

# TEMBO GOLD CORP.

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022

This discussion and analysis of financial position and results of operations is prepared as at as at May 1, 2023, and should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2022 and 2021 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](http://www.sedar.com) or the Company's website at [www.tembogold.com](http://www.tembogold.com) and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

### 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 38 prospecting licences that were consolidated into 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 “Closing”) the Company closed on the Sale Transaction and received \$7,508,280 (US \$6,000,000) and paid legal and filing costs totalling \$38,279 and an advisory fee of \$300,000 associated with the Sale Transaction and, accordingly, recorded a gain on disposal of exploration and evaluation assets of \$1,115,959. The Company also paid \$2,241,074 (US \$1,790,882) for capital gains tax remitted to the Tanzanian government (collectively the “Disposition Net Proceeds”).

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 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 \$708,168 (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 at a fair value of \$0.27 per share, 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](http://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”, Frankfurt Exchange under the symbol “T23” and on November 11, 2022 the Company commenced trading on the OTC Venture Market (“OTCQB”) under the symbol “TBGPF”. 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

On October 6, 2022 Mr. Hendrick Meiring was appointed exploration project manager for the Tembo Project.

## Exploration Activities

As of the date of this MD&A, the Company's main asset is the one remaining licence of 32km<sup>2</sup> on the Tembo Project located in northwest Tanzania. The Company's wholly owned subsidiary, Mineral Industry Promotion Consulting Company Ltd. ("MIPCC"), is the sole owner of this licence. The project area is located directly northwest of and adjacent to Barrick Gold's Bulyanhulu Mine. Through an agreement with a local company, Tembo is acquiring an additional five licences that will add ~3km<sup>2</sup> directly to the Tembo Project area in key areas, and ~10km<sup>2</sup> outside of the existing Tembo licence. Four of these are located within the Tembo subsidiary's existing PL boundary over areas previously held as primary mining licences by Tanzanian entities, and one PL lies to the north of Barrick's Bulyanhulu Mine exploration area acquired from Tembo. Letters of offer are awaited from the Mining Commission of the Ministry of Minerals (the "Commission"). Granting of the licences has been recommended by the Commission.

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 structures on which the Reef 1, Reef 2 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](http://www.sedar.com) or the Company's website at [www.tembogold.com](http://www.tembogold.com).

The Technical Report recommends a continued staged exploration program incorporating mapping, trenching and drilling to provide further structural, mineralization and grade information to enable a targeted resource drilling program. Trenching and geological mapping could run concurrently with the drill program, evaluating the many remaining untested targets. It remains Tembo's goal further expanded drilling programs and define a resource.

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 several 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), and commenced in December 2011. A continued staged exploration program incorporating mapping, trenching and drilling is recommended for the Project to provide further structural, mineralization and grade information in preparation of a targeted resource drilling program. Trenching and geological mapping could run concurrently with the drill program. Drilling was carried out through 2012 and again in 2014, before the project was placed in care and maintenance, pending further financing.

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. These studies identified and prioritised 54 targets and exploration planning of these and the existing targets has been completed.

No exploration activities were undertaken between August 2014 and June 2022 due to restrictions on financing available to greenfields gold exploration in Tanzania and elsewhere. As a result of the sale of the Non-core Licences, Tembo deployed drill rigs on the project in June 2022. A program totaling 7,500m was planned and a total of approximately 5,400m was completed by the end of January 2023 when drilling was stopped, pending a further review of data and additional financing. The drilling has provided further structural data to define the attitude of those structures controlling mineralization in previous well mineralized intersections. Once the Company's review is completed and the strategy for the future project development confirmed, consideration will be given to follow these zones on dip and strike to enable resource modeling once sufficient drill coverage has been achieved.

