AWALÉ RESOURCES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended June 30, 2021, and 2020

The Management Discussion and Analysis ("MD&A") is an overview of the activities of Awalé Resources Limited ("Awalé') and its subsidiaries (the "Company"). This MD&A describes the Company's business operations through to the date of this MD&A. The MD&A should be read in conjunction with the Company's audited financial statements for the years ended December 31, 2020 and December 31, 2019, and the notes attached thereto (" Audited Financial Statements") and the Condensed Interim Consolidated Financial Statements for the six months ended June 30, 2021 and June 30, 2020 and the notes attached hereto ("Interim Financial Statements").

The effective date of this MD&A is August 30, 2021.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. The Company does not assume the obligation to update any forward-looking statement, except as required by applicable law.

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

Financial statement information presented herein was prepared using accounting policies in compliance with International Financial Reporting Standards("IFRS"), as issued by the International Accounting Standards Board. All amounts in the MD&A, Interim Financial Statements and related notes are expressed in United States dollars ("$") unless otherwise noted.

Andrew Chubb, the Company's Chief Operating Officer, who is a Qualified Person as defined by National Instrument 43-101, has reviewed the geologic information contained in the MD&A on behalf of the Company.

1. DESCRIPTION OF THE BUSINESS

Company overview

Awalé Resources Limited ("Awalé" or the "Company") was incorporated under the Business Corporations Act of British Columbia on June 23, 2015.

The Company's current primary activity is to identify and explore precious metals projects in Côte d'Ivoire (Ivory Coast).

The Corporate and Registered Office is located at 8681 Clay Street, Mission, British Columbia, Canada.

The Company trades on the TSXV under the symbol: "ARIC".

At June 30, 2021 the Group consists of the following interests:

Entity	Ownership percentage	Country of incorporation	Functional currency
Awalé Resources Limited (the Company)	-	Canada	Canadian Dollar (CAD)
Awalé Resources Limited	100.0%	Guernsey	United States dollar (USD)
Awalé Resources (SARL)	100.0%	Côte d'Ivoire	West African CFA franc (CFA)
Srika Gold Limited	100.0%	Côte d'Ivoire	West African CFA franc (CFA)
Africa New Geological Technologies Côte d'Ivoire SARL	90.0%	Côte d'Ivoire	West African CFA franc (CFA)
Aforo Resources Côte d'Ivoire	100.0%	Côte d'Ivoire	West African CFA franc (CFA)
Aforo (Ivory Coast) Holdings Limited	100.0%	Australia	Australian Dollar (AUD)
Minera Mariana de Chile Limitada *	100.0%	Chile	Chilean Peso (CLP)
AMG Chile Limitada *	100.0%	Chile	Chilean Peso (CLP)

✶Entities acquired by the Company effective June 30,2018 for nil value. These are dormant companies that were agreed to be acquired by the Company as part of an agreement with Sandstorm Gold ("Sandstorm"). These companies are currently in the process of being wound down.

2. OUTLOOK AND SUMMARY OF ACTIVITIES

Outlook

The Company's exploration programs are focused on the discovery and delineation of mineral resources within its extensive portfolio of projects located in Côte d'Ivoire. Following initial high-grade scout drilling intercepts at the Empire discovery, Odienné Project, company geologists are currently working on understanding the geometry of the mineralization and alteration intercepted for the next phase of drilling in H2 2021. In addition, further work will be undertaken during H2 2021 on the new copper-gold targets which have been delineated within the Odienné permit from recent exploration activities. The Company has also planned for further exploration at the Bondoukou project for late H2 2021, with a view to further drilling once analytical results have been returned and reviewed during the current wet season.

The Company's planned corporate and exploration operations have been impacted by the uncertainty created by the global pandemic COVID-19 announced by the World Health Organisation on March 11, 2020. Management put on hold its on-site exploration activities in Côte d'Ivoire at the outbreak of the pandemic in order to comply with government directives and ensure the safety and wellbeing of its workforce. The Company remobilized on the ground, in the middle of May 2020, and has recommenced its exploration activities and continues to actively assess and monitor the risks involved in this deployment. Furthermore, the Company has continued to enforce strict COVID-19 protocols to ensure a safe working environment and continues to re-evaluate these on an ongoing basis.

The COVID-19 pandemic is having a negative impact on stock markets, currencies, and business activities globally, and the full impact of COVID-19 on the Company cannot be fully determined. Although the Company has continued operating there may be potential negative impacts on the Company's ability to raise capital funds, planned exploration programmes, cash flows and liquidity as a result of the changing COVID-19 environment.

Summary of activities for the six months ending June 30, 2021, and to the date of this report

EXPLORATION ACTIVITIES

Exploration activities continued on two of the Company's three Ivory Coast projects – Odienné and Bondoukou – during the reporting period.

At the Odienné Project, exploration activities were focused on:

i) Resource definition / scout drilling and reconnaissance auger drilling in, and around, the high-grade Empire gold discovery (Empire Main, West, Gap and Anomaly 1-3 targets). Final results from the Phase 2 drill program at Empire were released on March 10, 2021, and successfully confirmed the high-grade nature and steep westerly plunge of the Empire Main deposit. Interim results from an ongoing soil auger drill program at Empire were also released on March 23, 2021 and resulted in the definition of an increased geochemical footprint for the Empire Main discovery and the outlining of a significant new auger soil gold anomaly at Charger (located some 3km N of Empire Main). A 3,000m Reverse Circulation ("RC") drill program was initiated on both the Empire Main extensions and the new Charger auger soil anomaly on April 26, 2021.

ii) First drilling of the new Charger soil anomaly, with the Company reporting on June 14, 2021, that high-grade gold values - 1m @ 20.3 grams per tonne gold ("g/t Au") and 3m @ 9.0 g/t Au - were returned from hematite-rich breccias intersected in drill hole OERC-89. Furthermore, on July 22, 2021, the Company reported that elevated copper values (up to 0.76% Cu*) were associated with the high-grade gold mineralization at Charger. The Charger discovery has been interpreted by the Company show similarities in alteration and mineralization style to an Iron Oxide Copper Gold ("IOCG") system.

iii) The definition of significant copper-gold anomalism from soil geochemical surveys undertaken throughout the remainder of the Odienné permit. In particular, the Company announced on August 10, 2021, the definition of a 5km long auger soil copper / gold anomaly at the Sceptre prospect, which is located approximately 5km N of the Charger discovery.

Upon completion of the Odienné drilling, the RC drill rig was mobilized to the Bondoukou Project where scout drilling was undertaken on 4 of the 10 “blind” gold targets identified under shallow cover within the 15km-long Kodio structural corridor. Assay results were received from 4,381m of scout drilling at the Samanda East and the southernmost 4 targets of the Kodio Trend at the Bondoukou project. In addition to previous drilling at Fako, the Company has now tested just 15% of the known 60+km cumulative mineralized strike length for the discovery of gold deposits at the Bondoukou project.

