MOJAVE GOLD CORP.
(FORMERLY ZANZIBAR GOLD INC.)

Management's Discussion and Analysis of Results of
Operations and Financial Condition
For the year ended August 31, 2020
(Expressed in Canadian Dollars)

Introduction

The following Management Discussion and Analysis ("MD&A") of Mojave Gold Inc. (formerly Zanzibar Gold Inc.) (the "Company") has been prepared by management, in accordance with the requirements of National Instrument 51-102 ("NI 51-102") as of February 10, 2021 and should be read in conjunction with the audited financial statements for the year ended August 31, 2020 and, 2019, and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a "Venture Issuer" as defined in NI 51-102. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

Overview

Mojave Gold Corp. (the "Company") was incorporated on August 21, 2014 under the Business Corporations Act of British Columbia. The head office of the Company is 5623 145a Street, Surrey, British Columbia, V3S 8E3. The registered and records office is Suite 1400, 1125 Howe Street, Vancouver, British Columbia, V6Z 2K8. The common shares of the Company are listed on the Canadian Securities Exchange ("CSE"), and trade under the symbol "MOJ".

The Company is in the business of the exploration and development of natural resource properties in Canada and Mexico.

Significant Events

In December 2019, the Company closed a private placement at $0.13 per unit for the sale of 7,713,616 units for gross proceeds of $1,002,770. Each unit comprises of one common share and one share purchase warrant, where each warrant may be exercised to purchase a further common share at a price of $0.15 for a period of three years.

In December 2019, the Company appointed Abbey Abdiye as Chief Financial Officer of Company and Michael Mulberry as Director of the Company.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, have adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

In July 2020, the Company appointed Greg Bronson as Director and Geologist. Mr. Bronson obtained a BSc, geology, from the University of Alberta in 1984 and obtained his PGeo from the Association of Professional Engineers and Geoscientists of British Columbia in 2001. Mr. Bronson has been a geologist with Rae-co Consulting Ltd. since 1991 and Mr. Bronson's 30 years of experience as a geologist means he has sufficient skills to manage complex technical aspects of mineral exploration and mineral project development. Paul Smith has resigned from the Board of Directors and Abbey Abdiye has resigned as Chief Financial Officer, respectively. The Company would like to thank Mr. Smith and Mr. Abdiye for their services and valuable contributions made during their time with the Company.

In July 2020, the Company appointed Tyrone McClay as a Director of the Company. Mr. McClay has worked as a management consultant with mining companies in South and North America. Tyrone has a number of years of corporate finance, investment banking and capital markets experience focused on the mining industry. He has worked on numerous public and private equity offerings, valuations, fairness opinions and M&A transactions. He has served on the board of Cicada Ventures, Stealth Resources and Mosquito Creek Mines. He will be focused on the management of the Company through all phases to ensure successful exploration programs.

In August 2020, the Company appointed Juan J. Duarte Bravo as a Director of the Company. Mr. Duarte is a practicing lawyer located in Hermosillo, Mexico, with more than 20 years of experience as counsellor and legal representative of international mining companies operating in Mexico. Throughout the years, he has participated in the creation, acquisition, sale, merger, spinoff, and joint venturing of mining projects throughout Mexico. He has vast experience in the acquisition of mining concessions involving government, private and ejido-owned properties. He specializes in developing community and ejido relationships in Mexican mining regions, along with managing compliance and environmental laws. He has obtained mine exploration and exploitation permits for natural areas protected by the Mexican state. Mr. Duarte's practice has assisted mining companies in obtaining permits to use Mexican territorial water rights, along with development of environmental permits. Mr. Duarte has also practiced archeological law and on which he has published in specialized journals.

