THOR EXPLORATIONS LTD

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six months ended June 30, 2023

Amounts in United States Dollars

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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 unaudited condensed interim consolidated financial statements and notes thereto for the quarter ended June 30, 2023. These unaudited condensed interim 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 August 22, 2023.

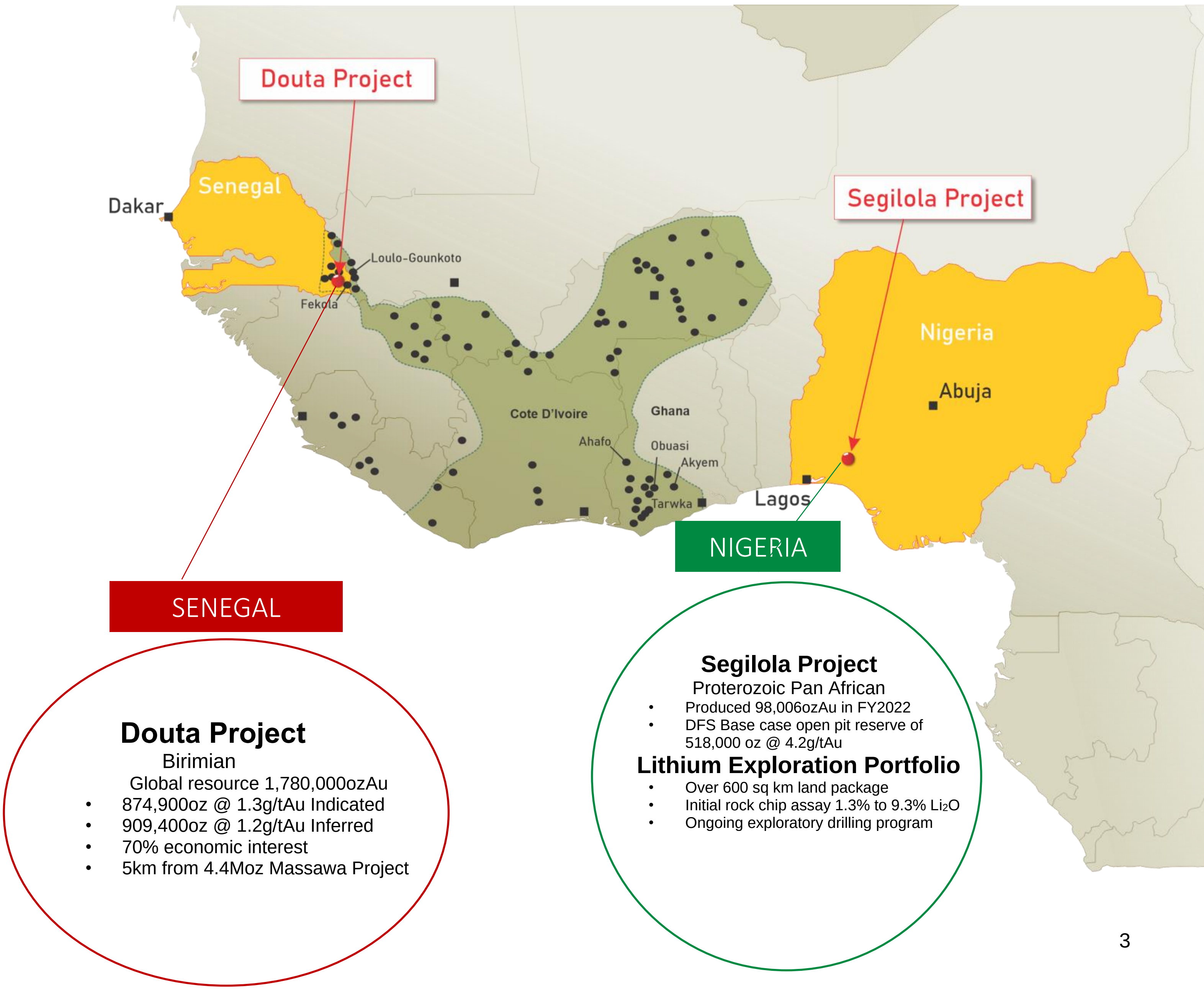
1 OVERVIEW

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 and Burkina Faso.

As part of the Company's strategy in identifying high-value mineral resource opportunities, Thor, through its wholly owned subsidiary Newstar Minerals Ltd, recently completed the acquisition of significant tenure in south-west Nigeria that covers both known lithium-bearing pegmatite deposits and a large unexplored prospective pegmatite-rich belt.

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 – SECOND QUARTER 2023

Operating results for the quarter were highlighted by the selling of 20,852 ounces ("oz") of gold during the period at a cash operating cost[1] of $942 per oz sold, with an all-in sustaining cost ("AISC")[1] of $1,230 per oz sold. AISC[1] guidance for 2023 is maintained at US$1,150 per ounce to US$1,350 per ounce.

