

TEMBO GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE SIX MONTHS ENDED JUNE 30, 2022

This discussion and analysis of financial position and results of operations is prepared as at August 29, 2022, and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the six months ended June 30, 2022 of Tembo Gold Corp. ("Tembo" or the "Company"). The following disclosure and associated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management's discussion and analysis ("MD&A") are quoted in Canadian dollars.

Forward-Looking Statements

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated exploration programs and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, capital and other costs varying significantly from estimates, changes in world metal markets, changes in equity markets, planned drill programs and results varying from expectations, delays in obtaining results, equipment failure, unexpected geological conditions, local community relations, dealings with non-governmental organizations, delays in operations due to permit grants, environmental and safety risks, the Company's ability to identify one or more economic deposits on its properties, to produce minerals from its properties successfully or profitably, to continue its projected growth and to raise the necessary capital or to be fully able to implement its business strategies.

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

All of the Company's public disclosure filings, including its annual information form, technical reports, management information circular, material change reports, press releases and other information, may be accessed via www.sedar.com or the Company's website at www.tembogold.com and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

COVID-19

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses were being forced to cease or limit operations for long or indefinite periods of time. Global stock markets have also experienced great volatility. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Company has been monitoring the COVID-19 outbreak and the potential impact at its operations and has put measures in place to ensure the wellness of all its employees and surrounding communities where the Company works while continuing to operate. Fieldwork was halted on the Tembo Project prior to and through the worst of the pandemic and all corporate personnel travel was restricted to absolute minimum requirements and employees worked remotely. Monitoring of the situation in Tanzania will continue.

With respect to the Company's operations or work locations in Tanzania, the Company has implemented the typical control measures for dealing with outbreaks of COVID-19. These include self-screening for symptoms and travel history with possible COVID-19 exposure of any employees, visitors and contractors (site personnel) prior to any

travel to or from a site and isolation, where necessary, from the general site population. These cautions and precautions rely on voluntary information and voluntary compliance of those working directly or indirectly for the Company. The Company expects that procedures will continue to evolve according to the World Health Organization and Center for Disease Control guidelines as more becomes known about the virus.

Company Overview

Tembo is a junior mineral development company conducting activities in the East African country of Tanzania. The Company's principal business activity is the acquisition, exploration and development of mineral properties. The principal area is located in the Lake Victoria goldfield where extensive surface exploration has been carried out on the Tembo Project. The Company has not yet determined whether these properties contain economically recoverable ore reserves and Tembo is therefore still an exploration stage company.

The Company's main asset is the Tembo gold property (the "Tembo Project"). Until recently, due to a lack of funding, the Company was constrained to making property payments, maintaining its prospecting licenses and license applications, maintaining its corporate standing in Tanzania and Canada, maintaining its exploration field base, and conducting limited exploration activities on the Tembo Project. The Tembo Project originally consisted of seven prospecting licences located in northwest Tanzania. On December 7, 2021 the Company and Barrick Gold Corporation and Bulyanhulu Gold Mine Limited (collectively "Barrick") entered into an asset purchase agreement (the "Sale Transaction") whereby the Company agreed to sell to Barrick six of its non-core prospecting licences (the "Non-core Licences") in the Tembo Gold Project for an agreed amount of US \$6,000,000. On April 22, 2022 the Company closed on the Sale Transaction and received net proceeds of US \$4,209,118, representing the US \$6,000,000 sale price less US \$1,790,882 for capital gains tax remitted to the Tanzanian government. The Company also paid legal and filing costs totalling \$38,279 and a finder's fee of \$300,000 and, accordingly has recognized net proceeds of \$5,016,796 as a credit to capitalized exploration and evaluation assets.

Barrick also agreed to conduct minimum exploration expenditures totalling US \$9,000,000 (the "Expenditure Commitment") on the Non-core Licences, as follows:

Date	US \$
First year after closing	1,000,000
Second year after closing	2,000,000
Third year after closing	3,000,000
Fourth year after closing	3,000,000
	<u>9,000,000</u>

Any underfunded exploration work commitment may be made up in the following years. In the event that the Expenditure Commitment is not funded by April 22, 2026, then Barrick must pay the Company the deficiency.

