

**ALMA GOLD INC.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE THIRD QUARTER ENDED AUGUST 31, 2021**

**INTRODUCTION**

This Management Discussion and Analysis (“**MD&A**”) provides a detailed analysis of the business of Alma Gold Inc. (the “**Company**” or “**Alma Gold**”) and describes its financial results for the three and nine months ended August 31, 2021. The MD&A should be read in conjunction with the condensed interim consolidated financial statements for the three and nine months ended August 31, 2021, and the audited financial statements of the Company for the period from the date of incorporation on May 21, 2020 to November 30, 2020 and related notes, which have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”). The Company’s reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars. This MD&A is dated October 29, 2021.

Management is responsible for the preparation and integrity of the condensed interim consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the condensed interim consolidated financial statements and MD&A, is complete and reliable.

**FORWARD LOOKING STATEMENTS**

In making and providing the forward-looking information included in this MD&A the Company’s assumptions may include among other things: (i) assumptions about the price of metals, and in particular, gold; (ii) that there are no material delays in the optimization of operations at the exploration and evaluation assets; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; (v) that there is no unanticipated fluctuation in foreign exchange rates; and (vi) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of base metals; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; (v) adverse fluctuations in foreign exchange rates; and (vi) environmental risks and changes in environmental legislation.

This MD&A (see also “Risks and Uncertainties”) and the Company’s annual information form contain information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company’s control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

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**COMPANY OVERVIEW**

Alma Gold was incorporated on May 21, 2020 under the laws of British Columbia (Canada) as a wholly-owned subsidiary of Red Lake Gold Inc. (“**RGLD**” or “**Red Lake Gold**”), and was later subject to a plan of arrangement between the Company and RGLD. The address of the Company’s corporate office and its principal place of business is Suite 810-789 West Pender Street, Vancouver, British Columbia, Canada.

The Company’s principal business activities include the acquisition and exploration of mineral property assets both within Canada and internationally.

On November 6, 2020, with the necessary approvals from the Supreme Court of British Columbia, the Company completed its plan of arrangement. Under the terms of the plan of arrangement, RGLD distributed new common shares to RGLD shareholders on the basis of 1 new common share of RGLD and 0.95 common shares of Alma Gold for every one common share of RGLD then-owned by the shareholder.

In February, 2021, the Company acquired Karita Gold Corp., in an arm’s-length transaction, in consideration for 30,000,000 common shares of the Company.

On October 7, 2021, common shares of the Company commenced public trading on the Canadian Securities Exchange under the symbol ALMA.

As at August 31, 2021, the Company had not yet determined whether the Company’s mineral property asset contains mineral reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

The financial disclosure, along with all of Company’s continuous disclosure documents, may be found online on SEDAR at [www.sedar.com](http://www.sedar.com).

**ACQUISITION OF KARITA GOLD CORP.**

On February 9, 2021, the Company entered into an arm’s-length share purchase agreement with the shareholders of Karita Gold Corp. (“**Karita Gold**”), whereby the Company agreed to purchase all the issued and outstanding shares of Karita Gold. The Company issued to Karita Gold’s shareholders 30,000,000 common shares of the Company in exchange for 100% the issued and outstanding common shares of Karita Gold, such shares of the Company being at a deemed value of \$0.05 per share. Karita Gold is a gold exploration company with offices in Bedford, Nova Scotia and it holds various mineral exploration licenses in Guinea (the “**Karita Licenses**” or “**Guinea Gold Project**”), which are subject to certain royalty obligations. The Karita Licenses commence at an adjacent license boundary to a gold exploration project containing the Karita gold deposit being advanced and owned by IAMGOLD Corporation. Effective February 19, 2021, the Company closed its acquisition of Karita Gold.

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**EXPLORATION AND EVALUATION ASSETS**

Exploration and evaluation assets comprise the following accumulated expenditures:

	Guinea Property	Chambers Settlement	Clarence Stream	Total
	\$	\$	\$	\$
<b>Balance at May 21, 2020 (date of incorporation)</b>	-	-	-	-
Acquisition costs	-	25,000	9,120	34,120
Exploration costs				
Geological	-	15,750	95,890	111,640
Impairment	-	(40,750)	-	(40,750)
<b>Balance at November 30, 2020</b>	-	-	<b>105,010</b>	<b>105,010</b>
Acquisition of Karita Gold	1,729,435	-	-	1,729,435
Exploration costs				
Geological	27,797	-	2,840	30,637
<b>Balance at August 31, 2021</b>	<b>1,757,232</b>	-	<b>107,850</b>	<b>1,865,082</b>

**Clarence Stream North Gold Project**

The Company owns a 100% interest in certain mineral licenses located in New Brunswick, Canada which together comprise the Clarence Stream North Gold Project. The Clarence Stream North Gold Project was acquired through staking from the Government of New Brunswick. The project is held free-and-clear of any royalty obligations (save those that may be applicable to the Crown).