Odienné

The Odienné project is located in NW Ivory Coast and consists of one granted tenement (Odienné East) covering an area of 397 square kilometres and one contiguous application (Odienné West) covering 400 square kilometres. The Company currently expects formal granting of the Odienné West application to occur during H2 2021.

Geologically, the project area lies on a splay of the regional scale Sassandra fault which forms the partition between the Archean Kenema Man domain and the Proterozoic Baoule-Mossi Domain. Rocks in the project area consist of a felsic/acid volcanic to mafic greenstone belt of Birimian age intruded by a series of later plutons of varying size and orientation. The intrusions range from intermediate to mafic in composition. The Company’s exploration activities are focused on the discovery of high-grade orogenic gold deposits hosted within the highly prospective but underexplored Birimian terrains of Ivory Coast.

Empire Gold Discovery

Exploration activities at the Empire Gold Target were focused on mixed resource definition / scout drilling and reconnaissance soil auger drilling in, and around, the high-grade Empire gold discovery (Empire Main, West, Gap and the Anomaly 1-3 targets). In addition, results from a preliminary metallurgical testwork program on mineralized drill core samples from the Empire discovery were reported, with the exceptionally high gold recoveries (average 95.4%) suggesting amenability of the Empire gold mineralization to industry processing On February 1, 2021 Awale reported further high-grade gold results from the Phase 2 scout drilling at the Empire East extension targets (Anomaly 1). Highlights included: 2m @ 4.1 grams per tonne g/t Au including 1m @ 7.3 g/t Au from 72m downhole in OERC-67. Gold mineralization intersected was associated with the same geology and alteration in all of the three drilled sections.

On March 2, 2021 the Company announced the results of preliminary metallurgical testwork (LeachWELL™ analyses) undertaken on a total of 781 mineralized drill core samples from the Empire discovery. Exceptionally high gold recoveries (average 95.4%) were reported from the testwork.

On March 10, 2021 Awale reported assay results from the final 5 drill holes from the Phase 2 drill program. These results confirmed both the high-grade nature and steep westerly plunge of the Empire Main gold mineralization. Highlights reported include:

- **OEDD-37**: Confirms shallow mineralization and high-grade gold 25m up dip/plunge of 201 gram-meter intercept in OEDD-24.
    - 68 m at 2.4 'g/t Au from surface
        - Including 15.4m at 3.3g/t Au from 16.6m
            - and 1m at 30.9 g/t Au from 31m
        - Including 22m at 4.1 g/t Au from 40m
            - and 5m at 8.1 g/t Au from 57mand 1m at 35.2 g/t Au from 58m
- **OEDD-33:** Confirms high-grade plunging mineralization at 120m vertical depth (350rl)
    - 39m at 1.4 g/t Au from 133m
        - Including 12m at 2.6 g/t Au from 160m
- **OEDD-35**: Confirms plunge mineralization at 100 to 120m vertical depth (350 rl) east of OEDD-33.
    - 0.8m at 25.5 g/t Au from 32m
    - 12m at 2.3 g/t Au from 117m
        - including 3m at 4 g/t Au from 117m .
    - 3m at 2.6 g/t Au from 146m
- **OEDD-34** : Confirms northern lode and broader mineralization down plunge of OEDD-9 (optimal drill direction) – hole ended in mineralization at 175m.
    - 28.3m at 1.2 g/t Au from 30.7m
        - Including 9.3m at 2 g/t Au from 30.7m
    - 22m at 1.9 g/t Au from 97m downhole

        - including 6m at 3.3 g/t Au from 97m
    - 9m at 1.1 g/t Au from 133m
    - 3.7m at 2.3 g/t Au from 171m – hole ended in mineralization.

On March 23, 2021 the Company reported results from an 859 hole / 4,470m auger drill program completed over the Empire West and Empire Gap targets, as well as the newly-defined Charger target (located about 3km N of the Empire Main discovery). Auger drilling continues to be a key exploration tool used by the Company at Odienné. Key results derived from this soil auger program included:

- Extending the initial discovery footprint of Empire Main from 200m to over 900m with the addition of significant soil gold anomalies at Empire Gap (peak soil gold anomaly of 1.7 g/t within a 250m long, >50ppb gold anomaly) and Empire West (peak soil gold anomaly of 731 parts per billion - or "ppb" - within a narrow but continuous 350m long, >30ppb gold anomaly).
- The definition of a compelling new drill target at the Charger prospect, a 600m long, >90ppb "bullseye" soil gold anomaly (peak value 0.56 g/t Au) located 3km N of Empire Main.

On April 26, 2021 the Company announced the commencement of a follow-up 3,000m RC drill program at the Odienné Project. Drilling was focused on resource definition work at the Empire Main discovery (specifically the Empire Gap and Empire West extension targets) and discovery drilling at the new Charger gold target.

The Empire target covers just 3km of an interpreted 20km long, NW-trending structural corridor (the "Empire Corridor") with significant potential for the discovery of further orogenic gold deposits. Exploration activities will continue to focus on evaluating this upside potential.

Charger and Sceptre Gold-Copper Targets

First drilling of the new Charger soil gold anomaly was undertaken in May, 2021, with the Company reporting on June 14, 2021, that high-grade gold mineralization was reported from Charger RC hole OERC-89. The best intercepts returned from this drill hole were associated with hematite-rich breccias and included:

- OERC-89: 1m @ 20.3 g/t" Au from 16m downhole and 3m @ 9.0 g/t Au from 30 m downhole

Furthermore, on July 22, 2021, the Company reported that elevated copper values (up to 0.76% Cu*) were associated with the high-grade gold mineralization at Charger. Both the gold-copper metal association and distinct hematite-rich alteration at Charger are interpreted by the Company to be typical of Iron Oxide Copper Gold (IOCG) style systems, and therefore represents a mineralization style not previously identified either at Odienné or elsewhere in the Birimian-age greenstone belts of Ivory Coast.

On August 10, 2021, the Company reported that significant copper-gold anomalism has been identified from soil geochemical surveys completed over the greater Odienné East permit. Highlights of these geochemical surveys include:

- Delineation of a >5 km long Cu-Au soil anomaly with Cu values up to 0.18% at the Sceptre Target, which is located 5km N of the Charger Prospect where individual drill results of up to 14.3 g/t Au and 0.76% Cu were reported on July 22, 2021. The new Sceptre Target was delineated using a combination of both Company geochemical data and former Randgold Resources (now Barrick) legacy data sourced by the Company.
- Significant gold anomalism is also associated with this copper anomaly, with a peak value of 1.6 g/t Au derived from Company soil sampling. Gold anomalies are not isolated and several >1km and up to 2km long trends have been delineated. Coincident nickel, arsenic and lead anomalies are also associated with the Sceptre Cu anomaly.