In August 2020, the Company named Greg Bronson, PGeo, as President and Chief Executive Officer. Mr. Bronson has more than 29 years as senior geologist experience, with excellent technical and leadership skills. His experience includes mineral exploration project management and property acquisition; exploration program design and implementation; geological mapping; structural modelling; resource estimates; selection and supervision of geophysical programs; interpretation of geological, geophysical and geochemical data; computer modelling; and drill program design and execution. He has also written property assessment reports and has been a qualified person for National Instrument 43-101-compliant reports. Mr. Bronson has worked for Noranda Exploration, Rockgate Capital Corp., Madjak Management Ltd., Sentinel Resources Ltd. and his consulting company Rae-co Consulting Ltd.

In August 2020, the Company appointed Sergio A. Trelles Monge as a special adviser to board of the Company. Mr. Trelles Monge is a geologist with more than 40 years of experience in geological consulting, environmental geology, geotechnics, assessment of natural hazards and risks, development and promotion of mining projects operating in Mexico. He has acted in the position of executive management as well as a member of several boards of directors of both public and private mining companies in Canada and Mexico. Mr. Trelles was the director-general of mining promotion of the state of Sonora, assistant director of mining resources of Mexico's Geological Survey. He was also president of the Association of Mining Engineers, Metallurgists and Geologists of Mexico, Civil Association (Asociacion de Ingenieros de Minas, Metalurgistas, y Geologos de Mexico A.C.) and chairman of the College of Mining Engineers, Metallurgists and Geologists of Mexico, Civil Association (Colegio de Ingenieros de Minas, Metalurgistas y Geologos de Mexico A.C.).

During the year ended August 31, 2020, the Company abandoned its properties in Tanzania and wrote-down $592,153 on its Mkuvia & Fakawi Property and $623,563 on its Cheetah Property.

In November 2020, the Company appointed Paloma Pantoja as Director and Chief Financial Officer for the Company. Ms. Pantoja graduated in public accounting and finance with an MBA from Monterrey Institute of Technology and Higher Education, located in Monterrey, Nuevo Leon, Mexico. She has 14 years of experience in general accounting and worked as an auditor for Big Four accounting firm Ernst & Young, Mexico. Her experience in general accounting began in national companies, where among her main functions were in the areas of taxes, payroll, accounts payable, receivable and fixed assets. She worked for three years as superintendent of financial statements for Korea Resources Corp. at its Minera Boleo operation located in the city of Santa Rosalia, Baja California Sur, Mexico. Korea Resources is a parastatal of the government of South Korea operating as an underground and surface mining organization extracting copper, cobalt and zinc. Ms. Pantoja also worked for Maxion Wheels in the automotive industry as accounting and financial planning superintendent. She has held the position of accounting and cost manager for BJAM Mexicana, Samsung's subsidiary in the city of Tijuana, Mexico.

In August, 2020, the Company signed an option agreement with Minerales de Tarachi S de RL de CV for an option for the Company to earn a 100% interest in the Sonora gold mineral concessions in the mining district of Benjamin Hill in Sonora, Mexico.

During the year ended August 31, 2020, 2,716,731 stock options were exercised for gross proceeds of $353,175.

During the year ended August 31, 2020, 1,278,375 warrants and broker's warrants were exercised for proceeds of $229,706, of which $1,975 is receivable at August 31, 2020.

Exploration Activities

Sonora Gold Property, Mexico

On August 4, 2020 and amended March 1, 2021, the Company signed an option agreement (the "Agreement") with Minerales de Tarachi S de RL de CV for an option for the Company to earn a 100% interest in the Sonora gold mineral concessions in the mining district of Benjamin Hill in Sonora, Mexico.

The Option may be exercised by making eleven cash payments, every six months, totaling US$4,000,000 within five years of the execution of the Agreement (the "Execution Date" or August 4, 2020) as follows:

- US$50,000 on the Execution Date (paid at the Canadian equivalent of $66,650);

- US$50,000 on or before March 10, 2021;
- US$50,000 on the 1st anniversary of the Execution Date;
- US$50,000 on the 18th month following the Execution Date;
- US$50,000 on the 2nd anniversary of the Execution Date;
- US$50,000 on the 30th month following the Execution Date;
- US$150,000 on the 3rd anniversary of the Execution Date;
- US$150,000 on the 42nd month following the Execution Date;
- US$200,000 on the 4th anniversary of the Execution Date;
- US$500,000 on the 54th month following the Execution Date; and
- US$2,700,000 on the 5th anniversary of the Execution date.

