MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019
(Containing information through May 21, 2020 unless otherwise noted)

BACKGROUND

This Management's Discussion and Analysis ("MD&A") has been prepared based on information available to African Gold Group, Inc. ("we", "our", "us", "African Gold" or the "Company") as of May 21, 2020 unless otherwise noted. The MD&A provides a detailed analysis of the Company's operations and compares its financial results with those of the previous periods and should be read in conjunction our condensed interim consolidated financial statements for the three months ended March 31, 2020 and 2019 and with our annual consolidated financial statements for the years ended December 31, 2019 and 2018. The condensed interim consolidated financial statements and related notes of African Gold have been prepared in accordance with International Financial Reporting Standards ("IFRS") and do not reflect the adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

Please refer to the notes of the December 31, 2019 annual consolidated financial statements for disclosure of the Company's significant accounting policies. Unless otherwise noted, all references to currency in this MD&A refer to United States dollars. References to CDN$ refer to the Canadian dollar.

Additional information, including our press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available online under the Company's profile at www.sedar.com. Additional information relating to the Company can be found on the African Gold website at www.africangoldgroup.com.

Dr. Andreas Rompel, FSAIMM/Pr.Sci.Nat., PhD, is a Qualified Person under National Instrument 43-101, has reviewed and approved the scientific and technical information in this MD&A.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to African Gold, certain information contained herein constitutes forward-looking information under Canadian securities legislation. Forward-looking information includes, without limitation, statements with respect to: possible events, the future price of gold, the estimation of mineral reserves and mineral resources, the realization of mineral reserve and mineral resource estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of projects and new deposits, success of exploration, development and mining activities, permitting timelines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. The words "anticipates", ''plans'', ''expects'', "indicative", "intend", ''scheduled'', "timeline", ''estimates'', ''forecasts", "guidance", "opportunity", "outlook", "potential", "projected", "schedule", "seek", "strategy", "study" (including, without limitation, as may be qualified by "feasibility" and "pre-feasibility"), "targets", "models", or ''believes'', or variations of or similar such words and phrases or statements that certain actions, events or results ''may'', ''could'', ''would'', or ''should'', ''might'', or ''will be taken'', ''occur'' or ''be achieved'' and similar expressions identify forward-looking information. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable by African Gold and its external professional advisors as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Forward-looking information is provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements and those made in our other filings with the securities regulators of Canada including, but not limited to, the cautionary statements made in the ''Risk Factors'' section of this MD&A. These factors are not intended to represent a complete list of the factors that could affect African Gold. Economic analyses (including mineral reserve and mineral resource estimates) in technical reports are based on commodity prices, costs, sales, revenue and other assumptions and projections that can change significantly over short periods of time. As a result, economic information in a technical report can quickly become outdated. African Gold disclaims any intention or obligation to update or revise any forward-looking information or to explain any material difference between subsequent events and such forward-looking information, except to the extent required by applicable law and regulations.

OVERVIEW

African Gold is a Canadian exploration and development company with a focus on developing a gold platform in West Africa. The Company is focused on the development of the Kobada Gold Project ("Kobada") in Mali.

Highlights for the three months ended March 31, 2020 include:

- On January 25, 2020, the company granted a total of 1.2 million stock options to certain consultants of the company pursuant to the company's stock option plan. Half of the stock options vest immediately and the remainder vest on the first anniversary of the grant. Each stock option may be exercised at a price of CDN$0.20 per option for a period of five years from the date of grant. This grant of options is subject to the approval of the TSX Venture Exchange.

- On January 31, 2020, the Company closed a non-brokered private placement of common shares for gross proceeds of CDN$1,500,000 ($1,133,530). The Company issued 7,500,000 units ("Unit") at a price of CDN$0.20 per Unit. Each Unit consists of one common share of the Company and one half of a common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CDN$0.25 per common share until January 31, 2022. In connection with the closing of the non-brokered private placement, the Company has paid aggregate finder's fees of CDN$35,950 ($27,167) in cash and 182,275 finder's warrants ("Finder's Warrants") to certain finders. Each Finder Warrant will entitle the holder thereof to purchase one Common Share at a price of CDN$0.25 for a period of 24 months from the date of the closing. All securities issued under the private placement are subject to a statutory hold period ending four months and one day from the closing date.

