Desert Gold Ventures Inc.

Form 51-102F1

Management's Discussion and Analysis

Year ended December 31, 2020

BACKGROUND

Desert Gold Ventures Inc. ("Desert Gold" or the "Company") is an exploration stage company actively engaged in the acquisition, exploration and development of mineral resource properties. The Company is listed on the TSX-V, OTCQB, and Frankfurt Stock Exchange under the symbols TSX-DAU, OTCQX-DAUGF, and Frankfurt Exchange - QXR1 respectively.

The following management's discussion and analysis ("MD&A") is dated April 30,2021 to provide an analysis of the Company's business and operating results for the year ended December 31, 2020. All the amounts presented within this MD&A are in US dollars unless specified otherwise. Readers are encouraged to review the Company's statutory filings including financial statements and other disclosure documents through Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com, or to review general information, including maps, on the Company's website at www.desertgold.ca.

FORWARD LOOKING INFORMATION

This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company, its projects, exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining exploration, environmental risks, title disputes or claims and limitations of insurance coverage.

Readers are cautioned not to place undue reliance on these forward looking statements, which speak only to management's views as of the date the statements were made. Often, but not always, forward-looking statements can be identified by words and phrases about the future, such as: anticipate, expect, plan, intend, predict, goal, target, project, potential, strategy and outlook.

There are a number of factors which may cause results to vary considerably from these predictions, involving known and unknown risks, and uncertainties. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual cost of conducting our exploration program may differ significantly from estimates; we may be adversely affected by foreign currency exchange rates or taxes including fluctuations in the relative value of US and Canadian currency; we are subject to the risk inherent in variations in ore grade or recovery rates and commodity prices, equipment may fail, we may experience labour unrest, accidents and other risks inherent in mining; we may be subject to political risks in developing countries, insurrection or war; delays in obtaining required permits, licenses, and approvals. More specifically, although Desert Gold primarily operates in African countries with stable democratic governments with mining regulations in place, these countries may still be subject to political upheaval such as military coups or rebel insurrection by factions within the country; we discuss geopolitical, economic and other such factors in more depth in the section entitled "Risk and Uncertainties" in this MD&A. Although Desert Gold has attempted to identify important 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 does not undertake or assume any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by securities law.

The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk *factors that could cause actual results to differ materially from the forward-looking statements.*

Forward-looking statements	***Assumptions***	***Risk factors***
The Company will need to raise additional funds to meet its long-term business objectives.	*The Company will continue its exploration activities in 2021*	*Unexpected downturn of the price of precious metal and the capital markets*

Corporate update

Common shares

A summary of the common share issuance during the year is as follows:

Number	Gross proceeds or fair value (CAD$)	Nature
250,000	25,000	Resource property annual payment
16,037,500	1,283,000	Private placement
24,390,856	6,829,440	Private placement
75,000	12,500	exercise of options
3,834,438	405,928	exercise of warrants
	8,555,868	

On May 5, 2020, the Company issued 250,000 common shares with a value of $17,816 to MMC to fulfil its obligation for the acquisition of MMC Option (Note 5).

On May 8, 2020, the Company raised CAD $1,283,000 through the sale of 16,037,500 units at CAD$0.08 per unit. Each unit consists of one common share and one-half common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of CAD$0.15 per share for a period of three years after issuance. In connection with closing, the Company paid finders' fees of CAD $47,390 and issue 592,375 non-transferable brokers warrants with a value of CAD$39,568. Each broker warrant entitles the holder to purchase one common share of the Company at a price of CAD$0.15 for a period of three years. CAD$ 13,000of subscription fund was applied towards accounts payable.

On August 28, 2020, the Company issued 24,390,856 units at CAD$0.28 per unit for gross proceeds of CAD$6,829,440. Each unit consists of one half of a warrant. Each warrant can be exercised into one common share of the Company at CAD$0.40 per share for a period of three years. The Company used residual value method to account for the issuance of warrants and allocated CAD$365,863 to the Company's warrant reserve. The Company paid cash finders' fees and commission of CAD$ 409,597 in connection with this private placement.

In June 2020, 559,960 common shares were cancelled and returned to treasury. These shares were released from escrow in prior year and were unclaimed by shareholders.

During the year ended December 31, 2020, the Company issued 75,000 common shares for the exercise of options with exercise prices between CAD$0.10 per share to CAD$0.20 per share.

During the year ended December 31, 2020, 3,834,438 common shares were issued for the exercise of warrants with exercise prices between CAD$0.09 to CAD$0.24 per share

Stock options

During the year ended December 31, 2020, the Company granted 3,225,000 incentive stock options to certain directors, officers, employees and consultants at exercise prices ranging from CAD$0.10 to CAD$0.20 per share, and have an expiry date five years from the date of grant.

In January 2021, the Company granted 1,600,000 incentive stock options to certain directors, officers, employees and consultants of the Company pursuant to the Company's Stock Option Plan. The options are exercisable at CAD$0.16 per share and expire five years from the date of grant.

Mineral properties

a) On April 9, 2020, the Company signed a four-year option agreement with Indigo Exploration Inc ("Indigo"), whereby Indigo can acquire up to 100% interest in the Djimbala Permit by the issuance of shares of Indigo and completing work. Upon completing a positive title opinion and financing of at least $500,000, Indigo would make a share issuance to Desert Gold equivalent of CAD$50,000 of Indigo common shares at a deemed price of CAD 5 cents per share (one million shares received), and three subsequent share issuances over three years totaling CAD $300,000 at a deemed price equal to the volume weighted average price for the prior 10 day trading period. With work expenditures of CAD $400,000, Indigo would earn 51% in the permit and with an additional CAD $600,000 work expenditure, Indigo would earn 100% interest in the permit, subject to a 2% net smelter royalty ("NSR") in favor of the Company, where 1% NSR could be bought out at any time for $1 million by Indigo.

The Company received $62,000 exploration funding from Indigo during fiscal 2020 to incur the required work expenditures. As at December 31, 2020, an unspent amount of $27,484 was included in the Company's accounts payable and accrued liabilities.

b) On May 5, 2020, the Company issued 250,000 common shares with fair value of $17,816 and paid US$74,550 (CAD$100,000) to MMC to fulfil the annual property option instalment obligation for fiscal 2020.
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c) On July 2, 2020, the Company entered into an option agreement to acquire the rights in the Sola West Concession for a research permit (the "Permit"). By paying the Optionor an amount of $20,548 (12 million Mali CFA) to the Optionor for the option fees and taxes in connection with the mineral interests (paid) and issuance of 100,000 common shares of the Company to the Optionor (issued in March 2021), the Company has acquired:

- the rights to carry out operations on the Permit
- the exclusive option right to acquire 100% in the Permit after payments of the following:
    - $30,822 (18 million Mali CFA) within 5 days at the publication of the Sola West Licensing Order (paid in the first quarter of 2021);
    - $77,055 (45 million Mali CFA) and 100,000 common shares of the Company on or before June 5, 2021 (issued in March 2021);
    - 56,507 (33 million Mali CFA) and 50,000 common shares of the Company on or before June 5, 2022.

The underlying exploration permit of the Harmattan Option was renewed in December 2020 for three years with the option to renew for two additional 2-year terms. The permit holder is required to incur minimum exploration expenditures of $138,000, $315,000 and $175,000 during the first, second, and third years respectively.

After the Sola West Permit is transferred to the Company, the Company will pay $56,507 (33 million Mali CFA) within ten days after the transfer and issue 50,000 common shares of the Company to the Optionor.

Within 10 days after the Company informs the Optionor of the production decision of the Sola West Permit, the Company will pay:

- $250,000 in the event of mining operation based on a feasibility study that indicates proven and probable reserves of a maximum 500,000 oz of gold;
- $1 per ounce for the exploitation of a deposit based on a feasibility study that indicates proven and probable reserves between 500,000 to 1,000,000 oz of gold.

In addition of the above, the Company will grant a 2% NSR in connection with the Sola West Permit. The Company has the right at any time to purchase 1% of the NSR for $1,000,000.

e) The Company acquired 100% of Ashanti Gold Corp. in 2019. One of the main resource properties acquired is 95% interest of the Farikounda permit located in Mali.

When the Company acquired the Farikounda permit through the acquisition of Ashanti, the Farikounda permit was held by a Malian subsidiary Ashanti Gold Mali S.A.R.L ("Ashanti Mali") whereby a minority shareholder had a 5% interest. During the year ended December 31, 2020, the Company paid $80,000 to acquire this remaining 5% interest in Ashanti Mali from the minority shareholder.

Exploration Update

This exploration update contains certain scientific and technical information. Don Dudek, P.Geo a director of Desert Gold and a Qualified Person under National Instrument 43-101, has reviewed and approved the scientific and technical information contained in this MD&A.

Current exploration permits held by the company are focused around key areas of interest in Mali, Ghana and in Rwanda (Fig. 1).

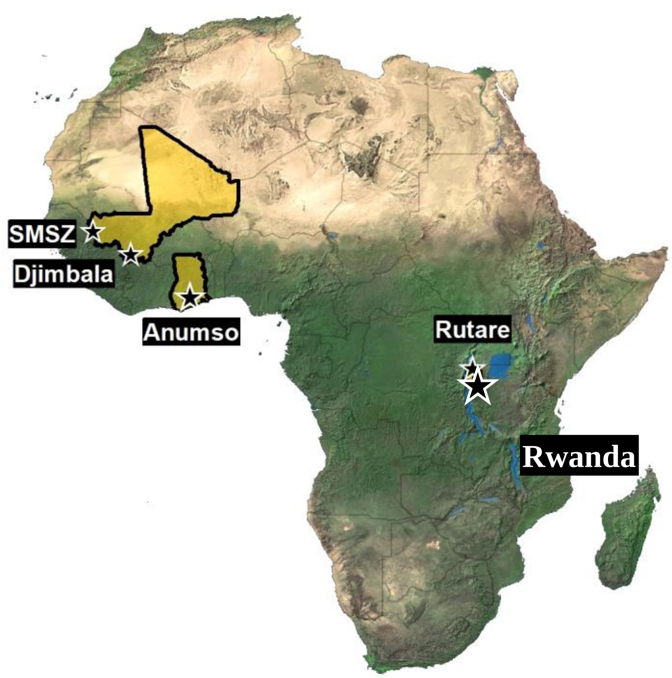

Figure 1. Map of Africa – General Project Locations

We invite readers to visit our website at www.desertgold.ca, and www.sedar.com, to view details, including the exploration programs and results of Desert Gold's projects in Africa.