Barrick also agreed to pay the Company contingent payments ("Contingent Payments"), calculated based on the inferred, indicated and measured gold mineral resources ("Mineral Resources") identified on the Non-core Licences, as follows:

- (i) US \$20 per ounce for the initial 1,000,000 ounces of Mineral Resources;
- (ii) US \$10 per ounce for the second 1,000,000 ounces of Mineral Resources; and
- (iii) US \$5 per ounce for the remaining ounces of Mineral Resources,

for a total maximum aggregate of US \$45,000,000.

The Company has deposited \$672,862 (US \$522,865) in escrow in respect of taxes which may be paid in respect of any Contingent Payments received on or before April 22, 2027, after which any remaining deposit balance will be returned to the Company.

Concurrent with the closing of the Sale Transaction, the Company also completed a private placement (the "Barrick Private Placement") and issued 5,518,764 common shares of the Company to Barrick for \$1,500,000 cash.

On August 22, 2022 the Company filed its annual information form for the year ended December 31, 2021 which is available for viewing under the Company's profile on www.sedar.com.

The Company is currently a reporting issuer in British Columbia, Alberta and Ontario. The Company's shares trade on the TSX Venture Exchange ("TSXV") under the symbol "TEM" and on the Frankfurt Exchange under the symbol "T23". The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia.

Board of Directors and Management

As of the date of this MD&A the Company's board of directors and officers are as follows:

David Scott	- Director, President and Chief Executive Officer ("CEO")
Simon Benstead	- Director, Chief Financial Officer ("CFO") and Vice-President Corporate Development
Marc Cernovitch	- Director
Frank Hogel	- Director
Nick DeMare	- Corporate Secretary

Exploration Activities

As of the date of this MD&A, the Company's main asset is the one remaining licence of 32km² on the Tembo Project located in northwest Tanzania. The Company's wholly owned subsidiary, MIPC, is the sole owner of this licence. The main Tembo project area is located directly northwest of and adjacent to Barrick Gold's Bulyanhulu Mine.

The Tembo Project is situated in the Lake Victoria goldfield in the prospective geological terrane of the Sukumaland greenstone belt, an Archean age succession of volcanic and sedimentary rocks that have been intruded by a variety of Archean granitic plutons as well as younger dolerite dykes and possible kimberlite intrusions. The geology that is host to Barrick's Bulyanhulu Mine trends directly into the Tembo Project area, including the main structure on which the Reef 1 and Reef 0 orebodies are developed.

On August 31, 2012, a NI 43-101 technical report on the Tembo Project, effective date July 31, 2012, was filed and on August 22, 2022 an update of this report titled "NI 43-101 Technical Report On The Tembo Gold Project, The United Republic Of Tanzania" with an effective date of June 2022 was filed on SEDAR and is available for viewing under Tembo's profile on www.sedar.com or the Company's website at www.tembogold.com.

The Technical Report recommends that a staged gold focused exploration program consisting of trenching, mapping and drilling be implemented in order to test the Ngula 1 target and the numerous other gold anomalous zones on the property. This remains Tembo's goal with future positive drilling results determining further expanded drilling programs.

Prior to 2009, high resolution airborne magnetics, extensive percussion rotary air blast drilling ("RAB") drilling and surface soil sampling, mapping, and limited reverse circulation "RC" and diamond drilling "DD" was conducted and resulted in the definition of a number of target areas. During 2011 the earlier work was followed up by a light detection and ranging "LiDAR" survey and field mapping which provided a high-resolution colour ortho-photograph and an accurate digital elevation model allowing the location and extent of artisanal mining, both current and historical, to be determined and mapped. The historical work and the follow up allowed the targets to be confirmed and refined and on this, an extensive targeted drilling program was designed on seven targets (Ngula 1, Ngula 2, Nyakagwe East, Nyakagwe Village, Buly, Mgusu, Iyenze).

