hundred kilometres through the gold-bearing Ilesha schist belt (structural corridor) of Nigeria.

The key objective of the exploration strategy is to extend the life of mine ("LOM") at Segilola. Approximately 80% of the Company's Nigerian exploration effort is concentrated within a 25km radius from the Segilola operation such that potential gold-bearing material can be easily trucked to the existing plant. In areas that are further from the mine generative exploration is targeting potential new stand-alone operations.

As at March 31, 2023, the Group's gold exploration tenure currently comprises 16 wholly owned exploration licenses and nine joint venture partnership exploration licenses. Together with the mining lease over the Segilola Gold Deposit, Thor's total gold exploration tenure amounts to 1,542 km². The Group's exploration strategy includes further expansion of its Nigerian land package as and when attractive new licenses become available (Figure 1).

In addition to near-mine exploration, activities on the ground have focussed on two main areas:

- Malete
- Western Prospects

Malete Prospect

The Malete Prospect is located in Kwara State 150km directly north-north west from Segilola and comprises a total of seven permits that cover a combined area of 239 km² (Figure 2). To date, most exploration activity has taken place within Thor's original exploration permit, EL34429. The newly acquired permit located immediately to the south east is notable as it contains a gold-bearing structure located at Awn. This structure, which has attracted large-scale artisanal mining, extends from within an excised, small scale mining lease into a newly acquired exploration permit, EL32357, that is held by Thor under an option agreement.

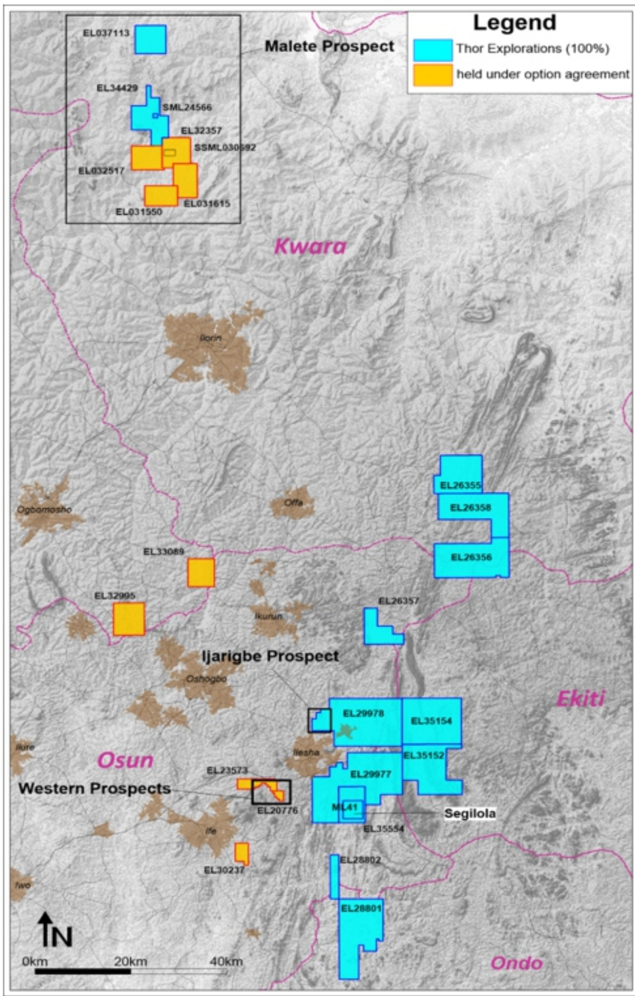


Figure 1: Gold Exploration Tenure Map

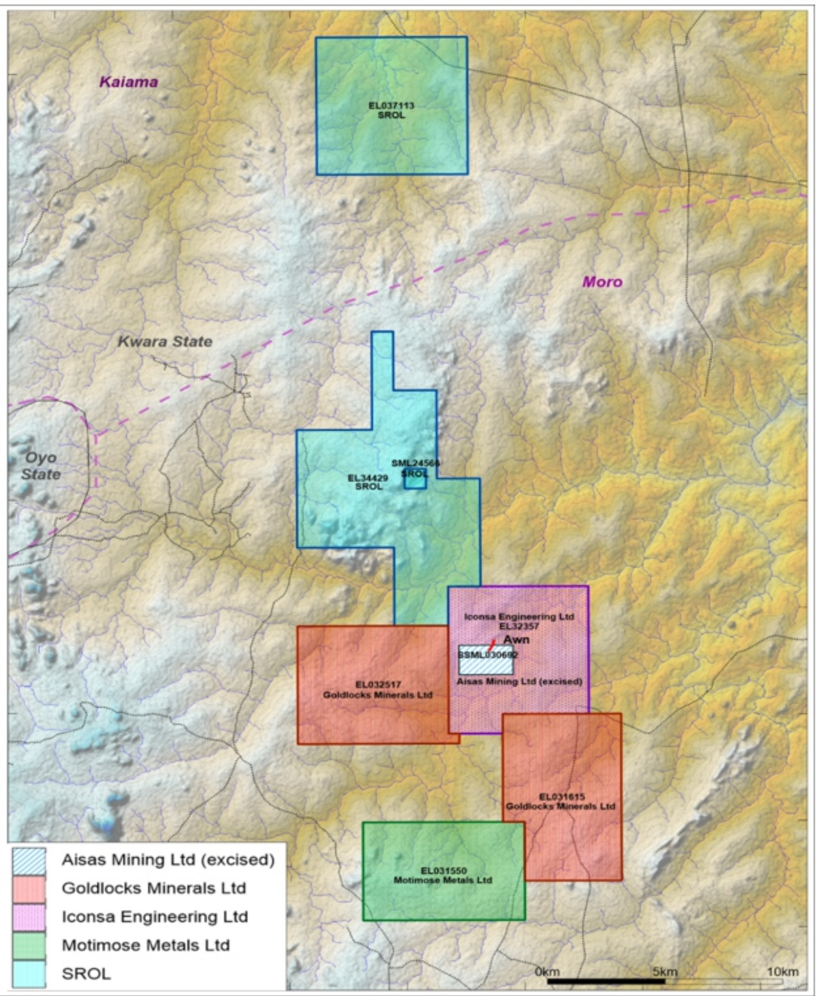


Figure 2: Malete Tenure Map

Western Prospects

The Western Prospects are located about 15km directly west from the Segilola Gold Mine and cover mostly amphibolitic rocks that contrast with the more gneissic terrain that is developed at Segilola itself. The prospect comprises several exploration permits that are held under exercised option agreements. The area is easily accessed through a series of sealed roads and gravel tracks.

