



MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(Containing information through May 27, 2021 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 27, 2021 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 with our condensed interim consolidated financial statement for the three months ended March 31, 2021 and our annual consolidated financial statements for the years ended December 31, 2020 and 2019. 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, 2020 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, 2021 include:

- On February 24, 2021, the Company announced that it had closed a non-brokered private placement financing of common shares (the “Offering”) gross proceeds of CDN\$4,632,422 (\$3,688,279). Pursuant to the Offering, the Company issued 30,882,811 units of the Company at a price of CDN\$0.15 per unit. Each unit consists of one common share of the Company and one half of a common share purchase warrant. Each whole warrant will entitle the holder to acquire one additional Common Share of the Company at an exercise price of CDN\$0.25 until February 24, 2023. Directors, officers, and related companies participated and purchased or acquired direction and control over a total of 1,166,667 units under the Offering for gross proceeds of \$175,000 (\$139,333). In connection with the Offering, the Company paid \$109,377 in cash commissions and issued 776,832 broker warrants. Each broker warrant is exercisable for one common share of the Company at an exercise price of CDN\$0.15 per common share for a period of two years from the date of closing.
- On March 31, certain structural corporate changes were made to the Company’s senior management team. In addition, the Company terminated its services agreement with F&M (see Related Party section) and relocated its registered head office to 100 King St W #1600, Toronto, ON M5X 1G5. The cost of terminating the associated consulting agreements with certain members of senior management and various supporting consultants and the services agreement was CAD\$1,153,746 (\$906,178).
- The company announced its intention to update the Definitive Feasibility Study (DFS) with additional drill hole data from its ongoing exploration programme. The updated DFS and subsequent updated NI43-101 Technical Report is expected to be delivered in Q3-2021
- The company announced a series of positive results from a comprehensive sulphide metallurgical testwork campaign to determine the economic viability of processing sulphides currently included in the measured and indicated resource. Testwork is expected to be complete in early-June
- The Company has granted a total of 2,800,000 stock options to certain officers, directors and consultants of the Company pursuant to the Company’s stock option plan. The stock options vested immediately and may be exercised at a price of \$0.15 per option for a period of five years from the date of grant.



SUMMARY OF QUARTERLY RESULTS

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

Quarter Ended	Revenue	Total assets	(Loss) for the Period	(Loss) per Share *
	\$	\$	\$	\$
March 31, 2021	Nil	34,027,846	(1,682,342)	(0.01)
December 31, 2020	Nil	32,855,499	(1,113,708)	(0.01)
September 30, 2020	Nil	33,748,018	(2,952,574)	(0.02)
June 30, 2020	Nil	31,295,926	(1,291,718)	(0.01)
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)

* (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 \$32,855,499 as of December 31, 2020 to \$34,027,846 as of March 31, 2021 mainly due to a non-brokered private placement for net proceeds of \$3,578,902.

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 condensed interim consolidated financial statements:

	For the three months ended March 31,	
	2021	2020
Operations		
Revenue	-	-
Net loss	(1,682,342)	(927,679)
Loss per share	(0.01)	(0.01)
Balance Sheet		
Total assets	34,027,846	29,495,749
Working capital*	1,749,141	(3,978,936)
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 a property is placed into production, it is not anticipated that AGG will have any material revenue.

Expenses

	For the three months ended March 31,	
	2021	2020
Expenses		
Administrative and general	158,148	207,421
Consulting and personnel costs	1,222,409	322,715
Amortization	5,451	5,792
Foreign exchange loss	4,683	217,652
Share based payments	291,651	174,099
	1,682,342	927,679

Consulting and personnel costs – The increase in consulting and personnel cost for the three months ended March 31, 2021 compared to the same period last year was due to termination of office and consulting services with Forbes and Manhattan Bank (“F&M”) and changes to the senior management team, and the resulting termination payments of CAD\$953,746 (\$749,094) (see Overview section).