During Q4/2020 the Company signed a cooperation agreement with GoldSpot Discoveries Corp. ("Goldspot"). In terms of this agreement GoldSpot applied the experience and knowledge of their team of multidisciplinary geoscientists and data scientists and artificial intelligence computing technology to re-interpret all available data within the Tembo licences and the goldfield area in proximity to the Tembo Project. GoldSpot has provided a final report and following the re-interpretation and study recommended favourable new targets and proposed follow-up work programs. To date these studies have identified and prioritised 54 targets and exploration planning of the existing and the new targets is underway.

No exploration activities have been undertaken since 2015 pending financing. As a result of the sale of the non-core licences, Tembo can now once again deploy drill rigs on the project. A programme totaling 7,500m is planned, with an initial 2,850m beginning in the next month on the Ngula 1 target. The drilling will aim to define the structures controlling mineralization in previous well mineralized intersections, and then to follow these zones on dip and strike to enable resource modeling once sufficient drill coverage has been achieved. A drill rig was mobilized to the site and drilling commenced at the beginning of June 2022.

Tembo Project Drilling

An initial phased drilling program was designed for the project in 2011, comprising approximately 115 DD holes (27,500 meters) and 470 RC holes (60,000 meters). RC and DD commenced on Ngula 1 in January 2012, and a total of 196 holes were drilled on the targets to the end of 2012. Further drilling was conducted during 2014, the last field activity, and to date 42,849m has been completed, 81 DD holes totaling 21,937m, and 121 RC holes totaling 20,912m.

Due to market financing constraints, the drilling is undertaken in focused phases as available funding allows. All drill cores are oriented using either a Reflex instrument or an orientation tool to facilitate structural logging and analysis.

Preliminary indications are that mineralization is associated with steep dipping shear structures hosting quartz veins, sulphides and associated alteration along three dominant structural directions, northwest-southeast, northeast-southwest and east-west.

All drill results may be found on the Company's website at www.tembogold.com and in Company News Releases.

Ngula 1

Prior to 2022, 35 DD holes totaling 9,107m and 41 RC drill holes totaling 7,623m have been completed at Ngula 1 along a strike of approximately 600m. During the 2012 drilling campaign seventy-five holes were drilled at Ngula 1, with 34 DD and 41 RC holes completed, totaling 7,953 meters and 7,623 meters respectively. Drilling commenced again in late December 2013 at Ngula 1 and borehole TDD0041 was deepened to its final depth of 507.0 meters. Two additional holes were drilled at Ngula 1 during Q1/2014. As of the date of this MD&A, a further six drill holes have been completed at Ngula 1 and these have been logged and samples will shortly be submitted to SGS laboratory in Mwanza, Tanzania.

The initial drilling targeted a southern and northern dominant set of east-west structures, identified by artisanal workings and a coincident magnetic lineament, at a vertical depth of 50 meters and 100 meters. All holes were extended to between 200 meters and 300 meters in order to intersect an interpreted second east-west structure and test for potential deeper sub-parallel structures. The drill holes were inclined at -60° either to the north or south to intersect these near vertical structures.

The current drill program is following up zones where wide widths with good grades were encountered in earlier drilling phases and is expected to continue on this and the other project targets until Q1 of 2023. The programme is designed to provide more detailed structural and grade distribution information so that resource drilling can be undertaken. A total of 2,850m is planned at Ngula 1.

Nyakagwe East

Nyakagwe East is characterized by extensive artisanal mining with numerous shafts in excess of 20 meters in depth accessing a number of northwest striking quartz vein shears. Historic DD and RC programs returned significant gold intersections from at least two sub-parallel, northwest-southeast trending mineralized zones, each consisting of multiple structures. Twenty-three diamond drill holes (6,924m) and 20 RC drill holes (2,238m) have been completed to date.