Gold recovered for the quarter was 23,078 ounces. The Company has revised its production guidance to 85,000oz for the year.

Table 2.1 Key Operating and Financial Statistics

		Three Months period ended			Six Months period ended	
		June 30, 2023	March 31, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Operating						
Gold sold	Au	20,852	21,553	22,173	42,405	35,636
Gold recovered	Au	23,078	20,629	26,331	43,707	45,128
Average realised gold price	$/oz	1,990	1,902	1,842	1,945	1,852
Cash operating cost	$/oz	942	899	983	920	873
AISC (all-in sustaining cost)	$/oz	1,230	1,346	1,236	1,289	1,189
EBITDA	$/oz	913	745	802	828	873
Financial						
Revenue	$	41,364,169	40,287,830	41,354,747	81,651,999	66,220,229
Net Profit	$	7,912,187	4,331,347	6,778,954	12,243,534	10,210,578
EBITDA	$	19,044,002	16,065,334	17,772,616	35,109,336	31,127,944

		June 30, 2023	March 31, 2023	December 31, 2022
Cash and cash equivalents	$	11,149,491	4,505,071	6,688,037
Deferred Income	$	865,173	-	6,581,743
Net Debt	$	16,807,972	24,940,762	31,650,722

2.1 Segilola Gold Mine, Nigeria

Mining

During the three months ended June 30, 2023, 5,633,688 tonnes of material were mined, equivalent to a mining rate of 61,909 tonnes of material per day. In this period, 278,583 tonnes of ore were mined, equivalent to a mining rate of 3,061 tonnes of ore per day, at an average grade of 2.43g/t. Mining of the West wall of the pit is progressing well, with most of the more challenging mining for the year completed. Production areas are increasing in width allowing for improved utilization and productivity. Grade was lower than planned due to delays in accessing higher-grade ore zones in the central mine.

The stockpile balance at the end of the period was 297,100 tonnes of ore at an average of 1.06g/t. This comprised 1,961 tonnes (4.42g/t) at high grade, 2,006 tonnes (2.09g/t) at medium grade, 288,401 tonnes (1.00g/t) at low grade and 4,693 tonnes (2.45g/t) on the coarse ore stockpile.

Processing

During the three months ended June 30, 2023, a total of 255,231 tonnes of ore, equivalent to a throughput rate of 2,805 tonnes per day, was processed. Throughput was higher than planned, with no significant downtime periods.

The mill feed grade was 2.99g/t gold with recovery at 94.0% for a total of 23,078 ounces of gold recovered. The mill rejected ore bearing material (“scats”) crusher was commissioned during the quarter. Smelting performance was improved with the commissioning of the new smelter.

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	Q2 - 2023	Q1 - 2023	Q4 - 2022	Q3 - 2022	Q2 - 2022	Q1 - 2022
Mining							
Total Mined	Tonnes	5,633,688	4,194,689	4,296,494	4,018,431	4,031,584	3,759,524
Waste Mined	Tonnes	5,355,105	3,996,264	3,974,073	3,793,249	3,747,504	3,533,610
Ore Mined	Tonnes	278,583	198,425	322,421	225,182	284,079	226,314
Grade	g/t Au	2.43	2.85	3.51	4.43	3.63	2.68
Daily Total Mining Rate	Tonnes/Day	61,909	46,608	46,701	43,679	44,303	41,772
Daily Ore Mining Rate	Tonnes/Day	3,061	2,205	3,505	2,448	3,122	2,515
Stockpile							
Ore Stockpiled	Tonnes	297,060	270,215	300,531	229,909	249,281	179,758
Ore Stockpiled	g/t Au	1.06	1.14	1.48	1.19	1.46	1.23
Ore Stockpiled	oz	10,124	9,904	14,300	8,796	11,701	7,109
Processing							
Ore Processed	Tonnes	255,231	231,001	254,824	241,434	211,582	221,900
Grade	g/t Au	2.99	2.95	3.38	3.58	3.66	3.18
Recovery	%	94.0	94.1	95.0	95.5	95.5	94.1
Gold Recovered	oz	23,078	20,629	26,331	26,523	23,785	21,343
Milling Throughput	Tonnes/Day	2,805	2,567	2,770	2,624	2,325	2,466

2.1.1 Environment and Social Summary Q2 2023

A Loss Time Injury ("LTI") was reported in May 2023 within the mine pit during post blasting excavations. An excavation operator broke his leg and was treated in the Segilola medical clinic. This has meant that 3 LTIs have occurred in 2023. The incident has triggered increased training and workplace inspections to improve working conditions. Regular meetings are also being held with health and safety related Toolbox themes covering hazard identification, hand injuries, reducing plastic pollution and the importance of learning from near misses.

