TEMBO GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Background

This discussion and analysis of financial position and results of operations is prepared as at July 14, 2020, and should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2019 and 2018 of Tembo Gold Corp. ("Tembo" or the "Company"). The following disclosure and associated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management's discussion and analysis ("MD&A") are quoted in Canadian dollars.

Forward-Looking Statements

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated exploration programs and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, capital and other costs varying significantly from estimates, changes in world metal markets, changes in equity markets, planned drill programs and results varying from expectations, delays in obtaining results, equipment failure, unexpected geological conditions, local community relations, dealings with non-governmental organizations, delays in operations due to permit grants, environmental and safety risks, the Company's ability to identify one or more economic deposits on its properties, to produce minerals from its properties successfully or profitably, to continue its projected growth and to raise the necessary capital or to be fully able to implement its business strategies.

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedar.com or the Company's website at www.tembogold.com and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

COVID-19

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Company has been monitoring the COVID-19 outbreak and the potential impact at all of its operations and has put measures in place to ensure the wellness of all of its employees and surrounding communities where the Company works while continuing to operate. Currently, fieldwork has been halted on the Tembo Project and all corporate personnel travel has been restricted to absolute minimum requirements and employees have been encouraged to work remotely.

With respect to the Company's operations or work locations in Tanzania, the Company has implemented the typical control measures for dealing with the outbreak of COVID-19. These include self-screening for symptoms and travel history with possible COVID-19 exposure of any employees, visitors and contractors (site personnel) prior to any travel to or from a site and isolation, where necessary, from the general site population. These cautions and precautions rely on voluntary information and voluntary compliance of those working directly or indirectly for the Company. The Company expects that procedures will continue to evolve according to the World Health Organization and Center for Disease Control guidelines as more becomes known about the virus.

Company Overview

Tembo is a junior mineral development company conducting activities in the East African country of Tanzania. The Company's principal business activity is the acquisition, exploration and development of mineral properties. The principal area is located in the Lake Victoria goldfield where on the Tembo Project extensive surface exploration has been carried out. The Company has not yet determined whether these properties contain economically recoverable ore reserves and Tembo is therefore still an exploration stage company.

The Company's main asset is the Tembo gold property (the "Tembo Project"). Due to a lack of funding over recent years the Company was constrained to making property payments, maintaining its prospecting licenses and license applications, maintaining its corporate standing in Tanzania and Canada, maintaining its exploration field base, and conducting limited exploration activities on the Tembo Project. As a consequence, in fiscal 2016 management recorded an impairment of $20,000,000.

Tembo is currently in the process of consolidation the original 111km^2, which formed its original licence area, and an additional contiguous 70km^2 in new licence area. Four licences have been granted which cover 101.57km^2 and three applications are pending with letters of offer awaiting signature. The total area will comprise 181km^2. Three of the licences are held directly by Tembo subsidiaries and four are held through companies with which Tembo has Deed of Trust agreements to explore and acquire the licences. The licence holding will comprise seven licences and have a nine-year tenure possible through the original grant and two periods of renewal.

No work has been carried out on the new areas and Tembo will assess their prospectivity and elect whether to retain or relinquish them. The recommencement of drilling, exploration and development awaits further financing. See "Follow Up Drilling Program and Future Strategy".

The Company is currently a reporting issuer in British Columbia, Alberta and Ontario. The Company's shares trade on the TSX Venture Exchange ("TSXV") under the symbol "TEM" and on the Frankfurt Exchange under the symbol "T23". The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia.

On June 30, 2020 the Company held a special meeting of the shareholders of the Company in which the shareholders approved, amongst other matters, special resolutions to consolidate the Company's issued and outstanding share capital on a one new post-consolidation common share for every three pre-consolidation common shares and a continuance of the Company from Ontario to British Columbia.