In the Phase 1 program, the diamond drill holes targeted an extensive area of artisanal mining along a northern and southern set of structures, both of which were previously drilled in 2008. The reverse circulation holes targeted the east and west projected extensions where there were no artisanal workings. The drilling identified up to 1,000 meters of potentially mineralized strike length. The mineralization along the northern structure on which the drilling focused appears to be open to the west (entering the Mgusu target area) and to the east (where RC drilling has been hampered

by the presence of deep black cotton soils). The latter will be tested by means of diamond drilling during the dry season during a future phase of drilling. All diamond drill holes encountered gold mineralization along a principle structure with multiple gold bearing structures identified in several holes at depth.

Follow up drilling was conducted in the 2014 drilling campaign and included in-fill drilling and deeper step-back boreholes testing lateral and vertical continuity and tenor of mineralization. A total of 3,178 meters comprising 13 DD holes were completed in the 2014 drilling program. Drilling has been suspended pending exploration funding. Follow-up drilling would comprise in-fill drilling of previous good results to allow resource definition. This is planned to commence in Q3/2022 and a total of 1,150m is planned.

Nyakagwe Village

The potential of the Nyakagwe Village target was initially indicated in 2011 by a new artisanal mining operation located immediately to the east of the village in a corn land, exploiting a previously unknown east-west trending set of south dipping quartz veins. Within a year a large number of shafts were sunk by the miners to access these high-grade, shear-hosted veins. Subsequently a large open pit was excavated to facilitate easier and deeper access. Mining by artisanal miners has subsequently stopped due to excessive water ingress.

To date fifteen DD holes (2,916m) and 11 RC holes (1,315m) have been completed.

Significantly, the diamond drilling has intersected gold mineralization in the east-west structures along a 600m strike as well as identified a previously unknown northeast trending mineralized zone associated with a 1.8 kilometer long magnetic lineament which trends through other small artisanal workings. The mineralization along the east-west structure is open ended in all directions. The shallow wide zones of mineralization encountered are interpreted where the east-west structures intersect the northeast structure. The RC drilling was drilled as a fence line to the north of the main east-west trending mineralized structure.

The high grades intersected are associated with quartz veining and associated abundant pyrite mineralization. Further drilling is planned in the second half of 2021 to test the extensions to the known mineralization along strike and down dip on the east-west and northeast structures and to close up the spacing in order to define a primary resource.

A total of 2,000m of diamond drilling is planned and commenced on this target in August 2022.

Buly Trend/Iyenze/Ngula 2

The Buly/Iyenze target area was historically defined by scattered elevated gold grades in soil sampling and RC drilling. Abandoned artisanal workings are present within the target area. These targets are on the boundary of the Bulyanhulu Gold Mine license area and may be an extension of the prospective geology.

To date, a total of 16 RC scout holes (3,001 meters) have been drilled into the Iyenze structure, covering some 1,500 meters of strike on lines spaced at 200 meters intervals. No significant intersections were achieved and drilling was halted to focus on other higher potential targets.

The first borehole to be drilled by the Company along the Buly Trend (TDD0001) commenced in Q1/2014 and was completed at 305 meters during Q2/2014. A broad zone of intense shearing was intersected which locally contained abundant quartz veining but little mineralization evidenced by minor disseminated sulphide containing low levels of gold.

At Ngula 2 surface geological mapping and a review of the artisanal mining indicate the possibility of more than one trend, including the northwestern extension of the Buly Trend. An initial four diamond holes were completed (1,195 meters) but returned no significant results. An induced polarization geophysical survey was conducted in Q2/2014 over the Buly/Iyenze target areas and extended to cover the Ngula 2 target area to the northwest along the Buly Trend extension. This survey tested for chargeable and resistive horizons across a broad zone of greenstone lithologies within which the earlier airborne magnetic survey highlighted a number of weak to strong northwest trending zones interpreted as Buly parallel structural zones. Based on the results, hole TDD0002 was drilled to a depth of 752 meters without intersecting any significant mineralization.