## Tembo Project Drilling

2012	Ngula 1		Ngula 2		Nyak East		Iyenze		Nyak Village		Mgusu		Buly		Total	
	Holes	(m)	Holes	(m)	Holes	(m)	Holes	(m)	Holes	(m)	Holes	(m)	Holes	(m)	Holes	(m)
DD	32	7952	4	1195	10	3746	0	0	6	1464	2	737	0	0	54	15094
RC	41	7623	0	0	20	2238	16	3001	11	1315	51	6735	0	0	139	20912
	<b>73</b>	<b>15575</b>	<b>4</b>	<b>1195</b>	<b>30</b>	<b>5984</b>	<b>16</b>	<b>3001</b>	<b>17</b>	<b>2779</b>	<b>53</b>	<b>7472</b>	<b>0</b>	<b>0</b>	<b>193</b>	<b>36006</b>

2014	Ngula 1		Ngula 2		Nyak East		Iyenze		Nyak Village		Mgusu		Buly		Total	
	Holes	(m)	Holes	(m)	Holes	(m)	Holes	(m)	Holes	(m)	Holes	(m)	Holes	(m)	Holes	(m)
DD	3	1155	1	752	13	3178	0	0	9	1452			1	305	27	6843
RC															0	0
	<b>3</b>	<b>1155</b>	<b>1</b>	<b>752</b>	<b>13</b>	<b>3178</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>1452</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>305</b>	<b>27</b>	<b>6843</b>

2022	Ngula 1		Ngula 2		Nyak East		Iyenze		Nyak Village		Mgusu		Buly		Total	
	Holes	(m)	Holes	(m)	Holes	(m)	Holes	(m)	Holes	(m)	Holes	(m)	Holes	(m)	Holes	(m)
DD	29	4658			2	405			4	667	0	0			35	5730
RC															0	0
2023									2	673						673
	<b>29</b>	<b>4658</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>405</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>1340</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>37</b>	<b>6403</b>

INCLUDES ABANDONED HOLES (151A, 159A, 171A/B)

TOTAL	Ngula 1		Ngula 2		Nyak East		Iyenze		Nyak Village		Mgusu		Buly		Total	
	Holes	(m)	Holes	(m)	Holes	(m)	Holes	(m)	Holes	(m)	Holes	(m)	Holes	(m)	Holes	(m)
DD	64	13765	5	1947	25	7329	0	0	19	4257	2	737	1	305	116	28340
RC	41	7623	0	0	20	2238	16	3001	11	1315	51	6735	0	0	139	20912
	<b>105</b>	<b>21388</b>	<b>5</b>	<b>1947</b>	<b>45</b>	<b>9567</b>	<b>16</b>	<b>3001</b>	<b>30</b>	<b>5571</b>	<b>53</b>	<b>7472</b>	<b>1</b>	<b>305</b>	<b>255</b>	<b>49252</b>

## Tembo Gold Drilling on the Tembo Gold Project to Date

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.

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](http://www.tembogold.com) and in Company News Releases.

### Ngula 1

Prior to 2022, 36 DD holes totaling 9,107m and 41 RC drill holes totaling 7,623m were completed at Ngula 1 along a strike of approximately 600m. As of the date of this MD&A, a further twenty-three diamond drill holes have been completed at Ngula 1 and these have been logged and sample and all results have been announced. To date 99 holes (RC and DD) totaling 20,316m have been completed at Ngula 1.

The initial drilling targeted a southern and northern dominant set of east-west structures identified by artisanal workings and coincident magnetic lineaments, intersecting these structures at targeted vertical depth of 50 meters and 100 meters. All holes were extended to between 200 meters and 300 meters 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 recent 2022-2023 drill program followed up zones where wide widths with good grades were encountered in earlier drilling phases and was completed at the end of January 2023. The program provided more detailed structural and grade distribution information to enable better targeted resource drilling when undertaken. The recent 2022 Ngula 1 best results include: TDD0153 - 3.55g/t Au over 3.11m from 44.25m; TDD0156 – 1.51g/t Au over 10.18m from