Board of Directors and Management

As of the date of this MD&A the Company's board of directors and officers are as follows:

David Scott	- Director, President and Chief Executive Officer ("CEO")
Simon Benstead	- Director, Chief Financial Officer ("CFO") and Vice-President Corporate Development
David Anthony	- Director, Non-executive Chairman
Marc Cernovitch	- Director
Frank Hogel	- Director
Nick DeMare	- Corporate Secretary

Exploration Activities

The Company's main asset is the Tembo Project located in northwest Tanzania. The Company's wholly-owned Tanzanian registered subsidiaries and associates with whom Tembo has Deed of Trust agreements are the sole holders. The main Tembo project area, is located directly northwest of and adjacent to Acacia Mining's Bulyanhulu mine.

The Tembo Project is situated in the Lake Victoria goldfield in the prospective geological terrane of the Sukumaland greenstone belt, an Archean age succession of volcanic and sedimentary rocks that have been intruded by a variety of

Archean granitic plutons as well as younger dolerite dykes and possible kimberlite intrusions. The geology that is host to Bulyanhulu Mine of Acacia Mining trends directly into the Tembo Project area, including the main structure on which the Reef 1 and Reef 0 orebodies are developed.

On August 31, 2012, a NI 43-101 technical report on the Tembo Project, effective date July 31, 2012 (the "Technical Report"), was filed on SEDAR and is available for viewing under Tembo's profile on www.sedar.com.

The Technical Report recommended that a staged gold focused exploration program consisting of trenching, mapping and drilling be implemented in order to test the Ngula 1 target and the numerous other gold anomalous zones on the property. This remains Tembo's goal with future positive drilling results determining further expanded drilling programs. At the end of 2012, the Company suspended drilling pending new financing being secured. During the fourth quarter of 2013 new financing of $8,500,000 was secured and diamond drilling was resumed in December 2013. The 2014 drilling program, including all corporate expenses, was planned to cost US $4,200,000 and comprise 7,000 meters of diamond drilling.

Prior to 2009, high resolution airborne magnetics, extensive percussion rotary air blast drilling ("RAB") drilling and surface soil sampling, mapping, and limited reverse circulation "RC" and diamond drilling "DD" was conducted and resulted in the definition of a number of target areas. During 2011 the earlier work was followed up by a light detection and ranging "LiDAR" survey and field mapping which provided a high-resolution colour ortho-photograph and an accurate digital elevation model allowing the location and extent of artisanal mining, both current and historical, to be determined and mapped. The historical work and the follow up allowed the targets to be confirmed and refined and on this, an extensive targeted drilling program was designed on seven targets (Ngula 1, Ngula 2, Nyakagwe East, Nyakagwe Village, Buly, Mgusu, Iyenze).

No exploration activities have been undertaken since 2015 pending financing. Strategically the Company has resolved that the future course of action should include resource modeling using the existing drill hole database, conducting preliminary economic assessment of potential mineable resource areas with a view to moving to preliminary feasibility study, and application for one or more licences over defined resources. Further infill drilling may be required along earlier good results where resources will be considered for open pit mining along three resource potential targets, Ngula 1, Nyakagwe East and Nyakagwe Village. Discussions continue with a number of potential joint venture investors that have expressed interest in Tembo's plans.

Tembo Project Drilling

An initial phased drilling program was designed for the project comprising approximately 115 DD holes (27,500 meters) and 470 RC holes (60,000 meters). RC and DD commenced on Ngula 1 in January 2012, and a total of 196 holes were drilled on the targets to the end of 2012. Further drilling was conducted during 2014, the last field activity, and to date 42,849m has been completed, 81 DD holes totaling 21,937m, and 121 RC holes totaling 20,912m.

Due to market financing constraints, the drilling is undertaken in focused phases as available funding allows. All drill cores are oriented using either a Reflex instrument or an orientation tool to facilitate structural logging and analysis.

Preliminary indications are that mineralization is associated with steep dipping shear structures hosting quartz veins, sulphides and associated alteration along three dominant structural directions, northwest-southeast, northeast-southwest and east-west.

All drill results may be found on the Company's website at www.tembogold.com and in Company News Releases.

Ngula 1

To date 35 DD holes totaling 9,107m and 41 RC drill holes totaling 7,623m have been completed at Ngula 1 along a strike of approximately 600m. During the 2012 drilling campaign seventy-five holes were drilled at Ngula 1, with 34 DD and 41 RC holes completed, totaling 7,953 meters and 7,623 meters respectively. Drilling commenced again in late December 2013 at Ngula 1 and borehole TDD0041 was deepened to its final depth of 507.0 meters. Two additional holes were drilled at Ngula 1 during Q1/2014.