- On March 10, 2020, the Company closed the second and final tranche of the previously announced $2-million non-brokered private placement financing of common shares for gross proceeds of CDN$684,210 ($498,310). Together with the closing of the first tranche of the offering, the Company raised gross proceeds of CDN$2,184,210 ($1,631,480). Pursuant to the final tranche, the Company issued 3,421,050 units of the Company at a price of CDN$0.20 per unit for gross proceeds of CDN$684,210 ($498,310). Each unit consists of one common share of the Company and one-half of a common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CDN$0.25 per common share until March 9, 2022. In connection with the closing of the final tranche, the Company has paid aggregate finders' fees of CDN$27,500 ($20,028) in cash. All securities issued under the final tranche are subject to a statutory hold period ending four months and one day from the closing date of the final tranche.

- On March 17, 2020, the Company closed the first tranche of an announced non-brokered private placement financing of common shares for gross proceeds of CDN$250,000 ($176,375). Pursuant to the first tranche, the Company issued 1.25 million units of the Company at a price of CDN$0.20 per unit for gross proceeds of $250,000 ($176,375). Each unit consists of one common share of the Company and one-half of a common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CDN$0.25 per common share until March 17, 2022. In connection with the closing of the first tranche, the company has paid aggregate finders' fees of CDN$12,500 ($8,819) in cash.

SUBSEQUENT EVENTS

On April 21, 2020, the Company granted a total of 100,000 stock options to certain consultants of the Company pursuant to the Company's stock option plan. Half of the stock options vest immediately and the remainder vest on the first anniversary of the grant. Each stock option may be exercised at a price of CDN$0.24 per option for a period of five years from the date of grant.

On April 23, 2020, the Company granted a total of 3,000,000 stock options to certain consultants of the Company pursuant to the Company's stock option plan. Half of the stock options vest immediately and the remainder vest on the first anniversary of the grant. Each stock option may be exercised at a price of CDN$0.33 per option for a period of five years from the date of grant.

On April 23, 2020, the Company closed the second and final tranche of an announced CDN$3,000,000 non-brokered private placement financing of common shares for gross proceeds of CDN$2,750,000. Together with the closing of the first tranche, the Company raised gross proceeds of CDN$3,000,000. Pursuant to the final tranche, the Company issued 13,750,000 units of the Company. Each unit consists of one common share of the Company and one-half of a common share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of CDN$0.25 per common share until April 23, 2022. In connection with the closing of the final tranche, the company has paid aggregate finders' fees of CDN$33,000 in cash and issued 140,000 finders warrants (the “Finders Warrants”) to certain finders. Each Finder Warrant will entitle the holder to purchase one common share of the Company at a price of CDN$0.25 for a period of 24 months from the date of closing of the final tranche. Certain directors of the Company participated and acquired a total of 1,400,000 units of this private placement for gross proceeds of CDN$280,000.

SUMMARY OF QUARTERLY RESULTS

Selected unaudited consolidated financial information for each of the last eight quarters:

Quarter Ended	Revenue	Total assets	(Loss) income for the Period	(Loss) earnings per Share *
	$	$	$	$
March 31, 2020	Nil	29,495,749	(927,679)	(0.01)
December 31, 2019	Nil	28,362,480	(1,567,833)	(0.02)
September 30, 2019	Nil	26,493,136	(1,154,892)	(0.02)
June 30, 2019	Nil	25,997,685	(1,128,623)	(0.02)
March 31, 2019	Nil	23,698,156	(920,913)	(0.02)
December 31, 2018	Nil	23,701,859	(684,775)	(0.01)
September 30, 2018	Nil	25,546,947	(878,701)	(0.01)
June 30, 2018	Nil	26,201,105	161,375	-

* (Loss) earnings per share data is basic and diluted

The Company's level of activity and expenditures during a specific quarter are influenced by the availability of working capital, the availability of additional external financing, the time required to gather, analyze and report on geological data related to mineral properties, the results of the Company's prior exploration activities on its properties and the amount of expenditure required to advance its projects.

OVERALL PERFORMANCE

Assets increased from $28,362,480 as at December 31, 2019 to $29,495,749 as at March 31, 2020 mainly due to three non-brokered private placements for net proceeds of $1,808,215.

For a discussion of trends that are reasonably likely to affect the Company's business, see "Liquidity and Capital Resources – Trends" below.