Table 2.3 HSE statistics to end Q2 2023

	Q1 & 2 2023	PTD
HSE Statistics - Reactive (Lagging) Indicators		
Number of Man Shifts Worked (Total)	216,231	830,157
Man Hours	2,522,725	7,951,437
Lost Time Injury (LTI) recorded	3	6
Fatality (FAT) recorded	0	2
Medical Treatment Case (MTC) reported	18	45
Near Miss (NM) reported	12	54
First Aid Case (FAC) reported	17	74
Property Damage (PD) reported	27	96
Incidents Reported	**77**	**277**
HSE Statistics - Proactive (Leading) Indicators		
Number of Safety Inductions conducted	174	1,027
Tool Box Meeting conducted	2,212	7,223
HSE Meetings conducted	48	218
HSE Inspections conducted	30	289
HSE Trainings conducted	46	470
Number of Unsafe Conditions reported	573	4,568
Number of Unsafe acts reported	624	4,341
LTI Free Days	**35**	**35**

Milestone Indicators	**2023 (YTD)**	**PTD**	**Target**
Lost Time Injury Frequency Rate (LTIFR)	1.19	0.75	0.40
Total Recordable Injury Frequency Rate (TRIFR)	8.32	6.67	4.00

The Segilola HSE team commissioned a team of standby emergency responders in Q2 2023. Twenty-eight personnel were specifically trained to respond to emergency related, medical & operational situations at the SROL site. The 5-day intensive training program comprised both classroom and practical sessions, including how to respond to first aid cases, administer basic life support to unconscious victims, emergency response planning & activation processes / procedures, use of fire extinguishers and firefighting techniques.

Continuous, monthly, environmental compliance monitoring and quarterly reports on findings are submitted to the Federal Ministry of Environment and the Federal Ministry of Mines and Steel Development. Emissions are broadly in compliance and naturally occurring exceedances match those identified in the EIA baseline monitoring in 2008 – 12 years before the construction of the Segilola gold mine.

The main focus with respect to the Company's community and CSR activities for Q2 has been progressing livelihood restoration programmes ("LRPs") for Project Affected Persons ("PAPs") who lost land and/or assets in the Segilola mine footprint. Vegetable farms completed in Q1 produced their first crops of improved tomato species in Q2 with commercial off-takers purchasing the produce. Fish farms for 100 PAPs neared completion in Q2 and are programmed to commence in Q3 2023. Improved cocoa species seedlings were also issued to 50 PAPs in Q2 and training was provided to the farmers to improve yields and commercial returns. Farmers' cooperatives have been established for all the livelihood restoration projects so that such operations can become self-sufficient over a 12–18 month period. The total cost of the LRPs to date is $685,950.

Progress was made on a temporary Resettlement Action Plan (RAP) programme in the period where residents and businesses will temporarily relocate during an 8-month blasting and mining programme in the southern area of the Segilola pit from December 2023. Initial inconvenience payments have been issued to PAPs within the 500m blasting safety zone. Financial support has been budgeted to assist with the rental of temporary premises and refurbishment of structures before community members return to their premises post-blasting activities.

Compensation continues for exploration activity in Nigeria, and in Q2 2023 compensation has increased to $370,955 (36 landowners and 991 asset owners).

Employment on the Segilola project stood at 1,750 employees at the end of Q2 2023. Around 20% of the workforce is from the host communities around the site. Currently 8.5% of the workforce is female, with a target set to increase women in the workforce to 15% by 2025. In Q2, the first female truck drivers (four) joined the load and haul team.

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.

In Senegal, exploration activities at the Douta Project have progressed throughout Q2 2023. HSE leading and lagging indicators are being recorded with no LTIs for Q1 and Q2 2023. Community projects undertaken by the Africa Star Resources team included upgrading a local school's toilet block, clearing land at a local cemetery and providing a generator for the local police station. A wet season biodiversity survey was undertaken on the full Exploration License in Q2 2023. It confirms the findings of the dry season survey that there are some sensitivities regarding rare and endangered species. This includes for fauna: chimpanzee, Guinea Baboon and the Patas Monkey; birds - savannah bateleur; Flora: Borassus aethiopum (under threat from bloodletting to make wine) and Sterculia setigera. The African Star Resources managers are in discussions with environment managers on adjoining mine projects to ensure a joined up approach to ecology and biodiversity protection.

2.1.2 Exploration Activity Summary Q2 2023

Nigeria Gold

Exploration remained a priority for the Company in 2023 in both Nigeria and Senegal. In Nigeria, the Company continued to prioritize exploration within a 25 kilometre radius of the Segilola Gold Mine. The Company also expanded and diversified its portfolio through the acquisition of over 600 sq km of lithium exploration licences via the grant of new licences and also entering into joint venture agreements with existing licence holders.