The initial drilling targeted a southern and northern dominant set of east-west structures, identified by artisanal workings and a coincident magnetic lineament, at a vertical depth of 50 meters and 100 meters. All holes were extended to between 200 meters and 300 meters in order to intersect an interpreted second east-west structure and test for potential deeper sub-parallel structures. The drill holes were inclined at -60° either to the north or south to intersect these near vertical structures.

Drilling has been suspended at Ngula 1 pending further funding. A drill program to define an initial shallow resource along zones where wide widths with good grades were encountered is planned during the next phase.

Nyakagwe East

Nyakagwe East is characterized by extensive artisanal mining with numerous shafts in excess of 20 meters in depth accessing a number of northwest striking quartz vein shears. Historic DD and RC programs returned significant gold intersections from at least two sub-parallel, northwest-southeast trending mineralized zones, each consisting of multiple structures. Twenty-three diamond drill holes (6,924m) and 20 RC drill holes (2,238m) have been completed to date.

In the Phase 1 program, the diamond drill holes targeted an extensive area of artisanal mining along a northern and southern set of structures, both of which were previously drilled in 2008. The reverse circulation holes targeted the east and west projected extensions where there were no artisanal workings. The drilling identified up to 1,000 meters of potentially mineralized strike length. The mineralization along the northern structure on which the drilling focused appears to be open to the west (entering the Mgusu target area) and to the east (where RC drilling has been hampered by the presence of deep black cotton soils). The latter will be tested by means of diamond drilling during the dry season during a future phase of drilling. All diamond drill holes encountered gold mineralization along a principle structure with multiple gold bearing structures identified in several holes at depth.

Follow up drilling was conducted in the 2014 drilling campaign and included in-fill drilling and deeper step-back boreholes testing lateral and vertical continuity and tenor of mineralization. A total of 3,178 meters comprising 13 DD holes were completed in the 2014 drilling program. Drilling has been suspended pending exploration funding. Follow-up drilling would comprise in-fill drilling to allow resource definition.

Nyakagwe Village

The potential of the Nyakagwe Village target was initially indicated in 2011 by a new artisanal mining operation located immediately to the east of the village in a corn land, exploiting a previously unknown east-west trending set of south dipping quartz veins. Within a year a large number of shafts were sunk by the miners to access these high-grade shear hosted veins. Subsequently a large open pit was excavated to facilitate easier and deeper access. Mining by artisanal miners has subsequently stopped due to excessive water ingress.

To date fifteen DD holes (2,916m) and 11 RC holes (1,315m) have been completed.

Significantly, the diamond drilling has intersected gold mineralization in the east-west structures along a 600m strike as well as identified a previously unknown northeast trending mineralized zone associated with a 1.8 kilometer long magnetic lineament which trends through other small artisanal workings. The mineralization along the east-west structure is open ended in all directions. The shallow wide zones of mineralization encountered are interpreted where the east-west structures intersect the northeast structure. The RC drilling was drilled as a fence line to the north of the main east-west trending mineralized structure.

The high grades intersected are associated with quartz veining and associated abundant pyrite mineralization. Further drilling is planned to test the extensions to the known mineralization along strike and down dip on the east-west and northeast structures and to close up the spacing in order to define a primary resource.

Buly Trend/Iyenze/Ngula 2

The Buly/Iyenze target area was historically defined by scattered elevated gold grades in soil sampling and RC drilling. Abandoned artisanal workings are present within the target area. These targets are on the boundary of the Bulyanhulu Gold Mine license area and may be an extension of the prospective geology.

To date, a total of 16 RC scout holes (3,001 meters) have been drilled into the Iyenze structure, covering some 1,500 meters of strike on lines spaced at 200 meters intervals. No significant intersections were achieved and drilling was halted to focus on other higher potential targets.