SELECTED FINANCIAL INFORMATION

The following information has been extracted from the Company's consolidated financial statements:

	For the three months ended March 31,	
	2020	2019
Operations		
Revenue	**-**	-
Net loss	**(927,679)**	(920,913)
Loss per share	**(0.01)**	(0.02)
Balance Sheet		
Total assets	**29,495,749**	23,698,156
Working capital*	**(3,978,936)**	(1,772,104)
Cash dividends declared	**NIL**	NIL

*Working capital is defined as current assets minus current liabilities. Working capital is a Non-IFRS figure without a standard meaning. Please see "Non-IFRS Measures" below for a reconciliation.

RESULTS OF OPERATIONS

Revenues

The exploration properties acquired by the Company are still in the exploration and evaluation stage. Until sufficient work has been completed to confirm the technical and commercial feasibility of any specific interest being placed into production, it is not anticipated that AGG will have any material revenue.

Expenses

	For the three months ended March 31, 2020	2019
Expenses		
Administration and general	**207,421**	78,844
Consulting and personnel costs	**322,715**	272,442
Amortization	**5,792**	-
Foreign exchange loss	**217,652**	569,627
Share based payments	**174,099**	-
	927,679	920,913

Consulting and personnel costs – The increase in consulting and personnel cost for the three months ended March 31, 2020 compared to the same period last year was due to additions to the senior management team, and consulting expenditures for corporate communications. There was a one-time consulting fee of $74,930 in the first quarter of 2019. This consulting fee was paid on March 5, 2019 by issuing 266,666 common shares of the Company.

Foreign exchange loss/ (gain) – The Canadian dollar continues to fluctuate in 2020. The Canadian dollar weakened at March 31, 2020 causing an unrealized foreign exchange loss on US based working capital items, which consisted mainly of accounts payable. During the three months ended March 31, 2019, the Canadian dollar strengthened resulting in an unrealized loss on US based loans receivable in the Canadian entity. These foreign exchange losses are reflected in the Statement of Operations and Comprehensive Loss.

Administrative and general expenses – AGG's administrative and general expenses for the three months ended March 31, 2020 increased $128,577 from $78,844 for the three months ended March 31, 2019.

	For the three months ended March 31, 2020	2019
Bank and interest charges	**$ 690**	$ 216
Communication	**754**	1,017
Insurance	**2,002**	2,003
Investor relations	**34,825**	3,836
Office and general	**42,505**	6,767
Professional fees	**13,114**	27,242
Rent	**25,987**	30,507
Travel	**87,544**	7,256
	$ 207,421	$ 78,844

Within the administrative and general expenses seen above, investor relations and office and general increased for the three months ended March 31, 2020 compared to the same period in the previous year due to increased shareholder communications and filing fee expenses incurred related to updates on the Kaboda gold project and closing of several private placements in the quarter. Travel expenses increased for the three months ended March 31, 2020 compared to the same period in the prior year due to increased travel to Mali and travel associated with investor relations activity.

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital deficit of $3,978,936 at March 31, 2020 (December 31, 2019 - $3,904,472) and cash and cash equivalents of $407,822 (December 31, 2019 - $543,452). The Company closed private placements in the quarter and used the proceeds on development of its Kaboda gold project. Specific cash flow fluctuations can be evidenced in the March 31, 2020 condensed interim consolidated financial statements in the Statement of Cash Flows.

At present, the Company has no producing properties and consequently no revenue generating assets or operations. The Company is dependent on the ability to access funds from certain shareholders or potential investors in order to ensure that it can continue to fund ongoing administrative expenses and explore, quantify, and develop any potential assets. Management is confident that it will be able to raise sufficient capital to further explore and develop its properties and projects in future periods when additional funding is required.

Mineral exploration is a speculative venture. There is no certainty that the money spent on exploration and development of mineral projects will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be related to the success of its exploration programs, which may be affected by a number of factors that are beyond the control of the Company.

The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration companies who have greater financial resources and experience. The market price of precious metals and other minerals is volatile and cannot be controlled.

NON-IFRS MEASURES

The Company has referred to working capital throughout this document. Working capital is a Non-IFRS performance measure. In the gold mining industry, it is common Non-IFRS performance measure but does not have a standardized meaning. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, we and certain investors use this information to evaluate the Company's performance and ability to generate cash, profits and meet financial commitments. This Non-IFRS measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The following tables provide a reconciliation of working capital to the financial statements as at March 31, 2020 and December 31, 2019.