143.10m including 2.33g/t Au over 3.45m from 146.54m and 3.47g/t Au over 0.75m from 157.76m; TDD0157 - 4.95g/t Au over 1.67m from 120.12m; TDD0158 - 17.60g/t Au over 1.48m from 31.12m; TDD0159 - 1.24g/t Au over 3.08m from 117.00m; TDD0160 - 5.22g/t Au over 1.93m from 107.18m, and 2.73g/t Au over 1.54m from 116.38m; TDD0161 - 1.64g/t Au over 3.07m from 54.43m; TDD0169 - 2.22g/t Au over 0.50m from 102.76m; TDD0172 - 4.14g/t Au over 3.85m from 118.49m; TDD0174 - 19.90g/t Au over 0.45m from 39.55m; TDD0176 - 1.68g/t Au over 5.28m from 72.45m.

### *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. Two follow-up drillholes were drilled in the 2022 program to define the structural controls and extend the known continuity of the mineralization. A total of 404m was completed. To date 45 drillholes have been completed totaling 9567m of RC and DD. Best results in the 2022 program were 3.20g/t Au over 0.76m from 112.75 in TDD0166 and 4.12g/t Au over 1.29m from 102.24 in TDD0167.

### *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 several 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.

Six drillholes totaling 1,341m of DD were drilled at Nyakagwe Village in the 2022-2023 program. To date 30 boreholes totaling 4,898m of DD and RC 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 recent drilling has extended the known structures hosting gold a further 300m to the southeast, and the known strike is now 600m.

The high grades intersected are associated with quartz veining and associated abundant pyrite mineralization. The 2022-2023 program tested the extensions of the mineralization along strike and down dip on the east-west and northeast structures and to close up the spacing in order to target future resource drilling later.

A total of 2,000m of diamond drilling was planned and drilling commenced on this target in August 2022. By the time drilling was stopped in January 2023, 1,341m was completed. The latest drilling at Nyakagwe Village has returned the following results: TDD0162 - 12.96g/t Au over 5.54m from 89.01m including 29.67g/t Au over 2.35m

from 91.44m; TDD0163 - 5.76g/t Au over 1.22m from 105.97m and 37.43g/t Au over 0.30m from 115.72m; TDD0164 - 7.06g/t Au over 2.69m from 57.28m including 57.23g/t Au over 0.30m from 57.28m; TDD0165 – 1.35g/t Au over 31.07m from 34.00m, TDD0177: 1.42g/t Au over 2.71m from 86.41m; TDD0178: 4.59g/t Au over 2.96m from 148.68m, 3.02 g/t Au over 0.44m from 160.12; 4.79g/t Au over 0.99m from 181.31m; 2.38g/t Au over 0.30m from 232.40m; and 1.79g/t Au over 2.00m from 243.00m.

#### *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. Systematic surface exploration comprising pitting and trenching has commenced and initial RAB drilling, to test those returning positive results, will follow to confirm the potential for, or presence of gold mineralization.

#### **Follow Up Drilling Program and Future Strategy**

The follow-up drill holes in the 2022-2023 program confirmed the geological continuity of the mineralization, has provided structural data to better understand, interpret, and define the controls on, and the distribution of gold, the attitude and morphology of the mineralized zones, ultimately to enable a targeted resource drilling program planned.

#### *Summary of the 2022-23 Drilling Program Completed to January, 31, 2023*

Ngula 1		Nyakagwe East		Nyakagwe Village		TOTAL
Drill Hole	Meters	Drill Hole	Meters	Drill Hole	Meters	Meters
TDD0150	149.30	TDD0166	125.60	TDD0162	131.60	
TDD0151A	116.40	TDD0167	279.10	TDD0163	140.47	
TDD0152	398.30			TDD0164	212.55	
TDD0153	122.25			TDD0165	182.80	
TDD0154	118.90			TDD0178	347.10	
TDD0155	410.70			TDD0177	326.30	
TDD0156	200.40					
TDD0157	140.50					
TDD0158	101.36					