New Targets

Following a target generation desktop study conducted by Tembo in conjunction with GoldSpot Discoveries Corp, 39 new targets have been identified and prioritized on the Tembo licence. Drilling will commence in Q4 to test one or two of these with preliminary drillholes to identify and define structure and confirm the potential for, or presence of gold mineralization.

Follow Up Drilling Program and Future Strategy

A strategic review by the Company has concluded that the definition of resources and the identification of areas within the known targets and the many untested targets where significant resource may be developed, is a priority to fast track the project to a major discovery. Immediate activities will be focused on achieving this. Further drilling will be focused on extending these targets, as well as testing the many remaining targets on the licence area.

On April 27, 2022 the Company announced that it planned to commence drilling of the 2022 program during the first week of May 2022. Drilling commenced on June 9, 2022 and should continue to Q1/2023.

Highlights

- (i) Diamond drilling commenced in early June 2022
- (ii) Targeting previous good results, the drill holes are aimed to define structural controls to enable further targeted depth and strike extent drilling

Thirteen diamond-cored drill holes, comprising approximately 2,280 m of drilling, have been planned for this initial phase of the 7,000m drilling program. The drilling will take place at previously drilled targets, i.e. Ngula 1, Mgusu, Nyakagwe East, and Nyakagwe Village, and have been sited parallel to and or offset from well-mineralized historical drill holes.

A summary of the drilling program and an overview of the drill hole localities is presented below.

Summary of Phase I Drilling Programme Initial 2,280m

Planned BHID	X	Y	Z	Planned Depth (m)	Azimuth (°)	Inclination (°)	Target
NG001	436506	9647344	1246	200	180	-60	Ngula 1
NG002	436550	9647449	1245	500	135	-55	Ngula 1
NG003	436693	9647250	1245	150	180	-60	Ngula 1
NG004	436700	9647142	1244	120	0	-60	Ngula 1
NE001	437990	9645030	1200	150	30	-60	Nyakagwe East
NE002	438058	9645240	1200	280	30	-60	Nyakagwe East
NE003	438112	9645333	1200	120	30	-60	Nyakagwe East
M001	437242	9645322	1216	60	0	-60	Mgusu
M002	437340	9645336	1215	80	0	-60	Mgusu
NV001	436679	9644760	1201	190	0	-60	Nyakagwe Village
NV002	436694	9644850	1203	130	0	-60	Nyakagwe Village
NV003	436730	9644785	1202	180	0	-60	Nyakagwe Village
NV004	436748	9644861	1204	120	0	-60	Nyakagwe Village

Coordinate System: WGS84 / UTM Zone 36

The drill holes are aimed to confirm the geological continuity and distribution of the mineralization, as well as to obtain comprehensive structural data to better understand, interpret and define the structural features that are controlling the distribution of Au, and the attitude and morphology of the mineralized zones, ultimately enabling a targeted resource drilling program to follow.

In June 2022, drilling commenced at Ngula 1 where a number of exceptional intersections were achieved during previous drilling campaigns. The four new holes at this target will follow up on these drill hole results:

- (i) TDD0054: 8.17g/t Au over 11.05m from 116.96
- (ii) TDD0041: 22.18g/t Au over 15.00m from 299.00m
- (iii) TDD0004: 3.13g/t Au over 25.89m from 41.00m including 4.46g.t Au over 2.60m and 9.38g/t Au over 6.30m.

Building on the good drilling results already achieved, an aggressive work program and budget is planned for 2022, comprising an initial expenditure of approximately US \$4,500,000. Due to the remoteness of the project area and the apparent low level of Covid-19 in rural Tanzania, the execution of proposed work programs is not expected to be affected. Recent discussions with interested parties, including potentially significant strategic investors, as well as the improved gold market and country risk profile of Tanzania through resolution of the disagreement between Barrick Gold and the Tanzanian government, provide confidence that Tembo will be able to raise the funds to execute the proposed program. Initial desk top studies will be commenced prior to the end of 2023.