		March 31, 2020		December 31, 2019
Current assets				
Cash and cash equivalents	$	407,822	$	543,452
Receivables		66,756		40,038
Prepaid expenses		855		54,332
		475,433		637,822
Current liabilities				
Accounts payable and accrued liabilities	$	4,454,369	$	4,542,294
		4,454,369		4,542,294
Working capital, current assets less current liabilities	$	(3,978,936)	$	(3,904,472)

CAPITAL RISK MANAGEMENT

The Company includes equity, comprised of issued share capital, share-based payment reserve, warrants, accumulated other comprehensive income and deficit, in the definition of capital. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support the acquisition, exploration, and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business.

The Company's properties are in the exploration stage and, accordingly, the Company is dependent upon external financings to fund activities. In order to carry out planned engineering, test work, advancement, and development of the mining projects, and pay for administrative costs, the Company will spend working capital and expects to raise additional funds from time to time as required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. There were no changes in the Company's approach to capital management during the three months ended March 31, 2020. The Company is not subject to externally imposed capital requirements.

COMMITENTS

Management Commitments

The Company is party to certain management contracts. These contracts require payments of approximately CDN$2,200,000 ($1,525,000) to be made upon the occurrence of a change of control to the officers of the Company. The Company is also committed to payments upon termination of approximately CDN$1,257,000 ($886,000) pursuant to the terms of these contracts. As a triggering event has not taken place, these amounts have not been recorded in the condensed interim consolidated financial statements for the three months ended March 31, 2020 and 2019.

The Company is party to a contract with Senet to deliver an updated definitive feasibility study for the Kobada project. As at March 31, 2020, the remaining amount owed under the contract is approximately $1,200,000.

MINERAL PROPERTY UPDATE

KOBADA

Kobada is a near-surface gold project that has a mineral resource base of approximately 1.2Moz Measured and Indicated and 1.0Moz Inferred. The project is located in Mali, Africa's 3rd largest gold producing nation, 125 km southwest of its capital, Bamako. Previous operators completed 1,108 holes and 126,335m of drilling on the property and completed 3 economic studies, the last one being a feasibility study released in February 2016. Although the economics were compelling, the new management of the project decided to undertake internal scoping studies in order to gain a better understanding of the project with a goal to optimize the size of the envisioned mine and increase the confidence in the resource model. Salient features of the 2016 feasibility study included:

- Gold resource of 1.2Moz Measured and Indicated and 1.0Moz Inferred
- Strong economic potential demonstrated in feasibility study
  - All-in LOM sustaining costs of US$788/Oz
  - Initial capex of US$45.4M
  - Post-tax NPV5% of US$86M and IRR of 43%
- Shallow mineralization with deep oxidation
  - Ore is largely free-digging enabling mining to be conducted with significantly less blasting than other more conventional or hard rock ore bodies
  - Simple processing enables pre-concentration of ore resulting in lower processing costs
- Significant resource growth potential
  - The 1.2Moz Measured and Indicated and 1.0Moz Inferred resource stretches over 4km within a larger 12km strike length of the Kobada Shear Zone that has not been drillhole tested
  - An additional 30km of shear zone structures have been identified on the property and have yet to be explored

Definitive Feasibility Study ("DFS") Update

The Company has updated the comprehensive metallurgical testwork program undertaken as part of the DFS for the Kobada in southern Mali. Results of the optimized testwork show a significantly improved gold recovery, low operating costs based on a simple process flowsheet, an oxide-only process plant, and low reagent and power consumption. The completion of the metallurgical testwork and optimized flowsheet is a crucial milestone in delivering the updated DFS, which builds on the 2016 feasibility study.

A focused drilling campaign of 11,428 metres has been completed, and results are being updated into a new geological resource model. Depending on the outcome of these results, the Company will make a decision on upgrading the project to a 100,000-ounce-per-annum operation.

The Company has made comprehensive operational changes to continue the work on the DFS expected to be delivered in Q2 2020. Given the Kobada Gold Project's current development stage, which is centered on completing the DFS, there have been no considerable impacts to the development timeline as the result of Covid-19 pandemic.