SUMMARY OF EXPLORATION EXPENDITURES

Exploration expenditures incurred during year ended December 31, 2020 are as follow:

	Mali		Rwanda	
	SMSZ Project	Djimbala Project	Rwanda Project	Total
	$	$	$	$
Acquisition of 5% interest in Farikounda Permit	80,000	-	-	80,000
Annual option payment - MMC Option	93,183	-	-	93,183
Annual option payment - SUD Option	40,000	-	-	40,000
Permit renewal and maintenance	38,516	-	-	38,516
Drilling	556,096	34,516	-	590,612
Geo-analysis	252,406	-	-	252,406
Camp, supplies, and office	308,130	-	3,700	311,830
Salaries	479,336	-	17,400	496,736
Exploration expenses reimbursed by Indigo	-	(34,516)	-	(34,516)
Receipt of option payment- Indigo shares	-	(52,182)	-	(52,182)
Total	1,847,667	(52,182)	21,100	1,816,585

MALI

In Mali, the Company is operating two projects. The projects are referred to as, Senegal Mali Shear Zone (“SMSZ”) and Djimbala.

SMSZ is in the Kenieba Birimian geological inlier along Mali’s western border (see Figure 2).

During 2020, the Company completed two exploration programs on the SMSZ Project. The first program, which commenced in December 2019, was completed in March 2020, with drilling completed in January. The second exploration program commenced in late June and was completed in late July. Results from the drilling were released on August 31, 2020 with highlight drill intercepts of 3.09 g/t gold over 25 metres and 2.54 g/t gold over 15 metres (~65% true width) from a hole at the Gourbassi East Zone.

In late 2020, the Company commenced it largest ever exploration program at the SMSZ with a plan to complete approximately 20,000 metres of drilling (air core, reverse circulation and core), 19,000 metres of auger drilling, 90-line kilometres of IP geophysical surveys, the collection of 7,000 soil samples and mapping/prospecting. The goal of the program comprises drilling to advance known gold zones and soil, auger and IP surveys to identify new targets, with real-time follow-up with drill testing of newly developed targets.

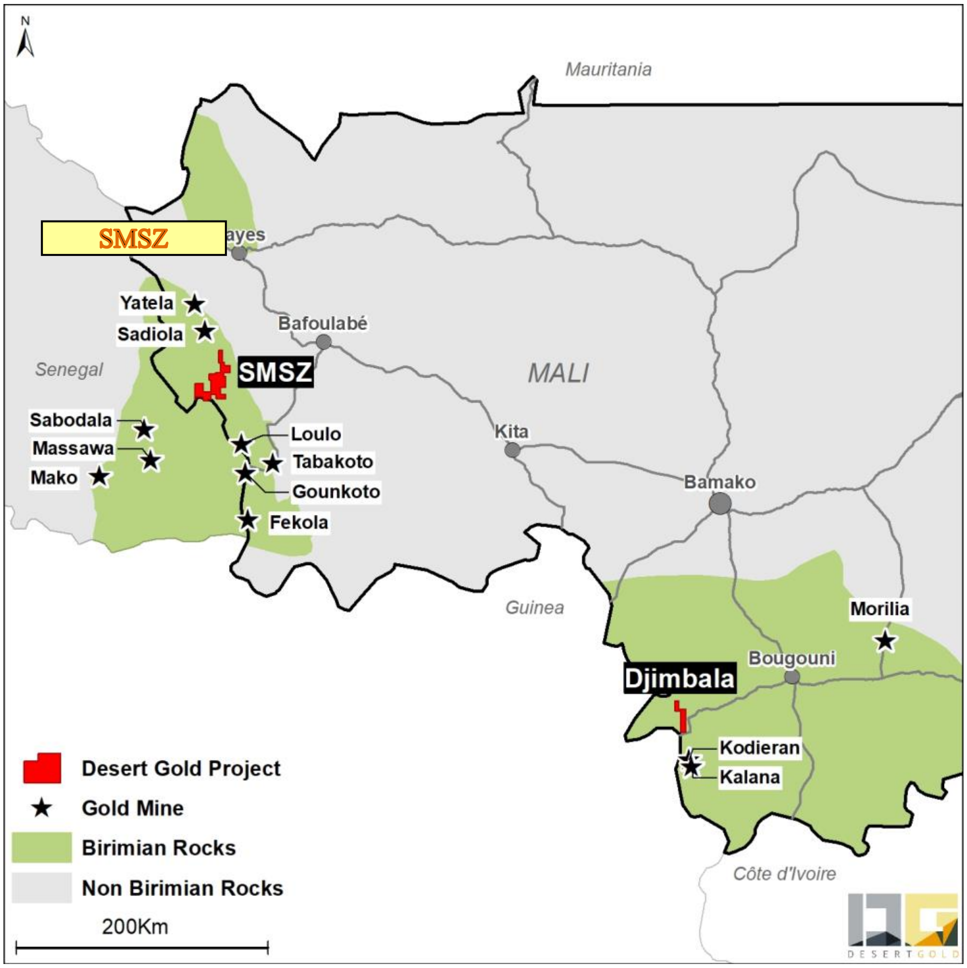

Figure 2. Location Map of the Mali projects.

SMSZ Project

As of December 31, 2020, the Project consists of a total of eight contiguous tenements (including a small-scale mining license over the Barani East Zone) totalling 410km^2. All tenements are governed by a standard Convention Minière detailing the fiscal and legal regime under which the exploration permits are granted. The Company has successfully renewed its 100% owned Farabantourou West permit for an initial 3-year term. Furthermore, the license terms grant Desert Gold the option to renew the permit for two additional 2-year terms. In addition, Desert Gold had closed the acquisition of Ashanti Gold Corp. and the acquisition of two concessions from Mineral Management Consulting ("MMC") (see Figure 3) during the third quarter of 2019. Option deals for a two-concession block from Altus and the Linguekoto and Sola West concessions, were also completed in late 2019 and 2020. Details of the acquisition of Ashanti Gold Corp. and properties from MMC, and the private Malian groups, are available at the section "Acquisition of resource properties".

The company has also applied for a small-scale mining licence covering the north-eastern part of the original Farabantorou permit where drilling defined an initial resource at Barani East (Fig. 3).

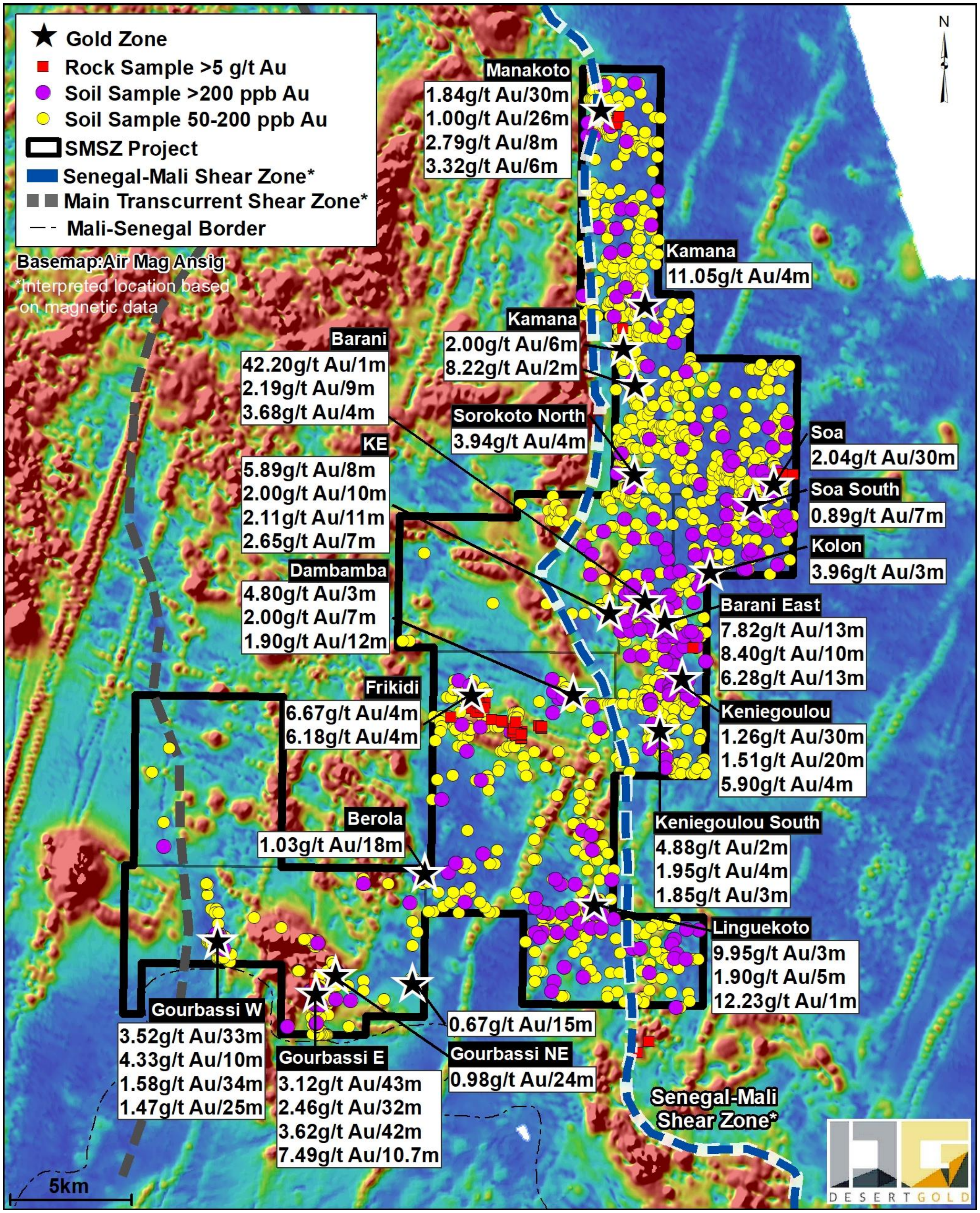

Figure 3. Plan map showing the location of gold zones within the SMSZ exploration permit.

The SMSZ project is located 50 km south of the Sadiola Mine and spans both sides of the Senegal-Mali Shear Zone, which, regionally, is related to the Loulo, Sadiola, Yatela, Loulo, Gounkoto and Fakola Mines. The property was previously explored by other companies, whose work delineated more than 18 areas of gold mineralisation within the project area (Fig. 3). Additional exploration opportunities include a significant amount gold-in-soil anomalies that need to be evaluated, and large, laterite-covered areas, associated with the Senegal Mali Shear Zone, which, in management's opinion, could hide a significant gold deposit. Exploration work has been planned to test these exploration target ideas.

An initial pit-constrained indicated mineral resource of 69.9 koz Au (cut-off grade, 0.5g /t Au) and inferred mineral resource of 23.3 koz Au was estimated at Barani East by Minxcon Consulting (Table 1) in 2015. The mineralisation occurs in a cross-cutting, north-northeast-trending, moderate-east-dipping (55° to 60°), tabular body that ranges in width from 4.5 metres to 15 metres. The average grades vary between 2.22 to 2.29 g/t Au for the indicated and inferred categories, respectively. Drilling over the past few years has intersected gold mineralization outside of the published resource area. This deposit is open along strike, down plunge to the southwest and to depth. The resource estimate envisioned a heap leach mine of the oxidized portion of the deposit, with estimated average gold recoveries of 75%.