Foreign exchange / loss – The Canadian dollar and Mali CFA continue to fluctuate in 2021. The Mali CFA weakened at March 31, 2021 causing unrealized foreign exchange losses in the three months ended March 31, 2021 on Mali CFA cash balances. The Canadian dollar weakened on March 31, 2020 causing an unrealized foreign exchange loss on US based working capital items which consisted mainly of accounts payable. 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, 2021 decreased by \$49,273 from the same period in the prior year.

	For the three months ended March 31,	
	2021	2020
Bank and interest charges	\$ 2,252	\$ 690
Communication	652	754
Insurance	2,239	2,002
Investor relations	42,762	34,825
Office and general	208,963	42,505
Professional fees	(36,489)	13,114
Rent	15,276	25,987
Travel	(77,507)	87,544
	\$ 158,148	\$ 207,421



Within the administrative and general expenses seen above, office and general expenses increased for the three months ended March 31, 2021 compared to the same period in the previous year due to the termination of an office services agreement resulting in a payment of CAD\$200,000 (\$157,085) (see Overview section above). The increase in office and general expenses was offset by a recovery of professional fees and travel expenses as the result of the forgiveness of outstanding payable amounts. During the three months ended March 31, 2020, there was increased travel to Mali and travel associated with investor relations activity before travel restrictions were imposed due to the outbreak of Novel Coronavirus (“COVID-19”).

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of \$1,749,141 on March 31, 2021 (December 31, 2020 – deficit of \$176,243) and cash and cash equivalents of \$2,044,565 (December 31, 2020 - \$785,679). The Company closed private placements in the year ended December 31, 2020 and the three months ended March 31, 2021 and used the proceeds on development of its Kobada gold project and administrative expenses. Specific cash flow fluctuations can be evidenced in the March 31, 2021 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 of March 31, 2021 and December 31, 2020.



	March 31, 2021	December 31, 2020
Current assets		
Cash and cash equivalents	\$ 2,044,565	\$ 785,679
Receivables	124,753	254,957
Prepaid expenses	158,260	381,072
	2,327,578	1,421,708
Current liabilities		
Accounts payable and accrued liabilities	\$ 578,437	\$ 1,597,951
	578,437	1,597,951
Working capital, current assets less current liabilities	\$ 1,749,141	\$ (176,243)

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, 2021. The Company is not subject to externally imposed capital requirements.

COMMITMENTS

Management Commitments

The Company is party to certain management contracts. As of December 31, 2020, these contracts require payments of approximately CDN\$2,002,200 (\$1,592,190) to be made upon the occurrence of a change of control to the officers and consultants of the Company. The Company is also committed to payments upon termination of approximately CDN\$811,200 (\$645,090) pursuant to the terms of these contracts as of March 31, 2021. As a triggering event had not taken place on March 31, 2021, these amounts have not been recorded in the consolidated financial statements.

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 1.1Moz Inferred. The project is located in Mali, Africa's 3rd largest gold producing nation, 125 km southwest of its capital, Bamako. On June 17, 2020, the Company filed an updated technical report under National Instrument 43-101 for the definitive feasibility study on its Kobada gold project.

Highlights of the definitive feasibility study include:

- Average annual production of 100,000 ounces of gold per annum for the first five years of operation;
- Total gold production of 728,654 ounces over 9.4-year life of mine, based on current reserves;
- Average total operating cash costs \$704 (U.S.) per oz for the life of mine (LOM);
- LOM all-in sustaining cost (AISC) of \$782 (U.S.) per oz;
- Pre-tax net present value discounted at 5 per cent of \$283.9-million (U.S.) with an internal rate of return of 45.5 per cent and a post-tax NPV discounted at 5 per cent of \$226-million (U.S.) with an IRR of 41.1 per cent at \$1,530 (U.S.) per oz gold;
- Kobada gold project capital expenditure of \$125-million (U.S.) (plus a contingency of \$11-million (U.S.));
- Total project capital expenditure payback of 3.82 years from start of production, based on a \$1,530-(U.S.)-per-ounce gold price;
- Total project net cash flows after tax and capital expenditure of \$327-million (U.S.);
- A separate stand-alone 11-megawatt hybrid solar/thermal power plant to supply power to the Kobada gold project financed by an independent power producer with power purchased at a very competitive kilowatt-hour rate and significantly reduced greenhouse gas emissions;
- Total proven and probable mineral reserve has increased to 754,800 ounces of gold, a 48-per-cent increase from the mineral reserve estimate in the 2016 feasibility study of the company with respect to the Kobada gold project;
- Pit-constrained mineral resource estimate in the inferred category increased to 1,138,810 ounces of gold with an average grade of 1.33 grams per tonne gold, representing an 11.2-per-cent increase in resource and 37-per-cent increase in average grade;
- High measured and indicated resource to reserve conversion rate of 84 per cent;
- Updated 2020 mineral reserve estimate represents an increase of 48 per cent in ounces and 114 per cent in tonnes compared with the 2016 feasibility study;