Detailed soil geochemistry has been completed over just 25% of the Odienné East permit area and has delineated gold and/or copper anomalism at all prospects sampled so far, in addition to having led to the original Empire high-grade gold discovery.

During the wet season, the Company plans to continue mapping and geochemistry over key target areas and is expected to begin to flying airborne magnetic and radiometric surveys followed by trench and drill programs during Q4 2021.

Table 1: 2021 Odienné Project Drilling Summary:

2021 Drilling	Auger	Diamond	RC	Totals
Q1				
Holes Drilled	-	5	44	49
Metres Drilled	-	686.2	3,743	4,429.2
Total Holes Drilled	**-**	**5**	**44**	**49**
Total Metres Drilled	**-**	**686.2**	**3743**	**4,429.2**

Bondoukou Project

On May 19, 2021, the Company announced the arrival of an RC rig at the Bondoukou Project. A scout RC drill program was designed to test 4 of the 10 "blind" gold targets identified under shallow cover within the 15km long, NNW-trending Kodio structural corridor. The priority gold targets were outlined through a combination of geology and auger soil gold anomalies (32,694m in 6,816 holes).

At Samanda East, 8 drillholes for 585m were completed over the >300ppb Au core of a 1.5 km long >20ppb ppb Au in soil anomaly. The scout program was designed to intercept gold mineralization hosted within a NNE Structural trend. The following encouraging results for follow up were returned:

- BNRC0002 - 12m @ 0.4 g/t Au from 8m downhole,
- BNRC0007 - 10m @ 0.6 g/t Au from surface, including 2m @ 2.3g/t Au from 8m downhole

Mineralization at Samanda East is related to a NNE trending shear zone which exploits the contact between basalts to the west and a package of intermediate volcanic and-sedimentary rocks to the east. This sheared contact has been intruded by a granodiorite which has acted as a brittle host to mineralization. Moving forward the Company will define the margins of the intrusion and target 'shadow zones' for high grade and broader mineralization. Mineralization intercepted in these holes is traceable over 200m and is open in all directions. Alteration in and peripheral to mineralization consists of silica/sericite and carbonate alteration with up to 3% sulphide.

At Kodio, 51 holes for 3,796m were drilled over 4 targets, representing just 4km of the 15km gold in auger geochemistry trend. At all 4 prospects, the drilling has identified low grade mineralization associated with silica, sericite +/- fuchsite alteration and sulphides. Each of these alteration zones are spatially associated with strong deformation or shearing that are interpreted to be fluid pathways. The alteration deformation observed in drilling matched expectations from mapping and high-grade samples selective rock chip sampling from artisanal workings in the area (9.85g/t Au from quartz veining in silicified shales and 7.03g/t Au from fractured, brecciated quartz vein with silica hematite infill).

The Kodio trend contains multiple gold targets, and the Company will continue with its systematic exploration approach continuing to refine and test targets to unlock the potential of this and other anomalous trends within the Bondoukou system.

Table 2: 2021 Bondoukou Project Drilling Summary

2021 Drilling	Auger	Diamond	RC	Totals
Holes Drilled	3,696	-	59	3,755
Metres Drilled	18,464	-	4,381	22,845
Total Holes Drilled	**3,696**	**-**	**59**	**3755**
Total Metres Drilled	**18,464**	**-**	**4,381**	**22,845**

Abengourou Project

The Abengourou Project consists of 2 prospective gold permits Amélékia and Nianda, in the Comoé district of south eastern Côte d'Ivoire. These two granted permits and one application form the Company's Abengourou Project. These permits now give the Company a district presence at Abengourou with 718 square kilometres of granted tenure.

Initial work on the Abengourou Project has been completed with confirmatory soil sampling over the more advanced Amélékia permit. Amélékia was previously owned by Golden Star Resources Ltd whose legacy exploration uncovered significant gold in soil anomalies and due diligence sampling by the company has returned positive results. The Company has completed a mapping, pitting and trenching program to understand the geology and style of mineralisation that is the source of the gold anomalism in the soil geochemistry.

No significant work is currently planned for the Abengourou Project for the coming quarter, as the Company's immediate focus remains on discovery drilling at the Odienné and Bondoukou Projects.

Ity Application

The Danane permit lies on the same trend as the Endeavour Ity Mine which lies on a Birimian inlier associated along a regional scale structure that extends through Liberia and Côte d'Ivoire, and confluences with the Sassandara structure that extends northward toward the Odienné Project.

Exploration expenditure

The exploration expenditure of the Companies for the six months ended June 30, 2021 is set out below.

Expenditure	Bondoukou $	Odienné $	Abengourou $
Data analysis	102,813	131,371	219
Drilling and assay costs	489,468	465,692	-
Field Office & Camp	51,941	48,171	-
Exploration	206,838	256,503	2,005
Tenement costs	2,240	-	-
Health & safety	1,757	14,144	749
Administration	39,994	20,302	61,749
TOTAL	**895,051**	**936,183**	**64,722**

CORPORATE ACTIVITIES

On April 27,2021, the Company closed the first tranche of the private placement announced on March 31, 2021, comprising 17,207,200 units for gross proceeds of $839,591 (C$1,032,430) with the second tranche being completed on May 13, 2021 for 37,655,733 units at a price of $0.05 (C$0.06) per unit raising gross proceeds of $1,859,648 (C$2,259,344).

Each unit issued in the private placement consist of one common share and one-half share purchase warrant each whole warrant entitling the holder to acquire one additional common share at a price of $0.10 (C$0.12) until expiry, being 24 months from the date of issue.

The proceeds of the private placement were used for ongoing exploration expenditure on the Company's projects in Côte D'Ivoire and for general overhead, working capital and operating expenses.

On May 26, 2021, the Company announced that it had received Exchange approval to issue 2,732,964 payment shares in settlement of $119,177 in drilling services pursuant to the Memorandum of Understanding (MoU") with Geodrill Limited (TSX: GEO "Geodrill") as announced April 12, 2021. On June 30, 2021 the Company issued a further 2,223,016 payment shares in settlement of $132,723 in drilling services pursuant to the MOU.

The Company's continuing operations are dependent upon its ability to either secure additional capital or generate consistent cash flow from operations in the future The volatility of stock markets and precious and

base metals have eroded investor confidence to the extent that both advanced and junior companies have had a difficult time obtaining equity financing on reasonable terms. The Company must seek additional equity funding to fund ongoing exploration activities and to meet its ongoing general and administrative costs. The Company cannot guarantee it will be successful in raising additional funding. Refer to section 7 for the going concern consideration.

