



Form 51-102F1  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the three months ended October 31, 2017 and 2016

## 1. BACKGROUND

This management's discussion and analysis of the financial condition and results of operations ("MD&A") of Stellar AfricaGold Inc. (the "Company" or "Stellar"), is dated December 29, 2017 and provides an analysis of the Company's financial results and progress which will enable the reader to evaluate important variations in our financial situation for the three months ended October 31, 2017 and 2016. This MD&A should be read together with the Company's unaudited consolidated financial statements for the three months ended October 31, 2017 and 2016 and related notes thereto, which are prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars unless otherwise noted.

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical fact, that address exploration drilling, exploitation activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration results, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. The information contained herein is subject to change and the Company does not assume the obligation to revise or update these forward-looking statements, except as may be required under applicable securities laws.

## 2. OVERVIEW AND DESCRIPTION OF BUSINESS

Stellar was incorporated under the *Company Act* of British Columbia. In April 2006, Stellar was continued under the *Canada Business Corporations Act*. Stellar and its subsidiaries are junior mining exploration companies are junior mineral exploration companies engaged in the business of acquiring, exploring and evaluating natural resource properties in Guinea, Mali and Quebec and either joint venturing or developing these properties further or disposing of them when the evaluation has been completed.

The exploration and development of mineral deposits involves significant financial risks. The Company's success will depend on several factors, including, risks related to the exploration and extraction issues, regarding environmental and other regulations. As at the date of this MD&A, the Company has not earned any production revenue and all of its properties are at an exploration stage. The Company's primary assets are its 80% owned (with option to acquire the balance) gold property Guinea, Africa (the "Balandougou Gold Project"), its 100% owned exploration authorization in Mali and its gold exploration properties in Quebec, Canada.

## 3. COMPANY HIGHLIGHTS FOR THE PERIOD

### *General Corporate*

- On August 22, 2017, J. François Lalonde resigned as was appointed Chief Financial Officer. This was in addition to his duties as Vice-President Corporate Development and Corporate Secretary.

### *Financing Activities*

- On August 22, 2016, one debentureholder converted \$10,000 of debt and 208,067 shares were issued to settle of principal and accrued interest.

### *Balandougou Gold Project*

- On August 15, 2017 the Company reported that the 150 tonnes per day gravity pilot plant had arrived in Guinea. The plant was subsequently delivered to the site.

### *Opawica Gold Project*

- No exploration activity.

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#### **4. OUTLOOK**

The Company's principal asset is the Balandougou Gold Project in Guinea. During the period August 1, 2016 to July 31, 2017 the Company initiated a 15,000 tonne bulk sample program to determine if the gold mineralization at Zone B3 of Balandougou could be extracted using gravity methods only. A 150 tonne per day gravity plant was purchased from China, the site was prepared for its delivery and installation, and 15,000 tonnes of gold-mineralized material was stockpiled.

During the quarter ending October 31, 2017 the Company accepted delivery of the plant and commenced the final steps of the installation of the mill. Completion of the installation and commissioning of the mill is expected in late January 2018.

Processing of the 15,000 bulk sample is expected to continue from January through the end of May 2018 at which time the economics of the bulk sample processing will be evaluated and a decision made whether to continue milling operations. Shareholders are cautioned that the B3 Zone of Balandougou is without a known body of commercial ore, that there is no NI43-101 resource estimate, nor is there a feasibility study to support predictions of future profitability.

For the three-month period ended October 31, 2017, the Company recorded a net loss of \$252,506 compared to a net loss of \$147,305 as at October 31, 2016. Besides the usual requirements of working capital, the Company must obtain funds to conduct exploration programs and pay its general and administrative costs for the next twelve months. If the milling operation is able to return profits then those profits could be applied towards the Company's ongoing general and administrative expenses and future exploration programs. Additionally, management has obtained financing from time to time through the issuance of equity securities, exercise of outstanding warrants for common shares and options to purchase shares, and loans to continue operations. However, notwithstanding that management has been successful in the past, there is no guarantee of future financing success. If management is unable to secure ongoing funding, the Company may be unable to continue operations and the proceeds realized from the sale of the Company's assets may be less than the amounts reflected in these financial statements.