Metallurgical Test Results Update

The Company provided an update from the comprehensive metallurgical test work programme, undertaken as part of the DFS. Metallurgical testing highlights included:

- Confirmed the potential for consistent gold recovery of 96% across all ore types, up from 80% previously
- Simplified, compact process plant flowsheet, minimizes the requirement for expensive and long lead process equipment
- Tried and tested process flowsheet, simple to operate and cost effective, in terms of capital and operating costs
- Flexibility to exceed 100,000oz per year of output as determined by input feed grade
- Extremely low hardness and abrasiveness of ore, resulting in very low power requirement and reduced wear on liners and mill media
- Low deleterious elements resulting in low reagent use and low operating cost
- Highly flexible process able to treat varying ore grades and ore types with no significant increase in reagent consumption
- No need for oxygen enhanced sparging in the leach tanks, eliminating the requirement for an oxygen plant

The test work was completed by Maelgywn Mineral Services in South Africa. Upon the completion of the comprehensive metallurgical test work programme, SENET (Pty) Ltd (“SENET”) will finalize the design of the ore processing plant for the Kobada.

Process Plant Update

The Company announced that SENET, the Company’s contractor for the DFS, has completed the engineering assessment on an expanded throughput scenario at the Kobada in Southern Mali. The expanded scenario suggests throughput could exceed the DFS target of 100,000oz per annum. Process plant highlights include:

- A 3 million tonne per annum ROM feed combined with a gravity circuit and a carbon-in-leach (CIL) section
- A simplified, compact process plant flowsheet, minimizes the requirement for expensive and long lead process equipment
- Tried and tested process flowsheet, simple to operate and cost effective, in terms of capital and operating costs
- Flowsheet design allows for ease of construction, reducing the project development schedule
- Low hardness and abrasiveness characteristics of ore, result in a low overall power demand and reduced wear on liners and mill media
- Low deleterious elements result in low reagent use and low operating cost
- Flexibility to exceed 100,000oz per year
- Highly flexible process able to treat a variety of ore grades and types with no significant increase in reagent consumption

The positive result of the metallurgical testwork has allowed SENET to design a plant offering the flexibility required to effectively treat all ore types from the Kobada. Incorporating experience at other West African operations, the plant is designed with ease of construction and operation as a priority. The simplified flowsheet is expected to also reduce the construction schedule to roughly 18 months from 22 months. Overall power consumption is expected to be low given the soft nature of the ore at Kobada.

By utilizing previous experience designing and building a number of West African process plants, SENET has been able to significantly reduce the construction schedule to an estimated 18 months. Some of this time saving is due to having completed a significant amount of the detailed engineering on the Kobada process plant, as well as identifying international suppliers able to provide the capital equipment in the shortest possible time.

Kobada Drilling Results

The Kobada is a fully licensed and permitted advanced development project located in the prolific Birimian Greenstone belt in Southern Mali. The Company is working towards delivering the DFS in Q2 2020 as a part of the final process before commencement of construction. Since 2019, the Company has completed a drilling campaign totaling 11,428 m withing the Kobada concession area.

April 21, 2020 drilling results:

		Mineralized Zone				Includes			
BHID	**Ore Body**	**From**	**To**	**Composite Length (m)**	**Composite Grade (g/t)**	**From**	**To**	**Includes (m)**	**Includes (g/t)**
KB19_P2_40	Main Shear North	36.91	40.90	3.99	1.18	39.00	40.90	1.90	1.83
		63.85	67.00	3.15	14.72	64.70	65.86	1.16	39.70
		74.25	75.50	1.25	1.95				
KB19_P2_41	Main Shear North	42.80	51.40	8.60	0.19				
		58.00	64.90	6.90	0.53	58.00	59.00	1.00	1.11
						63.40	64.90	1.50	1.00
		78.40	100.60	22.20	5.25	78.40	80.00	1.60	1.96
						83.20	84.30	1.10	2.70
						85.30	86.30	1.00	103.59
						94.00	95.10	1.10	1.83
		110.50	134.30	23.80	1.57	112.50	114.40	1.90	6.42
						122.30	123.40	1.10	17.40

Cumulative Mineralization Widths

BHID	Cumulative Mineralization Width (m)	Mean Grade (g/t)
KB19_P2_40	8.39	6.38
KB19_P2_41	61.50	2.59

Significant Intersections (Above 1 g/t)

BHID	From	To	Intersection Length (m)	Au Grade (g/t)
KB19_P2_40	39.00	40.90	1.90	1.83
	64.70	65.86	1.16	39.70
	74.25	75.50	1.25	1.95
KB19_P2_41	58.00	59.00	1.00	1.11
	63.40	64.90	1.50	1.00
	78.40	80.00	1.60	1.96
	83.20	84.30	1.10	2.70
	85.30	86.30	1.00	103.59
	94.00	95.10	1.10	1.83
	112.50	114.40	1.90	6.42
	122.30	123.40	1.10	17.40

Gosso Target

On April 30, 2020, the Company announced prospecting and rock sampling results from a new shear zone on its fully permitted Kobada. The Gosso Target is situated 4 km East of and runs parallel to the Kobada Main Shear zone. This shear zone extends for a length of at least 5 km with rock assays ranging from 0.5 to 4.60 g/t Au. The Gosso Target has been exposed by historical, artisanal mining to a depth of approximately 10 meters.