Ngula 1		Nyakagwe East		Nyakagwe Village		TOTAL
Drill Hole	Meters	Drill Hole	Meters	Drill Hole	Meters	Meters
TDD0159	170.20					
TDD0159A	101.40					
TDD0160	251.36					
TDD0161	113.50					
TDD0162	131.60					
TDD0163	140.47					
TDD0164	212.55					
TDD0165	182.80					
TDD0166	125.60					
TDD0167	279.10					
TDD0169	176.60					
TDD0170	299.50					
TDD0168	284.40					
TDD0171	0.00					
TDD0171A	51.40					
TDD0172	122.70					
TDD0173	50.50					
TDD0174	62.90					
TDD0175	53.40					
TDD0176	89.70					
<b>Check total</b>	<b>4658</b>		<b>405</b>		<b>1341</b>	<b>6403</b>

The recent drilling work program was completed at the end of January 2023. 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 future proposed programs.

#### 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 20<sup>th</sup> sample, a known blank or blank standard every 20<sup>th</sup> 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. Hendrik Meiring, 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 audited annual consolidated financial statements of the Company.

	Years Ended December 31,		
	2022 \$	2021 \$	2020 \$
<b>Operations:</b>			
Revenues	Nil	Nil	Nil
Expenses	(2,194,129)	(1,912,412)	(1,809,792)
Other items	1,138,967	9,158	1,808,065
Income taxes	(2,241,074)	Nil	Nil
Net loss	(3,296,236)	(1,903,254)	(1,727)
Other comprehensive income (loss)	520,011	(51,025)	(195,906)
Comprehensive loss	(2,776,225)	(1,954,279)	(197,633)
Basic and diluted loss per share	(0.03)	(0.02)	(0.00)
Dividends per share	Nil	Nil	Nil
<b>Balance Sheet:</b>			
Working capital (deficit)	1,652,252	138,912	(367,248)
Total assets	7,184,044	7,584,971	6,744,215
Total long-term liabilities	Nil	Nil	Nil

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			
	Dec 31 2022 \$	Sept 30 2022 \$	Jun 30 2022 \$	Mar 31 2022 \$	Dec 31 2021 \$	Sept 30 2021 \$	Jun 30 2021 \$	Mar 31 2021 \$
<b>Operations:</b>								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(690,590)	(477,919)	(597,490)	(428,130)	(537,832)	(936,930)	(185,686)	(224,577)
Other items	1,117,188	19,428	(1,052)	3,403	(23,452)	4,504	186	533
Income taxes	(2,241,074)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	(1,814,476)	(458,491)	(598,542)	(424,727)	(561,284)	(932,426)	(185,500)	(224,044)
Other comprehensive (loss) income, net	(116,373)	434,600	203,596	(1,812)	(28,975)	163,079	(84,599)	(100,530)
Comprehensive loss	(1,930,849)	(23,891)	(394,946)	(426,539)	(590,259)	(769,347)	(270,099)	(324,574)
Basic and diluted loss per share	(0.02)	(0.00)	(0.01)	(0.00)	(0.01)	(0.01)	(0.00)	(0.00)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Balance Sheet:</b>								
Working capital (deficit)	1,652,252	3,233,105	4,843,105	(405,713)	138,912	758,723	(889,783)	(633,804)
Total assets	7,184,044	8,988,794	8,737,347	7,324,937	7,584,971	8,202,818	6,569,237	6,635,731
Total long-term liabilities	(353,498)	(357,753)	Nil	Nil	Nil	Nil	Nil	Nil

## Results of Operations

### *Three Months Ended December 31, 2022 Compared to Three Months Ended September 30, 2022*

During the three months ended December 31, 2022 (“Q4”) the Company reported net loss of \$1,814,476 compared to net loss of \$458,491 for the three months ended September 30, 2022 (“Q3”), an increase in loss of \$1,355,985. The increase in loss is primarily due to an increase of \$212,671 in general and administrative expenses, from \$477,919 in Q3 to \$690,590 in Q4 and the recognition of the \$1,115,959 accounting gain and the \$2,241,074 capital gains tax attributable to the Disposition Net Proceeds.