Mineralised Zone	Mineral Resource Category	Tonnage	Average Au Grade	Au Content	Au Ounces
		t	g/t	Kg	Koz
Main	Indicated Mineral Resources	541,822	2.23	1,208	38.9
HW		61,467	2.18	134	4.3
FW1		39,176	2.54	100	3.2
FW2		9,615	0.80	8	0.2
Total Indicated Mineral Resources		**652,080**	**2.22**	**1,450**	**46.6**
Main	Inferred Mineral Resources	280,007	2.23	625	20.1
HW		5,887	2.33	14	0.4
FW1		29,641	2.87	85	2.7
FW2		1,486	0.57	1	0.0
Total Inferred Mineral Resources		**317,021**	**2.29**	**724**	**23.3**

Notes:

1. The Inferred Mineral Resources have a large degree of uncertainty as to their existence and whether they can be mined economically. It cannot be assumed that all or any part of the Inferred Resource will be upgraded to a higher confidence category
2. Gold content conversion: 1 kg = 32.15076 oz.
3. Columns may not add up due to rounding.
4. Cut-off: 0.5 g/t.
5. RD: 1.6 t/m^3 from 0 m -78 m below surface.
6. RD: 1.7 t/m^3 from 78 m -190 m below surface.
7. All figures are in metric tonnes.

Table 1. *Barani-East mineral resource statement made by Minxcon Consulting, November 2015. This resource statement was made in compliance with the specifications set out by the Canadian Code for reporting of resources and reserves as prescribed in the National Instrument 43-101.*

<u>SMSZ 2020 Exploration Program</u>

Exploration over the SMSZ Project was carried out in two phases in 2020. The initial phase commenced in December 2019 with drilling, mapping and prospecting. This work led to the discovery of new zones of gold mineralization and a better understanding of the geology of the permit area. The first phase program was completed in March with drilling completed in early January.

In late Q4, 2019/early January 2020, Desert Gold carried out a 74-hole drill program. The program consisted of 72 AC holes totalling 3,307 meters and 2 RC holes totalling 200 metres. These holes were designed to test five previously untested target areas in the Barani Gap and Soa areas, with three of the five drilled areas returning, new, drill intercepts and two of the areas returning significant drill intercepts that require follow-up.

A summary of the drill highlights from the drill program are as follows:

Barani Gap

- 3.50 g/t gold over 8 metres
- 3.07 g/t gold over 2 metres
- 3.03 g/t gold over 10 metres
- 0.57 g/t gold over 7 metres
- 0.59 g/t gold over 7 metres
- 1.35 g/t gold over 6 metres
- 6.35 g/t gold over 2 metres

Soa

- 2.04 g/t gold over 30 metres
- 2.34 g/t gold over 5 metres
- 2.52 g/t gold over 5 metres
- 2.03 g/t gold over 5 meters

Desert Gold's phase 2 planned SMSZ exploration program was successfully completed on July 29, 2020. In total, 4 core holes, 13 RC holes and 34 AC holes were completed for a total of 3,759.5 metres. As well, 1,065 auger holes were drilled for 9,557 metres. Drill highlights, from an August 31, 2020 news release comprise the following:

Barani East

- 4.76 g/t gold (3.81 g/t gold cut to 30 g/t gold) over 13.5 metres and 2.49 g/t gold over 5.1 metres

Gourbassi East

- 3.09 g/t gold over 25 metres and 2.54 g/t gold over 15 metres
- 1.66 g/t gold over 14 metres
- 1.34 g/t gold over 5 metres

Gourbassi West
- 1.02 g/t gold over 15 metres
- 1.68 g/t gold over 6 metres
- 0.75 g/t gold over 20 metres

The phase 2 drill program was carried out to test model-driven targets at Gourbassi West, Gourbassi East and Barani East zones. Significant amounts of gold mineralization were intersected at all three zones, which will require additional follow-up drilling.

Gourbassi East

Five RC and 2 core holes were drilled to test an updated mineralization model at Gourbassi East (see Gourbassi East Figure 4 for location). Four of the holes intersected significant amounts of gold mineralization. With a highlight of 3.09 g/t Au over 25 metres.

The RC drilling was successful in extending two of the mineralized trends to the south. The best results were returned from RC hole, FR-20-RC-002, which was drilled to the east to test for the southward extension of the main mineralized corridor. This hole, which was is a 75 metre south step out, intersected two intercepts of 2.54 g/t gold over 15 metres starting at 75 metres down hole and 3.09 g/t Au over 25 metres starting at 103 metres down hole. Additional drilling is required to the north and south of this intercept to better define this unexpectedly strong zone of gold mineralization. A second hole, on this drill section, FR-20-RC-003, which was drilled to the west to confirm the updated mineralization model, intersected a third, gold-bearing intercept that returned 0.71 g/t gold over 8 metres, where expected, at a vertical depth of approximately 100 metres.

FR-RC-20-001, which tested the north end of the mineralized trend, was drilled 26 metres below an intercept of 1.71g/t Au over 7 metres. One narrow intercept of 0.75 g/t Au over 1 metre was intersected near the top of the hole. A working theory indicates that this hole was drilled below the plunge of the zone.

RC hole, FR-20-RC-004, intersected 1.66 g/t gold over 14 metres starting at 42 metres and a 2nd, deeper intercept of 1.34 g/t Au over 5 metres starting from 154 metres down hole. This west facing hole was drilled to cut across a previous hole that appeared to drill partially down dip and to test a 2nd parallel lens of mineralization with a 75 metre south step out. This hole was deemed a success as it both extends and validates a parallel system of gold mineralization to the west of the initial Gourbassi East Zone discovery.

FR-RC-20-009 was drilled to test the northern strike extension of the western-most Gourbassi East gold lenses. It intersected two narrow gold zones, where expected, that returned 0.78 g/t Au and 0.66 g/t Au each over 1 metre.

Hole FR-20-DD-001, tested approximately 58 metres below intercepts of 1.96 g/t Au over 8 metres and 0.77 g/t Au over 11 metres. This hole succeeded in intersecting the two zones with weaker intercepts of 1.25 g/t Au over 1.5 metres and 0.19 g/t Au over 15 meters. This hole again supports the theory that individual gold lenses have a flat plunge and that the hole was drilled below the plunge of the higher grade portion of the zone.

Hole FR-20-DD-002, was drilled to test for parallel mineralized lenses located to the east of the main gold-bearing lens. This 280-metre-long hole intersected 10 mineralized intervals with 4 of the lenses returning assay composites greater than 0.5 g/t Au. The initial intercept returned 1.46 g/t Au over 9.3 metres (estimated 6.5 metres true thickness) from 89.9 metres. This intercept correlates with nearby intercepts of 7.29 g/t Au over 3 metres and 1.54 g/t Au over 7 metres in holes 25 metres to the north and south, respectively. This lens of gold mineralization has been traced for 175 metres along strike and is open to the north. It appears to represent a northerly-trending splay off of the central part of the north-northwest-trending Gourbassi East Zone. The 2nd strong intercept in this hole returned 2.38 g/t Au over 5.2 metres (estimated 3.6 metres true thickness) from 175.5 metres. This intercept correlates with an intercept of 5.48 g/t Au located approximately 40 meters up dip. This lens has been traced for approximately 150 metres along strike and is open to the north. The 3rd material intercept returned 1.26 g/t Au over 2.6 metres. This gold mineralization has not been modelled. The 4th intercept returned 0.91 g/t Au over 3 metres. It correlates with nearby intercepts of 2.84 g/t Au over 6 metres located 15 metres above and 2.45 g/t Au over 5 metres located 45 metres below. This mineralization appears to be part of the central part of the Gourbassi East Zone.

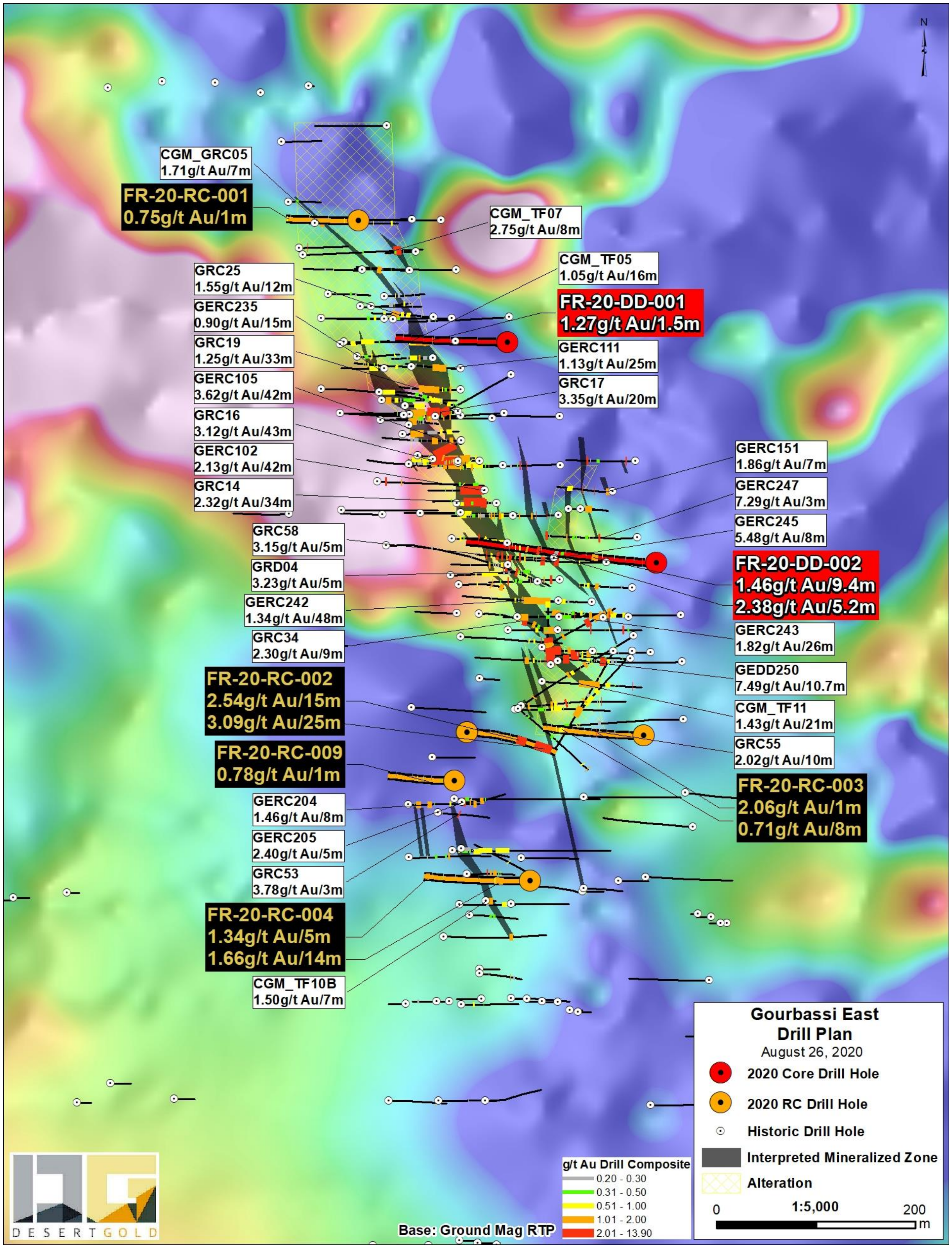

Figure 4. Gourbassi East Drill Plan

Gourbassi West

Four RC holes and 1 core hole, were drilled at Gourbassi West during the recent drill program (see Gourbassi West Figure 5 for hole locations). Three of the five holes intersected significant gold mineralization with a best intercept of 1.02 g/t Au over 15 metres.