The key objective of the exploration strategy is to extend the life of mine ("LOM") at Segilola. Approximately 80% of the Company's Nigerian gold exploration effort is concentrated within a 25km radius of 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.

The majority of the exploration activities carried out on all the Company's licences, consisted of Reverse Circulation ("RC") drilling, Diamond Drilling, geochemical stream sediment sampling, auger drilling and soil sampling. Amongst other target areas that have been located, a new high-grade target, the Kola target, was discovered and is located about 23km from the Segilola Mine. The Kola target produced an initial significant geochemical signature with follow up drill testing intersecting several mineralized drilling intersections including 11m grading 22g/tAu.

Four main advanced exploration targets have been defined within a 25km radius of the Segilola Gold Mine (Figure 1). These comprise the following target areas:

- Kola Prospect
- Igila (Western Prospects)
- Aye-Ile (Western Prospects)
- Ijarigbe

New Exploration Prospect – Kola Prospect

The Kola Prospect is a new high-grade greenfield exploration discovery that is located 23km south of the Segilola Gold Mine within a 100% Thor-owned exploration permit (Figure 1). The prospect developed from a low-level stream sediment anomaly which was confirmed by follow-up auger-assisted soil geochemistry that returned values of up to 4 g/t Au. Targeting of this anomalous zone was carried out with RC drilling. Initial positive results included 7m grading 25.98 g/t Au in the near-surface weathered horizon. Additional drilling located primary bedrock mineralisation grading 8m at 30.19 g/t Au. Initial data suggest that the geological controls relate to a steeply dipping north-easterly trending zone within a biotite gneiss sequence (Figure 2.1). Exploration testing of the general area is continuing. The more significant intersections from the Kola Prospect are listed in Table 2.4. Whilst the initial drilling results from the Kola Prospect are encouraging, the Company has not yet identified significant strike length extensions that would add material mine life extensions to Segilola. Drilling activities will continue through Q3 and Q4.

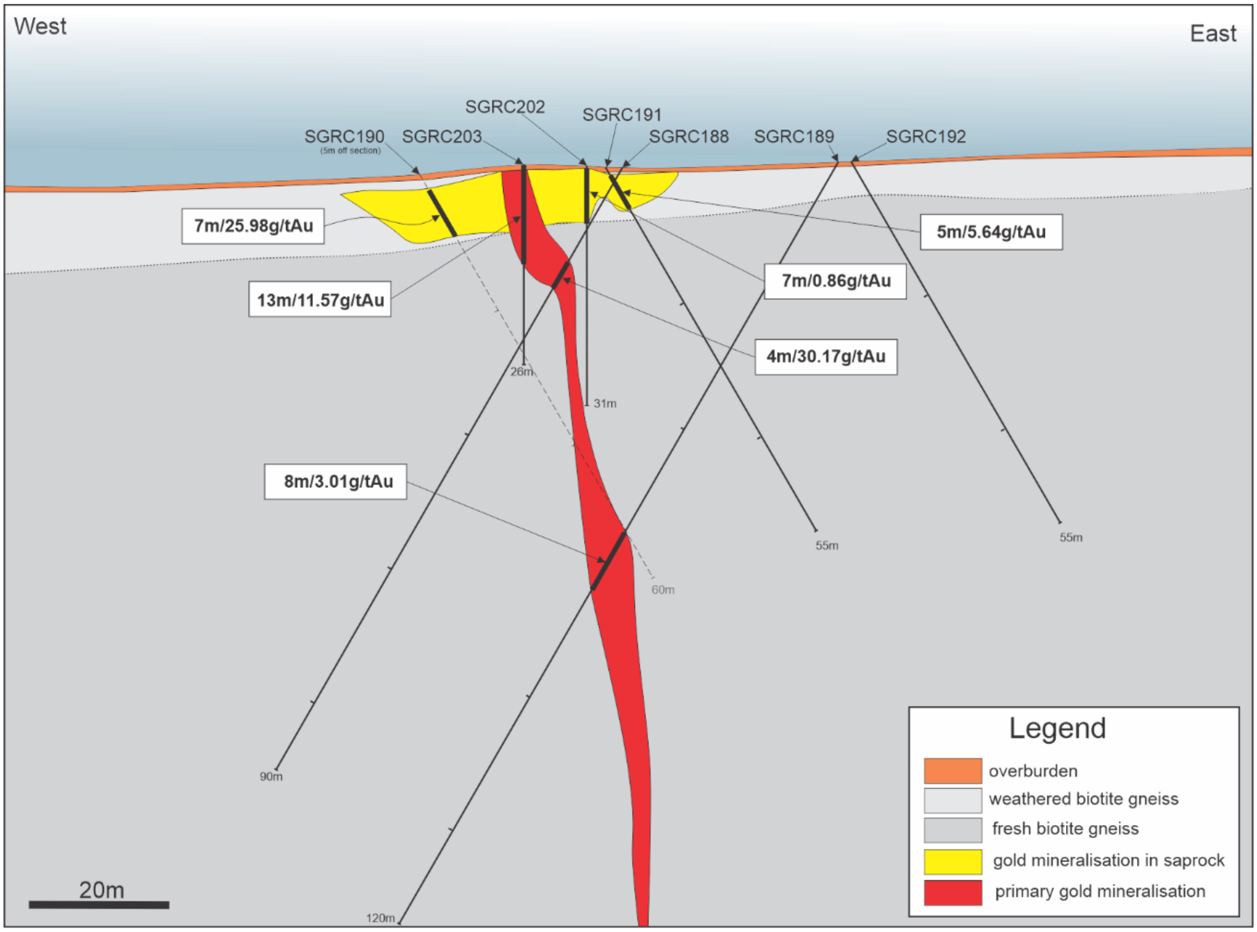
Table 2.4: Exploration Results from the Kola Prospect