3. RESULTS OF OPERATIONS –SIX MONTHS ENDED JUNE 30, 2021

The following is a breakdown of material costs incurred:

	Six months ended June 30, 2021	Six months ended June 30, 2020
Share based payments	362,749	-
Salaries and director fees	140,673	125,714
Office and regulatory expenditure	57,702	50,240
Professional and consulting expenditure	52,972	39,194
Property investigation costs	52,420	-
Travel expenditure	-	12,082
Investor relations expenditure	33,464	23,712
Foreign exchange (gain)/loss	14,262	11,024
Depreciation	13,988	20,974

Six months ending June 30, 2021, compared to June 30, 2020

For the six months ending June 30, 2021, the Company incurred a loss of $728,230 (2020: $282,938).

The increase in the loss compared to the comparative prior period is due mainly to;

- the increased share-based payments due to the recognition of the cost attributed to the issue of options to employees, officers and directors of the Company. The Company recorded share based payments expense of $362,749 (2020: $nil) for the period ending June 30, 2021. This cost will fluctuate from period to period as the cost is recognised over the vesting period.
- Salaries and directors fees have been impacted by foreign exchange movements in comparison to prior comparative periods .
- Increased general and administrative fees related to increased listing and registry fees, as well as increased IT costs, this has been offset by lower telephone and general office costs.
- Professional and consulting expenditure has increased from the prior comparative period by $13,778 due to legal fees incurred during the period as advice was sought in relation to shares for debt service agreement and employee share plan. This increase was offset by a decrease in consulting fees paid to the Company's Ivorian consultant.
- The Company incurred property investigation costs during the period as it looked for additional exploration opportunities.
- Investor relations costs increased by $9,752 as the Company engaged additional investor relations expertise, this cost was offset by lower investor conferences costs and related expenses due to the impact of COVID-19 on these activities.
- Other costs have remained constant with the exception of travel which has decreased from the prior comparative period as a result of continued COVID-19 restrictions which has impacted on corporate travel to investor conferences and operations.

4. SELECTED UNAUDITED QUARTERLY FINANCIAL INFORMATION

SUMMARY	Q2 2021 $	Q1 2021 $	Q4 2020 $	Q3 2020 $	Q2 2020 $	Q1 2020 $	Q4 2019 $	Q3 2019 $
Net sales or total revenue	-	-	-	-	-	-	-	-
Loss	(453,816)	(274,414)	(280,774)	(228,418)	(138,682)	(144,256)	(171,552)	(145,208)
Basic & diluted loss per share	0.00	0.00	0.01	0.0	0.0	0.0	0.00	0.0
Total current assets	1,060,664	142,548	760,565	828,974	890,796	753,446	1,547,344	784,443
Total non-current assets	12,141,192	10,938,857	10,433,018	8,499,077	7,510,348	7,188,672	6,906,388	5,732,638
Total current liabilities	1,034,940	1,601,242	1,324,632	644,794	583,643	700,477	876,345	441,073
Total non-current liabilities	32,248	31,809	31,416	30,108	29,445	-	3,933	7,892

The Company's quarterly financial results and position can be affected by many factors including, but not limited to; seasonal fluctuations, variations in capital markets, foreign exchange rate movements, share based payments, changes in exploration programs, changes to exploration portfolios and financing activities undertaken.

Three months ending June 30, 2021
The net loss of $453,816 for the quarter ended June 30, 2021, is higher when compared to prior quarterly losses due mainly to the share based payment expense recognised on options issued in the second half of the year ended December 31, 2020 and in Q2 2021, with no share-based payment expense being incurred in the prior comparative periods. Professional fees increased in the current quarter due to legal fees incurred in relation to advice sought on shares for debt services and company share plan. The Company also incurred costs of $52,420 in relation to property investigation costs as it looked for further exploration opportunities. Other costs have remained relatively consistent when compared to the prior quarterly results, with the exception of travel costs which have decreased as a result of the ongoing impact of the COVID-19 pandemic

Current assets have increased when compared to prior quarterly periods due to the completion of private placement of $2,699,239 during the current quarter with cash reserves being used to fund ongoing operational and exploration expenditure.

Non-current assets increased in value as the Company continued exploration activities during the period and relevant costs were attributed.

Current liabilities continued to be higher in comparison to prior year comparative quarters due mainly to an increase in payables in Côte d'Ivoire due to the drill programs undertaken at the Company's projects in the current quarter.

Three months ending March 31, 2021
The net loss of $274,414 for the quarter ended March 31, 2021, is higher when compared to the quarterly losses in Q1 and Q2 2020 due mainly to the share based payment expense recognised on options issued in the second half of the year ended December 31, 2020, with no share-based payment expense being incurred in these prior comparative periods. Other costs have remained relatively consistent when compared to the prior quarterly results, with the exception of travel costs which have decreased as a result of the ongoing impact of the COVID-19 pandemic.

Current assets have decreased when compared to prior quarterly periods due mainly to cash balances being used to fund ongoing operational and exploration expenditure.

Non-current assets increased in value as the Company continued exploration activities during the period and relevant costs were attributed.

Current liabilities increased in the current quarter due mainly to an increase in payables in Côte d'Ivoire due to the exploration program undertaken at the Company's Odienné project in the latter part of 2020 fiscal year with costs continuing into the 2021 fiscal year as the program was completed.

Three months ending December 31, 2020
The net loss of $280,774 for the quarter ended December 31, 2020, increased when compared to the quarterly losses incurred in Q4 2019 due to no share-based payment being recorded in Q4 2019 and an increase in professional fees incurred in Q4 2020 when compared to the prior year comparative quarter as a result of additional work undertaken in relation to tax and accounting matters. This increase has been offset be a decrease in salary and fees paid to corporate staff and consultants and a reduction in travel costs due to reduced activities as a result of the COVID -19 pandemic and travel restrictions imposed during the period.
Current assets decreased in the current quarter as cash raised in the July 2020 private placement was used for corporate activities and for exploration activities, resulting in an increase in non-current assets as value was attributed to continued exploration activities undertaken at the Company's Côte d'Ivoire projects during the period. Current assets have decreased from the comparative prior period as the Company's cash balance was higher due to a private placement competed in December 2019 raising $1,541,868 in funds.

Current liabilities increased in the current quarter due mainly to an increase in payables in Côte d'Ivoire due to the completion of an exploration program at the Company's Odienné project and ongoing exploration activities at the Bondoukou project during the quarter.

Three months ending September 30, 2020
The net loss of $228,418 for the quarter ended September 30, 2020 increased when compared to the quarterly loss in Q3 2019 due mainly to the cost of options to staff and management of $109,576 for options issued during the period being recorded. This increase has been offset be a decrease in salary and fees paid to corporate staff and consultants and a reduction in travel costs due to reduced activities as a result of the COVID -19 pandemic and travel restrictions imposed during the period.

Current assets increased during this quarter as a result of the private placement completed in July 2020 where gross proceeds of $2,296,662 were receipted. These funds were used to continue exploration activities at the Company's Côte d'Ivoire projects and fund corporate costs. Prepayments were also made on equipment purchases for use at the Ivorian projects, with delivery to occur in Q4 202 and prepayment of drilling costs in connection with the upcoming drill program planned in Côte d'Ivoire.