The Company shall also issue to the optionor 10,000,000 common shares of the Company as follows:

- 1,500,000 common shares 2 business days following the date of filing of the Agreement with the CSE (the "Effective Date" or August 7, 2020) (issued at a fair value of $607,500);
- 1,500,000 common shares on the 6th month following the Effective Date (issued subsequent to year end);
- 2,000,000 common shares on the 1st anniversary of the Execution Date;
- 2,000,000 common shares on the 2nd anniversary of the Execution Date; and
- 3,000,000 common shares on the 3rd anniversary of the Execution Date.

The Optionor retains a 3.0% net smelter royalty pursuant to the Agreement, of which 1.0% may be purchased by the Company for US$1,000,000, reducing the Optionor's interest to 2.0%.

In connection with the Agreement, the Company has entered into a finder's fee agreement with Spirit Exploration Corp. ("Spirit") in consideration for services in introducing the Company to the Optionor, pursuant to which Spirit shall receive consideration in the form of shares at the rate of 10% of the cash and option payments payable under the Option Agreement during the first 3 years of the term of the Agreement as follows:

Cash payments:

- Cash payment of US$5,000 or issuance of 17,241 common shares after the execution of the Agreement (issued 17,241 common shares at a fair value of $6,724);
- Cash payment of US$5,000 or issuance of 17,241 common shares on or before March 10, 2021;
- Cash payment of US$5,000 or issuance of 17,241 common shares after the 1st anniversary of the Execution Date of the Agreement;
- Cash payment of US$5,000 or issuance of 17,241 common shares after the 18th month following the Execution Date of the Agreement;
- Cash payment of US$5,000 or issuance of 17,241 common shares after the 2nd anniversary of the Execution Date of the Agreement;
- Cash payment of US$150,000 or issuance of 51,724 common shares after the 3rd anniversary of the Execution Date of the Agreement;

Share payments:

- Issuance of 150,000 common shares after the Effective Date of the Agreement (issued at a fair value of $60,750);

- Issuance of 150,000 common shares after the 6th month following the Effective Date of the Agreement (issued subsequent to year end);
- Issuance of 200,000 common shares after the 1st anniversary of the Execution Date of the Agreement;
- Issuance of 200,000 common shares after the 2nd anniversary of the Execution Date of the Agreement; and
- Issuance of 300,000 common shares after the 3rd anniversary of the Execution Date of the Agreement.

In the event that the payments outlined are not paid, Spirit has agreed that no finder's fee shall be payable thereon by the Company.

In November 2020, the Company started exploration activities on its Sonora Gold Property. A team of four Mojave geologists began work in mid-October conducting a first-pass geological reconnaissance of known prospects on the property. Their next step will be to perform geological traverses over the most prospective terrain to complete detailed structural and lithological mapping along with rock chip sampling. The plan also includes a visit to known historical underground workings to perform detailed mapping and chip sampling. Additionally, stream sediment samples will be collected over the entire concession to identify prospective areas for more detailed geological investigation. The first round of work will culminate with the selection of the most prospective locations for follow up with a more detailed investigation. The second phase of field work will begin immediately following completion of the first phase of field work. The geological team will focus on the most prospective geological targets identified in the first phase of work with the goal of delineating targets for drill testing.