Mineralization at the Gosso Target appears to be similar in structure to the Kobada Main Shear zone located 4 km to the west and reinforces the prospect of multiple mineralized deposits on the Company's regional-scale land package.

To date, only 4 km of the main shear zone at the Kobada have been properly drill-tested, with the remaining 26 km of identified gold-bearing shear zones not yet tested. The rock sample results from the Gosso target confirm the Company's view that the identified, yet untested gold-bearing shear zones on its property represent a significant opportunity for growing the resource at the Kobada Project. The Company will embark on exploration drilling to test the Gosso Target along with the northern extension of the Kobada Main Shear zone.

Sample Highlights include:

- Sample #207470 returned 1.10 g/t Au within a grab sample of 2.15 WtKg
- Sample #207471 returned 3.16 g/t Au within a grab sample of 3.02 WtKg
- Sample #207473 returned 4.60 g/t Au within a grab sample of 2.87 WtKg
- Sample #207475 returned 1.87 g/t Au within a grab sample of 2.89 WtKg

Environmental and Social Impact Assessment ("ESIA")

As a part of program to deliver a definitive feasibility study, the Company is working on updating the approved ESIA. Environmental baseline data collection and studies are in progress with teams already at site with multiple field campaigns and monitoring programs planned.

The Kobada is fully licensed and permitted by the Government of Mali. However, in anticipation of the construction in 2020, it was deemed necessary by management to update the ESIA to include the results of the 2019 drill program and account for the developments at site. The management of the Company does not expect any major changes to the existing ESIA and therefore would not require any new applications.

The updated ESIA study will be prepared in accordance to the IFC and World Bank international guidelines.

The capitalized exploration and evaluation costs associated with the Kobada property at March 31, 2020 and December 31, 2019 are as follows:

Kobada		March 31, 2020		December 31, 2019
Opening balance	$	27,476,812	$	23,624,076
Drilling and feasibility study		315,384		2,415,528
Project management/ engineering		701,660		744,276
Site development and maintenance		69,425		273,166
Camp		93,838		211,599
Geologists		-		2,625
Assays and sampling		71,905		38,896
Vehicle rent and maintenance		26,614		42,733
Travel		6,549		94,091
Security		-		830
Permits		-		28,992
Ending balance	**$**	**28,762,187**	$	27,476,812

USE OF FINANCIAL INSTRUMENTS, OFF BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk. There are no off-balance sheet arrangements that are likely to have a material effect or future effect on the Company's financial condition that have not been disclosed in the consolidated financial statements.

Additional disclosure concerning the Company's contractual obligations is provided in Note 4 and Note 9 in the condensed interim consolidated financial statements for the three months ended March 31, 2020 and 2019, copies of which are filed on the SEDAR website at www.sedar.com.

RELATED PARTY TRANSACTIONS

Related party transactions are in the normal course of business and are recorded at the amount agreed to between the parties.

Stan Bharti, CEO and Chairman of the Company, is the Executive Chairman of Forbes & Manhattan, Inc. ("F&M"), a corporation that provides administrative and consulting services to the Company, including but not limited to strategic planning and business development. F&M charges a monthly consulting fee of CDN$25,000 ($18,589) totalling CDN$75,000 ($55,766) for the three months ended March 31, 2020 (March 31, 2019 - CDN$75,000 ($56,415)). As of March 31, 2020, CDN$113,000 ($79,650) (December 31, 2019 - CDN$113,000 ($87,000)) was owed to F&M. The amount owing is unsecured, non-interest bearing and due on demand. Included in accounts payable as at March 31, 2020 is CDN$66,483 ($46,862) (December 31, 2019 - CDN$215,000 ($165,529)) owed to other key management personnel.

During the three months ended March 31, 2020, the Company issued a total of nil stock options to directors and officers of the Company (March 31, 2019 - nil) and recorded $47,380 in share-based payments (March 31, 2019 - $nil) in relation to the amortization of the estimated fair value of options granted during the year ended December 31, 2019.