Non-current assets increased in value attributable to continued exploration activities undertaken at the Company's Côte d'Ivoire projects during the period.

Current liabilities increased during the current quarter due mainly to increased supplier and creditor accounts in Côte d'Ivoire as a result of the increased exploration activities being undertaken at the Odienné and Bondoukou projects in Côte d'Ivoire when compared to the comparative quarter.

Non-current liabilities increased from that of the Comparative quarter as a result of the C$40,000 loan receipted from the Canadian government to offset the effect of COVID-19 impacts (refer to discussion below- *Three months ending June 30, 2020*). The movement in the balance from Q2 2020 is due to the fluctuation of USD: CAD the exchange rate.

Three months ending June 30, 2020
The net loss of $138,682 for the quarter ended June 30, 2020 decreased when compared to the quarterly loss incurred in Q3 2019 due mainly to a reduction in salaries and fees paid to corporate staff and consultants, as well as a reduction in investor relations and travel costs due to the ongoing impact of COVID-19 on large gatherings and travel. These decreases were offset by higher administrative costs as a result of the filing fees incurred due to the private placement undertaken during the period.

Current assets increased in the current quarter as a result of a prepayment made in connection with the upcoming drill program to be undertaken in Côte d'Ivoire and cash received in relation to the private placement completed in early July 2020. Non-current assets increased in value attributable to continued exploration activities undertaken at the Company's Côte d'Ivoire projects during the period.

Current liabilities decreased in the current quarter because of equity funds receipted being used to clear suppliers and commercial creditors and tax balances owing to government authorities.

Non-current liabilities increased during the period as funds of $29,445 (C$40,000) were received as part of the Bank of Montreal's Canada Emergency Business Account ("CEBA") program. The Company entered into an interest-free loan of C$40,000 with the Bank of Montreal, guaranteed by the Government of Canada, to help cover operating costs for businesses which may have been impacted by COVID-19. The Government program payment timelines are as follows:

- The Canada Emergency Business Account will be funded as a revolving line of credit and is interest free until Dec. 31, 2020
- Any outstanding balance will be converted to a term loan on Jan. 1, 2021, and remains interest free until Dec. 31, 2022
- If repaid by Dec. 31, 2022, 25% of balance will be forgiven
- If outstanding on Jan. 1, 2023, 5% interest starts
- The remaining balance is to be paid in full no later than Dec. 31, 2025

The repayment of the loan will be through the Bank of Montreal, not the Canadian Government.

Three months ending March 31, 2020
The net loss of $144,256 for the quarter ended March 31, 2020 decreased when compared to the quarterly loss incurred in Q1 2019 due mainly to a reduction in salaries and fees paid to corporate staff and consultants, and a reduction in professional fees incurred.

Current assets decreased in the current quarter as cash raised as part of the private placement was spent on corporate and exploration activities. Non-current assets increased in value attributable to continued exploration activities undertaken at the Company's Côte d'Ivoire projects during the period.

Current liabilities decreased in the current quarter as suppliers and commercial creditor balances recorded at year end, in relation to the exploration program at the Company's Odienné and Bondoukou projects, were settled. Non-current liabilities have decreased from the prior quarter as all lease liabilities are now recorded as current.

Three months ending *December 31, 2019*
The net loss of $171,552 for the quarter ended December 31, 2019 decreased when compared to the quarterly losses incurred in Q4 2018 due to no share-based payment being recorded in the current quarter. Corporate activities reduced in the current quarter due to: less marketing activities being undertaken with a decrease in related costs including; less travel being undertaken as less conferences were attended by management and exploration personnel; and a reduction in corporate travel as management continue to look to reduce overhead costs.

Total assets increased in the quarter due to the completion of a private placement in December 2019 that resulted in gross proceeds of $1,541,868 raised and an increase in value attributable to continued exploration activities undertaken at the Company's Côte d'Ivoire projects during the period.

Current liabilities increased in the current quarter due mainly to an increase in payables in Côte d'Ivoire of $629,527due to the commencement of an exploration program at the Company's Odienné project and ongoing exploration activities at the Bondoukou project during the quarter.

Three months ending September 30, 2019
The net loss of $145,208 for the quarter ended September 30, 2019 decreased when compared to the quarterly losses incurred in 2018, due to share based payments expensed in the prior comparative quarters, and the increased costs incurred in the prior comparative quarter as the Company commenced its increased activities and operations. There has also been a general decrease in corporate activities and associated costs in the current quarter, due to an effort by management to reduce overall corporate costs.

Total assets have been impacted by an increase in cash due to the completion of a private placement in the period and the increase in value attributable to continued exploration activities undertaken at the Company's Côte d'Ivoire projects during the period, offset by a decrease in cash used to fund the administrative activities required to support ongoing exploration programs; and the recognition of right of use assets in relation to the Company's leases on adoption of IFRS 16 Leases, applicable from January 1, 2019.

Current liabilities of the Company include accounts payable and accrued liabilities which fluctuate from period to period depending on the level of exploration activity undertaken by the Company and timing of payments made. As at September 30, 2019, liabilities include amounts owing to related parties comprising; non-executive director fees payable of $15,000, expense reimbursement payable to the CEO of $10,993, fees payable to the COO of $20,000, fees and expense reimbursement payable to the CFO of $13,962. Current liabilities at

September 30, 2019 also includes payables balance in Côte d'Ivoire of $257,280 due to the increase exploration activities undertaken in the period.

The liabilities balance has also been impacted by the transfer in December 2018 of the contractual obligation payable to Sandstorm from liabilities to Other Reserves, as it was, and remains, the Company's current expectation and intention to settle future obligations through the issuance of shares. The transaction is evaluated at each reporting period based on present obligations and intention. As the Company's current expectation and intention is to settle future obligations through the issuance of shares, the Company has continued to classify the full contractual obligation balance as equity. The liabilities balance has also been impacted by the recognition of a lease liability balance on adoption of IFRS 16 Leases, applicable from January 1, 2019.

5. DISCLOSURE OF OUTSTANDING SHARE CAPITAL

The number of common shares outstanding to the date of this report is 185,366,812 (2020: 124,069,152).

All issued ordinary shares are fully paid and have no par value. The holders of the shares are entitled to receive dividends and are entitled to one vote per share. All shares rank equally with regard to the Company's residual assets in the event of a wind-up.

On May 26, 2021, the Company issued 2,732,964 payment shares in settlement of $119,117 drilling services pursuant to the MOU with Geodrill. And on June 30, 2021, the Company issued a further 2,223,016 payment shares in settlement of $132,723 in drilling services. Pursuant to the MOUs, US$1 million "drilling for equity" program, Awalé has the option to pay Geodrill for its services in cash or a combination of cash and/or shares of the Company pursuant to VWAP and Exchange policy governing market discounts. The shares being issued are subject to a hold period trading restriction which expires September 26, 2021.