The first borehole to be drilled by the Company along the Buly Trend (TDD0001) commenced in Q1/2014 and was completed at 305 meters during Q2/2014. A broad zone of intense shearing was intersected which locally contained abundant quartz veining but little mineralization evidenced by minor disseminated sulphide containing low levels of gold.

At Ngula 2 surface geological mapping and a review of the artisanal mining indicate the possibility of more than one trend, including the northwestern extension of the Buly Trend. An initial four diamond holes were completed (1,195 meters) but returned no significant results. An induced polarization geophysical survey was conducted in Q2/2014 over the Buly/Iyenze target areas and extended to cover the Ngula 2 target area to the northwest along the Buly Trend extension. This survey tested for chargeable and resistive horizons across a broad zone of greenstone lithologies within which the earlier airborne magnetic survey highlighted a number of weak to strong northwest trending zones interpreted as Buly parallel structural zones. Based on the results, hole TDD0002 was drilled to a depth of 752 meters without intersecting any significant mineralization.

Follow Up Drilling Program and Future Strategy

A strategic review by the Company has concluded that the definition of a near surface resource and the identification of areas within the known targets and the many as yet untested targets where significant resource may be developed, is a priority, with the aim of fast tracking the project to a major discovery. Immediate activities will be focused on achieving this. Further drilling will be focused on extending these targets, as well as testing the many remaining targets on the licence area.

The Company plans to commence compliant resource modeling at Ngula 1. Further RC drilling has been designed where the best results were achieved at this target and will be guided by the outcome of the modeling. The drilling is planned to test approximately 300m of strike of mineralized structure along the southern structure of a potential 1,200m at the target along two closely spaced parallel east-west mineralized structural zones. Additional drilling will continue testing the identified targets along the Ngula 1 structures, and at Nyakagwe Village and Nyakagwe East along which significant drill intersections were achieved during the Phase 1 and 2 drilling programs in 2012 and 2014. No drilling has been conducted since fiscal 2014 pending further financing.

Building on the good drilling results already achieved, an aggressive work programme and budget is planned for the balance of 2020 and for 2021, comprising an expenditure of approximately US $2,000,000 and US $6,000,000 respectively. Due to the remoteness of the project area and the apparent low level of Covid-19 in rural Tanzania, the execution of proposed work programmes is not expected to be affected. Recent discussions with interested parties, including potentially significant strategic investors, as well as the improved gold market and country risk profile of Tanzania through resolution of the disagreement between Barrick Gold and the Tanzanian government, provide confidence that Tembo will be able to raise the finance to execute the proposed programme. Initial levels of activity will be largely desk top study with limited physical field work ramping up if significant results are returned which warrant more intensive exploration.

Qualified Person

Mr. David Scott, Pr. Sci. Nat., President and CEO of the Company is the Qualified Person for the information contained in this MD&A and is a Qualified Person defined by National Instrument 43-101.

Selected Financial Data

The following selected financial information is derived from the audited annual consolidated financial statements of the Company.

	Years Ended December 31,		
	2019 $	2018 $	2017 $
Operations:			
Revenues	Nil	Nil	Nil
Expenses	(751,307)	(517,865)	(566,458)
Other items	233,389	(40,643)	23,023
Net loss	(517,918)	(558,508)	(543,435)
Other comprehensive (loss) income	(204,426)	393,030	(331,610)
Comprehensive loss	(722,344)	(165,478)	(875,045)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)

	Years Ended December 31,		
	2019 $	2018 $	2017 $
Dividends per share	Nil	Nil	Nil
Balance Sheet:			
Working capital deficiency	(2,900,724)	(2,631,989)	(1,662,526)
Total assets	6,292,776	6,362,979	5,562,194
Total long-term liabilities	Nil	Nil	Nil

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company.