Quality Assurance / Quality Control (“QA/QC”)

A stringent QA/QC practice is applied to all sample batches. A Verified Reference Material standard is inserted every 20th sample, a known blank or blank standard every 20th sample and all samples with assays greater than 0.5g/t are re-assayed. 1% of all samples are submitted to an alternative laboratory for check analysis. In addition the laboratory adheres to an internal QA/QC procedure including standard samples and repeats and blanks inserted independently.

Widths represent drill intersection widths not corrected for borehole inclination and dip of the geological zone. True widths have not been determined. The borehole inclination of 60deg and sub vertical dip of the structures suggests that the true width will be approximately 86% of the intersected width.

Boreholes have not been drilled in numerical sequence and not all boreholes in a sequence have necessarily been drilled. Borehole numbers represent the original borehole identification assigned when planned.

No capping of high-grade values has been applied to the assay results.

Qualified Person

Mr. David Scott, Pr. Sci. Nat., President and CEO of the Company and Mr. John Fleming, Pr. Sci. Nat., are the Qualified Persons for the information contained in this MD&A and are Qualified Persons defined by National Instrument 43-101.

Selected Financial Data

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company.

Three Months Ended	Fiscal 2022		Fiscal 2021				Fiscal 2020	
	Jun 30 2022 \$	Mar 31 2022 \$	Dec 31 2021 \$	Sept 30 2021 \$	Jun 30 2021 \$	Mar 31 2021 \$	Dec 31 2020 \$	Sept 30 2020 \$
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(597,490)	(428,130)	(537,832)	(936,930)	(185,686)	(224,577)	(168,629)	(1,231,904)
Other items	(1,052)	3,403	(23,452)	4,504	186	533	58,960	1,777,044
Net (loss) income	(598,542)	(424,727)	(561,284)	(932,426)	(185,500)	(224,044)	(109,669)	545,140
Other comprehensive (loss) income, net	203,596	(1,812)	(28,975)	163,079	(84,599)	(100,530)	(283,782)	(101,555)
Comprehensive (loss) income	(394,946)	(426,539)	(590,259)	(769,347)	(270,099)	(324,574)	(393,451)	443,585
Basic and diluted (loss) income per share	(0.01)	(0.00)	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)	0.00
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Three Months Ended	Fiscal 2022		Fiscal 2021				Fiscal 2020	
	Jun 30 2022 \$	Mar 31 2022 \$	Dec 31 2021 \$	Sept 30 2021 \$	Jun 30 2021 \$	Mar 31 2021 \$	Dec 31 2020 \$	Sept 30 2020 \$
Balance Sheet:								
Working capital (deficit)	4,843,105	(405,713)	138,912	758,723	(889,783)	(633,804)	(367,248)	(184,385)
Total assets	8,737,347	7,324,937	7,584,971	8,202,818	6,569,237	6,635,731	6,744,215	6,509,475
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

Three Months Ended June 30, 2022 Compared to Three Months Ended March 31, 2022

During the three months ended June 30, 2022 (“Q2”) the Company reported a net loss of \$598,542 compared to a net loss of \$424,727 for the three months ended March 31, 2022 (“Q1”), an increase in loss of \$173,815. The increase in loss is primarily due to an increase of \$169,360 in general and administrative expenses, from \$428,130 in Q1 to \$597,490 in Q2 as noted below:

- (i) during Q2 the Company incurred professional fees of \$124,051 compared to \$73,581 in Q1 mainly for corporate advisory and financial services;
- (ii) during Q2 the Company incurred executive management compensation of \$197,181 compared to \$129,541 in Q1. See “Related Party Disclosure”; and
- (iii) the Company incurred audit fees of \$38,542 during Q2 compared to \$nil during Q1 due to the timing of the billings for the Company’s year-end audit.