To-date, various and material exploration efforts have conducted at the Clarence Stream North Gold Project by the Company and its consultants. Those exploration efforts have delineated gold-in-soil anomalies that may be significant when viewed from a regional context and which require follow-up exploration work on by the Company, currently being considered for the first half of 2022 as weather and ground conditions permit.

**Guinea Gold Property**

Pursuant to the acquisition of Karita Gold, the Company indirectly holds four mineral property permits from the Ministry of Mines and Energy of Guinea ("MME"), which were first acquired by a subsidiary of Karita Gold through a series of license payments to the MME. The Company is obligated to pay certain nominal renewal fees annually to the MME to keep the licenses in good standing. The licenses plus an area of mutual interest are subject to certain royalty obligations totaling two percent (being, a 1% GSR (no repurchase-right) and a 1% NSR) based on transactions entered into by Karita Gold that preceded its acquisition by the Company.

Subject to forward-moving exploration opportunities found to be available at the Guinea Gold Project (and depending upon the availability of market financing in relation to same), the Company anticipates that it may allocate increasing levels of managerial focus to the ongoing exploration of this project

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**Chambers Settlement Gold Project (discontinued)**

On May 29, 2020, the Company entered into an option agreement to acquire a 100% interest in the Chambers Settlement Gold Project in New Brunswick, Canada (the “Chambers Settlement Gold Project”) from Avalon Gold Resources Inc., an arm’s-length party based in Toronto, Canada. The terms of the Chambers Settlement Gold Project involve a series of cash payments over a four-year earn-in period, and the granting of a 2% royalty, one-half of which may be repurchased by the Company.

The series of payments is as follows:

- a. \$10,000 within ten (10) business days of the date of the Chambers Option Agreement (paid through RGLD);
- b. \$15,000 within six (6) months of the date of the Chambers Option Agreement;
- c. \$20,000 within twelve (12) months of the date of the Chambers Option Agreement;
- d. \$30,000 within twenty-four (24) months of the date of the Chambers Option Agreement;
- e. \$40,000 within thirty-six (36) months of the date of the Chambers Option Agreement; and
- f. \$50,000 within forty-eight (48) months of the date of the Chambers Option Agreement.

On November 30, 2020, the Company terminated the Chambers Option Agreement, with a view to focusing exploration on its Clarence Stream North Gold Project.

**RESULTS OF OPERATIONS**

The following discussion explains the variations in the key components of the Company’s operating results but, as with most junior mineral exploration companies, the results of operations are not the main factor in establishing the financial health of the Company. Of far greater significance are the exploration and evaluation assets in which the Company has, or may earn, an interest, its working capital and how many shares it has outstanding. Quarterly results can vary significantly depending on whether the Company has abandoned any properties or granted any stock options. For details on the results of work on and other activities in connection with the Company’s exploration and evaluation assets, see “Exploration and Evaluation Assets”.

***Results for the three months ended August 31, 2021***

The Company incurred a net loss of \$12,516 (2020 - \$6,107) for the three months ended August 31, 2021 with the expenses being associated to professional fees consisting of general corporate legal and accounting fees, regulatory and filing and office costs relating to the operations of the business. In addition, the Company acquired Karita Gold effective as of February 19, 2021 and the results of operations include those of Karita Gold starting as of that date.

***Results for the nine months ended August 31, 2021***

The Company incurred a net loss of \$72,643 for the nine months ended August 31, 2021 with all the expenses being principally associated with professional fees, regulatory and filing and office costs relating to the operations of the business. The Company was incorporated on May 21, 2020 and therefore has no comparative prior year information. In addition, the Company acquired Karita Gold effective as of February 19, 2021 and the results of operations include those of Karita Gold starting as of that date.