To date, exploration has comprised grid-based soil geochemical sampling using a hand-held auger drill and rock chip sampling of exposures located mostly inside shallow abandoned artisanal diggings.
In the central parts of the Western Prospects, the sampling has defined an area measuring approximately 3km along strike and 1km wide that is oriented in a north-westerly direction (Figure 3).

Initial results from the soil geochemistry program returned values of 6.50g/tAu and 10g/tAu towards the south east portion of this area. These values are typically located towards the base of a 1-2m thickness transported laterite profile. Close-spaced soil sampling is continuing.

Rock chip sampling returned high grade values including 65.1g/tAu in the central part of the area and several samples around 30g/tAu located towards the north west (Figure 3).

Based on these results an initial drill testing program comprising both diamond core and reverse circulation ("RC") drilling was initiated in January 2023.

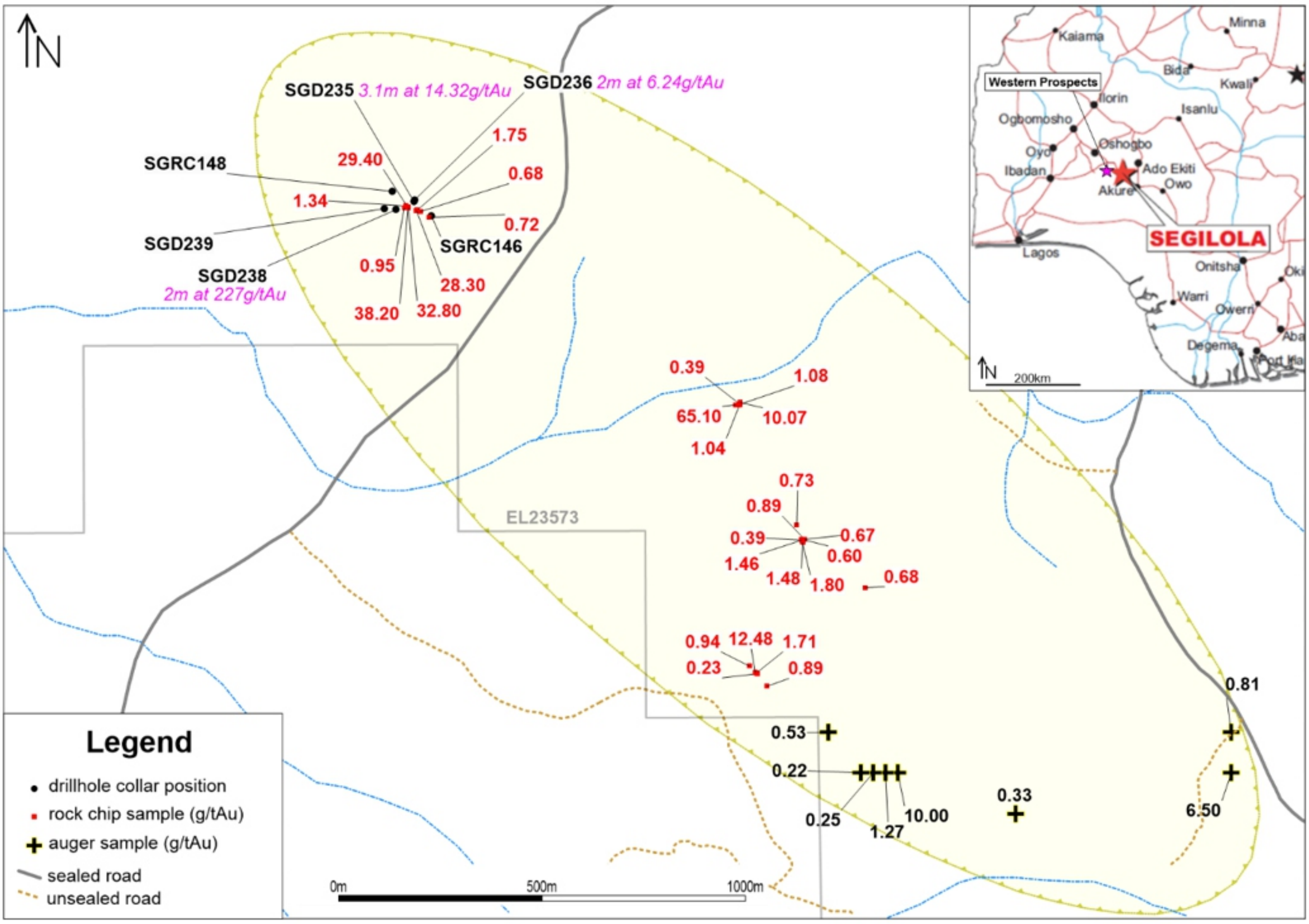


Figure 3: Western Prospects location map

Drilling Results

These holes targeted the depth extensions of a mineralised quartz vein that is exposed at surface and produced rock chip results of over 30g/tAu. Mineralisation is developed within a narrow, sub-vertical quartz vein that occupies a highly deformed zone that is characterised by weakly disseminated pyrite and intense silica-carbonate-sericite alteration.