Panther1 Property, Canada

On November 2018, the Company signed an option agreement to acquire an 80% interest in Panther1 Property, a vanadium property located on Vancouver Island, British Columbia. Under the terms of the agreement, the Company will make cash payments of $100,000 to the optionor, issue 2,500,000 common shares to the optionor, and incur $225,000 in exploration expenditures by December 31, 2019 as follows:

- Cash payment of $50,000 to the optionor within five business days upon execution of this Agreement (paid);
- Issuance of 1,000,000 common shares of the optionee to the optionor within five business days upon execution of this Agreement (issued at a fair value of $190,000);
- Incur $75,000 in exploration expenses on or before December 31, 2018 (incurred);
- Payment of $50,000 to the optionor by May 15, 2019 (paid);
- Issuance of 1,500,000 common shares of the optionee to the optionor on or before October 31, 2019 (issued at a fair value of $210,000); and
- Incur $150,000 in exploration expenses on or before December 31, 2019 (paid in lieu of incurring expenditures and classified as an acquisition cost).

Selected Annual Information

The following financial information represents selected information of the Company for the three most recently completed financial years:

	August 31, 2020	August 31, 2019	August 31, 2018
Total revenue	$ -	$ -	$ -
Loss and comprehensive loss for the year	(1,988,356)	(482,107)	(210,802)
Basic and diluted loss per share	(0.08)	(0.03)	(0.03)
Total assets	1,660,479	1,156,097	539,997
Total long term liabilities	-	-	-

No revenues have been or are likely to be recorded in the past or near future. There were no significant variations outside of the normal course of business. No acquisitions or discontinued operations have occurred, been negotiated or are contemplated.

During the year ended August 31, 2020, the Company wrote-down exploration and evaluation assets of $1,215,716.

Results of Operations

Revenues

Due to the Company's status as an exploration and development stage mineral resource company and a lack of commercial production from its properties, the Company currently does not have any revenues from its operations.

General and administrative expenses

For the year ended August 31, 2020 and 2019

The Company had a net loss of $1,988,356 for the year ended August 31, 2020, compared to $482,107 for the year ended August 31, 2019.

Expense details are as follows:

a) Consulting fees of $110,934 (2019 – $79,672) – The increase in consulting fees is due to the addition of new consultants in the current year.

b) Marketing fees of $Nil (2019 – $13,000) – The decrease in marketing fees is due to the decrease in marketing activities in the current year.

c) Office and administration of $66,600 (2019 – $6,138) – The increase in office and administration is due to an increase in corporate activities in the current year.

d) Share-based payments for the year ended August 31, 2020 was $433,103 compared to $186,886 for the year ended August 31, 2019. During the year ended August 31, 2020, the Company granted 3,604,941 (2019 – 1,200,000) stock options calculated using the Black-Scholes option pricing model.

e) Write-down of exploration and evaluation assets of $1,215,716 (2019 - $Nil) – The Company wrote-down its properties in Tanzania during the current year.

For the three months ended August 31, 2020 and 2019

The Company had a net loss of $1,572,458 for the three months ended August 31, 2020, compared to income of $10,165 for the three months ended August 31, 2019.

Expense details are as follows:

a) Office and administration of $62,792 (2019 –$6,138) – The increase is a result of increased corporate activities in the current period.

b) Write-down of exploration and evaluation assets of $1,215,716 (2019 - $Nil) – The Company wrote-down its properties in Tanzania during the current period.

Summary of Quarterly Reports

	August 31, 2020	May 31, 2020	February 29, 2020	November 30, 2019
Revenue	$ Nil	$ Nil	$ Nil	$ Nil
Income (loss) and comprehensive income (loss) for the period	(1,572,458)	(47,981)	(331,233)	(36,684)
Exploration and evaluation assets	1,451,124	1,846,774	1,841,774	1,509,850
Exploration advances	-	67,450	90,449	57,286
Total assets	1,660,479	1,957,496	1,958,109	1,156,097
Earnings (loss) per share	(0.05)	(0.00)	(0.01)	(0.00)

	August 31, 2019	May 31, 2019	February 28, 2019	November 30, 2018
Revenue	$ Nil	$ Nil	$ Nil	$ Nil
Loss and comprehensive loss for the period	10,165	(46,455)	(369,008)	(76,809)
Exploration and evaluation assets	868,745	779,834	454,334	442,510
Exploration advances	57,286	57,286	107,286	107,286
Total assets	1,156,097	1,302,619	573,951	581,724
Loss per share	0.00	(0.00)	(0.03)	(0.01)

During the three months ended August 31, 2020, the Company wrote-down exploration and evaluation assets of $1,215,716 and recorded share-based payments of $163,642.

