

**Waraba Gold Limited**  
**(formerly Zenith Exploration Inc.)**

**Management's Discussion and Analysis**

**For the Nine Months Ended April 30, 2021**

**General**

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the condensed interim financial statements and related notes thereto of Waraba Gold Limited (formerly Zenith Exploration Inc.) (the "Company") for the nine months ended April 30, 2021 and 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board. All amounts in the condensed interim financial statements and this discussion and analysis are presented in Canadian dollars, unless otherwise indicated. This MD&A is dated June 28, 2021 and discloses specified information up to that date.

Management is responsible for the preparation and integrity of the condensed interim financial statements, including the maintenance of appropriate information systems, procedures, and internal controls. Management is also responsible for ensuring that information disclosed externally, including the condensed interim financial statements and MD&A is complete and reliable.

All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

**Description of Business**

On October 23, 2020, the Company changed its name to Waraba Gold Limited. The Company is a resource exploration company that is acquiring and exploring mineral properties. The Company is a reporting issuer in the provinces of British Columbia and Alberta. The Company trades on the Canadian Securities Exchange (the "Exchange") under the trading symbol "WBGD".

On March 12, 2021, the Company was listed on the Frankfurt Stock Exchange (also known as the Deutsche Boerse AG) under the symbol, "ZE0". The Corporation's common shares continue to be listed on the Canadian Securities Exchange under the symbol, "WBGD".

**Non-brokered private placements**

On November 19, 2020, the Company closed a non-brokered private placement and issued 8,500,000 units at a price of \$0.20 per unit for total gross proceeds of \$1,700,000. Each unit consists of one common share and one share purchase warrant. Each warrant will entitle the holder thereof to acquire one additional common share at a price of \$1.00 per common share for 12 months following the closing date of the non-brokered private placement. The Company intends to use the proceeds for general working capital and business development purposes.

On May 7, 2021, the Company closed a non-brokered private placement for gross proceeds of \$5,610,500. The Company issued 28,052,500 units at \$0.20 per unit, wherein each unit consist of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder thereof to acquire one common share at \$0.30 per warrant share for 12 months following the closing date of the private placement.

Additionally, 2,000,000 common shares were issued to certain arm's length finders in connection to this private placement.

In connection with the private placement, Banque Heritage SA (the "Acquiror") purchased an aggregate of 17,575,000 units representing (i) 17,575,000 common shares and (ii) 17,575,000 warrants. Immediately before the acquisition, the Acquiror held 655,000 securities representing approximately 0.9% of issue and outstanding securities. Immediately after the acquisition, the Acquiror holds 18,230,000 securities representing 16.5% of the issued and outstanding securities of the Issuer on a non-diluted basis, and 35,805,000 securities representing 27.9% of 128,363,911 issued and outstanding Securities of the Issuer on a partially diluted basis. The Acquiror's intention is to hold the units for investment purposes only and not with a view to materially effecting control of the Company.

## PROJECT SUMMARY

### Acquisition and amalgamation

On December 10, 2020, The Company obtained 100% control over 1278820 B.C. Ltd. ("820 B.C.") and acquired all issued and outstanding common shares.

On January 21, 2021, the Company, closed an amalgamation between 820 B.C. Ltd. and 1273795 B.C. Ltd ("795 B.C.") and formed 074 B.C. Pursuant to the amalgamation, the Company completed the purchase of 100% of all issued and outstanding common shares of 795 B.C. by issuing 25,690,000 common shares of the Company with a fair value of \$7,857,550.

At the transaction date, the Company determined that acquisition of 795 B.C. did not constitute a business as defined under IFRS 3, Business Combinations, and the transaction was accounted for as an asset acquisition. The excess of the consideration paid over the fair value of the net liabilities was attributed to the exploration and evaluation asset.

The purchase price is as follows:

#### Purchase Price:

25,690,000 common shares issued	\$	7,578,550
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#### Fair value of net assets acquired:

Cash	\$	98,784
Receivables		104,655
Property and equipment (Note 4)		6,151
Exploration and evaluation assets (Note 5)		10,774,705
Accounts payable and accrued liabilities (Note 5&6)		(3,415,011)
Non-controlling interest (Note 9)		9,266
	\$	7,578,550

## **Exploration and evaluation assets**

### Mali Gold Project

On January 21, 2020, the company completed the amalgamation of 820 B.C and 795 B.C. by issuing 25,690,000 common shares of the Company with a fair value of \$7,857,550. The excess of the consideration paid over the fair value of the net assets was attributed to the exploration and evaluation asset.

Pursuant to the amalgamation, the Company acquired 75% interest in Gonka.