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021

During the six months ended June 30, 2022 (the “2022 period”) the Company reported a net loss of \$1,023,269 compared to a net loss of \$409,544 for the six months ended June 30, 2021 (the “2021 period”). The \$613,725 increase in loss is primarily due to a \$615,357 increase in general and administrative expenses from \$410,263 during the 2021 period to \$1,025,620 during the 2022 period. Specific general and administrative expenses of variance between the 2022 period and the 2021 period are noted below.

- (i) during the 2022 period the Company recognized share-based compensation of \$20,333 (2021 - \$75,000) on vesting and/or granting of share options;
- (ii) incurred \$38,542 (2021 - \$29,960) for audit fees for the audit of the Company’s year-end financial statements. The increase is due to the complexity of the audit for fiscal 2022;
- (iii) incurred \$326,722 for executive management compensation during the 2022 period compared to \$162,000 during the 2021 period. See “Related Party Disclosures”.
- (iv) incurred \$66,974 for legal fees during the 2022 period compared to \$3,418 during the 2021 period. The increase is due to the legal services rendered on the sale of non-core prospecting licences to Barrick Gold Corporation and preparation of the Company’s Annual Information Form;
- (v) during the 2022 period the Company incurred \$98,520 (2021 - \$nil) for corporate development for various market awareness campaigns;
- (vi) during the 2022 period the Company incurred \$50,891 for website design and maintenance fees compared to \$nil during the 2021 period. During the 2022 period the Company engaged a consultant to provide ongoing maintenance; and
- (vii) during the 2022 period the Company incurred \$197,632 for professional fees compared to \$11,062 during the 2021 period. During the 2022 period the Company engaged several consultants for corporate advisory and financial services.

As the Company is in the exploration stage of investigating and evaluating its unproven mineral interests, it has no source of operating revenue.

Financings

In April 2022 the Company completed the closing of the Sale Transaction and received net proceeds of \$5,016,796, as discussed in “Company Overview”. Concurrent with the Sale Transaction, the Company completed a private

placement of 5,518,764 common shares of the Company to Barrick for \$1,500,000 cash. In addition, during the 2022 period the Company completed the first tranche of a non-brokered private placement financing and issued 740,000 common shares at \$0.27 per share for \$199,800. The proceeds from the private placements are being used for general working capital and project related costs.

No financings were conducted during the 2021 period.

Advances

The Company has received ongoing advances from directors and shareholders of the Company. The advances are non-interest bearing and are due on demand. As at June 30, 2022 accrued interest of \$13,054 (December 31, 2021 - \$13,054) from past interest charges remained outstanding and has been included in accounts payable and accrued liabilities. As at June 30, 2022 \$44,000 (December 31, 2021 - \$44,000) of advances remained outstanding.

Promissory Note

On April 20, 2022 the Company issued a promissory note (the “Promissory Note”) for US \$261,000 for advances made by Barrick. The Promissory Note bears interest at the variable rate per annum equal to the Royal Bank of Canada base rate for US dollar loans. Interest accrued will be due and payable on December 31st of each year and on the date of repayment of the Promissory Note. The maturity date of the Promissory Note is dependent upon the Contingent Payments made, but no later than April 22, 2025.

During the six months ended June 30, 2022 the Company recorded interest expense of \$2,618 (US \$2,059). As at June 30, 2022, \$2,653 was unpaid.

Exploration and Evaluation Assets

Due to limited funds the Company’s exploration activities have been constrained to necessary property and concession payments and limited exploration. With the completion of the Barrick transaction the Company now has the necessary funding and the Company recommenced drilling in mid-June 2022. See also “Follow Up Drilling Program and Future Strategy”.