During the three months ended February 29, 2020, the Company recorded share-based payments of $269,461.

During the three months ended May 31, 2019, the Company recorded share-based payments of $327,982. $141,096 of this was reversed during the period ended August 31, 2019 as an option grant planned for December 2018 was not completed.

Liquidity and Capital Resources

The Company will continue to require funds for exploration work on its properties, as well as to meet its ongoing day-to-day operating expenses and will continue to rely on equity financing during such period. There can be no assurance that financing will be available to the on terms satisfactory to the Company. The Company does not have any other commitments for material capital expenditures over the near and long term other than as disclosed above plus normal operating expenses.

Since incorporation, the Company's capital resources have been limited. The Company relied upon the issue of equity securities to acquire interest in mineral properties acquisition payments and to pay operating expenses.

During the year ended August 31, 2020 the Company:

- Closed a private placement at $0.13 per unit from the sale of 7,713,616 units for gross proceeds of $1,002,770. Each unit comprises of one common share and one share purchase warrant, where each warrant may be exercised to purchase a further common share at a price of $0.15 for a period of two years.
- 2,716,731 stock options were exercised for gross proceeds of $353,175.
- 1,278,375 warrants and broker's warrants were exercised for proceeds of $229,706 of which $1,975 is receivable at August 31, 2020.

The Company had a working capital deficiency of $29,925 as at August 31, 2020.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can do so only at excessive cost. The Company has significant financial liabilities outstanding including accounts payable and accrued liabilities and due to related parties. The Company is exposed to the risk that it may not have sufficient liquid assets to meet its commitments associated with these financial liabilities.

The Company's approach to managing liquidity is to ensure that it will always have sufficient cash to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation. To the extent that the Company does not believe it has sufficient liquidity to meet these obligations, management will consider securing additional funds through equity transactions. The Company manages its liquidity risk by continuously monitoring cash flow requirements relating to its anticipated exploration and evaluation activities as well as general overhead requirements.

Credit Risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash balances. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada.

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's functional currency is the Canadian dollar. All of the Company's financial instruments are denominated in Canadian dollars. The Company conducts some of its business in US dollars and is therefore exposed to variations in the foreign exchange rate. In management's opinion there is no material foreign exchange risk to the Company.

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

Transactions with Related Parties

As at August 31, 2020, there is $Nil (2019 – $89,256) due to a director of the Company. These amounts are non-interest bearing and have no specified terms of repayment.

As at August 31, 2020, there is $Nil (2019 – $242,000) due to a company controlled by a director of the Company. These amounts are non-interest bearing. and have no specified terms of repayment

As at August 31, 2020, there is $133,471 (2019 – $Nil) due from a director of the Company. These amounts are non-interest bearing and have no specified terms of repayment.

As at August 31, 2020, there is $55,204 (2019 - $Nil) due from a company with common directors with the Company. These amounts are non-interest bearing and have no specified terms of repayment.

As at August 31, 2020, included in loan payable is a balance of $Nil (2019 – $78,833) due to a director of the Company. These amounts are non-interest bearing and have no specified terms of repayment.

During the year ended August 31, 2020, the Company incurred $105,000 (2019 - $60,000) in consulting fees from a company controlled by a director of the Company and certain other directors and former directors of the Company.

During the year ended August 31, 2020, the Company incurred $42,000 (2019 - $42,000) in rent from a company controlled by a director of the Company.