(0.5g/t Au lower cut off; maximum 1m internal dilution)

	x	y	Depth	Dip	Azimuth	From (m)	To (m)	Interval (m)	Grade (g/tAu)	True Width (m)
SGRC168	699897	807875	56	-60	90	1.0	2.0	1.0	0.96	1.0
SGRC188	699925	807871	90	-60	90	14.0	18.0	4.0	30.17	3.0
SGRC189	699954	807866	120	-60	90	56.0	64.0	8.0	3.01	6.0
SGRC190	699896	807877	60	-60	90	2.0	9.0	7.0	25.98	6.0
				-60	90	58.0	59.0	1.0	0.78	0.8
SGRC191	699924	807872	55	-60	90	1.0	6.0	5.0	5.64	4.0
SGRC194	699961	807893	105	-60	90	49.0	57.0	8.0	30.19	7.0
SGRC195	699980	807886	110	-60	270	76.0	78.0	2.0	0.77	1.4
SGRC201	699926	807879	29	-90	0	31.0	32.0	1.0	0.63	1.0
						38.0	41.0	3.0	0.55	3.0
SGRC202	699920	807870	30	-90	0	0.0	7.0	7.0	0.86	7.0
						12.0	13.0	1.0	0.57	1.0
SGRC203	699913	807870	26	-90	0	0.0	13.0	13.0	11.57	13.0

						14.0	17.0	3.0	0.71	3.0
						21.0	24.0	3.0	0.97	3.0
SGRC204	699938	807889	70	-60	270	5.0	11.0	6.0	0.73	6.0
						16.0	17.0	1.0	0.38	1.0

Figure 2.1 Kola Prospect Cross Section



Western Prospects

Igila

The Western Prospects are located about 15km directly west of the Segilola Gold Mine and are held under a joint venture agreement between Thor's wholly owned subsidiary Segilola Gold Limited ("SGL") and a local mineral exploration company, Esteedan Limited ("Esteedan") (the "Thor-Esteedan JV").

Drilling at Igila has resulted in a series of narrow high grade mineralised lodes. Exploration activities at the Western Prospects are now focussed on delineating additional strike length and identifying additional lodes such as the Aye-Ile prospect.

Aye-Ile

The Aye-Ile prospect is located approximately 1.2km to the south-east from Igila. Drill testing was focused on anomalous auger geochemistry located a north-east dipping vein-system that is developed on the same structural orientation as Igila. Additional drilling is planned to expand the zone of mineralisation and to investigate a possible strike between Igila and Aye-Ile. Geochemical sampling to the south-east of Aye-Ile returned several anomalous values of up to 10g/t Au which suggest extensions of the structure.