	Fiscal 2019				Fiscal 2018			
Three Months Ended	**Dec 31 2019 $**	**Sept 30 2019 $**	**Jun 30 2019 $**	**Mar 31 2019 $**	**Dec 31 2018 $**	**Sept 30 2018 $**	**Jun 30 2018 $**	**Mar 31 2018 $**
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	362,476	(335,912)	(658,877)	(118,994)	(134,968)	(134,632)	(135,674)	(112,591)
Other items	206,309	3,614	12,489	10,977	(27,372)	7,698	(9,670)	(11,299)
Net income (loss)	568,785	(332,298)	(646,388)	(108,017)	(162,340)	(126,934)	(145,344)	(123,890)
Other comprehensive income (loss), net	34,286	(44,608)	(95,672)	(98,432)	247,052	(80,502)	99,942	126,538
Comprehensive income (loss)	603,071	(376,906)	(742,060)	(206,449)	84,712	(207,436)	(45,402)	2,648
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet:								
Working capital deficiency	(2,900,724)	(3,339,194)	(3,335,235)	(2,763,520)	(2,631,989)	(2,226,097)	(2,083,809)	(1,853,427)
Total assets	6,292,776	6,382,214	6,285,558	6,344,063	6,362,979	5,880,947	5,954,848	5,844,167
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

The Company's corporate and exploration activities have been constrained due to its financial situation and will remain constrained until the Company is able to raise sufficient capital.

Three Months Ended December 31, 2019 Compared to Three Months Ended September 31, 2019

During the three months ended December 31, 2019 ("Q4") the Company reported net income of $568,785 compared to a net loss of $332,298 for the three months ended September 30, 2019 ("Q3"). The fluctuation is due to the following:

(i) $290,000 decrease in executive management in Q4 compared to Q3. During Q3 the Company accrued $31,279 for the ongoing compensation of its CEO. In Q4 the Company accrued $30,922 for the compensation to its CEO and also recorded a credit of $290,000 to amounts previously accrued as an estimate for services provided by the directors and officers of the Company;

(ii) during Q4 the Company identified amounts previously recorded or accrued for which no requests for payments have been made by the creditors and, in the opinion of Company management, will never be paid. Accordingly, the Company recorded a $208,902 recovery of expenses previously recorded of which $175,000 was forgiven by Marc Cernovitch, a director of the Company; and

(iii) during Q4 the Company reversed the accruals and recorded a net credit of $52,027 to salaries and benefits, due to a combination of $25,885 recorded for expenses and credit of $77,912 due to the Company's project manager agreeing to a reduction in his salary effective January 1, 2019. During Q3 the Company recorded $51,855 in salaries and benefits.

Year Ended December 31, 2019 Compared to Year Ended December 31, 2018

During the year ended December 31, 2019 ("fiscal 2019") the Company reported a net loss of $517,918, compared to a net loss of $558,508 for the year ended December 31, 2018 ("fiscal 2018"). The decrease in loss for fiscal 2019 is due to the Company identifying amounts totalling $208,902 which had been previously recorded or accrued for which no requests for payments have been made by the creditors and, in the opinion of Company management, will never be paid. Accordingly, the Company recorded a $208,902 recovery of expenses previously recorded, which was offset by a $233,442 increase in expense, from $517,865 in fiscal 2018 to $751,307 in fiscal 2019, and a foreign exchange loss of $24,487 in fiscal 2019 compared to a foreign exchange gain of $40,643 in fiscal 2018.

Specific general and administrative expenses of variance between fiscal 2019 and fiscal 2018 are noted below. During fiscal 2019 the Company:

(i) incurred executive management compensation of $464,115 compared to $257,147 for fiscal 2018. The increase was due to fees for professional services provided by certain directors and officers of the Company in fiscal 2019. During fiscal 2019 the Company allocated the compensation as follows:
   - $67,786 (2018 - $134,389) capitalized to exploration and evaluation assets;
   - $20,000 (2018 - $nil) expensed to professional fees; and
   - $375,329 (2018- $122,758) expensed to executive compensation;

(ii) incurred corporate development costs of $52,500 for an advertising campaign. No costs were incurred during fiscal 2018;

(iii) incurred $103,538 for salaries and benefits compared to $202,286 during fiscal 2018. During fiscal 2019 the Company's project manager agreed to a 50% reduction in his salary effective January 1, 2019;

(iv) incurred $30,500 for accounting and administration services compared to $9,500 during fiscal 2018. The increase was due to the escalation in the scope of accounting and administrative services provided during fiscal 2019;

(v) interest expense of $4,860 compared to $20,319 during fiscal 2018. During fiscal 2018 the Company received an advance from a shareholder of the Company. As consideration for the advance the Company agreed to an arrangement fee of $15,000; and

(vi) professional fees of $31,801 compared to $11,297 during fiscal 2018. The increase over fiscal 2018 was primarily due to an increase in fees charged by the Company secretary in dealing with various corporate matters during fiscal 2019 including implementing of 2019 management cease trade order, various financings completed in 2019 and various other corporate services.