### *Three Months Ended December 31, 2022 Compared to Three Months Ended December 30, 2021*

During the three months ended December 31, 2022 (“Q4/2022”) the Company reported a net loss of \$1,814,476 compared to net loss of \$561,284 for the three months ended December 31, 2021 (“Q4/2021”), an increase of \$1,253,192. The increase in loss is due to an increase of \$152,758 in general and administrative expenses, from



\$537,832 in Q4/2021 to \$690,590 in Q4/2022 and the recognition of the \$1,115,959 accounting gain and the \$2,241,074 capital gains tax attributable to the Disposition Net Proceeds.

### ***Year Ended December 31, 2022 Compared to Year Ended December 31, 2021***

During the year ended December 31, 2022 (“fiscal 2022”) the Company reported net loss of \$3,296,236 compared to net loss of \$1,903,254 for the year ended December 31, 2021 (“fiscal 2021”). The \$1,392,982 increase in loss is primarily due to a \$281,717 increase in general and administrative expenses, from \$1,912,412 during fiscal 2021 to \$2,194,129 during fiscal 2022, and the recognition of the \$1,115,959 accounting gain and the \$2,241,074 capital gains tax attributable to the Disposition Net Proceeds in fiscal 2022. Specific general and administrative expenses of variance between fiscal 2022 and 2021 are noted below.

- (i) during fiscal 2022 the Company recognized share-based compensation of \$37,033 (2021 - \$520,587) on vesting and/or granting of share options;
- (ii) incurred \$56,494 (2021 - \$41,055) for audit fees for the audit of the Company’s year-end financial statements;
- (iii) incurred \$559,030 for executive management compensation during fiscal 2022 compared to \$399,362 during fiscal 2021. See “Related Party Disclosures”.
- (iv) incurred \$101,607 for legal fees during fiscal 2022 compared to \$188,085 during fiscal 2021, reflecting the level of legal services rendered on negotiations and review of agreements to the Sale Transaction;
- (v) during fiscal 2022 the Company incurred \$457,948 (2021 - \$362,714) for corporate development for various market awareness campaigns;
- (vi) during fiscal 2022 the Company incurred a total of \$99,616 (2021 - \$43,522) for accounting and administration services of which \$64,600 (2021 - \$36,000) was provided by Chase Management Ltd. (“Chase”) a private corporation owned by the corporate secretary of the Company and \$35,016 (2021 - \$7,522) was provided by an external accounting services in Tanzania. The increase in fiscal 2022 is due to increase in activities;
- (vii) during fiscal 2022 the Company incurred \$383,805 for professional fees compared to \$169,228 during fiscal 2021. During fiscal 2022 the Company engaged several consultants for corporate advisory and financial services;
- (viii) during fiscal 2022 the Company engaged two firms to provide investor relations services. During fiscal 2022 the Company paid \$101,168 to the firms. During fiscal 2021 the Company did not engage in any investor relations activities;
- (ix) incurred \$92,394 for office rent and housing accommodations in Tanzania, provided to the President of the Company during fiscal 2022 compared to \$42,726 during fiscal 2021. During fiscal 2021 the Company incurred costs for housing accommodation to the President of the Company;
- (x) incurred \$85,148 (2021 - \$nil) for travel during 2022. During fiscal 2021 travel was curtailed due to COVID-19 travel restrictions and lack of activities on the Company’s Tembo Project.

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 \$4,928,927, 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 fiscal 2022 the Company completed a non-brokered private placement financing and issued a total of 1,085,000 common shares at \$0.27 per share for \$292,950. The proceeds from the private placements are being used for general working capital and project related costs.

During fiscal 2021 the Company completed a non-brokered private placement financing and issued 14,810,031 common shares for \$2,221,505. Directors and officers of the Company and private corporations controlled by certain directors participated in this private placement and purchased a total of 1,753,315 common shares (including the 206,666 common shares issued for settlement of advances) for \$262,997. The Company issued 500,000 common shares for finder’s fees at a value of \$75,000 on a portion of the private placement. In addition the Company issued 366,666 common shares for \$65,000 on the exercise of share options.