Consistent high grade intersections have been obtained to a vertical distance of 75m from surface (Figure 4). In hole SGD236, a parallel mineralised zone has been intersected about 10m to the east of the main vein. This suggests that there is additional mineral potential in the rocks adjacent to the main vein. Ongoing drilling will test both the strike length and depth potential of this system.

The significant intersections from the Western Prospects are listed in Table 1.

HOLE ID	Easting	Northing	Length (m)	Azimuth	Dip	From (m)	To (m)	Downhole Interval (m)	Average Grade (Aug/t)	True Width (m)
SGD235	683308	838018	50	230.0	-60	27.9	31.00	3.1	14.32	1.2
SGD236	683310	838020	90	222.0	-65	10.0	13.00	3.0	1.25	0.9
SGD236						15.5	17.00	1.5	0.99	0.5
SGD236						46.5	48.50	2.0	6.24	0.6
SGD236						50.2	54.40	4.2	0.52	1.3
SGD236						55.4	56.40	1.0	0.30	0.3
SGD237	623325	838042	140	221.0	-60	81.2	82.65	1.5	0.38	0.5
SGD238	683265	837997	80	90.0	-60	80.0	82.00	2.0	226.88	1.0
	includes					81.0	82.00	1.0	310.00	0.5
SGD239	683236	837999	140	90.0	-60		assays pending			
SGRC146	683352	837981	50	230.0	-60		assays pending			
SGRC147	683374	388009	100	230.0	-60		assays pending			
SGRC148	683255	838042	100	90.0	-60		assays pending			

Table 1: Segilola Exploration Significant Results

(0.3g/tAu lower cut off; maximum 0.5m internal dilution)

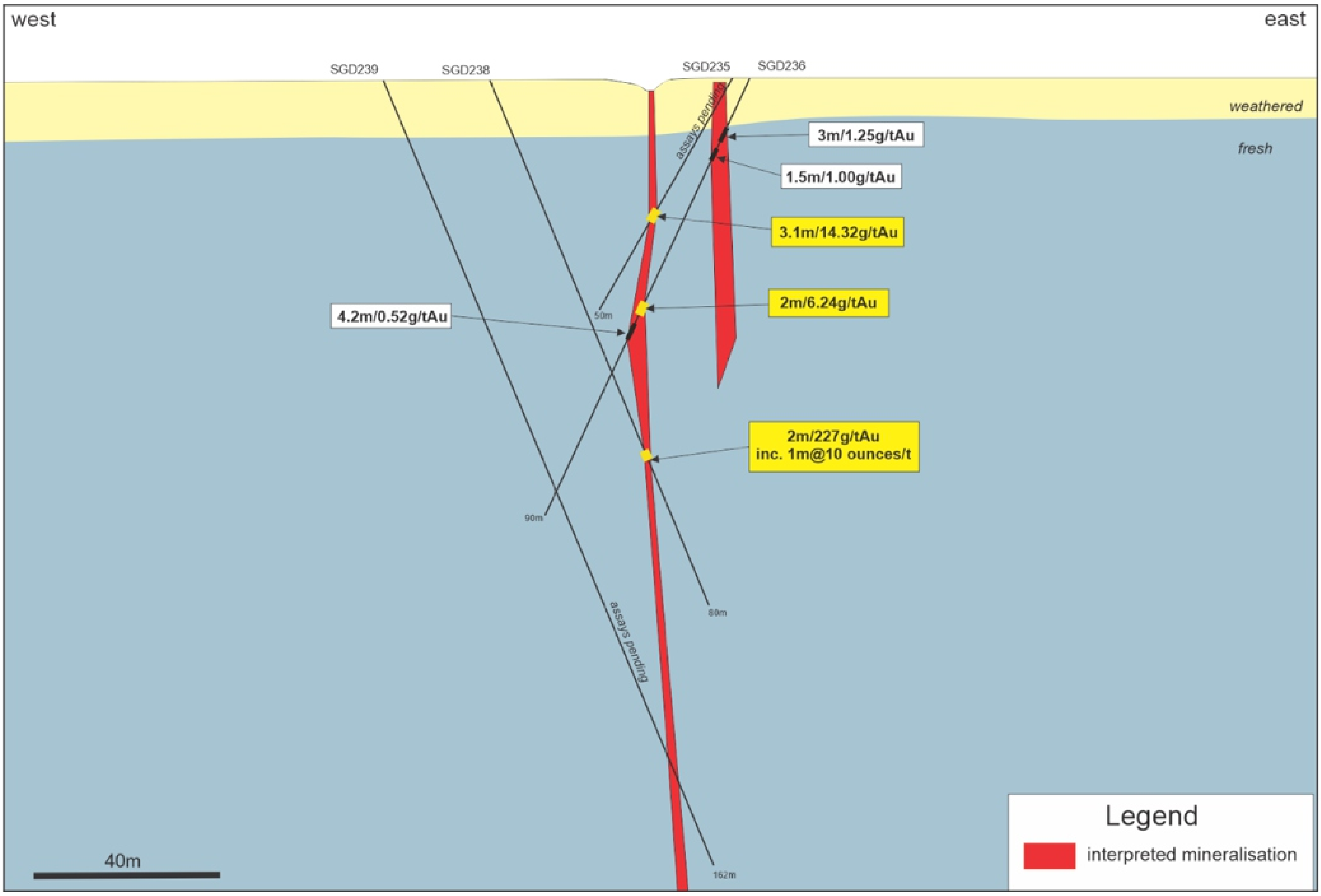


Table 1: Segilola Exploration Significant Results

(0.3g/tAu lower cut off; maximum 0.5m internal dilution)

Western Prospects — Joint Venture Arrangement

The Western Prospects are held under a joint venture agreement ("Thor-Esteedan JV") between Thor's wholly owned subsidiary Segilola Gold Limited ("SGL") and a local mineral exploration company, Esteedan Limited ("Esteedan").