Thor Lithium – Newstar Minerals Limited

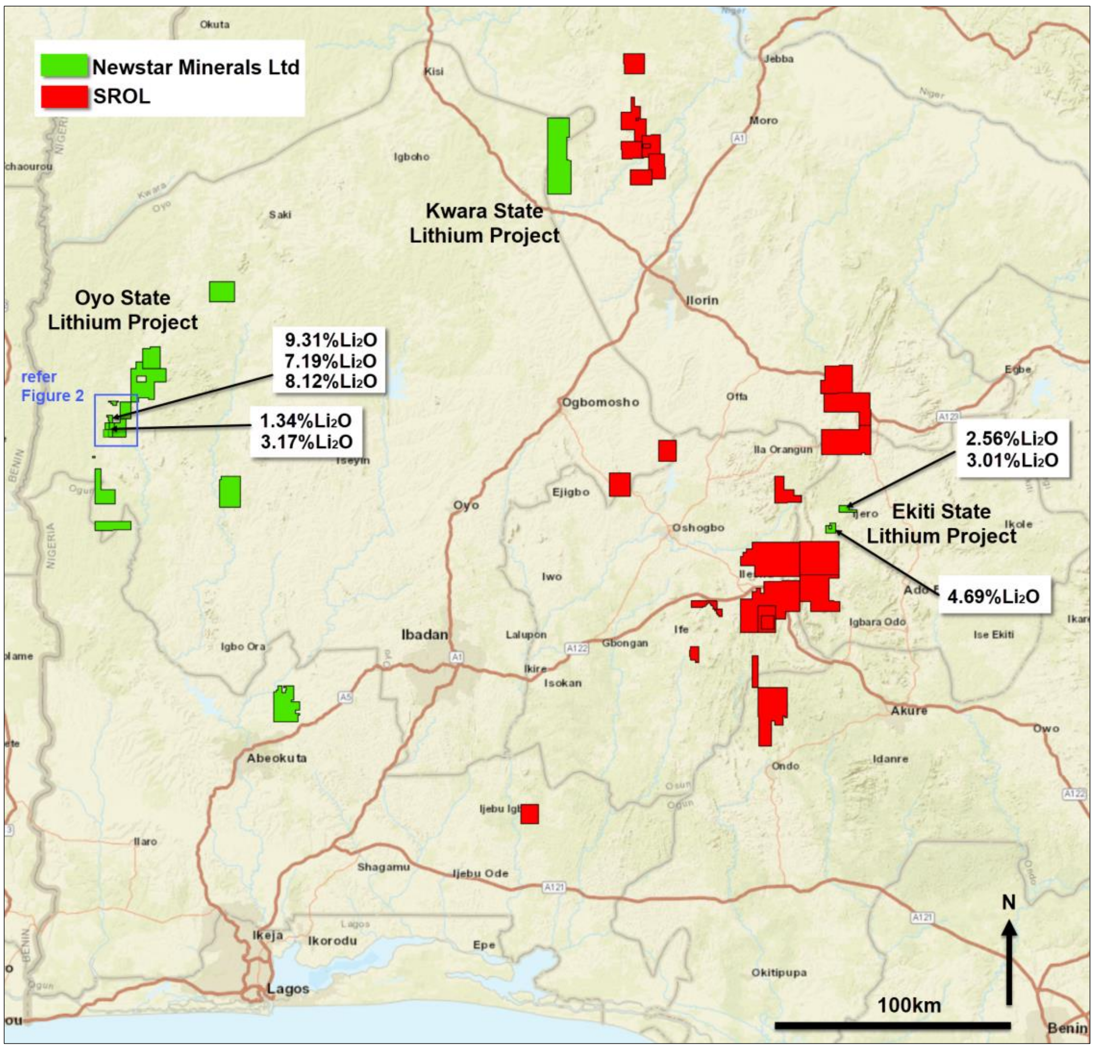
As part of its strategy of identifying high-value mineral resource opportunities, Thor, through its fully owned subsidiary Newstar Minerals Ltd, announced the acquisition of significant tenure in south-west Nigeria that covers both known lithium bearing, pegmatite deposits and a large unexplored, prospective, pegmatite-rich belt. Thor's initial focus is on the south-west quadrant of Nigeria where vital infrastructure is located within close proximity.

An initial drilling program is being undertaken on one of the Company's prospects located in the West Oyo Project Area to confirm and delineate lithium-bearing mineralisation, such as spodumene and lepidolite, at depth. The Company announced its initial results on August 16 with the below key highlights:

- 11m at 2.61% Li_2O from 15m
- 9m at 2.42% Li_2O from 35m
- 11m at 1.53% Li_2O from 14m, including 9m at 1.70% Li_2O from 15m

- Spodumene confirmed as main lithium-bearing mineral together with minor lepidolite
- Mineralization is shallow

Figure 2.3: Thor Explorations Nigeria Licence Location Map



Senegal

Introduction

The Douta Gold Project is a gold exploration permit E02038, located within the Kéniéba inlier, eastern Senegal. The northeast-trending license 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. The Makabingui deposit, belonging to Bassari Resources Ltd, is immediately located east of the northern portion of E02038.

Exploration Activity

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.

Thor intends to progress the Makosa Resource expansion and infill drilling together with parallel workstreams including 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, 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

		Three Months period ended			Six Months period ended	
	Units	June 30, 2023	March 31, 2023	June 30, 2022[1]	June 30, 2023	June 30, 2022[1]
Revenues	$	41,364,169	40,287,830	41,354,747	81,651,999	66,220,229
By product revenue	$	(68,587)	(43,773)	(30,549)	(112,360)	(46,069)
Gold revenue	$	41,295,582	40,244,057	41,324,198	81,539,639	66,174,160
Gain/(Loss) on forward sale of commodity contracts	$	200,534	750,482	(471,403)	951,016	(176,480)
Adjusted gold revenue	$	41,496,116	40,994,539	40,852,795	82,490,655	65,997,680
Gold ounces sold	Oz Au	20,852	21,553	22,173	42,405	35,636
Average realized price per ounce sold	$	1,990	1,902	1,842	1,945	1,852