Gonka has entered into an agreement with Fokolore Mining SARL (the "Purchase Agreement") to acquire the research permit to explore for gold in the Maligonga-Est (Cercle de Kéniéba) region of Mali (the "Region"), issued by the Government of Mali on June 10, 2016 under number 2016-2006/MM-SG (as renewed pursuant to ordinance number 2019-3557/MMP-SG on October 11, 2019, (the "Mining Permit").

Under the terms of the Purchase Agreement, the parties must receive ministerial consent to the transfer of the Mining Permit to Gonka and the Company must pay a total consideration of US\$2,500,000 as follows:

- Payment of US\$250,000 – paid by the Company on behalf of Gonka;
- Additional US\$1,000,000 is due by the end of March 2021 – paid; and
- Remaining US\$1,250,000 is expected to be settled with shares of the Company – (included in accounts payable and accrued liabilities). This was settled in shares on May 7, 2021.

In addition, Gonka will be required to pay an additional US\$1,000,000 upon proof, to an internationally recognized standard, that the area covered by the Mining Permit holds at least 1,000,000 ounces of gold; and an additional US\$1,000,000 upon proof, to an internationally recognized standard, that the area covered by the Mining Permit holds at least 1,500,000 ounces of gold.

The Company will be expected to fund 75% of all future exploration on the concession. The remaining 25% of future exploration expense will be funded by the non-controlling shareholder in Gonka.

### Scotch Creek Property

On November 14, 2017, the Company entered into a definitive agreement to purchase eight (8) mineral claims covering 1,384.12 hectares comprising the Scotch Creek Property in the Kamloops Mining Division of British Columbia. In connection with the Scotch Creek Property agreement, the Company and vendors have also executed a royalty deed agreement pursuant to the terms and consideration of which the vendors shall receive a net smelter return royalty of 2% from the Company. Brent Hahn and Barry Hartley, both directors and officers of the Company, are vendors of the property.

In consideration for a 100% undivided interest in the property, the Company issued 15,000,000 common shares for total consideration of \$300,000.

The following is a description of the Company's exploration and evaluation assets as of April 30, 2021:

	<b>Mali</b>	<b>Gold Project</b>	<b>Scotch Creek</b>	<b>Total</b>
<b>Property acquisition costs</b>				
Balance, beginning	\$	-	\$ 300,000	\$ 300,000
Acquisition		10,774,705	-	10,774,705
Balance, ending	\$	10,774,705	\$ 300,000	\$ 11,074,705
<b>Exploration and evaluation costs</b>				
Balance, beginning	\$	-	\$ 7,839	\$ 7,839
Costs incurred during the period:				
Assessment report		-	49,773	49,773
Depreciation		5,826	-	5,826
License fees		1,254,979	-	1,254,979
Management fees		14,874	-	14,874
Consulting fees		83,780	-	83,780
Camp and operations		108,047	-	108,047
Surveying & Mapping		32,753	-	32,753
Salaries & Wages		76,575	-	76,575
Travel		109,212	-	109,212
Effect of foreign exchange		(116)	-	(116)
	\$	1,685,930	\$ 57,612	\$ 1,743,542
<b>Other Items:</b>				
Exploration tax credits		-	(9,955)	(9,955)
<b>Balance, ending</b>	<b>\$</b>	<b>12,460,635</b>	<b>\$ 347,657</b>	<b>\$ 12,808,292</b>

## Results of Operations

	Three months ended April 30,		Nine months ended April 30,	
	2021	2020	2021	2020
<b>Expenses</b>				
Management fees	\$ -	\$ -	\$ 82,270	\$ -
Consulting fees	9,542	-	52,520	-
Depreciation	2,133	-	2,170	-
Financing cost	378,108	-	378,108	-
Investor relations	38,105	-	58,570	-
Office and miscellaneous	27,981	19	32,920	89
Professional fees	45,489	5,093	123,741	29,564
Project generation	15,295	-	243,945	-
Regulatory fees	20,398	2,250	29,045	11,616
Transaction cost	-	-	19,928	55
Transfer agent	1,130	585	7,690	2,910
Travel & accomodation	-	-	125,975	-
	<b>\$ (538,181)</b>	<b>\$ (7,947)</b>	<b>\$ (1,156,882)</b>	<b>\$ (44,234)</b>
<b>Other Items</b>				
Foreign exchange	36,870	-	(6,050)	-
Interest Income	-	-	372	-
<b>Loss for the period</b>	<b>\$ (501,311)</b>	<b>\$ (7,947)</b>	<b>\$ (1,162,560)</b>	<b>\$ (44,234)</b>

### Three Months Ended April 30, 2021 and 2020

#### Net Loss and Expenses

The net loss for the quarter ended April 30, 2021, were \$501,311 compared to \$7,947 for the quarter ended April 30, 2020, representing an increase of \$493,364.

Total expenses for the quarter ended April 30, 2021, were \$538,181 compared to \$7,947 for the quarter ended April 30, 2020, representing an increase of \$530,234.