Exploration Activity

The objective of the Company's exploration activities, was to continue to both generate targets and drill those that justify follow up testing. Exploration drilling statistics for the quarter are summarised ibn Table 2. Regional stream sediment sampling programs and soil/auger programs are continuing. A total of 6,169 geochemical samples were collected during the quarter (Table 2).

Type	No. Holes	Metres Drilled
DD	13	1,645
RC	8	649
Total	**21**	**2,294**

Table 2: Drilling Statistics Q1 2023

Sample Type	Number
Auger	1351
Soil	4250
Stream Sediment	419
Rock Chip	101
Termite Mound	48
Total	**6,169**

Table 3: Geochemical Sampling Statistics Q1 2023

Senegal

Introduction

The Douta Gold Project is a gold exploration permit E02038, located within the Kéniéba inlier, eastern Senegal. The northeast-trending license (Figure 4) has an area of 58 km^2. Thor, through its wholly owned subsidiary African Star Resources Incorporated ("African Star"), has a 70% economic interest in partnership with the permit holder International Mining Company SARL ("IMC"). IMC has a 30% free carried interest in its development until the announcement by Thor of a Probable Reserve.

The Douta licence is strategically positioned 4km east of Massawa North and Massawa Central deposits, which form part of the world-class Sabadola-Massawa Project owned by Endeavour Mining (Figure 3). The Makabingui deposit, belonging to Bassari Resources Ltd, is immediately located east of the northern portion of E02038.

During the quarter an updated mineral resource estimate ("MRE") was announced. The 2023 MRE encompasses the Makosa, Makosa Tail and Sambara zones, which are collectively named the Douta Resource.

The MRE has been estimated by an independent consultant and is reported at a cut-off grade of 0.5g/t Au within optimised shells using a gold price of US$2,000 (Table 3).

Classification	Tonnes	Grade (g/tAu)	Total Contained Gold (k ounces)	Thor Interest
Indicated	21.2	1.3	875	70%
Inferred	24.1	1.2	909	70%

Table 3: Douta Gold Project Total Classified Mineral Resource Estimate Summary, March 2023
(reported at cut-off grade of 0.5g/t Au)

• *Open Pit Mineral Resources are reported in situ at a cut-off grade of 0.50 g/t Au. An optimized Whittle shell (US$2,000) 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 0.50 g/t Au and within an optimized pit shell.* • *Cut-off grade varied from 0.45 g/t to 0.48 g/t in a pit shell based on mining costs, metallurgical recovery, milling costs and G&A costs*
• *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.*
• *The resource estimate was prepared by Mr. Kevin Selingue, Principal Geologist of MineralMind, Australia in accordance with NI 43-101. Mr. Selingue is an independent qualified person ("QP") as defined by NI 43-101.*

The MRE is based on data obtained from a total of 64,567m of drilling consisting of 1,937m of diamond drilling and 62,630m of RC drilling. RC drilling was carried out by Sengold (2020-2023), while historic diamond drilling was carried out by International Drilling Company(2017), Sendrill Consulting (2018) and ADS (2012).