As the Company is in the exploration stage of investigating and evaluating its unproven mineral interests, it has no source of operating revenue.

Financings

During fiscal 2019 the Company completed a non-brokered private placement of 15,040,000 common shares at $0.025 per share, of which $192,000 was received in cash and $184,000 was through settlement of amounts previously advanced to the Company. The funds are being used for general working capital purposes.

No financings were completed by the Company during fiscal 2018.

Advances

Ongoing advances have been made by shareholders and officers of the Company to assist the Company dealing with its creditors. During fiscal 2019 the Company received advances totalling $83,000 from a corporation controlled by an officer of the Company and certain directors. In July 2019 a total $184,000 of principal was settled by participation in the Company's private placement.

As at December 31, 2019 a total $144,000 (December 31, 2018 - $245,000) of advances and accrued interest of $13,054 (2018 - $12,831) remained outstanding.

See also "Related Party Disclosures".

Exploration and Evaluation Assets

Due to limited funds, the Company's exploration activities have been limited to property and concession payments and property maintenance. The Company intends to recommence drilling when it is able to obtain sufficient funding. See also "Follow Up Drilling Program and Future Strategy".

Exploration and evaluation activities incurred during fiscal 2018 and fiscal 2019 are as follows:

	Total $
Balance at December 31, 2017	5,293,221
Exploration costs:	
Technical services	171,001
Acquisition costs:	
Property/concession payments	158,617
Foreign exchange movement	480,185
Balance at December 31, 2018	6,103,024
Exploration costs:	
Technical services	114,162
Acquisition costs:	
Property/concession payments	107,869
Foreign exchange movement	(264,316)
Balance at December 31, 2019	6,060,739

Financial Condition / Capital Resources

Operations have been limited due to the Company's lack of funds. As at December 31, 2019, the Company had a working capital deficit of $2,900,724 and an accumulated deficit of $54,643,692. In the immediate term, the Company's ability to continue as a going concern is dependent upon continued financial support from existing shareholders and creditors and its ability to continue to raise additional capital to fund its ongoing business operations and exploration projects. Additional capital may be sought from the sale of additional common shares or other equity or debt instruments and also from joint venture agreements on the Company's properties. There is no assurance such additional capital will be available to the Company on acceptable terms or at all. In the longer term, the recoverability of the carrying value of the Company's long-lived assets is dependent upon the Company's ability to preserve its interest in the underlying mineral property interests, the ability of the Company to obtain financing to support its ongoing exploration programs, the discovery of economically recoverable reserves and the achievement of profitable operations.

On April 14, 2020 the Company announced its intention to conduct a non-brokered private placement of common shares at a price of $0.025 per share. On May 14, 2020 the Company closed the first tranche of the private placement financing and issued 18,860,000 common shares. In addition, the Company issued 800,000 common shares at a value of $20,000 for finder's fees. The Company has also made a submission to complete the final tranche of 25,140,000 common shares.

Contractual Commitments

The Company will be required to make a US $250,000 payment to a third party upon a production decision being made on the Tembo Project. Further payments totalling US $4,750,000 may then be payable as follows:

(i) US $250,000 payment upon production of 250,000 ounces of gold;
(ii) US $1,000,000 payment upon production of 1,000,000 ounces of gold;
(iii) US $1,500,000 payment upon production of 1,500,000 ounces of gold; and
(iv) a final payment of US $2,000,000 upon production of 2,000,000 ounces of gold.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

There are no proposed transactions.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. A detailed summary of the Company's critical accounting estimates is included in Note 3 to the December 31, 2019 annual consolidated financial statements.