During the year ended August 31, 2020, the Company granted stock options to key management valued at $424,872 (2019 - $93,443) which was recognized during the year ended August 31, 2020.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual reports could differ from management's estimates.

Adoption of new and amended accounting standards

Please refer to the August 31, 2020 financial statements on www.sedar.com.

Financial Instruments and Risks

Please refer to the August 31, 2020 financial statements on www.sedar.com.

Additional Information

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

Disclosure of Outstanding Security Data

As at the date of this report, the following securities are outstanding:

- Common Shares: 35,904,170
- Warrants:

Number of Warrants	Exercise Price ($)	Expiry Date
8,250	0.15	July 18, 2021
5,790,539	0.15	December 4, 2021
5,798,789		

- Options: 888,210

Forward-looking information

This MD&A contains "forward-looking statements". Forward-looking statements reflect the Company's current views with respect to future events, are based on information currently available to the Company and are subject to certain risks, uncertainties, and assumptions, including those discussed above. Forward-looking statements include, but are not limited to, statements with respect to the success of mining exploration work, title disputes or claims, environmental risks, unanticipated reclamation expenses, the estimation of mineral reserves and resources and capital expenditures. In certain cases, forward-looking statements can be identified by the use of words such as "intends", "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to international operations, fluctuation of currency exchange rates, actual results of current exploration activities, changes in project parameters as plans are refined over time, the future price of gold and other precious or base metals, possible variations in mineral resources, grade or recovery rates, accidents, labour disputes and other risks of the mining industry, delays in obtaining, or inability to obtain, required governmental approvals or financing, as well as other factors discussed under "Risks and Uncertainties". Although the Company has attempted to identify material factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. The Company has made numerous assumptions about the forward-looking statements and information contained herein, including among other things, assumptions about the Company's anticipated costs and expenditures and its ability to achieve its goals. Even though the Company's management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that the forward-looking statements statement or information will prove to be accurate. Forward-looking statements contained in this MD&A are made as of the date of this report. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company will update forward-looking statements in its management discussion and analysis as required by applicable law.

Risks and Uncertainties

The common shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development. In evaluating the Company and its business, investors should carefully consider, in addition to the other information contained in the MD&A, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations. There may be other risks and uncertainties that are not known to the Company or that the Company currently believes are not material, but which also may have a material adverse effect on its business, financial condition, operating results or prospects.

In that case, the trading price of the Company's common shares could decline substantially, and investors may lose all or part of the value of the common shares held by them.

An investment in securities of the Company should only be made by persons who can afford a significant or total loss of their investment. There is currently no market through which these securities may be sold and purchasers may not be able to resell securities purchased.

No Ongoing Operations and No Production History

The Company is a mineral exploration company and has no operations or revenue.

Limited Operating History

The Company has no history of earnings. There are no known commercial quantities of mineral reserves on the Company's Property. There is no assurance that the Company will ever discover any economic quantities of mineral reserves.

Operations in Tanzania

There is no assurance that future political and economic conditions in Tanzania will not result in the government adopting different policies respecting foreign development and ownership of mineral resources. Any such changes in policy may result in changes in laws affecting ownership of assets, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect both the ability of the Company to undertake exploration and development activities in respect of future properties in the manner currently contemplated, as well as its ability to continue to explore and develop those properties in respect of which it has obtained exploration and development rights to date. The possibility that a future government of Tanzania may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

The economy of Tanzania differs significantly from the economies of Canada, the United States and Western Europe in such respects as structure, level of development, gross national product, growth rate, capital reinvestment, resource allocation, self-sufficiency, rate of inflation and balance of payments position, among others. Growth rates, inflation rates and interest rates of developing nations are expected to be more volatile than those of western industrial countries.

The Company's operations are in Tanzania and so are subject to risks associated with operating in a foreign jurisdiction, including political, infrastructure, legal and other unique risks as discussed below.