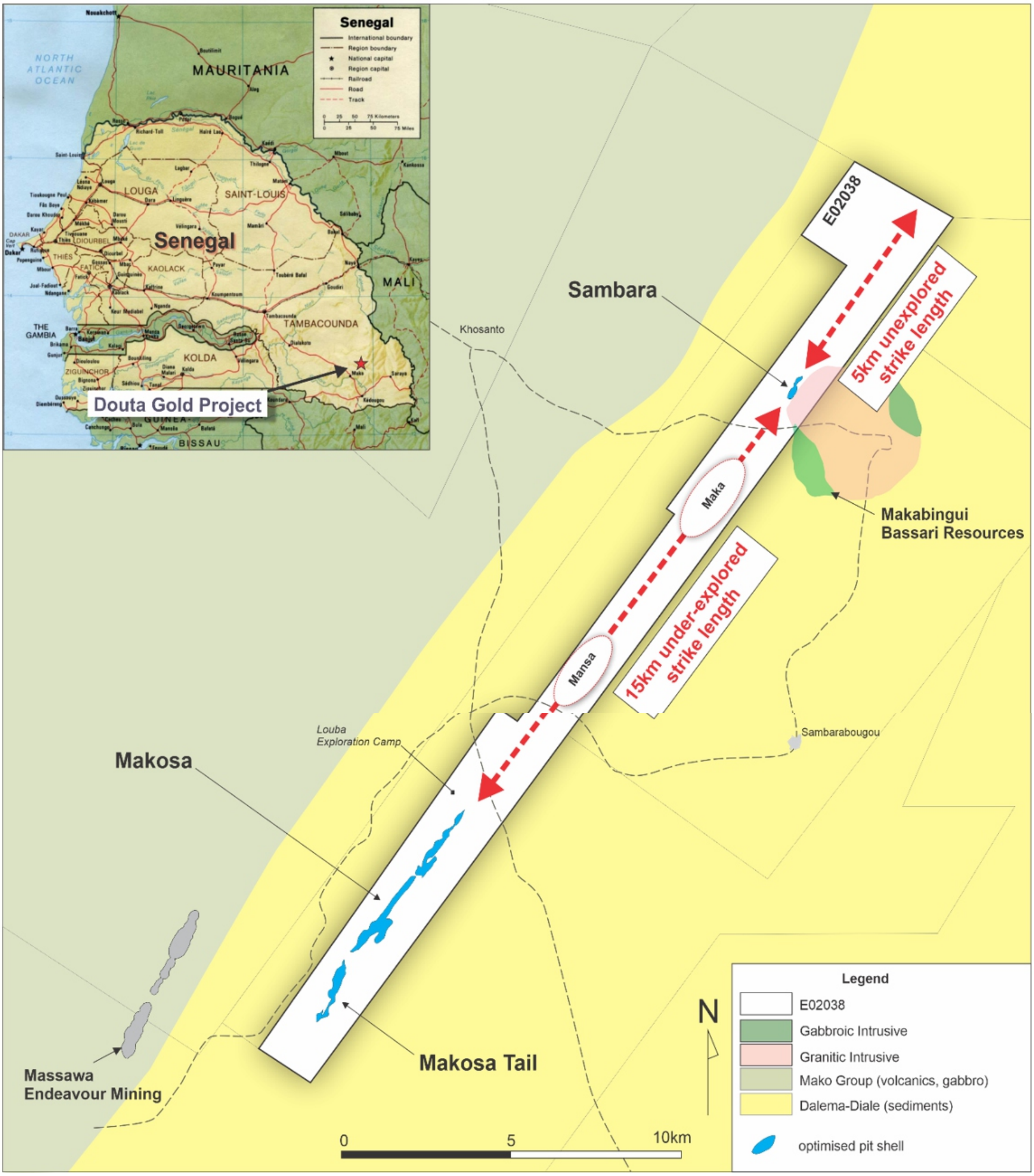


Figure 5: Douta Project Location Map

During the quarter, workstreams designed to advance the project to the prefeasibility stage (PFS) commenced. This included a diamond drilling program that was designed to obtain sufficient core samples for comprehensive metallurgical test work and mineralogical studies. A total of 568m of HQ-diameter diamond drilling was completed in 9 holes. The drilling program is ongoing and is expected to be completed in Q2 2023.

Ongoing Exploration

Thor intends to progress the Makosa Resource expansion and infill 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.

3 NON-IFRS MEASURES

This MD&A refers to certain financial measures, such as average realized gold price, cash operating costs, all-in sustaining costs ("AISC"), net debt and earnings before interest, taxes, depreciation and amortisation ("EBITDA") 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.

3.1 Average realised gold price per ounce sold

The Group believes that, in addition to conventional measures prepared in accordance with GAAP, the average realised gold price, which takes into account the impact of gain/losses on forward sale of commodity contracts, is a metric used to better understand the gold price realised during a period. Management believes that reflecting the impact of these contracts on the Group's realised gold price is a relevant measure and increases the consistency of this calculation with our peer companies.

In addition to the above, in calculating the realised gold price, management has adjusted the revenues as disclosed in the consolidated financial statement to exclude by product revenue, relating to silver revenue, and has reflected the by product revenue as a credit to cash operating costs. The revenues as disclosed in the interim financial statements have been reconciled to the gold revenue for all periods presented.

Table 3.1: Average annual realised price per ounce sold

	Units		Three Month period ended March31, 2023		Three Month period ended March 31, 2022[1]
Revenues	$		40,287,830		24,865,482
By product revenue	$		(43,773)		(15,520)
Gold Revenue	$		40,244,057		24,849,962
Gain/(Loss) on forward sale of commodity contracts	$		750,482		(294,922)
Gold Revenue	$		40,994,539		24,555,040
Gold ounces sold	oz Au		21,553		13,463
Average realized price per ounce sold	$		1,902		1,824

1 The figures for the Three Month period ended March 31, 2022 have been restated in connection with the restatement of the interim financial statements. Refer to note 22 of the interim financial statements for further details.

3.2 Cash operating cost per ounce

Cash operating cost per oz sold, combined with revenues, can be used to evaluate the Company's performance and ability to generate operating income and cash flow from operating activities. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors may find this information useful to evaluate the costs of production per ounce.

By product revenues are included as a credit to cash operating costs.

Table 3.2: Average annual cash operating cost per ounce of gold

	Units	Three Month period ended March31, 2023		Three Month period ended March 31, 2022[1]
Production costs	$	18,306,502		8,219,530
Transportation and refining	$	342,291		502,222
Royalties	$	768,282		550,765
By Product revenue	$	(43,773)		(15,520)
Cash Operating costs	$	19,373,302		9,256,997
Gold ounces sold	Oz Au	21,553		13,463
Cash operating cost per ounce sold	$/oz	899		688

1 The figures for the Three Month period ended March 31, 2022 have been restated in connection with the restatement of the interim financial statements. Refer to note 22 of the interim financial statements for further details.

3.3 All-in sustaining cost per ounce

AISC provides information on the total cost associated with producing gold.

The Group calculates AISC as the sum of total cash operating costs (as described above), other administration expenses and sustaining capital, all divided by the gold ounces sold to arrive at a per oz amount.

Other administration expenses includes administration expenses directly attributable to the Segilola Gold Mine plus a percentage of corporate administration costs allocated to supporting the operations of the Segilola Gold Mine. For the Three Month periods ended March 31, 2023 and 2022, this was deemed to be 50%.

Other companies may calculate this measure differently as a result of differences in underlying principles and policies applied.

Table 3.3: Average annual all-in sustaining cost per ounce of gold

	Units	Three Month period ended March31, 2023		Three Month period ended March 31, 2022[1]
Cash operating costs[2]	$	19,373,302		9,256,997
Adjusted other administration expenses[3]	$	3,775,777		1,458,731
Sustaining capital[4]	$	5,864,894		4,196,996
Total all-in sustaining cost	$	29,013,973		1414,912,724
Gold ounces sold	Oz Au	21,553		13,463
All-in sustaining cost per ounce sold	$/oz	1,346		1,108

1 The figures for the Three Month period ended March 31, 2022 have been restated in connection with the restatement of the interim financial statements. Refer to note 22 of the interim financial statements for further details.
2 Refer to Table - 3.2 Cash operating costs.
3 Refer to Table - 3.3a Sustaining and Non-Sustaining Capital.