1 The figures for the Three and Six months period ended June 30, 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.

3.1 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

		Three Months period ended			Six Months period ended	
	Units	**June 30, 2023**	**March 31, 2023**	**June 30, 2022[1]**	**June 30, 2023**	**June 30, 2022[1]**
Production costs	$	17,795,685	18,306,502	20,273,742	36,102,187	28,493,272
Transportation and refining	$	810,080	342,291	604,991	1,152,371	1,107,213
Royalties	$	1,102,308	768,282	946,252	1,870,590	1,497,017
By product revenue	$	(68,587)	(43,773)	(30,549)	(112,360)	(46,069)
Cash Operating costs	$	19,639,486	19,373,302	21,794,437	39,012,788	31,097,502
Gold ounces sold	Oz Au	20,852	21,553	22,173	42,405	35,636
Cash operating cost per ounce sold	$/oz	942	899	983	920	873

1 The figures for the Three and Six months period ended June 30, 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 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 and six months periods ended June 30, 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

		Three Months period ended			Six Months period ended	
	Units	**June 30, 2023**	**March 31, 2023**	**June 30, 2022[1]**	**June 30, 2023**	**June 30, 2022[1]**
Cash operating costs[2]	$	19,639,486	19,373,302	21,794,437	39,012,788	31,097,502
Adjusted other administration expenses	$	1,093,344	3,775,777	3,895,264	4,869,121	5,353,995
Sustaining capital[3]	$	4,914,550	5,864,894	1,713,692	10,779,444	5,910,688
Total all-in sustaining cost	$	25,647,380	29,013,973	27,403,393	54,661,353	42,362,185
Gold ounces sold	oz Au	20,852	21,553	22,173	42,405	35,636
All-in sustaining cost per ounce sold	$/oz	1,230	1,346	1,236	1,289	1,189

1 The figures for the Three and Six months period ended June 30, 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

3.3 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 metric is used by management to measure the Company's debt leverage. The Company considers that in addition to conventional measures prepared in accordance with IFRS, net debt is useful to evaluate the Company's performance.

Table 3.4: Net Debt

	June 30, 2023	**March 31, 2023**	**December 31, 2022**
Project Loan	24,187,306	24,257,746	24,459,939
EPC Payments	-	1,463,353	10,196,105
Deferred EPC Facility	3,770,157	3,724,734	3,682,715
Less: Cash and cash equivalents[1]	(11,149,491)	(4,505,071)	(6,688,037)
Net Debt	16,807,972	24,940,762	31,650,722

3.4 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)

		Three Months period ended			Six Months period ended	
	Unit	**June 30, 2023**	**March 31, 2023**	**June 30, 2022[1]**	**June 30, 2023**	**June 30, 2022[1]**
Net profit for the period	$	7,912,187	4,331,347	6,778,954	12,243,534	10,210,578
Amortisation and depreciation - owned assets	$	6,679,708	7,165,523	5,977,675	13,845,231	10,982,292
Amortisation and depreciation - right of use assets	$	1,195,213	1,194,587	1,075,735	2,389,800	2,233,990
Impairment of Exploration & Evaluation assets	$	3,365	3,096	4,520	6,461	7,221
Interest expense	$	3,253,529	3,370,781	3,935,732	6,624,310	7,693,863
EBITDA	$	19,044,002	16,065,334	17,772,616	35,109,336	31,127,944
Ounces sold	Oz Au	20,852	21,553	22,173	42,405	35,636
EBITDA per ounce sold	$	913	745	802	828	873

1 The figures for the Three and Six months period ended June 30, 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

There are no material subsequent events to report.

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
All-in Sustaining Cost	US$/oz Au sold	$1,150 - $1,350
Capital Expenditure[1]	US$	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 relates to all Nigeria exploration, including lithium and 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.

Table 6.1: Summary of quarterly results

$	2023 Q2 Jun-31	2023 Q1 Mar-31	2022 Q4 Dec-31	2022 Q3 Sep-30	2022 Q2 Jun-30	2022 Q1 Mar-31	2021 Q4 Dec-31	2021 Q3 Sep-30
Revenues	41,364,169	40,287,830	43,251,204	55,703,098	41,354,747	24,865,482	6,049,485	-
Net profit for period	7,912,187	4,331,347	14,908,460	4,126,066	6,778,954	3,490,938	3,116,416	463,844
Basic profit/(loss) per share (cents)	1.20	0.67	2.21	0.65	1.1	0.55	0.47	0.07

7 RESULTS FOR SIX MONTHS ENDED JUNE 30, 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 $12,243,543 (1.9 cents per share) for the six months period ended June 30, 2023, as compared to a net profit of $10,210,578 (1.6 cents per share) for the six months period ended June 30, 2022. The increase in profit for the period was largely due to:

- revenue during the period of $81,651,999 (2022: $66,220,229)

These were offset partially by:
- Amortization and depreciation of $16,235,031 (2022: $13,216,282);
- Interest of $6,466,499 (2022: $4,171,263); and
- Production costs of $36,102,187 (2022: $28,493,272)

No interest was earned during the six months period ended June 30, 2023, and 2022.