Further potential remains to significantly increase the resource and reserve along strike and depth at the Kobada gold project. On November 23, 2020, the Company provided the results of its continuing exploration activities at the Kobada gold project in southern Mali. A detailed study of the airborne magnetic and radiometric survey has allowed geology to delineate a total of 55 kilometres of shear zone structures, an approximate 80-per-cent increase from the previously delineated 30 km.

Highlights:

- A reprocessing of the airborne magnetic and radiometric survey data, acquired in 2010, has led to a reinterpretation of the structural inventory and resulted in a delineation of 55 kilometres of shear zones across the Kobada, Faraba and Kobada Est concessions.
- Existing 1.2 million ounces in measured and indicated and 1.1 million oz in inferred resources have been estimated along only four km of strike length of the Kobada shear zone (see National Instrument 43-101 technical report on the Kobada gold project in Mali dated July 10, 2020, with an effective date of June 17, 2020, the 2020 DFS).
- An additional 51 km of shear zones represent a potential for an increase in resources.

- Drilling continues in the main shear zone, the Gosso target and the northern extension of the main Kobada shear zone as part of the 10,000-metre drilling program announced in September (see press release as of Sept. 14, 2020).

The Company expects to deliver an updated mineral resource estimate by the third quarter of 2021 to incorporate results from the Company's continuing drilling program.

Reprocessing and interpretation of the airborne data were initiated during July 2020, and awarded to John Bell, a geophysicist, with in-depth knowledge of the Birimian geology. The report was received during October 2020, and its very detailed findings have allowed for a reassessment of the structural inventory at the company's Kobada project and its neighbouring concessions Kobada Est and Faraba.

The integration of various datasets, including soil geochemistry, radiometrics, various magnetic derivatives, satellite imagery and field observations led to the delineation of 55 km strike length of potentially mineralized shear zones. Known outcrops, historical artisanal excavations, soil sampling and tracing of shears along magnetic features and satellite imagery facilitated the delineation. African Gold Group will test all targets for gold occurrence in the subsequent exploration programs.

On January 12, 2021, the Company provided an update on its corporate social responsibility (CSR) projects carried out in Q4 2020 as part of its overall environmental and social management plan (ESMP). As a mining company operating in Africa, African Gold recognizes its responsibility to adhere to the highest responsible mining standards and is committed to creating sustainable long-term value for all of its stakeholders.

Highlights:

- Rehabilitation of a critical bridge between Samaya and Kobada village to ensure safe passage of personnel, medical supplies and equipment to the region;
- Rehabilitation of roads and a bridge in Kobada village to allow safe passage of people and vehicles across a previously hazardous route;
- Construction of four main water channels in the Kobada village area to prevent standing pools of water, a breeding ground for malaria and a high risk for an increase for malaria infection;
- Start of repairs on the eight-kilometre Samaya-Kobada road, a critical transport link connecting the local communities.

Samaya-Kobada bridge rehabilitation

Due to the excessive rains last season, Lanseni Diawara, chief of Samaya village, requested the assistance of the company with the rehabilitation of a bridge between Samaya and Kobada villages (see press release of the Company as of November 10, 2020). With no available alternatives in the region, the Samaya bridge is a critical transportation link that provides access for goods, services and medical facilities for a number of local communities in the region. Due to the excessive rains, the bridge was at risk of imminent collapse that could have caused severe damage to the local economy and completely isolated a number of local communities.

With assistance from local villagers, SENET Pty Ltd. and Etasi & Co. Drilling, the Company successfully completed the rehabilitation of the bridge on December 18, 2020.

Road repairs -- Kobada village

Due to the historical artisanal mining in the area, the natural drainage from streams criss-crossing the area resulted in large pools of water building up, which made it dangerous to traverse and a health hazard. Through discussions with the local chief, the Kobada team along with several village volunteers moved more than 130



tonnes of rock and laterite to build and protect the stream crossing. Additional steelwork supplied by Kobada and welders ensured that the bridge can handle heavy equipment crossing.

Main road Samaya to Kobada

The dirt road from Samaya to Kobada village is about eight km long. During the rainy season, many parts of the road were almost impassable due to severe erosion from the most recent and previous rainy seasons and a lack of maintenance over many years. The company has undertaken the task of repairing and restoring the critical transport link connecting the local communities. Larger rocks and other binding material were transported to the areas requiring attention and then compacted with laterite. Further work from the village of Kobada to Niaouleni will continue in 2021.

Channel clearing for malaria eradication

Due to the historical artisanal workings around Kobada village, the natural watercourse has been blocked by fine silt from mining activities. This has resulted in standing pools of water, which can become breeding grounds for mosquitos, which carry and transmit malaria -- causing health and well-being problems for local communities. After meeting with the village chief, it was agreed that temporary channels would be constructed to bypass water away from the village as an interim preventative measure. Additionally, the company encouraged the chief to communicate the detrimental effects of standing water caused by silt runoff from artisanal mining activities, and that the chief try to discourage the processing of artisanal-mined material in the village. Responding to this, the chief announced over the radio that there will be no more pumping in the area as that is causing the biggest problem.

Kobada gold project corporate social responsibility strategy

The Kobada gold project is an advanced-stage gold development project located in Mali, Africa's fourth-largest gold-producing nation. The property is located 126 km southwest of Bamako, the capital city of Mali, in the Birimian greenstone belt, with excellent transportation links to the capital and excellent logistics routes by other West African ports. The company's corporate social responsibility goals and objectives are built around three pillars -- environment, social responsibility, and health and safety. In October 2020, the company announced its corporate social responsibility program as it prepares for the start of construction of its flagship Kobada mine. African Gold and its CSR strategy is guided by the United Nations sustainable development goals at all stages of its decision making and will work toward aligning the company's operations toward a number of the UN sustainable development goals as Kobada moves toward production.

Drilling Results

On February 2, 2021, the Company announced it has successfully completed phase 4A of its drilling program at the Kobada gold project aimed at upgrading the oxide resources in the inferred category to indicated and measured (phase 4A) and to initially prove mineralization at the neighbouring Gosso shear zone (phase 3A).

New drill intersects:

- 39.48 grams per tonne gold over 3.00 m (drill hole KB20-PH4A-34) including 17.90 g/t Au over 1.0 m and 94.00 g/t Au over 1.0 m;
- 1.87 g/t Au over 13.00 m (drill hole KB20-PH4A-38) including 20.10 g/t Au over 1.0 m.

Previously announced highlights:

- Phase 3A: confirmed gold mineralization at the Gosso target and delineated about 750 m of initial strike length. Drill intercepts include:
 - 1.15 g/t Au over 12.50 m (drill hole G20-PH3C-16) including 7.19 g/t Au over 1.30 m;
 - 4.25 g/t Au over 3.10 m (drill hole G20-PH3A-20) including 10.40 g/t Au over 1.20 m;
 - 1.55 g/t Au over 5.20 m (drill hole G20-PH3A-20) including 6.38 g/t Au over 1.00 m;
- Phase 4A: 38 holes drilled to upgrade the inferred oxide resource immediately to the north of the planned open pit at the Kobada concession (see National Instrument 43-101 technical report on Kobada gold project dated June 17, 2020. Drill intercepts include:
 - 1.44 g/t Au over 68.00 m (drill hole KB20-PH4A-6) including 6.73 g/t Au over 1.0 m and 24.60 g/t Au over 1.0 m;
 - 1.98 g/t Au over 60.90 m (drill hole KB20-PH4B-8) including 22.10 g/t Au over 1.0 m and 10.80 g/t Au over 1.5 m;
 - 4.86 g/t Au over 17.00 m (drill hole KB20-PH4A-16) including 46.10 g/t Au over 1.0 m;
- Proven up mineralization along the northern extent of the prolific Kobada shear zone, which will be followed up along its strike by phase 5 drilling.
- High-grade gold mineralization drilled in numerous intersections to the east and to the west of the reported mineral resource estimate in the 2020 DFS will be incorporated in the next mineral resource estimate update for early 2021.

Overview of drilling program

The Company's exploration drilling program is focused on the following targets:

- Increase the current resource from newly identified shear zones at Kobada, Faraba and Kobada Est concessions (phase 3);
- Upgrading the inferred resources to the measured and indicated category and subsequent conversion to an expanded reserve base of over one million ounces (phases 4A, B and C) in the short term;
- Northward strike extension of the main shear zone at Kobada concession (phase 5).

Exploration activities at the Kobada gold project were focused on continuing to define new mineral reserve base across the four-kilometre main shear zone, as well as advancing and evaluating several new regional targets. Building on the success of the 2019 drilling program and the additional high-grade mineralization that was defined throughout 2020, the Company has drilled 6,257.50 metres, or approximately 63 per cent of the total planned drilling program, of combined diamond drilling (DD) and reverse circulation (RC) with encouraging results continuing to show deeper-than-anticipated extensions of the orebody. A significantly larger regional exploration program is planned for 2021. The focus will be on evaluating and advancing exploration targets outside the main shear zone area on the recently delineated Gosso target along with several other newly identified targets.

The Company has completed phase 4A drilling aimed at upgrading the inferred resource in oxides to measured and indicated at the northern extension of the current pit design at Kobada concessions. After evaluating the results over the next couple of months, the Company intends to continue with planned phase 4B and 4C drilling. The technical team is encouraged with the large number of high-grade intersections at very shallow levels, as well as at deeper levels, but still in the soft rock oxidic saprolite, which extends deeper than originally anticipated, thereby increasing the volume of the known orebody.

The Company's key internal goal for Q1 and Q2 2021 is to further demonstrate the substantial potential for an increased resource base at the Kobada gold project. The Company expects to incorporate the results of the drilling program in the next mineral resource estimate update on track for Q3- 2021 as part of a full update of the Definitive Feasibility Study and NI43-101 technical report.

Phase 3 -- increase resource from newly identified shear zones at Kobada, Faraba and Kobada Est concessions

The Company has successfully confirmed gold mineralization at the Gosso target and delineated about 750 m of initial strike length. Diamond drilling program at Gosso target shows highly mineralized gold orebody with similar traits to the parallel striking Kobada shear zone (total resource of 2.3 million ounces over four km). Four diamond drill holes (522 m) have been completed and were drilled through the saprolite (soft rock) to intersect the abundant auriferous quartz veins. The Company believes that there is significant extension along strike, and further drilling will seek to delineate this.

Confirmed high-grade gold mineralization, close proximity to the existing resource base (four km east of Kobada shear zone) and significant upside potential, further reinforce management's view of the Gosso shear zone as a highly prospective target for further development of the Kobada gold project. Definition of a mineral resource at the Gosso target is seen as a crucial upside potential for further increase in mine life and production profile of the Kobada gold project.

Drill intercepts from Gosso shear zone include:

- 1.15 g/t Au over 12.50 m (drill hole G20-PH3C-16) including 7.19 g/t Au over 1.30 m;
- 4.25 g/t Au over 3.10 m (drill hole G20-PH3A-20) including 10.40 g/t Au over 1.20 m;
- 1.55 g/t Au over 5.20 m (drill hole G20-PH3A-20) including 6.38 g/t Au over 1.00 m.

Phase 4 -- conversion of the inferred resources to measured and indicated category within the existing resource pit shell, with the goal of expanding the reserve base to over one million ounces

A significant proportion of the 10,000 m drilling campaign has been allocated to the conversion of the 575,000 oz inferred oxide resources to measured and indicated category. The drilling of the inferred resources in oxides concentrated around the highlighted area (see the image on the Company's website) to increase the level of confidence in the continuity of the mineralized zones and the confidence in the grade of the deposit.

The drilling program has successfully extended the depth of the oxide / sulphide boundary in parts of the orebody from an anticipated 110 m to 180 m, representing a potential 60-per-cent increase. Results from the drilling program indicate good correlation of expected grades of the inferred resource. New mineralized zones outside of the 2020 DFS resource model have been discovered during the drilling program and indicate further upside potential. The Company intends to continue to test new mineralized areas.

Drill intercepts from phase 4 drilling campaign include:

- 1.24 g/t Au over 11.00 m (drill hole KB20-PH4A-4);
- 1.44 g/t Au over 68.00 m (drill hole KB20-PH4A-6) including 6.73 g/t Au over 1.0 m and 24.60 g/t Au over 1.0 m;
- 1.17 g/t Au over 34.00 m (drill hole KB20-PH4A-7) including 10.60 g/t Au over 1.0 m;
- 1.22 g/t Au over 7.90 m (drill hole KB20-PH4B-8) including 6.13 g/t Au over 1.0 m;
- 1.98 g/t Au over 60.90 m (drill hole KB20-PH4B-8) including 22.10 g/t Au over 1.0 m and 10.80 g/t Au over 1.5 m;
- 1.04 g/t Au over 37.00 m (drill hole KB20-PH4A-11) including 8.41 g/t Au over 1.0 m and 7.85 g/t Au over 1.0 m;
- 1.09 g/t Au over 43.50 m (drill hole KB20-PH4A-12) including 9.10 g/t Au over 1.0 m and 9.93 g/t Au over 1.0 m;
- 4.86 g/t Au over 17.00 m (drill hole KB20-PH4A-16) including 46.10 g/t Au over 1.0 m;
- 3.50 g/t Au over 14.00 m (drill hole KB20-PH4A-20) including 38.20 g/t Au over 1.0 m;
- 1.21 g/t Au over 10.00 m (drill hole KB20-PH4A-27);
- 11.95 g/t Au over 4.00 m (drill hole KB20-PH4A-31) including 41.80 g/t Au over 1.0 m;
- 39.48 g/t Au over 3.00 m (drill hole KB20-PH4A-34) including 17.90 g/t Au over 1.0 m and 94.00 g/t Au over 1.0 m;
- 1.87 g/t Au over 13.00 m (drill hole KB20-PH4A-38) including 20.10 g/t Au over 1.0 m.

Phase 5 -- strike extension of the main shear zone at Kobada concession

A detailed study of the airborne magnetic and radiometric survey has led to a reinterpretation of the structural inventory and resulted in a delineation of 55 km of mineralized shear zone structures across the Kobada, Faraba and Kobada Est concessions, representing about 80-per-cent increase to the previously identified shear zones.

A major focus will be to target extensions to the north-north east of the current resource pit-shell along strike, where regional indicators, including historical artisanal workings are showing strong continuity of the mineralised shear zones.

Three “step-out” holes in Feb 2020 indicated strong potential high-grade extension currently not included in the resource

- 22.20m at 5.25 g/t Au from 78.40m to 100.6m
- 23.80m at 1.57 g/t Au from 110.50m to 134.30m

COVID 19 Update

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's activities remain unaffected. On the ground, the work force 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. The Company continues to work with Malian authorities as restrictions are lifted and international travel is opened up.

Health and Safety

The Company regards the health and safety of its employees and the communities in which it operates as its highest priority. The company has recorded zero lost time injuries during the quarter, despite increased activity on site. An ongoing comprehensive program of awareness and mitigation of risks continues to be prioritized by the on-site personnel.