The Group's all-in sustaining costs include sustaining capital expenditures which management has defined as those capital expenditures related to producing and selling gold from its on-going mine operations. Non-sustaining capital is capital expenditure related to major projects or expansions at existing operations where management believes that these projects will materially benefit the operations. The distinction between sustaining and non-sustaining capital is based on the Company's policies and refers to the definitions set out by the World Gold Council.

This non-GAAP measure provides investors with transparency regarding the capital costs required to support the on-going operations at its operating mine, relative to its total capital expenditures. Readers should be aware that these measures do not have a standardised meaning. It is intended to provide additional information and should not be considered in isolation, or as a substitute for measures of performance prepared in accordance with IFRS.

Table 3.3a: Sustaining and Non-Sustaining Capital

	Units	Three Month period ended March31, 2023		Three Month period ended March 31, 2022[1]
Property, plant and equipment additions during the period	$	5,719,158		8,484,914
Non-sustaining capital expenditures[2]	$	(1,109,993)		(5,501,596)
Payment for sustaining leases	$	1,255,729		1,213,678
Sustaining capital[3]	$	5,864,894		4,196,996

1 The figures for the Three Month period ended March 31, 2022 have been restated in connection with the restatement of the interim financial statements. Refer to note 22 of the interim financial statements for further details.
2 Includes EPC and other construction costs for the Segilola Mine
3 Includes capitalized production stripping costs of $4,609,165 (March 31, 2022: $2,983,318)

3.4 Net Debt

Net debt is calculated as total debt adjusted for unamortized deferred financing charges less cash and cash equivalents and short-term investments at the end of the reporting period. This measure is used by management to measure the Company's debt leverage. The Group considers that in addition to conventional measures prepared in accordance with IFRS, net debt is useful to evaluate the Group's performance.

Table 3.4: Net Debt

		Three Month period ended March31, 2023		Three Month period ended March 31, 2022
Loans from the Africa Finance Corporation	$	24,257,746		24,459,939
Due to EPC contractor	$	1,463,353		10,196,105
Deferred element of EPC contract	$	3,724,734		3,682,715
Less:				
Cash		(4,505,071)		(6,688,037)
Net Debt	$	24,940,762		31,650,722

3.5 Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)

EBITDA is calculated as the total earnings before interest, taxes, depreciation and amortisation. This measure helps management assess the operating performance of each operating unit.

Table 3.5: Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

	Units	Three Month period ended March 31, 2023		Three Month period ended March 31, 2022[1]
Net profit/(loss) for the period	$	4,331,347		3,490,938
Amortization and depreciation - owned assets	$	7,165,523		5,004,617
Amortization and depreciation - right of use assets	$	1,194,587		1,158,255
Impairment of Exploration & Evaluation assets	$	3,096		2,701
Interest expense	$	3,370,781		3,758,131
EBITDA	$	16,065,334		13,414,642
Gold ounces sold	Oz Au	21,553		13,463
EBITDA per ounce sold	$/oz	745		996

1 The figures for the Three Month period ended March 31, 2022 have been restated in connection with the restatement of the interim financial statements. Refer to note 22 of the interim financial statements for further details.

4 SUBSEQUENT EVENTS

EPC Contract

As of the date of these Interim financial statements, the Group has made all outstanding due payments in relation to the EPC contract. At March 31, 2023, this amounted to US$1,463,353.

5 OUTLOOK AND UPCOMING MILESTONES

This Section 5 of the MD&A contains forward looking information as defined by National Instrument 51-102. Refer to Section 16 of this MD&A for further information on forward looking statements.

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

- 2023 Operational Guidance and Outlook

Gold Production	oz	85,000-95,000
All-in Sustaining Cost Capital	US$/oz Au sold	$1,150 - $1,350
Expenditure[1]	US$	8,000,000 — 10,000,000
Exploration Expenditure:		
Nigeria[2]	US$	4,200,000
Senegal	US$	3,000,000

1 This excludes production stripping costs capitalizations.
2 This includes purchase of licenses.

- The critical factors that influence whether Segilola can achieve these targets include:
- Segilola's ability to maintain an adequate supply of consumables (in particular ammonium nitrate, flux and cyanide) and equipment
- Fluctuations in the price of key consumables, in particular ammonium nitrate, and diesel
- Segilola's workforce remaining healthy
- Continuing to receive full and on-time payment for gold sales
- Continuing to be able to make local and international payments in the ordinary course of business

- Continue to advance the Douta project towards preliminary feasibility study ("PFS")

- Continue to advance exploration programmes across the portfolio:
  - Segilola near mine exploration
  - Segilola underground project
  - Segilola regional exploration programme
  - Douta extension programme
  - Douta infill programme
  - Assess regional potential targets in Nigeria
  - Acquiring new concessions and joint venture options on potential targets

6 SUMMARY OF QUARTERLY RESULTS

The table below sets forth selected results of operations for the Company's eight most recently completed quarters.

$	2023 Q1 Mar 31	2022 Q4 Dec 31	2022 Q3 Sep 30	2022 Q2 Jun 30
Revenues	40,287,830	43,251,204	55,703,098	41,354,747
Net profit for period	4,331,347	14,908,460	4,126,066	6,163,942
Basic profit per share (cents)	0.67	2.21	0.65	0.97
$	2022 Q1 Mar 31	2021 Q4 Dec 31	2021 Q3 Sep 30	2021 Q2 Jun 30
Revenues	24,865,482	6,049,485	-	-
Net profit/(loss) for period	3,490,938	3,116,416	463,844	(5,582,090)
Basic profit/(loss) per share (cents)	0.55	0.47	0.07	(0.87)

7 RESULTS FOR THREE MONTHS ENDED MARCH 31, 2023

The review of the results of operations should be read in conjunction with the Interim Financial Statements and notes thereto.