8 LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2023, the Group had cash of $11,149,491 (December 31 2022: $6,688,037) and a working capital deficit of $45,657,241 (December 31, 2022: deficit of $29,116,915).

The increase in cash from December 31, 2022 is due mainly to cash generated in operations of $44,546,954 offset by cash used in investing and financing activities of $29,911,132 and $10,813,624, respectively.

The increase working capital deficit is mainly due to the transfer of $19,347,245 of loans and other borrowings from non-current to current as these are due within 12 months from June 30, 2023.

The total EPC amount has been finalized with our EPC contractor, and the Group has paid all due outstanding EPC payments as at June 30, 2023.

8.1 Working Capital Calculation

The Working Capital Calculation excludes $9,139,784 (Q1 2023: $9,979,413 - 2022: $10,187,630) of Gold Stream liabilities, and $35,478 (Q1 2023: $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 ounces for the year ending December 31, 2023.

Table 8.1: Working Capital

	Unit	June 30, 2023	March 31, 2023	December 31, 2022
Current Assets				
Cash	$	11,149,491	4,505,071	6,688,037
Inventory	$	20,060,960	25,080,808	19,901,262
Amounts receivable, prepaid expenses, advances and deposits	$	8,612,279	8,461,572	10,697,365
Total Current Assets for Working Capital	$	39,822,730	38,047,451	37,286,664
Current Liabilities				
Accounts Payable and accrued liabilities	$	59,595,451	60,555,348	56,337,289
Deferred income	$	865,173	-	6,581,743
Lease Liabilities	$	4,819,439	4,815,512	4,811,991
Gold Stream Liability	$	9,319,784	9,979,413	10,187,630
Loan and other borrowings	$	20,235,386	11,790,796	888,141
	$	94,835,233	87,141,069	78,806,794
less: Current Liabilities contingent upon future gold sales	$	(9,355,262)	(10,785,214)	(12,403,215)
Working capital deficit	$	(45,657,241)	(38,308,404)	(29,116,915)

8.2 Inventory

Gold inventory is recognised, at cost, 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

		June 30, 2023	March 31, 2023	December 31, 2022
Plant spares and consumables		7,072,420	9,146,279	4,751,922
Gold ore in stockpile		9,185,796	12,479,805	11,869,168
Gold in CIL		3,802,744	3,454,724	1,160,237
Gold Dore		-	-	2,119,935
	$	20,060,960	25,080,808	19,901,262

8.3 Liquidity and Capital Resources

The Group has generated positive operating cash flow during H1 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:

June 30, 2023		Measured at amortized cost	Measured at fair value through profit and loss	Total
Assets				
Cash and cash equivalents	$	11,149,491	-	11,149,491
Amounts receivable		251,812	-	251,812
Total assets	**$**	**11,401,303**	**-**	**11,401,303**
Liabilities				
Accounts payable and accrued liabilities	$	59,559,973	35,478	59,595,451
Loans and borrowings		27,957,463	-	27,957,463
Gold stream liability		-	21,840,525	21,840,525
Lease liabilities		13,501,928	-	13,501,928
Total liabilities	**$**	**101,019,364**	**21,876,003**	**122,895,367**

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 June 30, 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 11, and the secured loan as disclosed in Note 12 of the 2021 Audited 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 and Six Months ended June 30, 2023.

11 OFF–BALANCE SHEET ARRANGEMENTS

The Company 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 655,314,724 common shares issued and outstanding stock options to purchase a total of 14,790,000 common shares.

Authorized Common Shares

Table 14.1: Common shares issued

	June 30, 2023	December 31, 2022
Common shares issued	655,314,724	644,696,185

Warrants

There were no warrants that were outstanding at June 30, 2023, and as at the date of this report.

During the Three and Six Months ended June 30, 2023 no warrants were issued .

Stock Options

The number of stock options that were outstanding and the remaining contractual lives of the options at June 30, 2023, were as follows.

Table 14.2: Options outstanding

Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life	Expiry Date
C$0.140	750,000	0.27	October 5, 2023
C$0.200	14,040,000	1.55	January 16, 2025
Total	14,790,000		

The Company has previously granted employees, consultants, directors and officers share purchase options. These options were granted pursuant to the Company's stock option plan. No new options have been granted in Q2 2023.

During the Three and Six Months ended June 30, 2023, 12,111,000 options were exercised at a price of C$0.145.

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 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.