#### **5. RESOURCE PROPERTIES**

(Refer also to Note 11 *Exploration and Evaluation Expenditures* in the unaudited consolidated financial statements.)

*The following properties are owned by the Company*

##### *Balandougou Gold Project*

Goldenfrank Resources Inc., a wholly-owned subsidiary of the Company, holds an 80% interest and an option to acquire the remaining 20% in one exploration license for gold and associated minerals totalling 52 km<sup>2</sup> in the Republic of Guinea referred to as the Balandougou Gold Project, the principal project of the Company. The property is located in Upper Guinea, some 100 km north of the town of Siguiiri, near the Malian border. Within the Balandougou Gold Project area the Solotomo gold discovery, which includes the Zones B3 and B1, is located in the southern portion of the property. The B3 shear zone was discovered by the Company in 2010 during a regional and detailed soil geochemistry survey. A strong NW-SE trending gold anomaly approximately 1,150 metres long by 350 metres wide was outlined. The geochemical anomaly was subsequently investigated with 76 Reverse Circulation drill holes totalling 5050 metres at a 50m grid interval along an 800 metres strike length, and then by 16 diamond drill holes totalling 2,350 metres. Using an excavator, five trenches at 100 metre intervals to a depth of more than 3 metres were dug across the B3 zone, and an extensive structural analysis was undertaken by AECOM, an independent consultant, to better understand the controls of the gold mineralization.

On June 13, 2016, the Company announced that it was proceeding with metallurgical testing of a composite sample of the oxide mineralization from the Balandougou B3 gold zone. The primary objective of the test work is to determine the amenability of the Zone B3 oxide mineralization to gold extraction using gravity separation as the sole or primary method of gold recovery. *Add about recovery by gravity only* To address the issue of fine gold not being recovered by gravity separation, the Company requested a bench test using cyanidation on the tailings after completion of the last stage of gravity separation to evaluate the suitability of a cyanide circuit to process the gravity tailings and increase the gold recovery. The cyanidation bench test of the gravity tailings resulted in a 91% gold recovery from the tailings over a four-hour leach period. The combination of the four-stage gravity separation followed by cyanide leaching test resulted in a combined gold recovery of 97% of the tested head grade.

At this time, the Company does not plan to include a cyanide circuit into its bulk sample program but will store all tailings in a manner suitable for reprocessing if and when a cyanide circuit is implemented.

The Company also engaged XKJ Solution Company, a branch of Henan Xingyank Mining Machinery Manufactory of China, to design a 15-25 tonnes per hour Pilot Plant to process the bulk sample.

On September 27, 2016, the Company announced that engaged B.E.G.I.E SARL, (Bureau D'études Guinéennes de l'Ingénierie et de l'environnement SARL) to conduct a Social and Environmental Impact Study, a pre-requisite for the Company's Guinean subsidiary to be

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granted a Semi-Industrial Exploitation Licence to run the 15,000 tons' bulk sample. The local consultations have been completed and the Company received a positive recommendation. The Environmental Certificate of Conformity was granted to the Company's subsidiary MGWA GoldenFrank SARL.

On March 29, 2017, field crews at the Balangoudou Gold Project in Guinea reported that during construction of an access road to the future bulk sample gravity plant site a new quartz veins and sheared system was exposed 200 metres north-east of the B3 sheared zone. The new vein system appears to be running NE-SW and is parallel to Zone B1 and perpendicular to Zone B3. This new system is consistent with the prior structural analysis (AECOM, 2011) which suggested that the gold mineralized structures identified in sectors B1 and B3 were part of a connected system of shear zones with the sector B1 mineralization contained within a NE-SW striking shear zone with a senestral movement and the sector B3 mineralization contained within a NW-SE striking shear zone with a dextral movement. Consequently, the gold-mineralized veins present in sector B1 and B3 belong to the oblique shear veins geometry commonly found in shear zones areas.

*Project Namarana, Mali*

On May 30<sup>th</sup>, 2012 the Direction Nationale de la Géologie et des Mines ("DNGM") granted to Stellar Pacific Mali SARL, a wholly owned subsidiary of Stellar AfricaGold Inc. a three-year exploration permit for the 132 km<sup>2</sup> Namarana located to the east and adjacent to the Balandougou property but on the Malian side of the Mali-Guinea international boundary. The permit was renewed in 2015 for a further two-year term expiring in May 30<sup>th</sup>, 2017. The Company has not received any Notice of Permit Cancellation from the Mali Ministry of Mine and intends to pursue renewal of this permit early in 2018. During the three-month period ended October, 2017, the Company did not incur any exploration costs.

*Opawica Property, Québec*

The Opawica Property, including the Philbert 1 claims, located in the Gamache and Rohault townships at 55 kilometers south of Chibougamau city and 10 kilometers south-west of the Joe Mann mine, consists of 3 blocks totalling 33 claims totalling 1,847 acres.

On October 5, 2016, the Company completed a ground reconnaissance program following-up on a previous Airborne Magnetic and Electromagnetic survey that covered all the Company's 100% owned Opawica Project. This program was designed to visit and find outcropping areas where electromagnetic and magnetic anomalies were outlined in the previous survey. A Beep Mat, Model BM4+ was used to find mineralized boulders as well as *in situ* shallow mineralized structures susceptible of representing the source of the anomalies. A total of 44 channel and grab samples were collected in the course of the campaign. Some positive results were obtained in channel samples across historical Philibert 1 showing. Using a rock saw, six channels were cut across a unit of sheared Gabbro-rich quartz veins and veinlets containing tourmaline and 1 to 2 % sulphide.

During the three-month period ended October 31, 2017, the Company did not incur any exploration costs.

*Eastmain North and Eastmain South Properties, Québec*

The Eastmain North property located in the Eeyou Istchee James Bay territory, Québec consists of 16 claims totalling approximately 840 acres. The Eastmain South property consists of 37 claims covering an area of approximately 1,950 acres. On March 14, 2017, the Company sold its Eastmain claims to Amex Exploration for 350,000 common shares and 1.5 % net smelter return royalty of which 50 % may be bought back for \$750,000.

*The 23M13 Property, Québec*

The 23M13 property located in the Eeyou Istchee James Bay territory, Québec consists of 15 claims totalling approximately 775 acres. During fiscal 2017 the 23m13 claims expired and the Company wrote down the mining right acquisition costs of a write down of Exploration and Evaluation Expenditures of \$1,738.

*The Option Terrax Property, Québec*

The Option Terrax property located in the Eeyou Istchee James Bay territory, Québec consists of 31 claims totalling approximately 1,625 acres. During fiscal 2017, the Option Terrax claims expired and the Company incurred a write down of Exploration and Evaluation Expenditures of \$50,000.

Gregory Isenor, P. Geo., an independent geological consultant, and a Qualified Person as defined under NI 43-101, has reviewed and approved the technical information presented herein.

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**6. SELECTED ANNUAL INFORMATION**

The following table sets out selected annual financial information from the Company's annual audited consolidated financial statements for the years ended:

	July 31, 2017	July 31, 2016	July 31, 2015
	\$	\$	\$
<b>From Consolidated Statements of Financial Position</b>			
Total assets	310,777	245,789	65,003
Total liabilities	665,070	836,673	647,808
Working capital (loss)	(354,293)	(612,525)	(608,183)
<b>From Consolidated Statements of Comprehensive Income</b>			
Operating loss	(1,127,505)	(331,968)	(412,363)
Net loss for the year	(907,693)	(331,968)	437,388
Total comprehensive loss for the year	(930,443)	(322,329)	437,388
Basic and diluted loss per share	(0.021)	(0.013)	(0.021)

The Company's total assets declined in 2017 compared to 2016 due to the sale of mineral properties. The Company's total liabilities declined and working capital increased due to equity financings during the year.

The Company's operating loss, net loss and comprehensive loss all increased in 2017 compared to 2016 due to increased exploration and development activity.

**7. CONSOLIDATED RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED OCTOBER 31, 2017**

The following information has been extracted from the Company's consolidated financial statements for the three months ended October 31, 2017 and 2016.

The Company had a net loss of \$401,257 for the three months ended July 31, 2017 compared to a net loss of \$196,795 for the same period in the prior year.

	THREE MONTHS ENDED	
	October 31,	
	2017	2016
<b>Expenses</b>		
Accretion on convertible debentures (Note 8)	\$ -	\$ -
Exploration and evaluation expenditures (Note 11)	97,379	72,966
Project management	30,000	-
Employee benefits expense	-	-
Amortization	72	1,618
Administrative fees	62,500	7,500
Professional fees	15,000	32,534
Interest on convertible debentures (Note 7)	2,750	2,500
Other operational expenses	13,354	38,499
Share-based payments	-	-
Registration and shareholders information	7,931	7,191
Foreign exchange (gain) loss	23,520	(15)
<b>Loss before other income</b>	<b>(252,506)</b>	<b>(162,793)</b>
<b>Other income</b>		
Gain on sale of mineral properties	-	-
Gain on settlement of debt	-	2,288
Reversal of provision (Note 7)	-	-
<b>Loss Before Income Taxes</b>	<b>(252,506)</b>	<b>(160,505)</b>
Deferred income tax recovery	-	13,200
<b>Net Loss For The Year</b>	<b>(252,506)</b>	<b>(147,305)</b>

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<b>Other Comprehensive Loss</b>		
Change in fair value of available-for-sale investments	-	-
<b>Comprehensive Loss For The Period</b>	<b>\$ (252,506)</b>	<b>\$ (147,305)</b>
<b>Basic And Diluted Loss Per Share (Note 9)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of shares outstanding</b>	<b>57,546,093</b>	<b>38,090,137</b>

**8. SUMMARY OF QUARTERLY RESULTS**

The following table presents selected financial information for the quarters ended:

	<b>Oct 31 2017</b>	<b>July 31 2017</b>	<b>April 30 2017</b>	<b>Jan. 31 2017</b>	<b>Oct. 30 2016</b>	<b>July 31 2016</b>	<b>April 30 2016</b>	<b>Jan. 31 2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Net loss</b>	(252,506)	(411,738)	(148,474)	(200,176)	(147,305)	(196,795)	(5,116)	(25,341)
<b>Basic and diluted loss per share</b>	(0.006)	(0.009)	(0.003)	(0.005)	(0.004)	(0.008)	(0.000)	(0.001)

The increased loss in the quarter ending October 31, 2017 is due to increased exploration and development activity on the Company's gold project in Guinea.

**9. LIQUIDITY AND CAPITAL RESOURCES**

	<b>October 31, 2017 \$</b>	<b>October 31, 2016 \$</b>
<b>Working capital (deficit)</b>	(584,403)	(428,187)
<b>Deficit</b>	(23,076,663)	(22,824,157)

The Company's working capital deficiency increased during Q1 2017 in comparison to 2016 due to increased spending on the Balandougou gold project during the quarter. Current assets decreased due to spending cash on exploration and evaluation assets. Current liabilities increased primarily due cash loans advanced by directors during the quarter.

Historically the Company has financed its acquisition and exploration of mineral properties and operating costs with proceeds from equity subscriptions and the exercise of share purchase options and warrants. The Company is dependent on receiving additional funding through the issuance of equity securities in order to fund future exploration programs and to meet its ongoing general and administrative requirements and while management has been successful in obtaining funding in the past, there can be no assurance that it will be able to do so in the future. The reader should refer to the "Going Concern" disclosure in the **Risks and Uncertainties** section of this MD&A.