The Group reported a net profit of $4,331,347 (0.58 cents per share) for the three-month period ended March 31, 2023, as compared to a net profit of $3,490,938 (0.55 cents per share) for the three-month period ended March 31, 2022. The increase in profit for the period was largely due to:

- revenue during the period of $40,287,830 (Q1 2022: $24,865,482)

These were offset partially by:

- Amortization and depreciation of $8,360,110 (Q4 2021: $6,162,872);
- Interest of $3,370,781 (Q1 2022: $3,758,131); and
- Productions costs of $18,306,502 (Q1 2022: $8,219,530)

No interest was earned during the three-month period ended March 31, 2023, and 2022.

8 LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2023, the Group had cash of $4,505,688 (December 31 2022: $6,688,037) and a working capital deficit of $38,308,404 (December 31, 2022: deficit of $29,116,915).

The decrease in cash from December 31, 2022 is due mainly to cash generated in operations of $19,214,348 offset by cash used in investing and financing activities of $15,515,468 and $5,976,329, respectively.

The total EPC amount has been finalized with our EPC contractor, and we have paid all due outstanding EPC payments at the date of this report.

8.1 Working Capital Calculation

The Working Capital Calculation excludes $9,979,413 (2022: $10,187,630) of Gold Stream liabilities, and $805,801 (2022: $2,215,585) in third party royalties included in current accounts payable, that are contingent upon the achievement of the revised gold sales forecast of 85,000 to 95,000 ounces for the year ending December 31, 2023.

Included in working capital, in Accounts payable and accrued liabilities, is a balance of $1,463,353 (2022: $10,196,105) due to our EPC contractors. As of the date of this report, the Company has made all outstanding due payments in relation to the EPC contract.

Table 8.1: Working Capital

		March 31, 2023	December 31, 2022
Current Assets			
Cash and Restricted Cash	$	4,505,071	6,688,037
Inventory	$	25,080,808	19,901,262
Amounts receivable, prepaid expenses, advances and deposits	$	8,461,572	10,697,365
Total Current Assets for Working Capital	$	38,047,451	37,286,664
Current Liabilities			
Accounts Payable and accrued liabilities	$	60,555,348	56,337,289
Deferred Income		-	6,581,743
Lease Liabilities	$	4,815,512	4,811,991
Gold Stream Liability	$	9,979,413	10,187,630
Loan and other borrowings	$	11,790,796	888,141
	$	87,141,069	78,806,794
less: Current Liabilities contingent upon future gold sales	$	(10,785,214)	(12,403,215)
Working Capital Deficit	$	(38,308,404)	(29,116,915)

8.2 Inventory

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 8.2: Inventory

		March 31 2023	December 31 2022
Plant spares and consumables	$	9,146,279	4,751,922
Gold ore in stockpile	$	12,479,805	11,869,168
Gold in circuit	$	3,454,724	1,160,237
Gold dore	$	-	2,119,935
	$	25,080,808	19,901,262

8.3 Liquidity and Capital Resources

The Group has generated positive operating cash flow during Q1 2023 and expects to continue to do so based on its production and AISC guidance. This operating cash flow will support debt repayments, regional exploration and underground expansion drilling at Segilola, planned capital expenditures and corporate overhead costs.

9 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Group's financial instruments are classified as follows:

March 31, 2023		Measured at amortized cost	Measured at fair value through profit and loss	Total
Assets				
Cash and cash equivalents	$	4,505,071	-	4,505,071
Amounts receivable		240,009	-	240,009
Total assets	**$**	**4,745,080**	**-**	**4,745,080**
Liabilities				
Accounts payable and accrued liabilities	$	59,749,547	805,801	60,555,348
Loans and borrowings		27,982,480	-	27,982,480
Gold stream liability		-	23,507,987	23,507,987
Lease liabilities		14,465,191	-	14,465,191
Total liabilities	**$**	**102,197,218**	**24,313,788**	**126,511,006**

December 31, 2022		Measured at amortized cost	Measured at fair value through profit and loss	Total
Assets				
Cash and cash equivalents	$	6,688,037	-	6,688,037
Amounts receivable		220,442	-	220,442
Total assets	**$**	**6,908,479**	**-**	**6,908,479**
Liabilities				
Accounts payable and accrued liabilities	$	54,121,704	2,215,585	56,337,289
Loans and borrowings		28,142,654	-	28,142,654
Gold stream liability		-	25,039,765	25,039,765
Lease liabilities		15,409,285	-	15,409,285
Total liabilities	**$**	**97,673,643**	**27,255,350**	**124,928,993**

The fair value of these financial instruments approximates their carrying value.

As noted above, the Group has certain financial liabilities that are held at fair value. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques to measure fair value:

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

As at March 31, 2023 and December 31, 2022, all the Group's liabilities measured at fair value through profit and loss are categorized as Level 3 and their fair value was determined using discounted cash flow valuation models, taking into account assumptions with respect to gold prices and discount rates as well as estimates with respect to production and operating results for the Segilola mine.

10 RELATED PARTY DISCLOSURES

10.1 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 8, and the secured loan as disclosed in Note 9 of the Interim Financial Statements.

10.2 Compensation of key management personnel

There are no other related party disclosures other than those disclosed in the Group's Interim Financial Statements and notes thereto for the Three Months ended March 31, 2023.

11 OFF—BALANCE SHEET ARRANGEMENTS

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

12 PROPOSED TRANSACTIONS

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

13 CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

None of the new standards or amendments to standards and interpretations applicable during the period has had a material impact on the financial position or performance of the Group. The Group has not early adopted any standard, interpretation or amendment that was issued but is not yet effective.