Changes in Accounting Policies

Adoption of New Accounting Standards

(i) IFRS 16, *Leases* ("IFRS 16")

Effective January 1, 2019 the Company adopted IFRS 16 which replaces IAS 17 - *Leases* ("IAS 17") and its associated interpretative guidance. IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

(ii) IFRIC 23- *Uncertainty over Income Tax Treatments* ("IFRIC 23")

Effective January 1, 2019 the Company adopted IFRIC 23 which clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 - *Income Taxes*.

There was no impact on the Company's consolidated financial statements upon the adoption of these new standards.

Accounting Standards and Interpretations Issued but Not Yet Effective

(i) *Definition of a Business* (Amendments to IFRS 3)

The IASB has issued *Definition of a Business* (Amendments to IFRS 3) to clarify the definition of a business for the purpose of determining whether a transaction should be accounted for as an asset acquisition or a business combination. The amendments:

- clarify the minimum attributes that the acquired assets and activities must have to be considered a business;
- remove the assessment of whether market participants can acquire the business and replace missing inputs or processes to enable them to continue to produce outputs;
- narrow the definition of a business and the definition of outputs; and
- add an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business.

This amendment is effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

(ii) *Classification of Liabilities as Current or Non-Current* (Amendments to IAS 1)

The IASB has published *Classification of Liabilities as Current or Non-Current* (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period";

- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined. There is currently a proposal outstanding that would defer the effective date until January 1, 2023.

Related Parties Disclosures

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period. Transactions made with related parties are made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(a) *Transactions with Key Management Personnel*

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and executive officers.

(i) During fiscal 2019 and 2018 the following compensation and fees were incurred

	2019 **$**	**2018** **$**
David Scott - President, CEO and Director	194,115	257,147
Simon Benstead - CFO, VP Corp. Development and Director	200,000	-
David Anthony - Non-Executive Chairman and Director	25,000	-
Frank Hogel - Director	25,000	-
Marc Cernovitch – Director	-	-
Nick DeMare - Corporate Secretary	20,000	-
	464,115	257,147

During fiscal 2019 the Company incurred $464,115 (2018 - $257,147) for executive management compensation and professional fees. Of this amount $68,786 (2018 - $134,389) has been capitalized to exploration and evaluation assets based on the nature of the expenditures, $20,000 has been expensed to professional fees and $375,329 (2018 - $122,758) has been expensed to executive management compensation. As at December 31, 2019, $1,288,782 (2018 - $1,072,470) remained unpaid.

(ii) The Company has also incurred rent in Tanzania for housing accommodation provided to Mr. Scott. The value of the accommodation for fiscal 2019 was $52,541 (2018 - $51,326). As at December 31, 2019, $134,730 (2018 - $86,722) remained unpaid.

(iii) Chase Management Ltd. ("Chase"), a private corporation owned by Mr. DeMare, the Corporate Secretary of the Company, provides accounting and administrative services. During fiscal 2019 the Company incurred $50,500 (2018 - $9,500) for accounting and administration services. As at December 31, 2019, $57,499 (2018 - $18,442) remained unpaid and has been included in accounts payable and accrued liabilities.

(iv) During fiscal 2019 Marc Cernovitch agreed to forgive $175,000 of professional fees which had been accrued for by the Company in prior years.

(b) *Advances*

	$
Balance December 31, 2017	80,000
Advances received	165,000
Balance December 31, 2018	245,000
Advances received	83,000
Advances settled	(184,000)
Balance December 31, 2019	144,000

The Company has received ongoing advances from directors and shareholders of the Company to provide working capital. Certain of the advances are non-interest bearing and certain advances bear interest at 5% per annum. All of the advances are without fixed terms of repayment.

In July 2019 a total $184,000 of principal was settled through the issuance of 7,360,000 common shares of the Company as part of the private placement in fiscal 2019.

During fiscal 2019 the Company incurred a total of $4,860 (2018 - $5,319) of interest expense and, as at December 31, 2019, accrued interest of $17,691 (2018 - $12,831) remained outstanding.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value. As at July 14, 2020 there were 197,432,634 issued and outstanding common shares.