On January 31, 2020, Stan Bharti, CEO and Chairman of the Company subscribed for 179,500 units of the Company (see quarterly highlights in the Overview section above).

In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing, and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company

The remuneration of directors and key management of the Company was as follows for the three months ended March 31, 2020 and 2019.

	Three months ended March 31, 2020	Three months ended March 31, 2019
Remuneration	$ 164,476	$ 157,437
Share-based payments	47,380	-
Short term employee benefits	$ 211,857	$ 157,437

DISCLOSURE OF OUTSTANDING SHARE DATA

The following is for disclosure of information relating to the outstanding securities of the Company:

As at the date of this MD&A the Company had 104,348,948 common shares issued and outstanding.

As at the date of this MD&A the Company had 40,885,855 warrants outstanding.

As at the date of this MD&A the Company had 9,110,001 stock options outstanding.

RISK FACTORS

The Company's recorded value of its mineral properties is based on historical costs that expect to be recovered in the future. The Company's recoverability evaluation is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through the mining operations or by sale. The Company is in an industry that is exposed to a number of risks and uncertainties, including:

Novel Coronavirus ("COVID-19")

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

The Government of Mali has implemented enhanced screening and quarantine measures to reduce the spread of COVID-19. Effective March 20, 2020, the government has prohibited flights coming from countries with confirmed cases of COVID-19. The Malian government has also closed land borders to passenger traffic.

There have been no confirmed cases of Covid-19 infection reported by any of the Company`s employees or contractors. As per Malian regulations, the Company has enacted a strict response plan to ensure the well-being of its employees and contractors.

The Company regards the health and safety of its employees and the communities in which we operate as our highest priority. The Company's activities remain unaffected. On the ground, the workforce has been reduced to key personnel only and continues to operate with strict social distancing rules.

The Company will continue to review its response to Covid-19 to ensure the well-being of its employees and the business are safeguarded, especially as lockdown restrictions are lifted and employees start returning to work. Although, all international travel in Mali remains suspended, the Company has implemented a rapid response plan to ensure operational readiness when the restrictions are lifted by Malian government.

Fair Value and Foreign Exchange Risk

The carrying amount of cash and cash equivalents, receivables, and accounts payable and accrued liabilities approximates their fair value because of the short-term maturities of these items. The Company has operations in Canada, Barbados, and West Africa and as such, transactions are settled in local currencies or the United States Dollar. Given this scenario, AGG's operating businesses and financial reporting results and cash flows are exposed to risks associated with foreign currency fluctuations.

Price Volatility

Any future earnings will be directly related to the price of precious and base metals. Such prices fluctuate over time and are affected by numerous factors beyond the control of the Company.

Political and Economic Risk

The Company's operations in West Africa are affected by West Africa's unpredictable and potentially unstable political and economic environment. There is the risk that this situation could deteriorate further and adversely affect the Company's operations.

Environmental

Operations, development, and exploration projects could potentially be affected by environmental laws and regulations of the country in which activities are undertaken. The environmental standards continue to change, and the global trend is to a longer, more complex process. Although the Company continuously reviews environmental matters and undertakes to comply with changes as expeditiously as possible, there is no assurance that existing or future environmental regulations will not materially adversely affect AGG's financial conditions, liquidity, or results of operations.

Certain environmental issues, such as storm events, storage seepage, dust and noise emissions, while having been assessed and strategies based on best practices have been adopted, there can be no assurance an unforeseen event will occur which could have a material effect on the viability of the Company's business and affairs.

Licences and Permits, Laws and Regulations

The Company's exploration activities require permits and approvals from various government authorities, and are subject to extensive federal, state and local laws and regulations governing prospecting, development, production, transportation, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more time consuming and costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no assurance that the Company will be able to maintain or obtain all necessary licences, permits and approvals that may be required to explore and develop its properties, commence construction or to operate its mining facilities.

The costs and potential delays associated with obtaining or maintaining the necessary authorizations and licences and complying with these authorizations, licences and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with the exploration of its mineral properties. Any failure to comply with applicable laws, regulations, authorizations or licences, even if inadvertent, could result in interruption or termination of exploration, development or mining operations or logistics operations, or material fines, penalties or other liabilities that could have a material adverse effect on the Company's business, reputation, properties, results of operations, financial condition, prospects or community relations. Claims, lawsuits, and injunctions may be brought by parties looking to prevent the Company from advancing its projects. The Company can make no assurance that it will be able to maintain or obtain all of the required mineral licences and authorizations on a timely basis, if at all.