14 DISCLOSURE OF OUTSTANDING SHARE DATA

As at the date of this MD&A, there were 644,696,185 common shares issued and outstanding stock options to purchase a total of 26,901,000 common shares.

Authorized Common Shares

Table 14.1: Common shares issued

	March 31, 2023	December 31, 2022
Common shares issued	644,696,185	644,696,185

Warrants

There were no warrants that were outstanding at March 31, 2023, and as at the date of this report.

During the quarter ended March 31, 2023, no warrants were issued.

Stock Options

The number of stock options that were outstanding and the remaining contractual lives of the options at March 31, 2023, were as follows.

Table 14.2: Options outstanding

Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life	Expiry Date
C$0.145	12,111,000	0.21	June 15, 2023
C$0.140	750,000	0.52	October 5, 2023
C$0.200	14,040,000	1.80	January 16, 2025
Total	26,901,000		

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 three months period ended March 31, 2023 and year ended December 31, 2022.

A total of 9,250,000 options were exercised at a price of C$0.12 each and 689,000 at a price of C$0.145 during the year ended December 31, 2022.

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.

During the year ended December 31, 2022, 2,399,176 Restricted Share Units ("RSUs") were granted to members of Executive Management under the Company's Long Term Incentive Plan ("LTIP").

In March 2023, the Board considered that it was subject to a share trading restriction. As a result, the Board resolved to extend the expiry date of 12,111,000 shares with an exercise price of C$0.145 past the original expiry date of March 12, 2023 up until June 15, 2023.

15 RISKS AND UNCERTAINTIES

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

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

15.1 Exploration, Development and Operating Risks

Mineral exploration and development operations generally involve a high degree of risk. The Group'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 Group'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 Group 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 Group will compete with other interests, many of which have greater financial resources than the Group 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 Group not receiving an adequate return on invested capital.

15.2 Production Risk

The Group's ability to meet development and production schedules, and cost estimates for the Segilola Gold Mine cannot be assured. The Group 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 could have an adverse impact in future cash flows, profitability, results of operations, and the financial condition of the Group. The Group'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 Group'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 Group cannot give any assurance that it will achieve its production estimates. The Group's failure to achieve its production estimates could have a material and adverse effect on the Group'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, rockslides and earthquakes;
- accidents;
- mining dilution;
- encountering unusual or unexpected geological conditions;
- changes in power costs and potential power shortages;
- strikes and other actions by labor; 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 Group'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 Group'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.

15.3 Land Title

Title insurance generally is not available, and the Group'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 Group 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 Group 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 Group's mineral properties and any of the Group'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 Group may be unable to operate its properties as permitted or to enforce its rights with respects to its properties.

15.4 Political Risks

Future political actions cannot be predicted and may adversely affect the Group. Changes, if any, in mining or investment policies or shifts in political attitude in the countries in which the Group holds property interests in the future may adversely affect the Group'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 Group's consolidated business, results of operations and financial condition.

15.5 Government Regulation

The mineral exploration and development activities which may be undertaken by the Group 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 Group'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 Group.

15.6 Permitting

The Group'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 Group believes it has received the necessary permits for the current operations. Prior to any development on any properties, the Group must receive permits from appropriate governmental authorities. There can be no assurance that the Group 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 Group. Any material adverse development affecting the progress of the Properties, in particular the Segilola Property, will have a material adverse effect on the Group's financial condition and results of operations.

If the Group 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.

15.7 Environmental Risks and Hazards

All phases of the Group'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 Group's operations. Environmental hazards may exist on the properties in which the Group holds interests from time to time which are unknown to the Group, 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 Group's operations. To the extent such approvals are required and not obtained, the Group 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 Group and cause increases in exploration expenses or capital expenditures or require abandonment or delays in development of new properties.

15.8 Foreign Currency Exchange Rates

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

15.9 Insurance and Uninsured Risks

The Group'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 Group's properties or the properties of others, delays, monetary losses and possible legal liability.

The Group currently only maintains nominal liability insurance. The Group 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 Group or to other companies in the mineral exploration industry on acceptable terms. The Group might also become subject to liability for pollution or other hazards which may not be insured against or which the Group may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Group to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

15.10 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 Group's operations, financial condition and results of operations.
Management of the Group 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.

15.11 Competition may hinder Corporate growth

The mining industry is competitive in all of its phases. The Group 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 Group. As a result of this competition, the Group may be unable to acquire or maintain attractive mineral exploration properties on terms it considers acceptable or at all. Consequently, the Group's operations and financial condition could be materially adversely affected.

15.12 Additional Capital

The development of the Group'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 Group'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 Group.

15.13 Gold Price

The Group 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 Group'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.

15.14 Dependence on Key Personnel

The Group'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 Group'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 Group.

The Group 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 Group'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 Group 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 Group believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

15.15 Dependence on third party services

The Group 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 Group may be unable to find adequate replacement services on a timely basis or at all.

The Group 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 Group in its activities.

Any of the foregoing may have a material adverse effect on the results of operations or the financial condition of the Group. 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 Group.

15.16 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 Group may experience difficulties in sourcing and retaining the services of suitably qualified and/or experienced sub-contractors, and the Group 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 Group's business, results of operations, financial condition and prospects.

15.17 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 Group'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 Group'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 Group's business may be limited if investment banks with research capabilities do not continue to follow the Group; lessening in trading volume and general market interest in the Group's securities may affect an investor's ability to trade significant numbers of Common Shares; the size of the Group's public float may limit the ability of some institutions to invest in the Group's securities; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Group'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 Group'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 Group 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

15.18 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 Group's ability to raise capital through future sales of Common Shares.

15.19 Conflict of Interest

Certain of the directors and officers of the Group 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 Group 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 Group 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.

16 CAUTIONARY NOTES

16.1 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 Group'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 Group'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 Group 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 Group 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.