On April 27, 2021, the Company closed the first tranche of the private placement announced on March 31, 2021, The first tranche comprised 17,207,200 units at a price of $0.05 (C$0.06) for gross proceeds of $839,591 (C$1,032,430). Each Unit consisted of one common share and one-half share purchase warrant; each whole share purchase warrant will be exercisable at a price of $0.10 (C$0.12).

On April 29, 2021, the Company settled its annual payment obligation with Sandstorm, with 1,478,747 number of shares being issued.

On May 13, 2021, the Company announced it had completed the second tranche of its non-brokered private placement for 37,655,733 units at a price of $0.05 (C$0.06) per unit raising gross proceeds of $1,859,648 (C$2,259,344). The units consist of one common share and one-half share purchase warrant each whole warrant entitling the holder to acquire one additional common share at a price of $0.10 (C$0.12) per share until expiry on May 13, 2023 to purchase a common share of the Company until expiry 24 months from issuance. In connection with the financing the Company paid an aggregate $65,172 and issued an aggregate 1,345,506 finders warrants to eligible finders for a cost of $43,164 which was recorded against equity for the six months ended June 30, 2021.

Included in Capital Stock are shares which are subject to escrow and hold provisions. These escrowed shares will be released periodically over the next three years in line with the relevant agreements. These shares may not be transferred, assigned or otherwise dealt without the consent of the regulatory authorities.

The Company has the following warrants outstanding as at June 30, 2021 and to the date of this report denominated in US$:

	Number of warrants	**Weighted average exercise price $**
Balance January 1, 2020	5,847,222	0.32
Balance June 30, 2020	**5,847,222**	**0.32**
Issued	44,417,440	0.10
Expired	(200,000)	0.20
Balance December 31, 2020	**50,064,662**	**0.12**
Issued	28,776,973	0.10
Balance June 30, 2021	**78,841,635**	**0.12**

On April 27, 2021, the Company issued 8,603,600 warrants as part of the closing of the first tranche of the private placement initially announced on March 31, 2021.

On May 13, 2021, the Company issued 20,173,373 (including broker warrants of 1,345,506) warrants as part of the closing of the second tranche of the private placement initially announced on March 31, 2021.

Each whole warrant entitles the holder to acquire one additional common share of the Company at a price of $0.10 (C$0.12) until expiry 24 months from issuance.

The Company has the following options outstanding as at June 30, 2021 and to the date of this report denominated in US$:

	Number of options	Weighted average exercise price $
Balance January 1, 2020	2,330,000	0.28
Balance June 30, 2020	**2,330,000**	**0.28**
Issued	5,050,000	0.18
Balance December 31, 2020	**7,380,000**	**0.22**
Issued	8,500,000	0.10
Expired	(2,330,000)	0.28
Balance June 30, 2021	**13,550,000**	**0.13**

On July 24, 2020, the Company granted an aggregate 2,400,000 stock options to employees and consultants and an aggregate of 2,650,000 stock options to directors and officers with an exercise price of $0.18 (C$0.25). All options granted are subject to a one-year vesting period, after which they become exercisable, and have a 3-year term with an expiry date of July 24, 2023.

On May 13, 2021, the Company announced that the Board has granted an aggregate 4,200,000 stock options to employees and consultants and an additional aggregate 4,300,000 stock options to directors and officers of the Company with an exercise price of $0.10 (C$0.12). All options are subject to a one-year vesting period, after which they become exercisable, and have a 3 year term with an expiry date of May 14, 2024. A total cost of $412,783 was calculated for options issued in the current reporting period. This cost is to be recognised over the vesting period.

For the six months ending June 30, 2021 the Company recognised $362,749 in share based payment expense for all options issued.

6. LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents

As at June 30, 2021 the Company had cash of $990,170 (2020: $646,373) and cash deposits of $8,324 (2020: $9,206).

The Company's planned corporate and exploration operations have been impacted by the uncertainty created by the global pandemic COVID-19 announced by the World Health Organisation on March 11, 2020.

The Company has no operations that generate cash flow and its long-term financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. The Financial Statements have been prepared on the assumption that the Company is a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations.

The Company has incurred an accumulated deficit of $3,726,723 at June 30, 2021 and has no current source of revenue. The Company's continuation as a going concern is dependent on its ability to attain profitable operations and generate funds therefrom and/or raise funds sufficient to meet current and future obligations.

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales and from the exercise of convertible securities. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activity and the state of the financial markets. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record and the experience and calibre of its management.

These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. The Company intends to continue to use various strategies to minimize its dependence on equity capital, including the securing of joint venture partners where appropriate.

On April 27, 2021, the Company closed the first tranche of the private placement announced on March 31, 2021. The first tranche comprised 17,207,200 units for gross proceed of $839,591 (C$1,032,430). On May 13, 2021, the Company announced it had completed the second tranche of its non-brokered private placement for 37,655,733 units at a price of $0.05 (C$0.06) per unit raising gross proceeds of $1,859,648 (C$2,259,344). Funds raised were used for ongoing exploration activities and working capital requirements.

Refer to section 7 for further details regarding the going concern consideration.

Working Capital

As at June 30, 2021, the Company had working capital of $25,724 (2020: $52,969). The decrease in working capital is a result of continued exploration activity during the period and the corporate activities being undertaken to support and promote the exploration activities on the Company.

Cash used in operating activities

Cash used in operating activities during the six months ending June 30, 2021, was $316,392 (2020: $212,923). The cash used in operating activities represents general and administrative costs incurred, adjusted for non-cash items such as interest recognised, depreciation, foreign exchange movements, share based payments and movements in accounts payable and accounts receivable balances in the period.

Cash used in investing activities

Cash used in investing activities for the six months ending June 30, 2021, was $1,921,017 (2020: $1,103,278). This expenditure relates to the costs incurred in relation to drill programs undertaken at the Company's Odienné and Bondoukou projects in Côte d'Ivoire and payments for plant and equipment acquired..

Cash from financing activities

The Company received $2,699,239 as a result of the private placement tranches completed in April and May 2021. These proceeds were offset by share issue costs of $65,172 and lease costs paid of $4,382.

7. GOING CONCERN

The financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Directors are satisfied that the continued application of the going concern basis of accounting is appropriate after considering the following factors:

- Management and the Directors have reviewed the Company's consolidated cashflow requirements and the forecast shows that the current cash on hand will be insufficient to meet the planned corporate activities, working capital requirements, planned Exploration and Mining activities.
- Therefore, in order to continue to operate as a going concern, it is the Board's intention to raise equity capital, or secure liquidity facilities including support from its larger shareholders, convertible debt arrangements, and/or enter into joint venture agreements with third parties, as required, to progress the Company's mining projects, pursue its strategic business plans and objectives and enhance the Company's liquidity and balance sheet strength; and
- The Company has no plans to wholly or in part dispose of any of its interests in mineral exploration and development assets, however, does retain the ability to do so if required.