The Company is exposed to risk due to its operations being located primarily in Tanzania as that country is currently facing issues of regional and/or global conflicts, terrorism and political violence, and violent organized crime by extremist terrorists and religious organizations. These risks may include but are not limited to:

(i) potential loss of life, loss of assets and disruption to normal business processes;
(ii) increased costs due to more complex supply chain arrangements and/or the cost of building new facilities or maintaining inefficient facilities;
(iii) reduced volumes and impact on profits; and
(iv) reputational impact of inability to protect staff and assets from serious harm.

The Company is attempting to mitigate the risks associated with operations in Tanzania by working with Tanzania nationals whose job in part is to advise the Company of the regulatory and political landscape and provide foresight and critical paths for the execution of the Company's business plans.

Negative Operating Cash Flow

Since inception, the Company has had negative operating cash flow. The Company has incurred losses since its founding. The losses and negative operating cash flow are expected to continue for the foreseeable future as funds are expended on the exploration program on the Property and administrative costs. The Company cannot predict when it will reach positive operating cash flow.

Requirement for Further Financing

The Company has limited financial resources and may need to raise additional funds to carry out exploration of its Property. There is no assurance the Company will be able to raise additional funds or will be able to raise additional funds on terms acceptable to the Company. If the Company's exploration programs are successful and favourable exploration results are obtained, the Property may be developed into commercial production. The Company may require additional funds to place the Property into production. The only sources of future funds presently available to the Company are the sale of equity capital, debt, or offering of interests in its Property to be earned by another party or parties by carrying out development work. There is no assurance that any such funds will be available to the Company or be available on terms acceptable to the Company. If funds are available, there is no assurance that such funds will be sufficient to bring the Company's Property to commercial production. Failure to obtain additional financing on a timely basis could have a material adverse effect on the Company, and could cause the Company to forfeit its interest in its Property and reduce or terminate its operations. There is no assurance the Company will be able to raise additional funds.

Exploration

At present, there are no bodies of ore, known or inferred, on the Property and there are no known bodies of commercially recoverable ore on the Property. There is no assurance that the Company's mineral exploration activities will result in any discoveries of commercial bodies of ore on the Property.

Development

The business of exploration for precious metals involves a high degree of risk. Few exploration properties are ultimately developed into producing properties. The Company's Property is at the exploration stage.

Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated its title to the Property for which it holds an option to acquire concessions or other mineral leases or licenses and the Company is satisfied with its review of the tile to the Property, the Company cannot give an assurance that title to the Property will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law often are complex. The Company does not carry title insurance on the Property. A successful claim that the

Company does not have title could cause the Company to lose its rights to the Property, perhaps without compensation for its prior expenditures relating to the Property.

The Company's interest in the Property is by way of an option agreement only: (i) the Company does not own the Property, rather the Company has the right to acquire an interest in the Property by issuing common shares, incurring the expenditures and meeting the certain obligations; (ii) the exploration expenditures under the Option Agreement are optional to the Company, such that if the Company determines the Property to be without sufficient merit at any time prior to exercising its option it is not obligated to incur any further expenditures; (iii) if the Company fails to incur expenditures in accordance with the Option Agreement, it will lose all of its interest in the Property; (iv) the Company is dependent on AFGF to perform its obligations under the Option Agreement and if AFGF fails to perform its obligations thereunder the Company's interest in the Property may be lost. There is no guarantee the Company will be able to raise sufficient funding in the future to incur all expenditures under the Option Agreement.

Surface Rights

The Company does not own the surface rights to the Property. The Company understands that it is necessary, as a practical matter, to negotiate surface access, and the Company is continuing to do so. However, there is a risk that local communities or affected groups may take actions to delay, impede or otherwise terminate the contemplated activities of the Company. There can be no guarantee that the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out significant exploration and development activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction, which assistance may not be provided or, if provided, may not be effective. If the development of a mine on the Property becomes justifiable it will be necessary to acquire surface rights for mining, plant, tailings and mine waste disposal. There can be no assurance that the Company will be successful in acquiring any such rights.