Major variances in expenses are as follows:

- For the quarter ended April 30, 2021, consulting is \$9,542 compared to \$Nil for the quarter ended April 30, 2020. The increase was primarily due to fees paid to the directors of the Company for services provided during the current period.
- For the quarter ended April 30, 2021, financing cost is \$378,108 compared to \$Nil for the quarter ended April 30, 2020. The increase was attributable to the facility fee paid in relation with the convertible loan borrowed by the Company.
- For the quarter ended April 30, 2021, investor relations are \$38,105 compared to \$Nil for the quarter ended April 30, 2020. The increase was attributable to shareholder communications costs.
- For the quarter ended April 30, 2021, office and miscellaneous expenses are \$27,981 compared to \$19 for the quarter ended April 30, 2020. The increase was due to increase in the operations of the company. The expense primarily includes rent incurred for the head office in Lisbon and website maintenance cost of the Company.
- For the quarter ended April 30, 2021, professional fees are \$45,489 compared to \$5,093 for the quarter ended April 30, 2020. The increase is primarily attributable to increase in legal and corporate secretarial services incurred in connection with the increase activity in the Company.
- For the quarter ended April 30, 2021, project generation expense is \$15,295 compared to \$Nil for the quarter ended April 30, 2020. The increase was attributable to expenses incurred related to assessment of potential projects for the Company.

- For the quarter ended April 30, 2021, regulatory fee is \$20,398 compared to \$2,250 for the quarter ended April 30, 2020. The increase is primarily attributable to regulatory fees incurred in relation to listing the company on Frankfurt Stock Exchange.

## **Nine Months Ended April 30, 2021 and 2020**

### **Net Loss and Expenses**

The net loss and total expenses for the period ended April 30, 2021 were \$1,162,560 compared to \$44,234 for the period ended April 30, 2020, representing an increase of \$1,118,326 in net loss.

Total expenses for the period ended April 30, 2021 were \$1,156,882 compared to \$44,234 for the period ended April 30, 2020, representing an increase of \$1,112,648 in total expenses.

Major variances in expenses are as follows:

- For the period ended April 30, 2021, management fees are \$82,270 compared to \$Nil for the period ended April 30, 2020. The increase was attributable to payments made to officers and directors of the Company during the current period.
- For the period ended April 30, 2021, consulting is \$52,520 compared to \$Nil for the period ended April 30, 2020. The increase was primarily due to fees paid to the directors of the Company for services provided during the current period.
- For the period ended April 30, 2021, financing cost is \$378,108 compared to \$Nil for the period ended April 30, 2020. The increase was attributable to the facility fee paid in relation with the convertible loan borrowed by the Company.
- For the period ended April 30, 2021, investor relations are \$58,570 compared to \$Nil for the period ended April 30. The increase was attributable to shareholder communications costs.
- For the period ended April 30, office and miscellaneous expenses are \$32,920 compared to \$89 for the period ended April 30, 2020. The increase was due to increase in the operations of the company. The expense primarily includes rent incurred for the head office in Lisbon and website maintenance cost of the Company.
- For the period ended April 30, 2021, professional fees are \$123,741 compared to \$29,564 for the period ended April 30, 2020. The increase is primarily attributable to increase in legal and corporate secretarial services incurred in connection with the increase in activity of the Company.
- For the period ended April 30, 2021, project generation expense is \$243,945 compared to \$Nil for the period ended April 30, 2020. The increase was attributable to expenses incurred related to assessment of potential projects for the Company.
- For the period ended April 30, 2021, the transaction cost is \$19,928 compared to \$55 for the period ended April 30, 2020. The increase was entirely attributable to the costs incurred in connection with the acquisition and amalgamation transactions in the current period.
- For the period ended April 30, 2021, the travel and accommodation cost is \$125,975 compared to \$Nil for the period ended April 30, 2020. The increase was primarily attributable to cost incurred on travel to Mali for mining operations.

### Selected Quarterly Information

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's condensed interim financial statements. All dollar amounts are in Canadian dollars.

Quarter Ended	Loss for the period	Loss per Share (Basic & Diluted)	Total Assets	Interest Income
April 30, 2021	\$501,311	\$0.01	\$16,245,555	\$372
January 31, 2021	\$468,670	\$0.01	\$12,006,694	\$372
October 31, 2020	\$192,579	\$0.00	\$439,323	\$Nil
July 31, 2020	\$61,703	\$0.00	\$540,551	\$Nil
April 30, 2020	\$7,947	\$0.00	\$409,765	\$Nil
January 31, 2020	\$10,324	\$0.00	\$414,043	\$Nil
October 31, 2019	\$25,963	\$0.00	\$424,638	\$Nil
July 31, 2019	\$39,172	\$0.00	\$634,217	\$Nil

### Financial Condition, Liquidity and Capital Resources

At April 30, 2021, the Company had working capital of \$1,247,681 and at July 31, 2020 the Company had working capital of \$179,774. The Company does not currently have an active business generating positive cash flows. The Company is reliant on equity financing or shareholder loans to provide the necessary cash to acquire or participate in an active business. There can be no assurance that equity financings will be available to the Company in the future that will be obtained on terms satisfactory to the Company.