Illegal Miners

The Company's mining concessions are held in remote areas of Mali and Burkina Faso where artisanal and illegal miners are present. As the Company further explores and advances mining projects towards production, the Governments must evict or negotiate with illegal miners operating on the Company's mining concessions illegally. There is risk that such illegal miners may oppose the Company's operations and efforts to evict them from the Company's mining concessions may result in violence, the destruction of the Company's property, the physical occupation of the Company's current mine or a disruption to the planned development and/or to mining and processing operations; all of which could have a material adverse effect on the Company.

Mineral Resource and Mineral Reserve Estimates May be Inaccurate

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the control of the Company. Such estimates are a subjective process, and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, could have a material adverse effect on the Company's financial position and results of operations.

Title to Properties

The acquisition of title to resource properties is a very detailed and time-consuming process. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

Going Concern

As is common with exploration companies, the Company's ability to continue its on-going and planned exploration activities and continue operations as a going concern, is dependent upon the recoverability of costs incurred to date on mineral properties, the existence of economically recoverable reserves, and the ability to obtain necessary equity financing from time to time.

Competition

The Company competes with many other mining companies that have substantially greater resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Dependence on Outside Parties

The Company has relied upon consultants, engineers, and others, and intends to rely on these parties for development, construction, and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Share Price Fluctuations

The market price of securities of many companies, particularly exploration stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting such participation.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. Sensitivity to a plus or minus 1% change in the interest rates could impact any renewals or extensions of term deposits which would have no significant impact on the net loss due to the immateriality of the interest earned.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

At March 31, 2020, AGG had a cash balance of $407,822 and current liabilities of $4,430,550. As outlined in Note 2 of the condensed interim consolidated financial statements for the three months ended March 31, 2020 and 2019, the Company may be required to obtain additional financing for working capital and continued exploration and development of its properties.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk in its cash and cash equivalents and receivables. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. Concentration of credit risk exists with respect to the Company's cash and cash equivalents as substantially the entire amount is held at a single major Canadian financial institution. Credit risk on cash and cash equivalents is minimized by depositing with only reputable financial institutions. Management has reviewed the receivable balances and determined that the balances are collectible as they are Harmonized Sales Tax (HST) rebates from the Government of Canada; accordingly, there have been no allowance for doubtful accounts recorded.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management is often required to make judgments, assumptions and estimates in the application of generally accepted accounting principles that have a significant impact on the financial results of AGG. A comprehensive discussion of AGG's significant accounting policies is contained in note 3 to the annual consolidated financial statements.

As is common with exploration companies, the Company's ability to continue its on-going and planned exploration activities and continue operations as a going concern, is dependent upon the recoverability of costs incurred to date on mineral properties, the existence of economically recoverable reserves, and the ability to obtain necessary equity financing from time to time. Should the Company be unable to continue as a going concern, amounts realized from disposal of its assets (primarily its mining properties) on a liquidation basis may be significantly less than their carrying amounts.

Management continues to pursue various alternatives, including private placements, to raise capital. It is not possible to determine with certainty the success or adequacy of this or other initiatives.

The following is a discussion of the accounting estimates that are critical in determining AGG's financial results.

Impairment

Assets, including property and equipment, and deferred exploration expenditures, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts.

There are a few circumstances that would warrant a test for impairment of deferred exploration expenditures, which include: the expiry of the right to explore, substantive expenditure on further exploration is not planned, exploration for and evaluation of the mineral resources in the area have not led to discovery of commercially viable quantities, and/or sufficient data exists to show that the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale. If information becomes available suggesting impairment, the amount capitalized is written off in the consolidated statement of comprehensive income (loss) during the period the new information becomes available.

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

There were no significant changes to the Company's internal control over its financial reporting for the three months ended March 31, 2020, which have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

As of March 31, 2020, the Company evaluated its disclosure controls and procedures and internal control over financial reporting. These evaluations were carried out under the supervision of the Company's chief executive officer and chief financial officer. Based on these evaluations, the chief executive officer and chief financial officer concluded that the design and operation of these internal controls and procedures and internal control over financial reporting was effective.

Recent Accounting Pronouncements

The International Accounting Standards Board ("IASB") or the International Financial Reporting Interpretations Committees ("IFRIC") have issued a number of new or revised standards or interpretations that have been adopted by the Company.

IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. There was no impact on the Company's condensed interim consolidated financial statements on adoption of IAS 1 on January 1, 2020.