Should the Company be unable to access further equity capital or execute any of other alternate funding arrangements, a material uncertainty exists with regards to the ability of the Company to continue to operate as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments that might be necessary should the Company not continue as a going concern.

There can be no assurance that the Company will be able to obtain or access additional funding when required, or that the terms associated with the funding will be acceptable to the Directors. If the Company is unable to obtain such additional funding, it may be required to reduce the scope of its operations, which could adversely affect its business, financial condition and operating results.

The directors are confident of raising additional capital based on previous experience to continue as a going concern. Despite this there remains a material uncertainty related to the Group's ability to continue as a going concern and no adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the combined group not continue as a going concern

8. TRANSACTIONS BETWEEN RELATED PARTIES

During the six months ended June 30, 2021, the Company incurred charges to directors and officers, or to companies associated with these individuals as follows:

	2021 **$**	**2020** **$**
CEO fees & expense reimbursement (i)	56,816	52,280
COO fees	90,000	90,000
Non-executive fees (ii & v)	30,000	30,000
Accounting fees – CFO services (iii)	28,383	21,702
Company- secretarial fees & reimbursement (iv)	15,962	12,523
Share based payments	208,820	-
	429,981	206,505

(i) Includes an amount paid to Parsons Capital Superfund - a superannuation fund controlled by G. Parsons
(ii) Includes fees paid to Austral Consulting Services, a company owned by E Roth for non-executive director fees
(iii) Amount paid to Genco Professional Services Pty Ltd – a company controlled by S. Cooper
(iv) Amount paid to Marketworks Pty Ltd – a company controlled by K Witter
(v) Includes fees paid to DH Mining Advisory Services, a company owned by D. Hartman.

The following balances were payable to related parties as at June 30, 2021:

	2021 **$**	**2020** **$**
CEO fees & expense reimbursement (i)	1,945	2,272
COO fees & expense reimbursement	13,169	23,505
Non-executive fees (ii & iv)	15,000	15,000
Company- secretarial fees & reimbursement (iii)	-	3,291
	30,114	**44,068**

(i) Includes an amount paid to Parsons Capital Superfund - a superannuation fund controlled by G. Parsons
(ii) Includes an amount payable to Austral Consulting Ltd – a company controlled by E Roth
(iii) Includes fees paid to DH Mining Advisory Services, a company owned by D. Hartman
(iv) Amount payable to Genco Professional Services Pty Ltd – a company controlled by S. Cooper
(v) Amount payable to Marketworks Pty Ltd – a company controlled by K Witter

Compensation of key management personnel

The Company considers its directors and officers to be key management personnel. Transactions with key management personnel for the six months ending June 30, 2021, are set put below:

	2021	2020
	$	$
Short term benefits (i) & (ii)	186,532	172,116
Post - employment benefits (iii)	4,629	4,6389
Share based payment benefits	208,820	-
Non-executive directors' fees (iv & v)	30,000	30,000
	429,981	206,505

(i) Includes an amount paid to Genco Professional Services Pty Ltd – a company controlled by S. Cooper
(ii) Includes an amount paid to Marketworks Inc. – a company controlled by K. Witter
(iii) Amount paid to Parsons Capital Superfund - a superannuation fund controlled by G. Parsons
(iv) Includes fees paid Austral Consulting Services, a company owned by E Roth for non-executive director fees.
(v) Includes fees paid to DH Mining Advisory Services, a company owned by D. Hartman for non-executive director fees

The Company's related parties includes intercompany loan balances with its subsidiaries. These balances are eliminated on consolidation.

On April 29, 2021 the Company delivered to Sandstorm 1,478,747 shares at a price of C$0.13 (US$0.10) to fulfil the second annual payment in relation to the contractual obligation payable.

On May 13, 2021, the Company announced that the Board had granted an aggregate 4,300,000 stock options to directors and officers of the Company with an exercise price of $0.10. All options are subject to a one-year vesting period, after which they become exercisable, and have a 3 year term with an expiry date of May 14, 2024. The total cost is to be recognised over the vesting period.

9. OFF BALANCE SHEET ARRANGEMENTS

The Company does not utilise any off-balance sheet arrangement.

10. PLAN OF OPERATIONS AND FUNDING

The Company's plan of operation over the next twelve months is to progress an appropriate exploration program at its gold permits in Côte d'Ivoire by raising required capital to fund exploration programs and corporate costs to support and promote the Company's exploration activities. However, the COVID-19 pandemic is having a negative impact on current operations and the Company is not sure how long these conditions will prevail. Furthermore, stock markets, currencies and business activities globally, have been impacted by COVID-19; which may potentially have negative impacts on the Company's ability to raise capital funds, planned exploration programmes, cash flows and liquidity

At present, the Company's operations do not generate cash inflows and the Company's continued existence depends on management's ability to raise additional equity financing, discover recoverable mineral deposits and sell or otherwise participate in the development of those projects. Many factors influence the Company's ability to raise funds, including the health of the commodity resource market, the climate for mineral exploration investment, the Company's track record, and the experience and calibre of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities.

Management believes it will be able to raise equity capital as required over time but recognizes there are risks involved that may be beyond its control. If those risks fully materialize, the Company may not be able to raise adequate funds to continue its operations.

The Company closed a private placement in two tranches in April and May 2021 with funds used for ongoing exploration activities and working capital requirements.

11. COMMITMENTS AND CONTINGENCIES

The Company has the following commitments and contingencies. Payment is contingent on the continued operations based on successful exploration results at its properties:

Payment	Condition
Contingent payments	
US$1,845,000	Upon the Company making a decision to mine in respect of the First Grant of the Odienné property, the approval of a mining plan by the relevant authority, and securing finance to carry out that mining plan so as to take the mine to production stage.
Maximum US$3,500,000	Payable to Awalé Holdings a resource milestone payment, in accordance with the Share Purchase Agreement dated January 13,2017, of: • US$0.50 per ounce of reported gold Mineral Resources for any Mineral Resource delineated up to the first one million ounces; and • US$1.00 per ounce of reported gold Mineral Resources for any Mineral Resource delineated over the first one million ounces; and • a catch-up payment of US$0.50 per ounce of reported gold Mineral Resources for any Mineral Resource ounces that were delineated prior to the delineation of a Mineral Resource greater than one million ounces, All subject to a maximum of US$3.5 million.
US$800,000	Payable to Newoka Resources upon the Bondoukou project changing from an exploration license to a mining license with intent of commercial production.
Commitment payments	
Total CFA 3,962,461,514 (US$7,188,698 as at June 30, 2021)	Minimum exploration spend commitment within the next three years at the following properties: Bondoukou, CFA 2,811,263,329 (US$5,031,523) Odienné CFA 38,659,911 (US$ 769,192) Abengourou CFA 1,112,538,274 (US$1,991,191)

Awalé is required to pay a 2% net smelter royalty to Sandstorm on any products sold from the Awalé and Aforo properties as detailed in the Net Smelter Returns Royalty Agreements dated December 29, 2017.

12. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment - the acquisition, exploration and development of mineral properties in the single geographical segment Côte d'Ivoire.

13. EVENTS SUBSEQUENT TO THE PERIOD ENDED JUNE 30, 2021

On July 8, 2023, 44,417,440 warrants at a price of $0.10 expired.

On July 30,2021 the Company announced it had received Exchange approval and issued 1,121,270 payment shares in settlement of $65,545 in drilling services pursuant to the MoU with Geodrill as announced April 12, 2021.

14. FINANCIAL INSTRUMENTS AND RISKS

The Company's financial instruments consist, of cash, receivables and trade payables. Receivables are classified as financial assets at amortised costs which give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount

Outstanding. Financial assets at amortised costs are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The activities of the Company expose them to a variety of financial risks that arise as a result of their exploration, development and financing activities, including credit risk, liquidity risk and market risk.

This section presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included in the financial statements.

The Board of Directors of the Company oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk
Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's' cash and cash equivalents, short-term investments and amount due from Cartier. The Company holds its key operational bank accounts with reputable banks of international financial institutions.

Liquidity and Financing risk
Liquidity and financing risk are the risks that the Company will encounter difficulty in raising capital funds and as a result experience difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due. The amounts for accounts payable and accrued liabilities are subject to normal trade terms The Group expects to settle its financial liabilities within normal trading terms.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. We have seen a significant impact on our business to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy, and the operations of our business. The scale and duration of these developments continue to remain uncertain as at the date of this report creating ongoing uncertainty and as a result may have a future impact on the ability to raise capital.

The ability of the Company to continue meeting its financial commitments is dependent on the ability to raise capital. However, should additional capital not be available, the combined group may be unable to continue as a going concern.

Market risk
Market risk is the risk that changes in market prices, such as equity prices and foreign exchange rates will affect the Company's income or the value of its financial instruments.

Foreign currency risk
Foreign currency risk is the risk that the Company financial performance will be affected by fluctuations in the exchange rates between currencies. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when expenses are denominated in currencies other than the respective functional currencies). The Company manages this foreign currency risk by matching payments in the same currency and monitoring movements in exchange rates.

Capital management
Capital of the Company consists of capital stock and deficit. The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern so it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to it in light of changes in economic conditions. The Board of Directors of the Company has not established quantitative return on capital criteria for management, but rather relies on the expertise of the management to sustain the future development of the Company. In order to facilitate the management of their capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company is reasonable.

The Company's principal source of capital is from the issue of ordinary shares. In order to achieve its objectives, the Company intends to raise additional funds as required. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

It is management's opinion that the Company is not exposed to significant interest rate, currency or credit risk arising from these financial instruments.

15. ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

Changes in accounting policy
The accounting policies set out below have been applied consistently to all years presented in these financial statements.

New accounting standards

The Company has adopted all applicable new, revised or amending Accounting Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are mandatory for the reporting periods in these consolidated financial statements.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. At this stage, it is not expected that these new accounting standards will have a material impact on the amounts reported in the Group's financial statements. Certain disclosures and presentation may change due to the new or amended standards.

Estimates
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. We have seen a significant impact on our business to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy, and the operations of our business. The scale and duration of these developments continue to remain uncertain as at the date of this report creating ongoing uncertainty and as a result certain assumptions and estimates used in the preparation of this report are subject to greater volatility than normal.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are as follows:

Impairment of exploration and evaluation
Exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable through future exploitation or sale. Such circumstances include the period for which each Company has the right to explore in a specific area, actual and planned expenditures, results of exploration, whether an economically viable operation can be established and significant negative industry or economic trends. Management judgment is also applied in determining cash generating units, the lowest levels of exploration and evaluation assets grouping, for which there are separately identifiable cash flows, generally on the basis of areas of geological interest.

Share based payments and warrants
The Company uses the Black-Scholes option pricing model in determining share-based payments, which requires a number of assumptions to be made, including the risk-free interest rate, expected life, forfeiture rate and expected share price volatility. Consequently, actual share-based compensation may vary from the amounts estimated.

Contractual obligation payable
The Company has assessed the contractual obligation payable to Sandstorm as being more likely than not to not continue past 5 years.

16. FORWARD LOOKING STATEMENTS

The MD&A contains forward-looking information within Canadian securities laws (collectively "forward looking statements") concerning the anticipated developments in the Company's operations in future periods, its planned exploration activities, the adequacy of its financial resources and other events or conditions that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Statements concerning mineral reserve and resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Any statements that express or involve predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "anticipates", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential" or variations thereof, or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

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 information	Assumptions	Risk factors
The Company's anticipated plans, costs, timing and capital for future development of the Company's mineral exploration properties.	Financing will be available for future exploration and development of the Company's properties; the actual results of the Company's exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company ; the price of precious and base metals and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties.	The Global impact of COVID-19 on stock markets, currencies and business activities globally may potentially have negative impacts on the Company's ability to raise capital funds, planned exploration programmes, cash flows and liquidity Precious and base metals price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff.
The Company's ability to carry out anticipated exploration on its mineral exploration properties.	The operating and exploration activities of the Company for the twelve months ending December 31, 2021, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.
Plans, costs, timing and capital for future exploration and development of the Company's property interests, including the costs and potential impact of	Financing will be available for the Company's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current	Precious and base metals price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in

Forward looking information	Assumptions	Risk factors
complying with existing and proposed laws and regulations	expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of precious and base metals will be favourable to the Company no title disputes exist with respect to the Company's s properties.	interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff.
Management's outlook regarding future trends.	Financing will be available for the Company's exploration and operating activities; the price of precious and base metals will be favourable to the Company.	Precious and base metals price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions
Prices and price volatility for precious and base metals.	The price of precious and base metals will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of precious and base metals will be favourable.	Changes in debt and equity markets and the spot price of precious and base metals; interest rate and exchange rate fluctuations; changes in economic and political conditions.

Inherent in forward looking statements are risks, uncertainties and other factors beyond the control of the Company's ability to predict or control. Please make reference to those risk factors referenced in the "Risk factors" section above. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and development are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements outlined in this MD&A.

Forward-looking statements include known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by the cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise review any forward-looking statements whether as a result of new information or future events or otherwise, except as may be require by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

17. BOARD

The Board of the Company comprise the following members:

- Mr Ronald Ho
- Mr Eric Roth
- Mr Derk Hartman
- Mr Glen Parsons

18. DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. It should be read in conjunction and in context with all other disclosure documents of the company. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented.

19. ADDITIONAL INFORMATION

For further detail, see the Company's Audited Financial Statements and other documents available on SEDAR. www.sedar.com.