Management

The success of the Company is largely dependent upon the performance of its management. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. There is no assurance that the Company can maintain the service of its management or other qualified personnel required to operate its business.

Requirement for Permits and Licenses

The Company will be applying for all necessary licenses and permits under applicable laws and regulations to carry on the exploration activities which it is currently planning in respect of the Property, and the Company believes it will comply in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to changes in regulations and in various operational circumstances. A substantial number of additional permits and licenses will be required should the Company proceed beyond exploration. There can be no guarantee that the Company will be able to obtain such licenses and permits.

Environmental Risks and other Regulatory Requirements

The current or future operations of the Company, including the exploration activities and commencement of production on the Property, will require permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. There can be no assurance that all permits which the Company may require for its facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulations would not have an material adverse effect on any exploration and development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions 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 exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments to current laws, regulations and permits governing the operations and activities of mineral companies, or more stringent enforcement thereof, could have a material adverse impact on the Company and cause increases in capital expenditure or exploration and development costs or reduction in levels of production at producing properties or require abandonment or delays in development of new properties.

Uninsurable Risks

Exploration of mineral properties involves numerous risks, including unexpected or unusual geological conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Company. The Company does not maintain insurance against environmental risks.

Competition

Significant and increasing competition exists for mineral opportunities in Tanzania. There are a number of large established mineral exploration companies with substantial capabilities and greater financial and technical resources than the Company. The Company may be unable to acquire additional mineral properties or acquire such properties on terms it considers acceptable. Accordingly, there can be no assurance that the Company's exploration programs will yield any reserves or result in any commercial mineral operations.

Economic Conditions

Unfavorable economic conditions may negatively impact the Company's financial viability as a result of increased financing costs and limited access to capital markets.

Conflicts of Interest

Directors of the Company may, from time to time, serve as directors of, or participate in ventures with other companies involved in natural resource development. As a result, there may be situations that involve a conflict of interest for such directors. Each director will attempt not only to avoid dealing with such other companies in situations where conflicts might arise but will also disclose all such conflicts in accordance with the *Business Corporations Act* (British Columbia) and will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit. The Company does not know of any such pending or actual material legal proceedings as of the date of the Prospectus.

No Cash Dividends

The Company has not declared any cash dividends to date. The Company intends to retain any future earnings to finance its business operations and any future growth. Therefore, the Company does not anticipate declaring any cash dividends in the foreseeable future.

Ore Reserves and Reserve Estimates

The Company's business relies upon the ability to determine whether a given property has commercial quantities of recoverable minerals. No assurance can be given that any discovered mineral reserves and resources will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are based on limited sampling and, consequently, are uncertain because the samples may not be representative. Mineral reserve and resource estimates may require revision (either up or down) based on actual production experience.

Proposed Transactions

There are no proposed transactions that have not been disclosed herein.

Contingencies

There are no contingent liabilities.

Additional Disclosure for Venture Issuers without Significant Revenue

Exploration and Evaluation Assets

The Company records its interests in exploration and evaluation assets and areas of geological interest at cost. All direct and indirect costs relating to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the assets to which they relate are placed into production, sold or management has determined there to be impairment. These costs will be amortized on the basis of units produced in relation to the proven reserves available on the related property following commencement of production.

The recorded cost of exploration and evaluation asset interests is based on cash paid, the assigned value of share considerations issued for exploration and evaluations and exploration and development costs incurred. The recorded amount may not reflect recoverable value as this will be dependent on the development program, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production.

The Company defers all exploration expenses relating to exploration and evaluations assets and areas of geological interest until the properties to which they relate are placed into production, sold or abandoned or management has determined there to be impairment. These costs will be amortized over the proven reserves available on the related property following commencement of production.

Please refer to the August 31, 2020 financial statements on www.sedar.com for details of the Company's exploration and evaluation assets.

Internal Controls over Financial Reporting

Changes in Internal Control over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.