## Advances

The Company has received ongoing advances from directors and shareholders of the Company. Through December 31, 2019 the advances bore interest. Effective January 1, 2020 the advances ceased to bear interest and, accordingly, the advances are now non-interest bearing and due on demand. As at December 31, 2022 accrued interest of \$13,054 (2021 - \$13,054) from past interest charges remained outstanding and has been included in accounts payable and accrued liabilities. As at December 31, 2022 \$44,000 (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 31<sup>st</sup> 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.

## Exploration and Evaluation Assets

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

	<b>Total</b> <b>\$</b>
<b>Balance at December 31, 2020</b>	<u>6,361,872</u>
<b>Exploration costs:</b>	
Geological	134,609
Technical services	<u>202,737</u>
	<u>337,346</u>
<b>Acquisition costs:</b>	
Property / concession payments	<u>74,643</u>
<b>Foreign exchange movement</b>	<u>(50,989)</u>
<b>Balance at December 31, 2021</b>	<u>6,722,872</u>
<b>Exploration costs:</b>	
Assays	65,454
Camp costs	475,433
Drilling	1,270,437
Exploration site costs	263,917
Field Transportation	34,284
Geological	78,492
Geophysical	17,273
Power generating costs	40,092
Technical services	<u>500,760</u>
	<u>2,746,142</u>
<b>Disposition of non-core licences</b>	<u>(5,762,462)</u>
<b>Foreign exchange movement</b>	<u>173,851</u>
<b>Balance at December 31, 2022</b>	<u>3,880,403</u>

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

## Financial Condition / Capital Resources

As at December 31, 2022 the Company had a working capital of \$1,652,252 and an accumulated deficit of \$59,844,909. The Company has not yet produced any revenues from its mineral interests and further funds will be required to fund existing levels of overhead and planned exploration expenditures over the course of the next twelve months. The Company will need to raise additional capital from the sale of common shares or other equity or debt instruments. If the Company is unable to raise the necessary capital and generate sufficient cash flows to meet obligations as they come due, the Company may have to reduce or curtail its operations or obtain financing at

unfavourable terms. The material uncertainty may cast significant doubt about the Company's ability to continue as a going concern.

### **Financial Instruments**

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, advances payable and interest payable and promissory note 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 \$4,928,927.

### **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, 2022 annual consolidated financial statements.

### **Changes in Accounting Policies**

There are no changes in accounting policies. A detailed summary of the Company's significant accounting policies is included in Note 3 to the December 31, 2022 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 fiscal 2022 and 2021 the following compensation and fees were incurred:

	2022	2021
	\$	\$
David Scott - President, CEO and Director	250,383	218,692
Simon Benstead - CFO, VP Corp. Development and Director	195,246	148,851
Marc Cernovitch - Director	195,246	128,851
Frank Hoegel - Director	14,000	-
Nick DeMare - Corporate Secretary	29,118	24,000
	<u>683,993</u>	<u>520,394</u>

During fiscal 2022 the Company incurred the Company incurred \$683,993 (2021 - \$520,394) for executive management compensation which have been allocated based on the nature of the services provided: expensed \$559,030 (2021 - \$399,362) to executive management compensation and capitalized \$124,963 (2021 - \$121,032) to exploration and evaluation assets. As at December 31, 2022 \$215,759 (2021 - \$192,737) remained unpaid

- (ii) During fiscal 2021 the Company recorded \$219,520 for share-based compensation on share options granted to officers and directors of the Company.
- (iii) 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 fiscal 2022 the Company paid or accrued \$nil (2021 - \$15,985) to the Landlord and \$39,146 (2021 - \$15,671) to Mr. Scott. As at December 31, 2022 \$13,488 (2021 - \$nil) remained unpaid
- (iv) During fiscal 2022 the Company incurred \$64,600 (2021 - \$36,000) 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 December 31, 2022 \$3,000 (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 May 1, 2023 there were 101,771,345 issued and outstanding common shares and 8,832,334 share options at exercise prices ranging from \$0.15 to \$0.25 per common share.