Two of the holes FR-20-RC-005 and 006 were drilled to test the strike extension of a drill intercept that returned 3.52 g/t Au over 33 metres in hole GWRC305. Hole 006 intersected four intervals grading better than 0.5 g/t Au with the best interval returning 0.75 g/t Au over 20 metres, at a deeper than expected depth of approximately 70 meters vertical. This interval is assumed to correlate with the strong, at surface intercept in hole GWRC305. Assuming this interpretation is correct, then hole FR-RC-20-005, may have been collared too far to the east and overshot the target and hole FR-RC20-006, may have drilled below the assumed, flat-plunging, best part of the zone. Holes will be planned to test behind FR-RC-20-005 and in front of FR-RC-20-006, to intersect the zone closer to surface, to test these inferences.

Hole FR-20-RC-007 was drilled to confirm the updated geological model and to cut across a previous, assumed down-dip intercept of 1.05 g/t Au over 63 metres. This hole intersected a near surface interval that returned 1.23 g/t Au over 15 metres, where predicted, at the contact of a 75-metre wide, granitic intrusion.

Hole FR-20-RC-008 was drilled to test the southern strike extent of a modelled western lens of gold mineralization. This hole intersected two mineralized intervals which returned 1.91 g/t Au over 3 metres from 61 metres and 1.68 g/t Au over 6 metres from 110 metres. These two intercepts correlate with two sets of moderate-west-dipping mineralized lenses located 50 metres to the north. There are no holes to the south. These two lenses trend northeast and appear to be parallel to a geological structure immediately to the west of these zones.

One core hole, FR-20-DD-003 was drilled to test the northern strike extension of the central part of the Gourbassi West Zone. This hole intersected a near surface zone that returned 1.23 g/t Au over 5.7 metres but, did not intersect three other modeled lenses. It is suspected that the hole was drilled below the plunge of the zones.

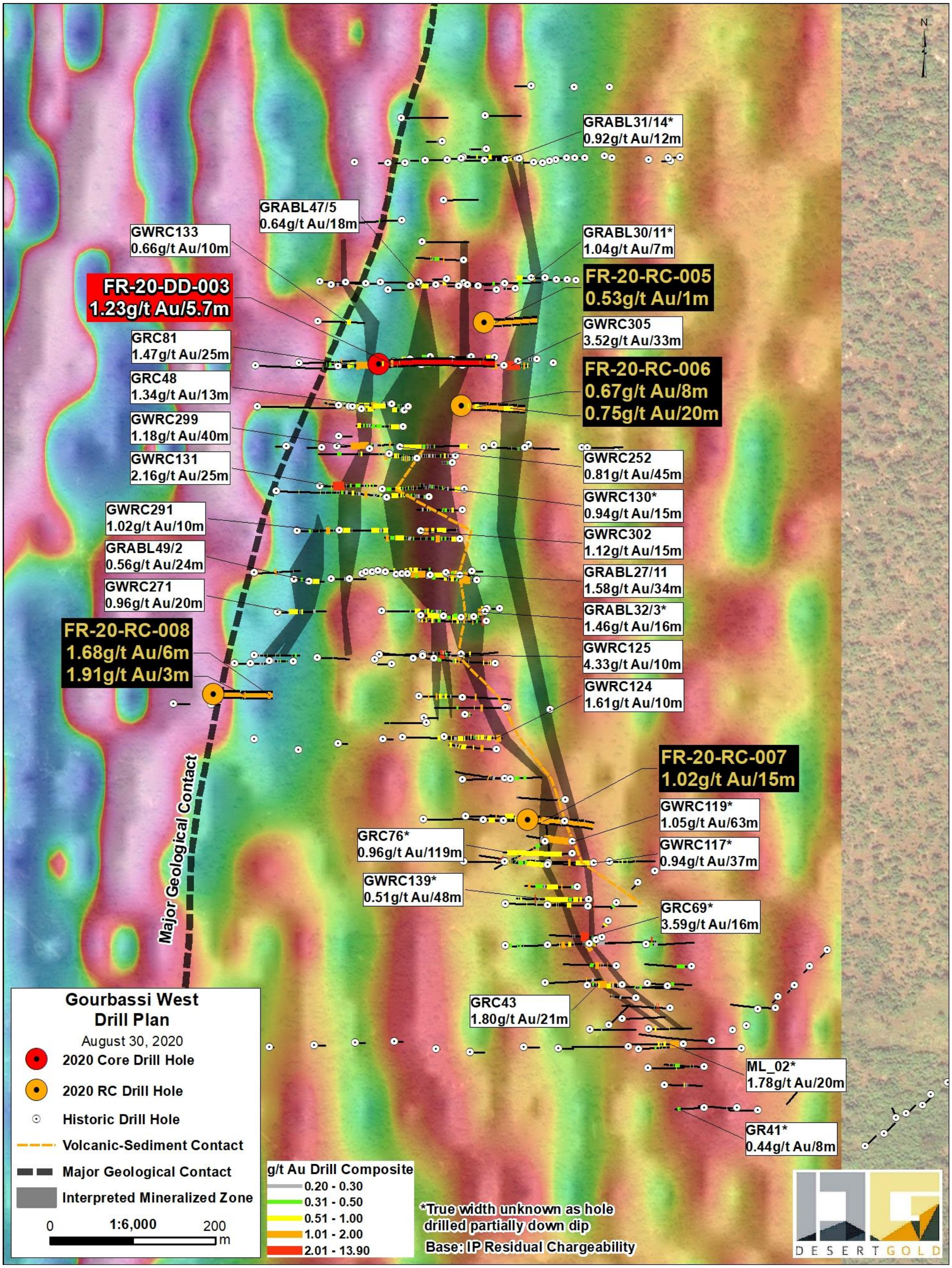

Figure 5. Gourbassi West Drill Plan

Barani East

A single core hole, and an RC hole, were drilled to further test the Barani East Zone (see Barani East Drill Plan Figure 6 and Long Section Figure 7 for hole locations). Both holes intersected significant amounts of gold mineralization with the core hole returning three, closely spaced intercepts of 0.86 g/t Au over 4 metres, 4.76 g/t Au (3.81 g/t Au cut to 30 g/t Au) over 13.4 metres and 2.49 g/t Au over 5.1 metres (true widths are estimated to be 85-90% of drilled length). These intercepts are located approximately 100 metres down-plunge of an intercept of 6.28 g/t Au over 13 metres and 50 metres up-dip of an intercept of 1.13 g/t Au over 7.5 metres (see long section Figure 6).

This limestone-hosted gold zone has been traced for approximately 450 metres down a shallow, southwest plunge and is open down plunge. Additional plunging lenses of gold mineralization are being targeted along strike to the south of this central lens. In this new area the mineralized system appears to be related to near surface, limestone-hosted, AC hole, gold intercepts of 1.36 g/t Au over 6 metres and 3.03 g/t Au over 10 metres (Figure 6), which could extend the Barani East Zone another 800 metres to the south. More drilling is required both along strike and down-plunge of the Barani East zone.

An RC hole, BERC0015, was drilled to test down plunge of an en-echelon gold-bearing lens. It intersected 0.75 g/t Au over 4 metres (Figures 6 and 7). Based on modelling, this hole just clipped the lower edge of a third, southwest plunginggold lens. Follow-up drilling is planned.