Exploration and evaluation activities incurred during the 2022 period and fiscal 2021 are as follows:

	Total \$
Balance at December 31, 2020	<u>6,361,872</u>
Exploration costs:	
Geological	134,609
Technical services	<u>202,737</u>
	337,346
Acquisition costs:	
Property / concession payments	74,643
Foreign exchange movement	<u>(50,989)</u>
Balance at December 31, 2021	<u>6,722,872</u>
Exploration costs:	
Depreciation	5,480
Technical services	<u>760,540</u>
	766,020
Net proceeds from Sale Transaction	<u>(5,016,796)</u>
Foreign exchange movement	<u>47,840</u>
Balance at June 30, 2022	<u>2,519,936</u>

During the 2022 period the Company completed the Sale Transaction as described in “Company Overview”.

Financial Condition / Capital Resources

As at June 30, 2022 the Company had a working capital of \$4,843,105. On April 22, 2022 the Company completed the disposition of its non-core prospecting licences for US \$6,000,000 gross proceeds and a private placement of its common shares for \$1,500,000. Management considers that the Company has adequate resources to maintain its core operations and planned exploration programs on its existing exploration and evaluation assets for the next twelve months.

On April 27, 2022 the Company announced that it intends to complete a non-brokered private placement consisting of 2,020,000 common shares, at a price of \$0.27 per share, for total gross proceeds of up to \$545,400. The proceeds from the private placement will be used for general working capital and project related costs.

Financial Instruments

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, advances payable and interest payable. None of the Company's financial instruments are subsequently measured at fair value through profit and loss. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from its financial instruments.

In conducting its business, the principal risks and uncertainties faced by the Company are centralized around its mineral properties and the Company's efforts to explore and develop those properties. The Company relies on equity financing, accommodations from its service providers, advances from shareholders, sales of properties for its working capital requirement and to fund its exploration and drilling programs. There is no assurance that the Company will be able to raise funds through equity or debt or through entering into joint venture arrangements with other parties. As noted previously, the Company has closed on the disposition of its non-core prospecting licences to Barrick resulting in a net cash inflow of US \$5,016,796.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. A detailed summary of the Company's critical accounting estimates is included in Note 3 to the December 31, 2021 annual consolidated financial statements.

Changes in Accounting Policies

A detailed summary of the Company's significant accounting policies is included in Note 3 to the December 31, 2021 audited annual consolidated financial statements.

Related Parties Disclosures

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period. Transactions made with related parties are made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the 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 consists of members of the Company's Board of Directors and executive officers.

(i) During the 2022 and 2021 periods the following compensation and fees were incurred:

	2022 \$	2021 \$
David Scott - President, CEO and Director	122,365	60,000
Simon Benstead - CFO, VP Corp. Development and Director	95,739	60,000
Marc Cernovitch - Director	95,485	30,000
Nick DeMare - Corporate Secretary	13,133	12,000
	<u>326,722</u>	<u>162,000</u>

During the 2022 period the Company incurred the Company incurred \$326,722 (2021 - \$162,000) for executive management compensation. As at June 30, 2022 \$156,340 (December 31, 2021 - \$192,737) remained unpaid

(ii) The Company had a rental agreement with an arms-length party (the "Landlord") for housing accommodation in Tanzania provided to Mr. Scott. The housing arrangement was terminated on July 31, 2021 and, commencing August 1, 2021, the Company provided to Mr. Scott with a monthly housing allowance of US \$2,500. During the 2022 period the Company paid or accrued \$nil (2021 - \$16,839) to the Landlord and \$19,192 (2021 - \$nil) to Mr. Scott. As at June 30, 2022 \$3,222 (December 31, 2021 - \$nil) remained unpaid

(iii) During the 2022 period the Company incurred \$40,100 (2021 - \$21,500) for accounting and administration services provided by Chase Management Ltd., a private corporation owned by Mr. DeMare, the Corporate Secretary of the Company. As at June 30, 2022 \$5,100 (December 31, 2021 - \$6,000) remained unpaid.

(b) See also "Results of Operations - Financings and Advances".

Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value. As at August 29, 2022 there were 101,426,345 issued and outstanding common shares and 9,082,334 share options at exercise prices ranging from \$0.15 to \$0.25 per common share.