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**Summary of Quarterly Results**

	August 31, 2021	May 31, 2021	February 28, 2021	November 30, 2020
Total revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Net loss	(12,516)	(49,138)	(10,989)	(50,750)
Net loss per share	(0.00)	(0.00)	(0.00)	(0.01)
Exploration and evaluation assets	1,865,082	1,861,149	1,770,266	105,010
Total assets	2,571,319	2,609,640	1,879,531	140,010
Long term liabilities	Nil	Nil	Nil	Nil
Total liabilities	333,352	359,157	314,010	63,500
Shareholders' equity	2,237,967	2,250,483	1,565,521	76,510

  

	August 31, 2020	May 31, 2020
Total revenue	\$ Nil	\$ Nil
Net loss	(6,107)	-
Net loss per share	(0.00)	(0.00)
Exploration and evaluation assets	130,760	-
Total assets	130,760	1
Long term liabilities	Nil	Nil
Total liabilities	136,856	Nil
Shareholders' equity (deficit)	(6,106)	1

**CAPITAL RESOURCES AND LIQUIDITY**

The Company is in the exploration stage and has no revenue or income from operations. The Company has limited capital resources and has to rely upon the sale of equity and/or debt securities for cash required for exploration and development purposes, for acquisitions and to fund the administration of the Company. Since the Company does not expect to generate any revenues from operations in the near future, it must continue to rely upon the sales of its equity or debt securities or joint venture agreements to raise capital. It follows that there can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required by the Company at any particular time or for any period and that such financing can be obtained on terms satisfactory to the Company.

The Company's financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its ongoing commitments and further its mineral exploration programs.

The Company may encounter challenges sourcing future financing given economic conditions, capital market conditions and risks associated with the Company and its properties. The junior resource industry in which the Company operates is high-risk in nature and speculative thereby limiting the number of potential investors which may find the Company suitable for investment. While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful in sourcing future financings and investors are appropriately cautioned as to same.

As of August 31, 2021, the Company had working capital, calculated as current assets less current liabilities, of \$372,885 (November 30, 2020 – working capital deficiency of \$28,500). The increase in working capital is mainly related to the closing of a private placement of 7,500,000 common shares for proceeds of \$734,100, net of share issue costs, and partially offset by the inclusion of Karita Gold's working capital deficiency of \$229,435 as of the acquisition date on February 19, 2021.

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On May 21, 2020, one founder share was issued to Red Lake Gold Inc. on incorporation for \$1.

On November 6, 2020, pursuant to the Plan of Arrangement with RGLD, 30,245,625 shares in the Company were issued. Amounts advanced by RGLD to the Company in the amount of \$133,367 have been reflected as net investments from RGLD in the statement of changes in shareholders' equity.

On April 28, 2021, the Company completed a non-brokered private placement issuing 7,500,000 common shares at a price of \$0.10 per share for total gross proceeds (prior to the payment of certain finder's fees) of \$750,000.

On October 7, 2021, common shares of the Company commenced public trading on the Canadian Securities Exchange under the symbol ALMA.

#### **RELATED PARTY BALANCES AND TRANSACTIONS**

As at August 31, 2021, the Company has a balance outstanding of \$255,082 (November 30, 2020 - \$Nil) to a Director of the Company (who is also a Founder and current Officer of Karita Gold) relating to funds advanced on behalf of Karita Gold for exploration work. This balance bears no interest, is unsecured and has no fixed terms of repayment.

During the nine months ended August 31, 2021, the Company paid or accrued professional fees of \$12,500 (2020 - \$Nil) to the Chief Financial Officer of the Company. As at August 31, 2021, the balance outstanding was \$5,000 (November 30, 2020 - \$Nil). This balance bears no interest, is unsecured and has no fixed terms of repayment.

During the nine months ended August 31, 2021, the Company paid or accrued professional fees of \$23,625 (2020 - \$Nil) to the former Chief Financial Officer of the Company.

As at August 31, 2021, the Company is indebted to Red Lake Gold Inc. in the amount of \$50,000 (November 30, 2020 - \$50,000). This amount is unsecured, non-interest bearing and has no fixed terms of repayment. The funds were provided to the Company while it was a wholly owned subsidiary of RGLD. On October 5, 2021, this loan was repaid in full.

#### **FINANCIAL INSTRUMENTS AND FINANCIAL RISK**

##### Fair value

The fair value of the Company's financial instruments approximates their carrying value as at August 31, 2021 because of the short-term nature of these instruments.

##### Financial risk management objectives and policies

The Company's financial instruments include cash, accounts payable and accrued liabilities and due to Red Lake Gold Inc. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### (i) Currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is negligible. The foreign exchange risk is therefore manageable and not significant. The Company does not currently use any derivative instruments to reduce its exposure to fluctuations in foreign exchange rates.

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(ii) 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 any interest rate risk.

(iii) 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 any significant credit risk.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities are due within the current operating period, generally carrying net 30 terms. The Company will need to receive additional funding to continue to fund operations and to settle its obligations.

**OUTSTANDING SHARE DATA**

As of the date of this MD&A, the Company had 67,745,626 common shares issued, 1,434,500 stock options issued, and 1,258,750 warrants issued.

**RISKS AND UNCERTAINTIES**

All of the below factors, and other factors not detailed herein, may impact the viability of Company, including its subsidiaries, and/or its projects, and include listed and additional factors which are not possible to predict with certainty. The Company is exposed to both risks foreign and domestic risks.

The Company is exposed to a large multitude of risks and uncertainties, which include, among other factors not herein listed, the following:

*Exploration and Development*

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production.

The Company's projects are at an early stage of development. The Company has not defined any economic ore bodies since inception. There is no assurance that the Company's mineral exploration and development activities or projects will result in any discoveries of commercial bodies of minerals, metals or resources of value. The long-term profitability and viability of the Company's operations will in part be directly related to the costs and success of its exploration and development programs, which may be affected by numerous unforeseeable factors.

The business of exploration for minerals and mining involves a high degree of risk and frequently results in the loss of capital. Whether a mineral deposit can be commercially viable depends upon numerous factors, including, but not limited to, the particular attributes of the deposit, including size, grade and proximity to infrastructure; metal prices which can be highly variable; and government regulations, including environmental and reclamation obligations. Few properties that are explored are ultimately developed into profitable and/or producing mines.

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Substantial expenditures are required to establish the continuity of mineralized zones through exploration and drilling and to develop and maintain the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that funds required for any proposed development of the Company's properties can be obtained on a timely basis.

The marketability of any minerals acquired or discovered by the Company in the future may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which may result in the Company not receiving an adequate return on investment capital.

There is no assurance that any regulatory authority having jurisdiction over the Company will, to the extent applicable, approve the acquisition of any additional properties by the Company, whether by way of option or otherwise.

*Financial Capability and Additional Financing*

The Company has limited financial resources and has no assurance that additional funding will be available to it for further exploration and/or development of its projects or for working capital purposes. There can be no assurance that it will be able to obtain adequate financing in the future to carry out exploration and development work on its projects. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of the Company.

*Mining Titles*

There is no guarantee that the Company's title to or interests in the Company's property interests will not be challenged or impugned. The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to the area of mineral properties may be disputed. There is no guarantee of title to any of the Company's properties. The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. The Company has not surveyed the boundaries of its properties and consequently the boundaries may be disputed. There can be no assurance that the Company's rights will not be challenged by third parties claiming an interest in the properties. In order to retain mining tenure, the Company is obligated to perform certain annual work assessment requirements. A failure to perform adequate exploration work on specific mineral tenure claims would, in the absence of any permitted cash deposits in lieu of, be expected to result in the loss of such tenure.

*Management*

The success of the Company is currently largely dependent on the performance of its officers. The loss of the services of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.



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*Conflicts of Interest*

Certain directors and officers of the Company are, and are expected to continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships, joint ventures and other financial and/or mining interests which are potential competitors of the Company and/or which may otherwise be adverse in interest. It is understood and accepted by the Company that certain directors and officers of the Company may continue to independently pursue opportunities in the mineral exploration industry. Situations may arise in connection with potential acquisitions, operational aspects, or investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to the applicable corporate and securities legislation, regulation, rules and policies and the particulars of any agreements made between the Company and the applicable director or officer.

*Dilution*

If the Company is successful in raising additional funds through the sale of equity securities, shareholders will have their investment diluted. In addition, if warrants and options are issued in the future, the exercise of such options and warrants may also result in dilution to the Company's shareholders. The Company intends to issue additional equity in the future.

*History of Losses and No Assurance of Profitable Operations*

The Company has incurred a loss since inception. There can be no assurance that the Company will be able to operate profitably during future periods. If the Company is unable to operate profitably during future periods, and is not successful in obtaining additional financing, the Company could be forced to cease its exploration and development plans as a result of lacking sufficient cash resources.

The Company has not paid dividends in the past and has no plans to pay dividends for the foreseeable future.

*Uninsurable Risks*

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions may occur. These unexpected or unusual conditions may include, but are not limited to, rock bursts, cave-ins, fires, flooding and earthquakes. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

*Environmental and Safety Regulations and Risks*

Environmental laws and regulations may adversely affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Furthermore, the permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety, or even permanently in the case of extreme breaches.

Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations.

*Reliance on Exploration Service Companies*

The Company relies significantly on the utilization of third-party exploration service providers. The availability of services from and/or personnel of such providers, as well as pricing changes related thereto, may have a material impact on the Company.

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*Title Assertions*

The Company operates in Canada where various and/or conflicting First Nations title assertions that may impact the operations of the Company and/or its interests. In addition, the Company indirectly holds mineral licenses in Guinea through Karita Gold, which may be subject to additional title uncertainty.

*Civil Unrest*

The Company operates in jurisdictions that may be subject to increased incidents of civil unrest which could affect the timing and/or certainty of the Company's operations and/or interests.

*Government Policy Concerning Climate*

The Company is subject to a range of government climate policies which may impact the Company and/or its operations. In addition, the Company is subject to various tax policies affecting the resource industry with regard to carbon emissions that may be adverse to the Company and/or its interests.

*Fluctuating Commodity Prices*

The Company's revenues, should any result, are expected to be in large part derived from the sale of commodities which are set in large part in world markets. The prices of commodities, and in particular spot prices related to gold and other precious metals, have fluctuated widely in recent years and are affected by factors beyond the control of the Company which may include, but not be limited to, economic and political trends, pandemics, currency exchange fluctuations, economic inflation and expectations for the level of economic inflation in the consuming economies, interest rates, global and local economic health and trends, speculative activities and changes in the supply due to new mine developments, mine closures, and advances in various production and technological uses for commodities being explored for by the Company. All of these factors, and other factors not detailed herein, may impact the viability of Company projects, and include factors which are not possible to predict with certainty.

*Competitive Conditions*

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical capabilities. Competition in the mining industry is primarily for mineral properties which can be developed and produced economically; the technical expertise to find, develop, and produce such properties; the labour to operate the properties; and the capital for the purpose of financing development of such properties. Many competitors not only explore for and mine for metals and minerals, but also conduct refining and marketing operations on a world-wide basis and most of these companies have much greater financial and technical resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or source the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other private or publicly held mining companies for these mineral deposits could have a material adverse effect on the Company's results.

*Price Volatility of Publicly Traded Securities*

In recent years, North American securities markets have experienced high levels of price and volume volatility, and the market prices of securities of many companies, particularly junior mining exploration companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. While the Company is not presently listed for trade on an exchange, any future quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flow, or exploration success. In addition to risks relating to the Company, any share equity positions that may be held by the Company, now or in the future, are also subject to market volatility and liquidity challenges that may negatively impact their future market or realizable value.

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*Inadequate Infrastructure May Affect the Company's Operations*

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, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

*Results of Nearby Exploration Companies*

The Company is exposed to mining camps, including but not limited to exploration projects near Clarence Stream, Brunswick and in West Africa (Guinea) in which there are other private and public exploration companies exploring for minerals, particularly precious metals and base metals. Unfavorable exploration results from the Company's exploration projects as well as from adjacent and/or proximal exploration companies may in turn have a negative impact on the Company from a capital markets perspective.

*COVID-19*

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. The impact of the COVID-19 pandemic has major implications for all economic activities, including that of the Company. At this time, it is not possible to predict the duration or magnitude of the adverse results of the outbreak, however, management believes that the impact to the Company will be limited mainly to the curtailment of travel and access to mineral projects due to travel and social distancing restrictions as well as its ability to raise financing. The Company is additionally monitoring forward-moving variants associated with COVID-19, the impact of which on the Company's operation cannot be determined at this time.

**OFF BALANCE SHEET ARRANGEMENTS**

The Company does not have any off-balance sheet arrangements.

**PROPOSED TRANSACTIONS**

None.

**NEW ACCOUNTING POLICIES AND PRONOUNCEMENTS**

Please refer to the Company's November 30, 2020 audited consolidated financial statements and the condensed interim consolidated financial statements for the three and nine months ended August 31, 2021, available on [www.sedar.com](http://www.sedar.com) under the Company's profile, for new accounting policies as well as future accounting pronouncements.