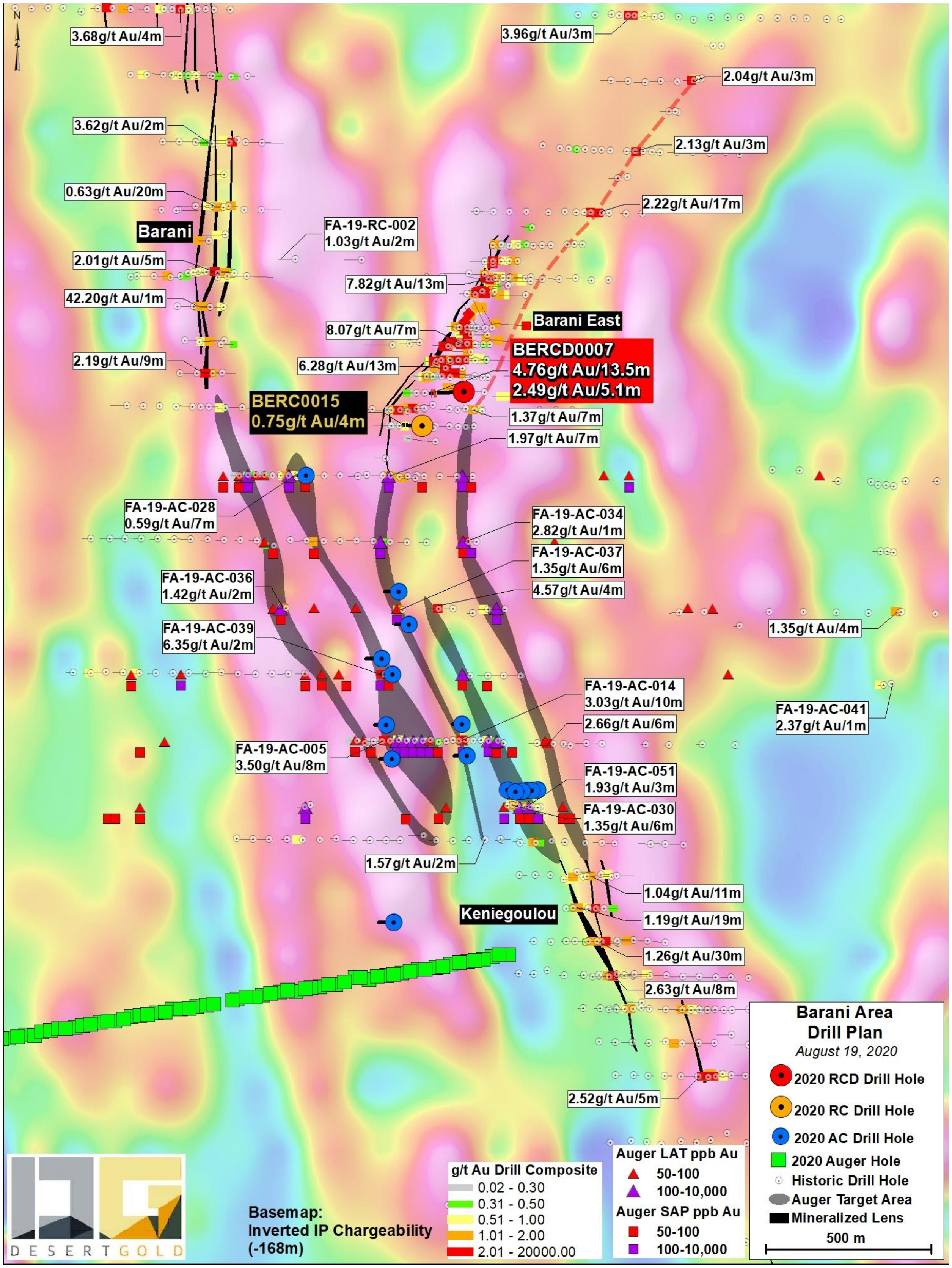

Figure 6. Barani East Drill Plan

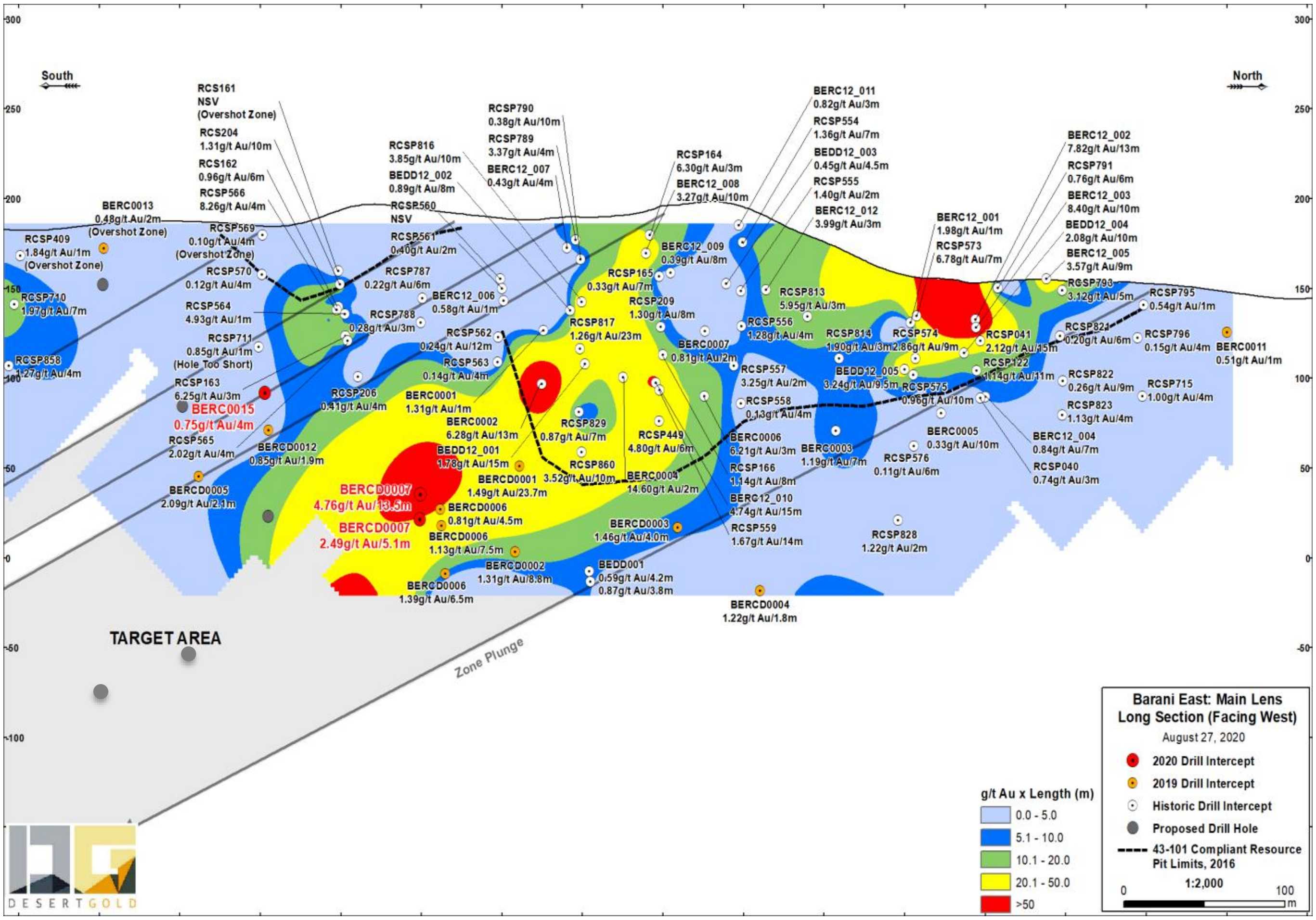

Figure 7. Barani East Long Section

On September 23, 2020, Desert Gold released the outstanding results of the Phase 2 program with AC drill and Auger results. A summary of the drill highlights* are as follows (see Figure 3 for zone locations).

Sorokoto North (new zone)

- 3.94 g/t gold over 4 metres
- 2.08 g/t gold over 5 metres
- 0.84 g/t gold over 5 metres

Barani Gap

- 2.13 g/t gold over 3 metres
- 1.24 g/t gold over 7 metres
- 0.75 g/t gold over 17 metres
- 0.95 g/t gold over 11 metres

Soa South (new zone)

- 0.89 g/t gold over 7 metres

Kolon

- 3.96 g/t gold over 3 metres (new zone)

Auger
- 10 samples > 300 ppb Au including 2,030 ppb Au, 1,527 ppb Au and 996 ppb Au, 58 auger sites >50 ppb Au

* Estimated true widths for the holes for the Barani Gap holes is 80% to 90% of the intercept width. The true width of the Sorokoto North, Soa South and Kolon Zones is unknown at this time.

<u>Next Steps</u>

As per a Desert Gold news release* on April 15,2021 exploration progress to April 11, 2021 is summarized as follows (also see Figure 8):

- **Drilling – 32% complete**. Drilling pace has picked up after a series of breakdowns with 521 metres drilled on April 11 and 5,714 metres drilled to date.

- **Auger Drilling – 92 % complete**
  - 18,121 metres drilling in 2,262 holes

- **IP Geophysical Surveys – 100% complete**
  - 90.8 line kilometres completed
  - Historic and new IP data have been merged.

- **Soil Sampling – 97 % complete**

- **Mapping and prospecting ongoing**

- **Community Support Program in progress**
  - Medical and school supplies to be donated to 9 communities in the SMSZ Project region

*This news release also summarized auger and geophysical results to date and presented an additional 85 air core holes to test the new gold-in-auger anomalies.

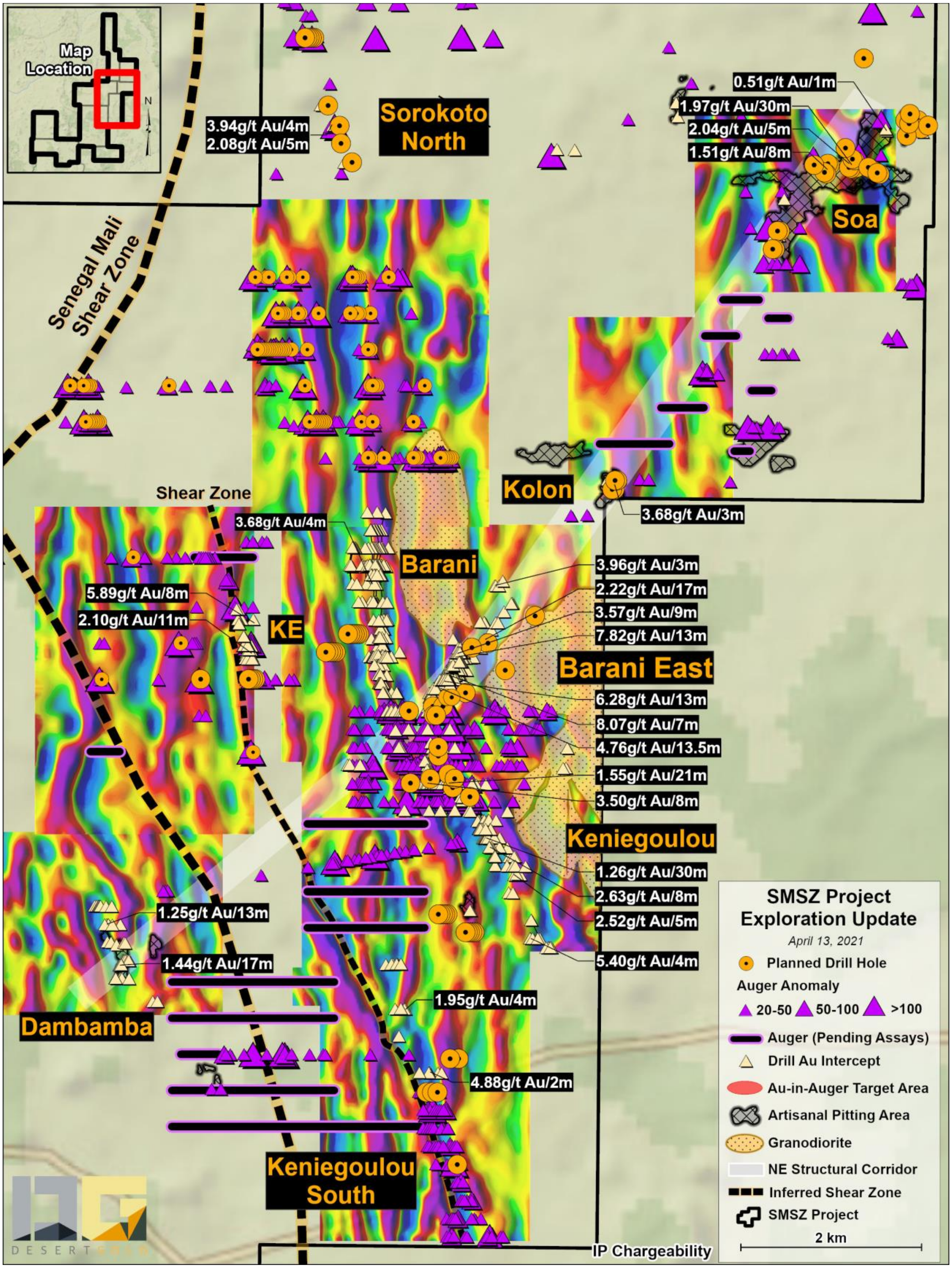

Figure 8 - Compiled IP Chargeability and summarized Gold-in-auger and summarized historic drill hole data

QA/QC Procedures

All AC samples were geologically logged following Desert Gold's established standard operating procedures.