On November 19, 2020, the Company closed a non-brokered private placement and issued 8,500,000 units at a price of \$0.20 per unit for total gross proceeds of \$1,700,000. The Company intends to use the proceeds for general working capital and business development purposes.

On April 9, 2021, the Company entered into convertible loan agreements with two arm's length lenders to borrow an aggregate amount of \$1,260,360 (USD\$1,000,000), with the Company paying facility fees to the lenders for an aggregate amount of \$378,108 (USD\$300,000) capitalized into the loan. The loans are unsecured, non-interest bearing and due at the earlier of October 31, 2021, or at the date the Company completing an equity financing of \$2,000,000.

On May 7, 2021, the Company closed a non-brokered private placement for gross proceeds of \$5,610,500.00. The Company issued 28,052,500 units at \$0.20 per unit. The Company intends to use the proceeds for general working capital and business development purposes.

The Company partially repaid the principal balance of the convertible loan as follows:

- subscriptions of 4,095,000 units from the May 7, 2021 private placement to partially settle US\$650,000 of the principal loan payable amount; and
- on May 10, 2021, payment of US\$350,000 in cash.

## Related Party Transactions

Payments to key management and directors during the year ended April 30, 2021 and 2020 were as follows:

		April 30, 2021		April 30, 2020
Management fees paid to officers or to companies controlled by officers	\$	82,270	\$	-
Consulting fees paid to directors		51,323		-
Professional fees paid to officers		50,231		-
Total compensation	\$	183,825	\$	-

During the nine months ended April 30, 2021, certain officers, directors and former officers and directors have forfeited all their share purchase options.

Included in receivables as at April 30, 2021 is \$Nil (July 31, 2020 - \$1,415) due from directors.

On October 14, 2020, the Company announced the resignation of Barry Hartley as director and Chief Financial Officer and Brent Hahn as Chief Executive Officer. Mohammad Shaygan has been appointed to the board of directors and Chief Executive Officer of the Company. Jesse Hahn has been appointed as interim Chief Financial Officer.

On October 27, 2020, the Company announced the resignation of Mohammad Shaygan as a Director and Chief Executive Officer and Jesse Hanh as Corporate Secretary. Carl Esprey has been appointed to the board of directors and Chief Executive Officer of the Company. Shimmy Posen has been appointed as Corporate Secretary.

On May 7, 2021, the Company announced the appointment of Chris O'Connor to its board of directors and the resignation of James McCrea from its board of directors.

## Accounting Policies

The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations and may require management to make judgements or rely on assumptions about matters that are inherently uncertain. The Company's results of operations are reported using policies and methods in accordance with IFRS. In preparing condensed interim financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the year. Management reviews its estimates and assumptions on an ongoing basis using the most current information available.

### *Critical Accounting Estimates*

The preparation of the Company's condensed interim financial statements in conformity with IFRS requires management to make estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.



Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the condensed interim financial statements are as follows:

- i) **Going concern**  
Management has determined that the Company will be able to continue as a going concern for the next year.
- ii) **Economic recoverability and probability of future benefits of exploration and evaluation costs**  
Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

### **Financial Instruments and Capital Management**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### ***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is not exposed to credit risk.

#### ***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

#### ***Currency Risk***

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency exchange risk as its mining operations are significantly denominated in currencies other than the functional currency of the Company.

Since the Company's reporting currency is Canadian dollars and the Company and its subsidiaries have significant operations in Mali and in parts of Europe, the Company is exposed to foreign currency fluctuations on its reported amounts of assets and liabilities.

#### ***Interest rate risk***

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

#### ***Capital Management***

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and

cash. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

### ***Fair value***

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities and loans payable. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these investments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

### ***COVID-19***

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in future periods.

### **Contingencies**

The Company is not aware of any contingencies or pending legal proceedings as at the date of this report.

### **Additional share information**

As at April 30, 2021, the Company had 72,986,411 common shares outstanding.

As at the date of this report, the Company had 110,788,911 common shares issued and outstanding.

As at April 30, 2021, the Company had no stock options and 18,500,000 warrants outstanding.

As at the date of this report, the Company had no stock options and 46,552,500 warrants outstanding.

### **Disclaimer**

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at [www.sedar.com](http://www.sedar.com). No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

### **Cautionary Statement on Forward Looking Information**

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements.