Management's Discussion and Analysis
For the year ended December 31, 2018

INTRODUCTION

This management's discussion and analysis (MD&A) of Volcanic Gold Mines Inc. (the "Company") is the responsibility of management and covers the year ended December 31, 2018. The MD&A takes into account information available up to and including April 23, 2019 and should be read together with audited annual consolidated financial statements and accompanying notes for the year ended December 31, 2018 which are available on the SEDAR website at www.sedar.com.

All financial information in this document is prepared in accordance with International Financial Reporting Standards and presented in Canadian dollars unless otherwise indicated. Additional information related to the Company is available for viewing on SEDAR at www.sedar.com.

FORWARD-LOOKING INFORMATION

This MD&A contains certain statements which constitute forward-looking information within the meaning of applicable Canadian securities legislation ("Forward-looking Statements"). All statements included herein, other than statements of historical fact, are Forward-looking Statements and are subject to a variety of known and unknown risks and uncertainties which could cause actual events or results to differ materially from those reflected in the Forward-looking Statements. The Forward-looking Statements in this MD&A include, without limitation, statements relating to:

- the Company's planned exploration activities for any mineral properties that are acquired;
- the intended use of proceeds received from past and possible future financing activities;
- the sufficiency of the Company's cash position and its ability to raise equity capital or access debt facilities; and
- maturities of the Company's financial liabilities or other contractual commitments.

Often, but not always, these Forward-looking Statements can be identified by the use of words such as "anticipates", "believes", "plans", "estimates", "expects", "forecasts", "scheduled", "targets", "possible", "strategy", "potential", "intends", "advance", "goal", "objective", "projects", "budget", "calculates" or statements that events, "will", "may", "could" or "should" occur or be achieved and similar expressions, including negative variations.

Forward-looking Statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any results, performance or achievements expressed or implied by the Forward-looking Statements. Such uncertainties and factors include, among others:

- risks associated with mineral exploration and project development;
- fluctuations in commodity prices;
- fluctuations in foreign exchange rates and interest rates;
- credit and liquidity risks;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which the Company does or may carry on business;
- reliance on key personnel;
- property title matters;
- local community relationships;
- risks associated with potential legal claims generally or with respect to environmental matters;
- adequacy of insurance coverage;
- dilution from further equity financing;
- competition; and
- uncertainties relating to general economic conditions;

as well as those factors referred to in the "Risks and Uncertainties" section in this MD&A.

Forward-looking Statements contained in this MD&A are based on the assumptions, beliefs, expectations and opinions of management, including but not limited to:

- all required third party contractual, regulatory and governmental approvals will be obtained for the exploration and development of the Company's properties;
- there being no significant disruptions affecting operations, whether relating to labor, supply, power, damage to equipment or other matter;
- permitting, exploration and development activities proceeding on a basis consistent with the Company's current expectations;
- expected trends and specific assumptions regarding commodity prices and currency exchange rates;
- prices for and availability of fuel, electricity, equipment and other key supplies remaining consistent with current levels; and
- the accuracy of the Company's current mineral resource estimates.

These Forward-looking Statements are made as of the date hereof and the Company disclaims any obligation to update any Forward-looking Statements, whether as a result of new information, future events or results or otherwise, except as required by law. 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. Accordingly, investors should not place undue reliance on Forward-looking Statements.

DESCRIPTION OF BUSINESS

The Company's business is the acquisition and exploration of mineral properties, focused on consolidating land packages in under-explored countries.

CORPORATE ACTIVITIES

In March 2019, the Board of Directors determined that it would be in the best interests of the Company and its shareholders to (i) settle certain outstanding debt by the issuance of common shares, (ii) consolidate the Company's issued common shares on the basis of one new share for every seven existing shares (the "Consolidation") and thereafter (iii) complete a non-brokered private placement financing to raise proceeds of up to $375,000 ("Private Placement").

All references in this MD&A to loss per share, common shares, share purchase warrants and stock options reflect the Consolidation.

In order to preserve its current cash on hand, the Company completed March 26, 2019 a debt settlement transaction by issuing 548,660 common shares (3,840,620 pre-consolidation common shares) at a deemed price of $0.35 per share ($0.05 per share pre-consolidation) to settle a total of $192,031 in debt.

The Consolidation was completed effective April 8, 2019. The name and trading symbol of the Company remain unchanged.

On April 16, 2019, the Company completed the Private Placement by issuing 1,500,000 units ("Units") at $0.25 per Unit, raising proceeds of $375,000. Each Unit consists of one common share and one warrant entitling the holder to purchase one additional common share of the Company at $0.35 for one year from closing. The proceeds of the placement are intended to be used for general working capital purposes.

PROPERTY UPDATE

Mandiana Project, Guinea

In January 2017, the Company completed the acquisition of a 75% interest in the Mandiana Project, a gold property located in the Republic of Guinea, from Sovereign Mines of Africa PLC ("SMA").

The Mandiana Project consisted of two contiguous exploration licences which covered an area of approximately 304 square kilometres situated approximately 80 kilometres southeast of AngloGold Ashanti's Siguiri gold mine in eastern Guinea. SMA drilled 119 reverse-circulation and diamond core holes for a total of over 16,000 metres of drilling, targeting under the areas of the artisanal mining activity. A Mineral Resource Statement for the Mandiana Project was issued by SMA in January 2014, prepared to JORC Code standards by SRK Consulting (UK) Ltd. The Company retained the services of SRK Consulting (Canada) Ltd. to update SMA's technical report to NI 43-101 standards and re-issued a new Mineral Resource statement for Mandiana.

In 2017, the Company completed a total of just over 1,500 metres of reverse-circulation and diamond drilling at Mandiana, and over 11,000 metres of air core drilling. The program resulted in the expansion of the strike potential of the Yagbelen Resource at Mandiana by approximately 1,000 metres, and its lateral potential by up to 500 metres. In early 2018, the Company's next planned drill program at Mandiana was postponed due to operational delays brought about by the former Administrateur Général of the Company's Guinean operating subsidiary, Guiord SA ("Guiord"). In June 2018, the Company announced that it had effected the appointment of its CEO, Jeremy Crozier, as the new Administrateur Général of Guiord, in order to permit the Company's management to directly conduct the activities of Guiord, including completing the renewal of the licences comprising the Mandiana Project.

The exploration licence covering the northern portion of the Mandiana Project, in which the mineral resource occurs, had an expiry date of March 30, 2018, and the southern licence was due to expire in October 2018. The Company submitted renewal applications in advance of the expiry dates; however, in November 2018, it was determined that Guiord had not been successful in securing renewed title to the licences. While the Company made considerable efforts to renew said title, the process was significantly hampered by irregularities and intransigence on the part of the former Administrateur Générale of Guiord. As well, the permit renewal process was hindered by a lack of administrative clarity and a high degree of uncertainty on the part of the Government of Guinea. In particular, the Ministry of Mines and Geology declined to acknowledge the authority of the Company's CEO as the new Administrateur Générale of Guiord despite his appointment being duly and legally registered with the Cour d'Appel de Conakry.

With no improvement expected in dealing with the Ministry of Mines and Geology, the Board of Directors of the Company determined that it was not in the best interests of its shareholders to continue working in Guinea.

Other Projects

In May 2017, the Company entered into a binding and exclusive Memorandum of Understanding ("MOU") to acquire up to a 100% interest in the Seimana Project in Guinea, subject to the execution of a Definitive Agreement, and renewal of the mineral tenures that collectively comprise the Property. Seimana comprised four exploration permits, which together adjoined much of the western boundary of the Mandiana Project. Based on the results of the Company's due diligence procedures, the Company determined in July 2018 to terminate the MOU.

The Company also announced in November 2018 that it had withdrawn from its previously announced proposed acquisition of exploration permits located in the Ivory Coast, as the results of management's due diligence exploration work did not justify continuing with the project.

Simon Meadows Smith, consulting geologist to the Company, is a Qualified Person as defined by National Instrument 43-101 -- Standards of Disclosure for Mineral Projects, and has reviewed and approved the disclosure of technical information contained in this MD&A. Mr. Meadows-Smith holds a BSc degree in geology from Nottingham University, England, and has been involved in mineral exploration since 1988, including 20 years of experience working in West Africa. He is a Fellow in good standing of the Institute of Materials, Minerals & Mining in London.

SELECTED ANNUAL INFORMATION

The following table provides financial results for the years ended December 31, 2018, 2017 and 2016:

		2018		2017		2016
Exploration expenditures	$	631,952	$	2,825,047	$	247,254
Loss and comprehensive loss attributed to equity shareholders of the Company		3,333,835		6,403,352		429,543
Basic and diluted loss per share attributed to equity shareholders of the Company		0.51		1.05		0.21
Total assets		167,559		3,959,216		479,719
Total liabilities		392,423		182,991		311,424
Non-controlling interest (deficiency)		(176,411)		490,843		-
Working capital (deficiency)		(292,217)		1,048,676		168,295

RESULT OF OPERATIONS

All references to 'loss' in the results of operations discussion below refers to the loss attributed to equity shareholders of the Company.

Quarter ended December 31, 2018

During the quarter ended December 31, 2018 the Company incurred a loss $173,120, compared to a loss of $1,288,345 for the quarter ended December 31, 2017. Significant expenses for the quarters ended December 31, 2018 and 2017 are as follows:

		2018		2017
Exploration expenditures	$	96,128	$	232,274
Consulting and management fees		21,700		57,446
Investor relations (recovery)		(22,244)		135,504
Office and administration		24,015		28,337
Professional fees		27,089		38,882
Salaries and benefits		18,447		22,357
Travel		4,132		77,041
Write-off of deferred acquisition costs		-		693,337

Exploration costs for the current quarter were less than the comparative quarter as activity in Guinea was significantly reduced while the Company took steps to restructure its Guinea operations and ultimately decide to cease operations in Guinea entirely.

Consulting and management fees for both quarters included fees paid or accrued to the CEO, the former VP, Capital Markets, and a director providing advisory services. Investor relations costs include agreements with third parties for capital market consulting and corporate development. Office and administration costs relate mostly to an administrative cost sharing agreement with Gold Group Management Inc. ("Gold Group"), a private company controlled by a director, which is reimbursed by the Company for certain shared rent and other corporate expenses paid by Gold Group on behalf of the Company. Salaries and benefits costs relate primarily to Gold Group which provides administrative personnel, including the Company's CFO and Corporate Secretary.

Year ended December 31, 2018

During the year ended December 31, 2018 the Company incurred a loss of $3,333,835, compared to a loss of $6,403,352 for the year ended December 31, 2017. Significant expenses and recoveries for the year ended December 31, 2018 and 2017 are as follows:

		2018		**2017**
Exploration expenditures	$	631,952	$	2,825,047
Consulting and management fees		133,200		241,641
Investor relations		153,152		546,650
Office and administration		106,506		104,867
Professional fees		63,201		71,525
Regulatory and filing fees		13,450		23,027
Salaries and benefits		91,495		89,560
Share-based payments (relating to value of stock option grants)		-		1,830,353
Travel		72,674		155,684
Write-off of mineral property costs		2,671,533		-
Write-off of deferred acquisition costs		43,569		693,337
Recovery on write-off of accounts payables		-		49,750

The loss for the year ended December 31, 2018 was significantly impacted by write-offs of mineral property costs totalling $2,671,533, of which $2,605,605 was related to the Mandiana Project. The Company incurred a higher loss for the year ended December 31, 2017 due to significantly higher exploration costs than the current year and a non-cash share-based payments expense of $1,830,353 related to the granting of stock options, whereas there was no such expense for the current year. Exploration costs for the comparative year related to activity on the Mandiana and other projects in Guinea while exploration costs for the current year included new activity in the Ivory Coast but significantly reduced activity in Guinea. The write-off of deferred acquisition costs recorded during the current year relate to a Seimana Project option agreement which, after performing due diligence procedures, the Company decided to terminate. The write-off of deferred acquisition costs during the comparative year relate to the Company not continuing with an option agreement on the WAMA property.

As in the quarterly comparison, consulting and management fees consist of fees paid or accrued to the CEO, the former VP, Capital Markets, and a director providing advisory services. The comparative year consulting costs also included payments to Radius Gold Inc., a company with a common director, for reimbursement of personnel costs prior to the Mandiana acquisition. Investor relations costs, office and administration and salaries and benefits are for the same services described in the quarterly comparison. Professional fees for both the current and comparative years relate mostly to legal fees associated with corporate and property transaction activity. The recovery on write-off of accounts payable in the comparative year relates to an amount owing to a director of the Company for past services, a portion of which the director agreed to waive.

SUMMARY OF QUARTERLY RESULTS

The Company's quarterly asset total, capitalized mineral property costs, working capital balance and operating results over the last eight quarters are summarized as follows:

	Dec '18	Sept '18	June '18	Mar '18	Dec '17	Sept '17	June '17	Mar '17
Total assets	$ 167,559	$ 291,342	$ 3,194,231	$ 3,616,449	$ 3,959,216	$ 4,710,674	$ 6,026,223	$ 7,460,714
Mineral properties	-	-	2,671,533	2,631,387	2,605,605	2,001,276	2,001,276	2,001,276
Working capital (deficiency)	(292,217)	(116,875)	220,559	637,928	1,048,676	1,641,285	2,493,624	5,050,971
Loss and comprehensive loss attributed to equity shareholders of the Company	173,120	2,359,287	417,682	383,746	1,288,345	857,938	1,800,330	2,456,739
Basic and diluted loss per share attributed to equity shareholders of the Company	0.02	0.36	.07	.06	0.14	0.14	0.28	0.49

Prior to the quarters presented, the Company had minimal business activity. With property investigation activities in the latter part of 2016 and the completion of the Mandiana property acquisition in the quarter ended March 31, 2017, the Company became significantly more active, hired a new President of the Company and engaged several consultants. With exploration activity on the Mandiana and other properties in Guinea, there were higher operating expenses for the four quarters ended December 31, 2017. Throughout the four most recent quarters presented, operating expenses were lower while the Company attempted to restructure its Guinea operations.

During the quarter ended September 31, 2018, total assets were significantly reduced and the carrying costs of mineral properties reduced to nil due to mineral property acquisition costs totalling $2,671,533 being written off. The losses for the quarters ended June 30, 2017 and March 31, 2017 were higher than most other quarters presented as they included a non-cash share-based compensation expense of $98,123 and $1,732,230, respectively, relating to the granting of stock options whereas there was no such expense for the other quarters.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date primarily through the issuance of common shares. The Company's exploration activities do not provide a source of income and therefore the Company has a history of losses and an accumulated deficit.

As at December 31, 2018, the Company had current assets of $100,206 and current liabilities of $378,633, resulting in a working capital deficiency of $292,217. Current liabilities include a total of $194,590 owing to directors and a former officer of the Company for accrued fees and expenses.

Subsequent to December 31, 2018, the Company issued common shares of the Company to directors and a former officer of the Company to settle debt totaling $192,031, and the Company raised gross proceeds of $375,000 by way of a private placement financing.

With the private placement proceeds raised subsequent to yearend, the Company expects its current capital resources to be sufficient to cover its corporate operating costs over the next twelve months but not exploration expenditures, if any. As such, the Company will seek to raise additional capital as needed but recognizes the uncertainty attached thereto.

Net cash used in operating activities during the year ended December 31, 2018 was $1,003,923 (2017: $4,250,184).

Net cash used in investing activities during the year ended December 31, 2018 was $68,518 (2017: $949,673).

Net cash provided from financing activities during the year ended December 31, 2018 was $Nil (2017: $5,882,227).

The Company's consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's continuing operations rely on the ability of the Company to continue to raise capital as and when needed.

FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial assets and liabilities are classified in the in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significant of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quotes prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of receivables and accounts payable and accrued liabilities approximates fair value due to the short term nature of the financial instruments. Cash is valued at a level 1 fair value measurement and is classified as fair value through profit or loss. Receivables and long-term deposits are classified as amortized cost. Accounts payable and accrued liabilities are classified as amortized cost.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held in accounts at a large Canadian financial institution. The Company has no investment in asset backed commercial paper.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through its capital management as outlined below. Accounts payable and accrued liabilities are due within one year.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's practice has been to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash as they are generally held with large financial institutions. As at December 31, 2018, the Company is not exposed to significant interest rate risk.

b) Foreign currency risk

The Company is exposed to financial risk related to the fluctuation of foreign currency rates. During the year ended December 31, 2018, the Company operated in Canada and the Republic of Guinea. A substantial portion of the Company's expenses are incurred in US dollars. A significant change in the currency exchange rate between the Canadian dollar relative to the US dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. As at December 31, 2018 and 2017, the Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar:

As at December 31,	2018		2017			
		US Dollars (CDN equivalent)		**US Dollars (CDN equivalent)**		**Guinea Franc (CDN equivalent)**
Cash	$	5,308	$	20,134	$	-
Amounts receivable		-		-		2,638
Accounts payable and accrued liabilities		(107,515)		(56,997)		-
Net exposure	**$**	**(102,207)**	**$**	**(36,863)**	**$**	**2,638**

Based on the above net exposure as at December 31, 2018, and assuming all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in an increase/decrease of approximately $10,200 in the Company's net loss and comprehensive loss for the year ended December 31, 2018 (2017: $3,400).

c) Price risk

The Company is exposed to price risk with respect to commodity prices, particularly gold. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

OUTSTANDING SHARE DATA

At the date of this MD&A, the Company had outstanding 8,603,880 common shares and the following stock options and warrants:

No. of options	Exercise price	Expiry date
514,284	$4.20	March 14, 2027
32,143	$4.20	June 26, 2027
546,427		

No. of warrants	Exercise price	Expiry date
1,500,000	$0.35	April 15, 2020
1,851,237	$5.60	March 8, 2022
3,351,237		

TRANSACTIONS WITH RELATED PARTIES

The Company had transactions during the years ended December 31, 2018 and 2017 with related parties consisting of directors, officers and the following companies with common directors or officers:

Related party	Nature of transactions
Radius Gold Inc. ("Radius")	Shared administrative and exploration related charges
Gold Group Management Inc. ("Gold Group")	Shared office and administrative related charges
Mill Street Services Ltd. ("Mill Street")	Consulting services
Andros Capital Corp. ("Andros")	Consulting services

Balances and transactions with related parties not disclosed elsewhere in these consolidated financial statements are as follows:

a) During the periods ended December 31, 2018 and 2017, the Company reimbursed Gold Group, a private company controlled by a director of the company, for the following costs:

	Three months ended December 31, 2018	Three months ended December 31, 2017	Year ended December 31, 2018	Year ended December 31, 2017
General and administrative expenses:				
Office and administration	$ 16,842	$ 18,562	$ 71,156	$ 68,631
Salaries and benefits	18,448	22,357	87,683	85,825
Shareholder communications	-	71	1,515	2,491
Transfer agent and regulatory fees	100	50	3,492	7,999
Travel and accommodation	1,599	2,780	15,066	30,584
	$ 36,989	**$ 43,820**	**$ 178,912**	**$ 195,530**

Gold Group is reimbursed by the Company for certain shared costs and other business related expenses paid by Gold Group on behalf of the Company. Salaries and benefits for the years ended December 31, 2018 and 2017 include those for the Chief Financial Officer and the Corporate Secretary.

b) During the year ended December 31, 2018, the Company reimbursed Radius, a company with a common director, $Nil (2017: $55,051) for personnel, investor relations and travel costs incurred on the Company's behalf.

c) During the year ended December 31, 2017, an amount of $49,750 owing to a director for past services was waived by the director and written off by the Company.

d) Prepaid expenses and deposits as of December 31, 2018 includes an amount of $2,074 (2017: $167) paid to Gold Group.

e) Long-term deposits as of December 31, 2018 consists of $61,000 (2017: $61,000) paid to Gold Group as a deposit pursuant to the Company's office and administrative services agreement with Gold Group.

f) Included in accounts payable and accrued liabilities as of December 31, 2018 was $60,302 (2017: $18,411) owing to Gold Group and $194,590 (2017: $76,197) owing to directors and a former officer of the Company. The amount for Gold Group is due on a monthly basis and secured by a deposit. The amounts owing to directors and officers are unsecured, interest-free and have no specific terms of repayment.

The Company has identified certain of its directors and senior officers as its key management personnel. Included for the periods ended December 31, 2018 and 2017 are the following items paid or accrued to key management personnel and/or companies with common directors.

	Three months ended December 31,		**Year ended December 31,**	
	2018	**2017**	**2018**	**2017**
General and administrative expenses:				
Consulting and management fees	$ 21,700	$ 90,000	$ 133,200	$ 163,200
Salaries and benefits	5,958	9,763	27,500	26,722
Professional fees - accounting	-	-	-	5,000
Share-based compensation (value of stock option grants)	-	337,447	-	1,034,838
Exploration expenditures:				
Project management	20,800	36,000	128,800	138,900
	$ 48,458	**$ 473,210**	**$ 289,500**	**$ 1,368,660**

Key management compensation includes consulting fees paid to Mill Street, a company controlled by the Executive Chairman of the Company, and to Andros, a company controlled by the former Vice President, Capital Markets.

The value of stock option grants recorded as share-based compensation made to directors not specified as key management personnel during the year ended December 31, 2017 was $134,979.

ADOPTION OF NEW ACCOUNTING STANDARD

On January 1, 2018, the Company adopted IFRS 9 – Financial Instruments ("IFRS 9") which replaced IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for classification and measurement of financial assets, including a new expected credit loss ("ECL") impairment model. The revised model for classifying financial assets results in classification according to their contractual cash flow characteristics and the business models under which they are held. IFRS 9 also introduces a reformed approach to hedge accounting. IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. The standard is effective for annual periods beginning on or after January 1, 2018. IFRS 9 did not have a material impact on the Company's classification and measurement of financial assets and liabilities. The standard also had no impact on the carrying amounts of our financial instruments at the transition date.

FUTURE ACCOUNTING CHANGES

The Company will be required to adopt the following standard and amendments issued by the IASB as described below.

IFRS 16 Leases

On January 13, 2016, the IASB issued IFRS 16 Leases of which requires lessees to recognize assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 Leases. The new standard will be effective for the Company's annual period beginning January 1, 2019.

The Company does not anticipate the adoption of IFRS 16 to have a significant impact on its financial statements.

IFRS 17 Insurance Contracts

IFRS 17 is a new standard that requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4, *Insurance Contracts*, and related interpretations.

This standard will be effective for the Company's annual period beginning January 1, 2021. The Company has yet to assess the impact of IFRS 17 on its financial statements.

RISKS AND UNCERTAINTIES

The operations of the Company are highly speculative due to the high-risk nature of its business in the mineral exploration industry. Companies in the exploration stage face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as, but not limited to, the following:

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, the Company has no properties with a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance future exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities.

Joint Venture Funding Risk

The Company's strategy includes seeking partners through joint ventures to fund future exploration and project development. The main risk of this strategy is that funding partners may not be able to raise sufficient capital in order to satisfy exploration and other expenditure terms in a particular joint venture agreement. As a result, exploration and development of future property interests may be delayed depending on whether the Company can find another partner or has enough capital resources to fund the exploration and development on its own.

Commodity Price Risk

The Company is exposed to commodity price risk. Declines in the market price of gold, base metals and other minerals may adversely affect the Company's ability to raise capital or attract joint venture partners in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of future mineral properties to a third party.

Financing and Share Price Fluctuation Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of projects. Exploration and development of future projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of exploration and development which could result in the loss of properties.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues and corresponding effect on the Company's financial position.

Political, Regulatory and Currency Risks

Mineral properties recently held by the Company are located in countries in West Africa, which currently suffers from certain governance issues and stressed economic and business climates. Operations in the West Africa are consequently subject to a higher level of risk compared to less economically stressed and more politically stable countries. Operations, the status of mineral property rights, title to the properties and the recoverability of amounts shown for mineral properties in any nation can be affected by changing economic, regulatory and political situations. The Company's equity financings are sourced in Canadian dollars but for the most part it has incurred its exploration expenditures in US dollars, Guinean francs, and West African francs. At this time there are no currency hedges in place. Therefore a weakening of the Canadian dollar against foreign currencies could have an adverse impact on the amount of exploration conducted.

Insured and Uninsured Risks

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to properties, facilities and equipment of the Company, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company.

Environmental and Social Risks

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties held by the Company which are unknown to management. Social risks are of consideration in West Africa where the Company has recently operated, due to the existence of poverty. These social risks could have an adverse impact on the efficiency of performing exploration activities.

Competition

The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of projects as well as for the recruitment and retention of qualified employees.