For AC drilling, all individual samples represent approximately one-meter in length of rock chips homogenized and riffle-split to an approximately 2kg sub-samples which were sent by truck from the project site, for preparation and gold assaying at the SGS laboratories in Bamako, Mali.

Each sample (auger and AC) is fire-assayed for gold by SGS laboratories in Bamako using Au-FAA505 method, which is a 50g fire assay fusion with AAS instrument finish. In addition to SGS's own QA/QC (Quality Assurance/Quality Control) program, Desert Gold's internal quality control and quality assurance procedures included the use of certified standards (1:20-30), sample duplicates (1:20) and blanks (1:20). Sample batches that fail QAQC review, especially those with significant gold values, are re-assayed with the insertion of new standards.

Djimbala Project

The tenement, which is 100% owned by the Company, is governed by a standard Convention Minière that describes the fiscal and legal regime under which the exploration permits are granted. This Project has been optioned to Indigo Resources, who have the right to earn 100% interest in the property subject to work and cash commitments. The Company will retain a 2% net smelter royalty ("NSR") in favour of Desert Gold, where a 1% NSR could be bought out at any time for USD $1 million by Indigo.

The expiry date of the Djimbala permit was December 30, 2018. Desert Gold paid the concession renewal Convention fees on May 28, 2019 and on October 28, 2019, the Company received the Djimbala Arete. As soon as the arete is issued, the company can assume that that they have the right to the property for an initial 3 years, followed by two, 2-year renewals.

Djimbala is located 220 km south of Bamako and covers an area approximately 100 km^2. The permit is situated in the Yanfolila gold belt and is surrounded by a significant number of active gold prospecting permits including Hummingbird's Komana gold project (Figure 9) and lies north, along strike of the Kodieran Mine and Endeavour's high grade Kalana Project.

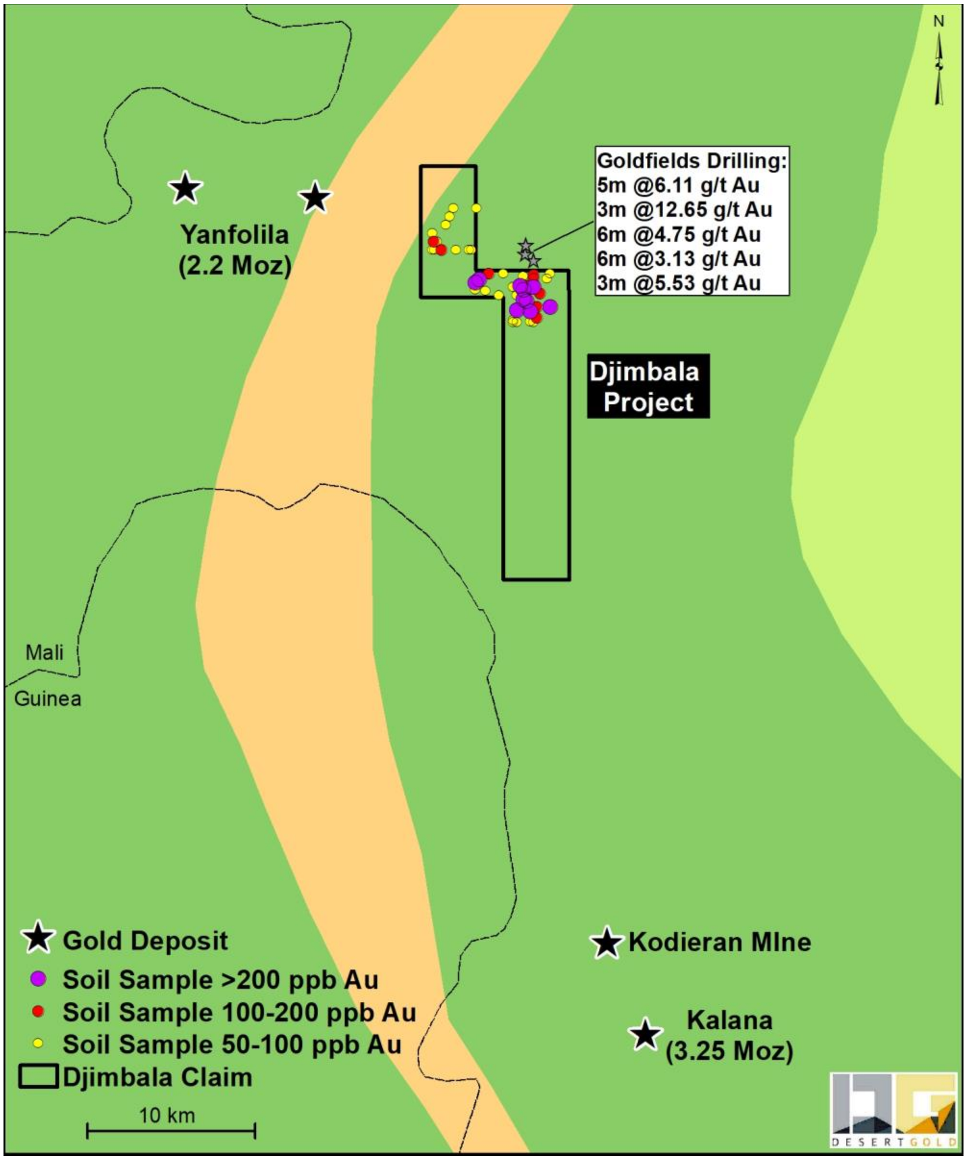

Figure 9: Location Plan of Djimbala Project

A small soil sampling program was completed over part of the permit with positive Au anomalies coinciding with possible favourable mineralised structures. Four northerly trending, gold in soil anomalous zones have been defined mimicking the regional structural trend. Also, several active artisanal workings are located within the permit confirming Au mineralisation. The anomalies, regionally, correlate well with the extension of Faliko Fodela mineralised structures drilled by Gold Fields, immediately to the north of the property. Additional soil samples had been collected over the northwest corner of the project, and, returned some anomalies that should be followed up in the field.

In early 2021, a 602 hole, approximate 4,700 metre auger drill program was carried out by Indigo. This work, as per the Indigo news release dated March 8, 2021, further defined the anomalous gold trends in the Property (see image below).

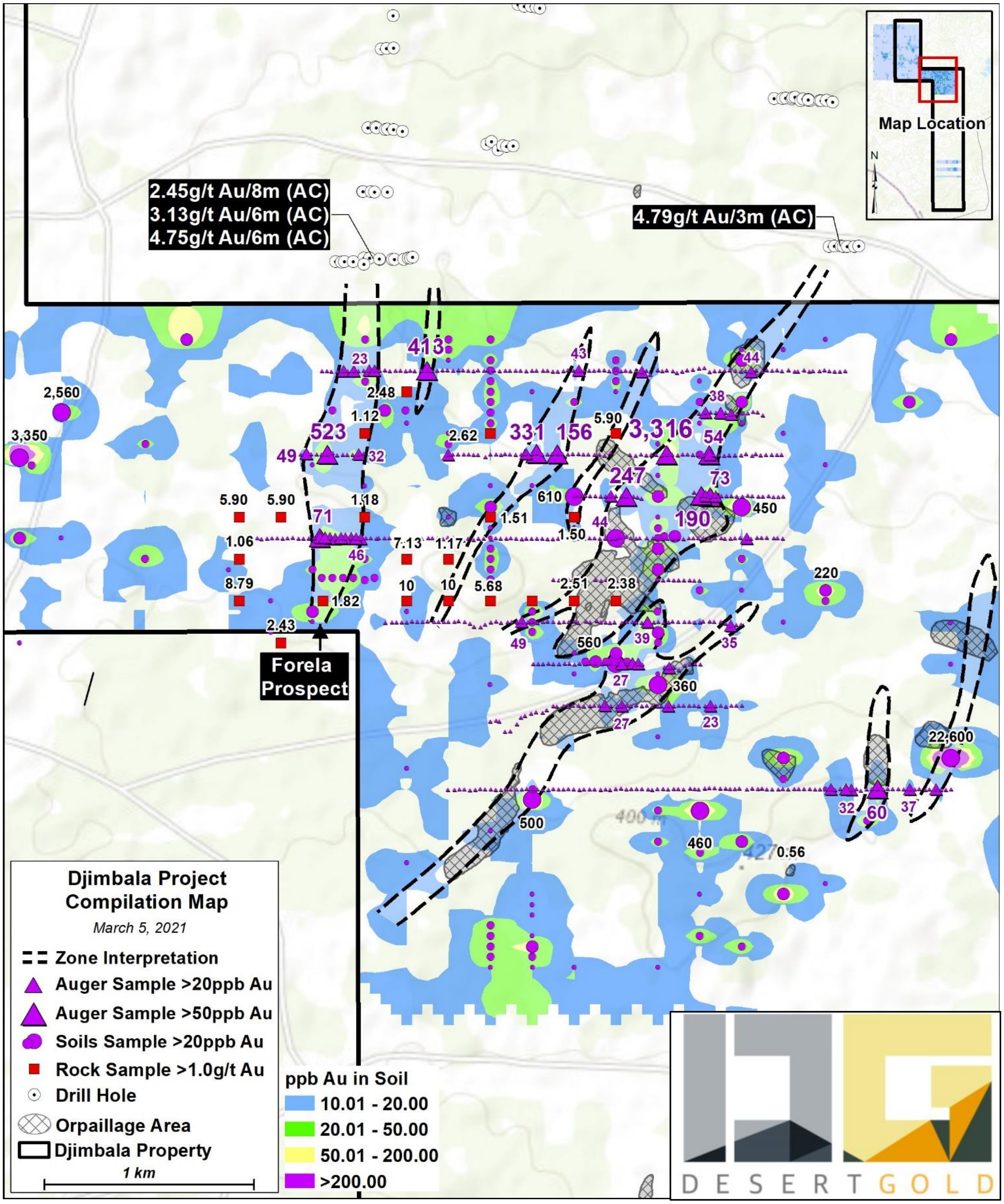

Figure 10: Djimbala Soil and Auger Results Compilation

Next Steps

Indigo is planning to test some of the gold-in auger and gold-in-soil trends with a series of AC holes in Q2, 2021.

GHANA

Anumso Project*

*(description report by Simon Meadows Smith and Paul Klipfel – Technical Report on the Anumso Project, August 2016)

The Anumso Project was acquired through the transaction with Ashanti. This project is located approximately 60 km south of Kumasi (Figure 11) along the north eastern margin of Ghana's Ashanti Gold Belt. The Anumso Project comprises the 29.63 km^2 Anumso Mining Lease, which is made up of two blocks on either side of the Pra-Anum Forest Reserve.

Figure 11. Anumso Project Location

The Company has earned 51% interest of the Anumso Project through an option agreement with Goldplat PLC

The Anumso Project straddles the northeastern margin of the Ashanti Belt. Most of the Property is underlain by Tarwaian rocks which consist of a thick sequence of sandstones, conglomerates and phyllites. Two mineralized conglomerate horizons (the western conglomerate and eastern conglomerate) have been identified within the Blanket quartzites trending in a northeast-southeast orientation through the central portion of the Mining Lease. These conglomerates are similar to those mined by Goldfields and AngloGold Ashanti in Tarkwa. Historic underground mines occur along strike of the western conglomerate horizon.

The sheared boundary between the Tarkwaian and Birimian liers within the Anumso Mining Lease close to the lease's eastern boundary. The Newmont Akyem Gold Mine lies on the same structure 15 km to the northeast of the Anumso Mining Lease.

In 2012, Goldplat, part owners of the concession, commissioned a resource estimate of the property with IRES, South Africa. This historic resource estimate, comprising measured and indicated mineral resources of 76,000 ounces gold grading 1.75 g/t gold and inferred mineral resources of 175,000 ounces gold grading 1.11 g/t gold, has not been validated by Desert Gold and is only presented here for historic reference purposes.

Desert Gold has decided not to renew the mining lease. The current resources and associated yearly fees, do not support the initiation of mining activities. A significant amount of exploration would be needed before any decision to advance the project to mining could be made.

RWANDA

The company originally had 100% ownership of Exploration Permit No 107/16.03/05 issued on November 13, 2007, referred to as the Byumba prospect. Byumba had a surface extent of approximately 90,119 ha. In 2016, the concession was reduced to a 375Ha mining permit, Rutare. Rutare its located 20 km north of the capital city of Kigali, easily accessible by road. The prospect lies in the Central African Kibaran Orogen, which hosts gold resources of more than 10 million ounces of gold in the nearby South Kivu Province of the DRC. Exploration started in 2007, comprising a grass root exploration programme over both the Rutare area and the relinquished Rusizi prospect. Following initial soil geochemistry, a 3.5 km linear north-northwest trending gold anomaly was discovered over the Rutare Zone (Figure 10).

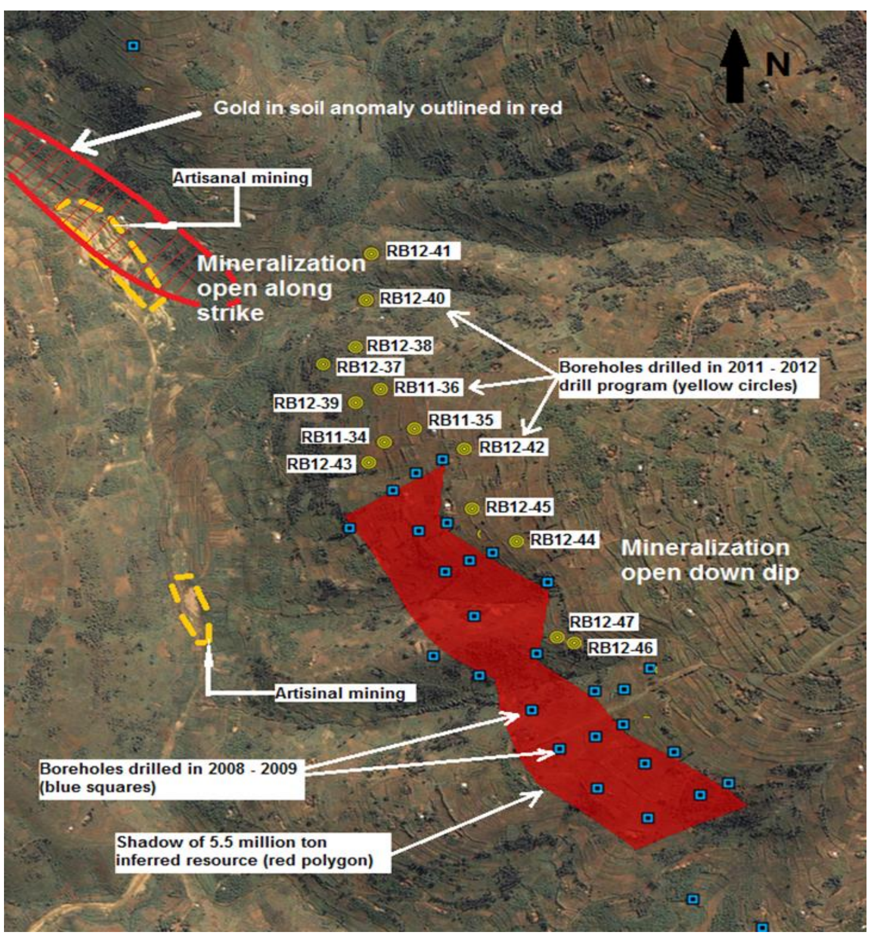

Figure 12: Drill Plan showing drilling completed to date over the Rutare Zone. Red polygon and blue squares outline the initial resource and drilling. Yellow circles show the location of the second phase of drilling. Areas of artisanal mining activities are shown by the yellow dashed lines.

Diamond drilling on this geochemical anomaly led to the discovery of a significant resource. Drilling continued over the initial discovery to define a non-constrained, NI 43-101 compliant inferred resource estimate of 265,000 oz Au contained in 5,551,000 tonnes at an average grade of 1.48 g/t Au (February 6, 2012). A second phase of exploration tested the gold mineralisation along strike to the north and down dip extent. This drilling programme confirms the mineralisation to be continuous northward and to depth.

On December 13, 2016 the Rwandan government issued Desert Gold a commercial gold mining license. Below are the main points regarding the license.

- The new title under the exploitation license will be named Rutare
- The mining license is valid for a period of 10 years with an option to renew
- The Rutare permit covers an area of 375 ha, encompassing the known gold mineralisation
- The mining permit is located a two-hour drive from the capital Kigali accessible by paved highway

Under the Rwanda Mining Code, Desert Gold was to commence production within 3 years of the grant. However, Desert Gold has decided not to advance the project as currently defined and, has requested, in writing on July 1, 2020, for a significant enlargement of the mining concession. A response is pending re-opening of government offices once Covid restrictions are relaxed.

SELECTED ANNUAL INFORMATION

	2020	2019	2018
	$	$	$
Total Revenue	-	-	-
Loss from operations	2,723,056	7,426,197	1,795,600
Loss per share, basic and diluted	0.02	0.11	0.05
Total Assets	4,033,105	263,747	171,340
Total non-current financial liabilities	-	-	-
Dividend declared per share	-	-	-

The Company is in the business of acquisition and exploration of resource properties. The Company does not have any production properties and has not had revenue since inception. The losses in each year are results of the combination of incurring exploration and administrative expenditures, and incidental events like impairment or share-based compensation. The Company had a larger than usual loss in 2019 as a result of acquisition of various mineral properties. In accordance with the Company’s accounting policies, the Company expensed the cost of such acquisition as prospecting right and exploration expenditures. There were no acquisitions of resource properties in similar magnitude in other years.

SUMMARY OF QUARTERLY RESULTS

Following are the Company’s quarterly information of the Company’s most recent eight quarters ended on:

	2020			
	31-Dec	30-Sept	30-Jun	31-Mar
	$	$	$	$
Revenue	-	-	-	-
Net loss	(845,004)	(768,571)	(764,094)	(345,387)
Loss per share, basic and diluted	(0.01)	(0.01)	(0.01)	(0.00).

	2019			
	31-Dec	30-Sep	30-Jun	31-Mar
	$	$	$	$
Revenue	-	-	-	-
Net loss	(2,018,771)	(4,490,943)	(552,987)	(363,496)
Loss per share, basic and diluted	(0.03)	(0.06)	(0.01)	(0.01)

The Company is in the business of exploration and development of resource properties; thus, the income and loss are not subject to seasonal fluctuations. The fluctuation of the Company's earnings (loss) is directly related to the amount of exploration work done in each quarter as well as the occurrence of incidental events such as disposition of the Company's assets or issuance of stock options to employees and consultants. Losses in the quarters ended March 31, 2019, and March 31, 2020 were lower compared to other quarters as the Company's exploration activities were less during these periods. Management expects the Company's quarterly results may fluctuate in the future with the amount of actual exploration done and with the occurrence of any incidental events (eg. acquisition of mineral interests) that may happen in the future.

DISCUSSION OF OPERATIONS

Years ended December 31, 2020 and 2019

	2020	**2019**	**2020-2019**
	$	$	$
Amortization	30,998	16,825	14,173
Investors and shareholders relationship *(i)*	156,859	80,242	76,617
Office and administration	15,009	24,168	(9,159)
Professional and consulting fees	419,964	360,782	59,182
Prospecting rights and exploration *(ii)*	1,816,585	6,295,981	(4,479,396)
Rent	42,373	30,184	12,189
Share-based compensation *(iii)*	215,856	393,568	(177,712)
Transfer agent and listing fees	60,093	151,004	(90,911)
Travel *(iv)*	-	63,597	(63,597)
Loss before the following:	(2,757,737)	(7,416,351)	4,658,614
Change in fair value of marketable securities	(7,455)	-	(7,455)
Gain on extinguishment of accounts payable and note payable *(v)*	59,863	-	59,863
Foreign exchange *(vi)*	(17,727)	(9,846)	(7,881)
Net loss	(2,723,056)	(7,426,197)	4,703,141

(i) The Company incurred more expenditures in 2020 to communicate with investors and potential investors. As a result, investor and shareholders relationship increased in 2020.

(ii) The Company acquired Ashanti Gold Corp in 2019 by issuing shares as the proceeds for acquisition. The Company expensed the acquisition proceeds of $4 million as exploration expenditures in accordance with the Company's accounting policies.

In addition, the Company's exploration programs in 2020 was much more extensive and comprehensive than that in 2019. As a result, the exploration and expenditure in 2020 was higher.

(iii) Share-based compensation has changed from time to time depends on the timing of options granted and vested.

(iv) Due to the travel restriction arising from Covid-19, travel expense in 2020 decreased.

(v) Gain on accounts payable write off and settlement of promissory note are incidental and non-recurring.

(vi) The Company borrowed $110,000 in March 2020. This debt financing had an interest of 10% per annum plus a one-time finance charge of $10,000. The Company did not have borrowing during the same period of 2019. As a result, the finance charge incurred during the current nine-month period is higher.

With respect to the assets and liabilities on the balance sheet, the major movements from the last year end is an increase of cash by $3.7 million (2020 - $3,910,341; 2019 - $204,379)

During 2020, the Company received approximately $6 million from issuing shares for private placement, exercise of warrants and options. The Company used the fund to finance its working capital and day to day operations.

The Company expects to incur more exploration expenditure and other operating expenses in 2021 for resource properties in Mali.

Three months ended December 31, 2020 (the "Fourth Quarter") and 2019

Three months ended December 31,	**2020**	**2019**
Amortization	13,448	(737)
Investors and shareholders relationship	20,929	(6,082)
Office and administration	(641)	(13,221)
Professional and consulting fees	100,776	87,858
Prospecting rights and exploration	561,052	1,504,847
Rent	26,080	15,296
Share-based compensation	2,106	258,128
Transfer agent and listing fees	32,583	128,925
Travel	(11,330)	39,543
Loss before the following:	(745,003)	(2,014,557)
Change in fair value of marketable securities	(22,395)	-
Reversal of gain on extinguishment of accounts payable recorded in previous quarters	(76,155)	-
Foreign exchange	(1,451)	(4,214)
Net loss	(845,004)	(2,018,771)

The quarter to quarter variation of these operating expense has the same trend as the annual performance comparison.

LIQUIDITY AND CAPITAL RESOURCES

On December 31, 2020, the Company had a working capital of $3.56 million. However, the Company may still need to raise more financing to meet its long term business objectives. While the Company has a history of financing its operation through debt or equity financing, there are no guarantees that the Company can do so in the future.

The Company is not subject to external capital commitments.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet transactions.

TRANSACTIONS WITH RELATED PARTIES

a) Transactions with key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers. The aggregate values of transactions relating to key management are as follows:

	2020	**2019**
Consulting fees	$ 342,111	$ 297,906
Rent	17,891	-
Share-based compensation	$161,243	$ 311,552

b) Balances due to related parties:

Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment. The Company's accounts payable and accrued liabilities included the following balances owing to related parties.

Due to Related parties	**Nature**	**2020**	**2019**
Chief executive officer	Consulting fees	$ 8,273	$ -
A company related to a director	Rent	8,798	-
Chief financial officer	Consulting fees	4,414	3,080
Directors	Consulting fees	39,540	4,244
		$ 61,025	$ 7,324

PROPOSED TRANSACTIONS

The Company does not have proposed transactions that may materially affect the Company to disclose.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has not changed its risk management since the recent year ended December 31, 2019.

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's approach to managing liquidity risk is to ensure as far as possible that it will always have sufficient cash on demand to meet its liabilities when they fall due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation.

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

Interest rate risk
As at December 31, 2020, 2020, the Company did not have any significant exposure to the risk of changes in market interest rates as the Company does not have financial instruments subject to variable interest rate.

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities

The potential concentration of credit risk consists mainly of cash and other receivables. The Company limits its counterparty exposures from its cash by only dealing with well-established financial institutions of a high quality credit standing. The maximum exposure to credit risk is represented by the carrying amount of each financial asset on the statement of financial position.

At the reporting date the majority of the Company's cash resources were deposited with reputable established financial institutions. As a result, management believes the Company is not exposed to significant credit risk due to the credit worthiness of these counterparties.

Foreign currency risk
Foreign currency risk arises from holdings of financial assets and liabilities in currencies other than the function currency to which they relate. The Company has not hedged the foreign currency risk.

FINANCIAL INSTRUMENTS

Financial instruments included in the statement of financial position are as follows:

	December 31, 2020	December 31, 2019
	$	$
Cash (amortized cost)	3,910,341	204,379
Marketable securities (FVTPL)	47,125	-
Trade payables (amortized cost)	262,230	283,012

Fair value
At the respective reporting dates, all of the Company's financial instruments had maturities less than one year. As a result, the carrying amount of cash and accounts payable approximated their fair values due to their short-term maturities.

SIGNIFICANT ACCOUNTING POLICIES

Refer to Note 2 to the Company's audited consolidated financial statements for the year ended December 31, 2020. The Company has not adopted new accounting policies since its last year ended December 31, 2020.

SHARE DATA

As of the date of this MD&A, the Company has 137,941,173 common shares outstanding.

RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including, but not limited to, environmental, political, financing, and economic risks.

The Company has no significant source of operating cash flow and no revenues from operations. The Company has not yet determined whether its mineral properties contain mineral reserves that are economically recoverable. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves. There is no guarantee that the Company will be able to contribute or obtain all necessary resources and funds for the exploration and exploitation of its permits, and may fail to meet its exploration commitments.

The Company has options to earn an interest in multiple properties, however, all are in the exploration stage, are without known bodies of commercial mineralization, and have no on-going mining operations. Mineral exploration involves a high degree of risk and few properties which are explored are ultimately developed into producing mines.

Exploration of the Company's mineral properties may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company faces a number of risks in its efforts to conduct its exploration activities and to conduct business, including those described below.

Mining Industry

The mineral exploration business is risky, and most exploration projects will not become mines. The Company may offer an opportunity to a mining company to acquire an interest in a property in return for funding all or part of the exploration and development of the property. Major expenses may be required to establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a site. For the funding of property acquisitions and exploration that the Company conducts, the Company depends on the issue of shares from treasury to investors. These stock issues depend on numerous factors including a positive mineral exploration environment, positive stock market conditions, a company's track record, and the experience of management.

It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on many factors, some of which are the attributes of the deposit, such as size, grade and proximity to infrastructure, as well as
metal prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of ore, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

Government Regulation

The exploration activities of the Company are subject to various federal, provincial and local laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substance, and other matters. Exploration activities are also subject to various federal, provincial and local laws and regulations relating to the protection of the environment. These laws mandate, among other things, the maintenance of air and water quality standards, and land reclamation. These laws also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste.

Although the Company's exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Whenever possible, agreements are signed directly with governments and periodic assessment of the political situation in countries where we operate keeps management up to date on factors that may affect our operations.

The Company may operate in foreign countries where government regulation is subject to change without notice which could have an adverse effect on operations, if the government were to impose taxes or duties that were excessive or unexpected the Company may be unable to meet the obligation to pay such costs and it could result in a slow down or ceasing of operations either temporarily or permanently.

Title, Permits, Licenses and Mineral Rights

The exploitation and development of mineral properties may require the Company to obtain regulatory or other permits and licenses from various governmental licensing bodies. There can be no assurance that the Company will be able to obtain and retain all necessary permits and licenses that may be required to carry out exploration, development and mining operations on its properties.

To increase the security of mining tenures where we operate, we have engaged a mineral rights lawyer to ensure compliance with mining laws and regulations in Rwanda, Mali. He looks after Desert Gold's interests and compliance is reviewed monthly by executive management and legal opinions have been obtain regarding security of tenure and compliance for all material permits of the group. Continuous interaction with the relevant departments in countries of operation in regard to permit compliance and administration further reduces risk of loss of tenure.

Although the Company has obtained title opinions with respect to certain of its properties, there may still be undetected title defects affecting such properties. Accordingly, such properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects which could have a material adverse impact on the Company's operations.

Environmental Risks and Hazards

All phases of the Company's mineral exploration operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present, which have been caused, by previous or existing owners or operators of the properties. The Company may become liable for such environmental hazards caused by previous owners and operators of the properties even where it has attempted to contractually limit its liability. Government approvals and permits are currently, and may in the future be, required relating to the Company's operations. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, 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 mining operations may be required to compensate those suffering loss or damage because of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

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

Production of mineral properties may involve the use of dangerous and hazardous substances such as sodium cyanide. While all steps will be taken to prevent discharges of pollutants into the ground water the environment, the Company may become subject to liability for hazards that cannot be insured against.
However, the potential for environmental damage is limited during the exploration phase, and a policy of minimal environmental damage has been adopted; consultants have been appointed in Rwanda to conduct detailed environmental impact studies and assessments with no concerns having been identified thus far, and local environmental management programs will ensure compliance with applicable regulations.

Social & Security
Our reputation and credibility may be damaged if we fail to manage social responsibility expectations and commitments to local, governmental and media stakeholders. Factors influencing the risk are population density, level of education and the security situation in the operating countries.

We take a proactive approach to managing social develop and engage in government and community relations in the areas in which we operate, and we provide for social responsibility projects in our budgeting.

Commodity Prices
The profitability of mining operations is significantly affected by changes in the market price of gold and other minerals. The level of interest rates, the rate of inflation, world supply of these minerals and stability of exchange rates can all cause significant fluctuations in base metal prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The price of gold and other minerals has fluctuated widely in recent years, and future serious price declines could cause continued commercial production to be impracticable.

Depending on the price of gold and other minerals, cash flow from mining operations may not be sufficient. Any figures for reserves presented by the Company will be estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Market fluctuations and the price of gold and other minerals may render reserves uneconomical. Moreover, short-term operating factors relating to the reserves, such as the need for orderly development of the ore bodies or the processing of new or different grades of ore, may cause a mining operation to be unprofitable in any accounting period.

Foreign Currency Risk
The Company operates in foreign countries and is subject to foreign currency exchange rates and fluctuations which may have an impact on our future costs or on future cash flows. The economies of some of the countries in which we have operations may be subject to high rates of inflation which could adversely affect our financial situation. Funds will be invested in currencies to match the currency profile of forecast expenditure, considering currency and interest rate movements and we maintain excess funds in Canadian banking institutions.

Event and Uninsured Risks
The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include environmental pollution or other hazards against which such corporations cannot insure or against which they may elect not to insure. The occurrence of an abnormal event resulting in damage to assets may occur, however, the potential for environmental damage is limited

during the exploration phase and local environmental management programs will ensure compliance with applicable regulations.

Internal Control (Fraud)

The Company may be subject to internal risk of financial loss due to fraud or theft; the risk is limited by stringent treasury control over the funds available in each jurisdiction, and the adoption of policies, compliance monitoring by management, and low staff complement reduces the risk of collusion.

Reliance on Key Personnel

The Company does not carry insurance on its key personnel and the loss of any one of its directors or officers could have an adverse effect on the Company's operations. The Company has only one qualified person on its team, as that term is defined in NI43-101, on whom they rely to review and oversee the exploration program and as such, the loss of such person could result in a setback from which the Company may not be able to recover. The Company has a nominating and governance committee whose role includes maintaining lists of suitable candidates to fill such vacancies should they arise.

Conflicts of Interest

Certain of the directors of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Operational Performance

While the Company strives to execute its program as planned, execution may not comply, incurring delays and additional cost due to productivity and climatic factors. We monitor productivity of operations through weekly and monthly reporting from country offices and contractors to evaluate progress and ensure programs are on track, experienced geologists are appointed to head exploration programs, and countries with extreme weather conditions are recognized as a risk to operational performance and planning acknowledges the risk.

Safety & Health in the Workplace

The Company operates in jurisdictions where health risks may exist and may operate in remote camps with limited access to emergency services. The mining industry has inherent risks and injuries or disease to personnel in operational jurisdictions may lead to liabilities for the Company. We conduct risk assessments and promote safe practices on site through instruction, written safety management systems where applicable, and contractual obligations to comply with health and safety regulations. As activity increases there is provision to put in place a group health and safety manager to lead and monitor compliance.

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

The management of the Company is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. Management is also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's condensed consolidated interim financial statements.

The management of the Company has filed the Venture Issuer Basic Certificate on SEDAR at www.sedar.com. In contrast to the certificate required for non-venture issuers under National Instrument

52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.