The capitalized exploration and evaluation costs associated with the Kobada property at March 31, 2021 and December 31, 2020 are as follows:

Kobada	March 31, 2021	December 31, 2020
Opening balance	\$ 31,135,277	\$ 27,476,812
Drilling and feasibility study	6,746	1,414,174
Project management/ engineering	-	1,700,339
Site development and maintenance	47,287	251,077
Camp	107,893	411,402
Geology	-	18,635
Assays and sampling	8,300	200,040
Technical report	3,615	-
Vehicle rent and maintenance	12,064	74,348
Travel	2,619	19,448
Security	28,896	129,353
Environmental	17,525	3,055
Permits	27,441	-
Other	-	(563,406)
Ending balance	\$ 31,397,663	\$ 31,135,277

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 5 and Note 1 in the consolidated financial statements for the years ended December 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.

On March 31, 2021, certain structural corporate changes were made to the Company's senior management team. See Overview section above.



Stan Bharti, former CEO and Chairman of the Company, is the Executive Chairman of F&M, a corporation that provided administrative and consulting services to the Company, including but not limited to strategic planning and business development. F&M charged a monthly consulting fee of CDN\$25,000 (\$19,747) totaling CDN\$25,000 (\$19,747) for the three months ended March 31, 2021 (March 31, 2020 - CDN\$75,000 (\$55,766)). During the three months ended March 31, 2021, F&M was paid a termination fee of CDN\$600,000 (\$473,934) in addition to the consulting fee as part of the terminated services agreement noted in the Overview section. As of March 31, 2021, \$nil (December 31, 2020 - CDN\$53,250 (\$41,824)) was owed to F&M. Included in accounts payable as of March 31, 2021 is CDN\$94,313 (\$75,000) (December 31, 2020 - CDN\$250,048 (\$196,393)) owed to other key management personnel for consulting and directors fees. The amounts owing are unsecured, non-interest bearing and due on demand.

During the three months ended March 31, 2021, the Company issued a total of 2,750,000 stock options to directors and officers of the Company (March 31, 2020 – nil) and recorded \$271,265 in share-based payments (March 31, 2020 - \$47,380) in relation to the amortization of the estimated fair value of options granted during the years ended December 31, 2020 and 2019 and the three months ended March 31, 2021.

On February 24, 2021, F&M subscribed for 4,500,000 units of the Company (see Overview section) and other key management personnel subscribed for 1,166,667 units of the Company.

The remuneration of directors and key management of the Company was as follows:

	Three months ended March 31, 2021	Three months ended March 31, 2020
Remuneration	\$ 1,042,562	\$ 164,476
Share-based payments	271,265	47,380
Short term employee benefits	\$ 1,313,827	\$ 211,856

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 179,852,759 common shares issued and outstanding.

As at the date of this MD&A the Company had 80,756,443 warrants outstanding. If all the warrants were exercised 80,756,443 common shares would be issued for gross proceeds of \$24,843,643.

As at the date of this MD&A the Company had 15,273,334 stock options outstanding. If all the options were exercised, 15,273,334 common shares would be issued for gross proceeds of \$3,619,875.

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:

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 implemented enhanced screening and quarantine measures to reduce the spread of COVID-19 and, on March 20, 2020, prohibited flights coming from countries with confirmed cases of COVID-19. Effective July 25, 2020, the government announced the resumption of commercial air travel and the re-opening of land borders on July 31, 2020. Certain restrictions, screening and quarantine measures remain in place. A negative COVID Test Certificate not older than 72 hours needs to be provided by the entering traveler.

There have not been any 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.

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.

Licenses 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 licenses, 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 licenses and complying with these authorizations, licenses 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 licenses, 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 licenses and authorizations on a timely basis, if at all.

Illegal Miners

The Company's mining concessions are held in remote areas of Mali 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.

On March 31, 2021, AGG had a cash balance of \$2,044,565 and current liabilities of \$578,437. As outlined in Note 2 of the condensed interim consolidated financial statements for the three months ended March 31, 2021 and 2020, 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 mainly 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, 2021, which have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

As of March 31, 2021, 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.

Recent accounting pronouncements not yet adopted:

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company’s right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company’s own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets (“IAS 37”) was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

IFRS 3 – Business Combinations (“IFRS 3”) was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The amendments are effective for annual periods beginning on January 1, 2022.

IAS 16 – Property, Plant and Equipment (“IAS 16”) was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022.