Subsequent to the quarter end the Company's Guinea subsidiary secured a USD\$400,000 loan to finance the completion of the installation of the gravity mill at the Balandougou gold project, Guinea, and for start-up working capital for the planned 15,000 tonnes bulk sample program. See the Subsequent Events section of the MD&A

**10. RELATED PARTY TRANSACTIONS**

The Company's related parties include key management officers and companies held by key management officers. Unless otherwise stated none of the transactions incorporated special terms and conditions and no guarantees were given or received.

Trade and other payables includes \$442,930 due to these related parties (2016 - \$432,691). These amounts are unsecured, bear no interest, and are due on demand.

Subsequent to year end the terms of these amounts were adjusted to accrue interest at 10% per annum, commencing on August 1, 2017.

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**Transactions with key management personnel**

Key management personnel of the Company are members of the Board of Directors and the management. Key management personnel remuneration includes the following:

	Quarter ended October 31	
	2017	2016
	\$	\$
Short-term key management benefits:		
Consulting and management fees	92,500	-
Employee benefits expense	-	31,500
Share-based payments	-	-
<b>Total compensation</b>	<b>92,500</b>	<b>31,500</b>

Payments for consulting and management fees and employee benefit expense are made pursuant to executive services agreements. The Company recorded \$62,500 for management fees to Stellar's President and Chief Executive Officer John Cumming, and \$30,000 of salary to 2429-7327 QC Inc. , a company beneficially owned by Stellar's VP Exploration and Chief Operating Officer Maurice Giroux

**Other related party transactions**

There were no other related party transactions except for the grants of stock options as disclosed in this MD&A.

**12. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, short-term investments, related party receivable and accounts payable and accrued liabilities. The recorded values of the Company's financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

The Company has no significant credit risk arising from operations. The Company is not exposed to major credit risks attributable to customers and does not engage in any sales activities. The Company's credit risk is primarily attributable to cash and the amount receivable from a related party. The Company holds its cash with a Canadian chartered bank and the risk of default is considered to be remote. Management believes the risk of loss from the related party receivable is limited based on historical experience.

Liquidity risk is the risk that the Company will be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. The Company's accounts payable to trade creditors are due within one year. The Company needs to raise financing to settle accounts payable and is relying on vendor credit until financing has been arranged.

Interest rate risk is the risk that the value of the Company's assets and liabilities can change due to a change in interest rates. The Company considers interest rate risk related to cash and cash equivalents to be low because of their short-term nature.

The Company's functional currency is the Canadian dollar. Major capital purchases are made internationally and are transacted in US dollars. A significant portion of the Company's exploration expenditures are transacted in US dollars and Guinean Francs, and the Company is thus exposed to risk of major changes in these currencies relative to the Canadian dollar.

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

The Company's capital expenditures for its Guinea project are in US dollars and the Company's exploration expenditures in Guinea are transacted primarily in Guinean francs and paid primarily in U.S. dollars.

**13. CONTRACTUAL OBLIGATIONS**

The Company has no continuing contractual obligations.

**14. OFF-BALANCE SHEET ARRANGEMENTS**

At October 31, 2017 the Company had no off-balance sheet arrangements.

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**15. CHANGES IN ACCOUNTING POLICIES**

**Recently issued accounting pronouncements**

*International Financial Reporting Standard 9, Financial Instruments* introduces new requirements for the classification and measurement of financial instruments. Management is currently evaluating the impact of this standard on its consolidated financial statements.

In May 2011, the IASB issued the following standards, effective for annual periods beginning on or after January 1, 2013 with early adoption permitted, which have not yet been adopted by the Company. The Company has begun to assess the impact of the new and amended standards and does not expect the adoption of any of the new requirements to have a significant impact on its financial statements.

*International Financial Reporting Standard 15, Revenue from Contracts with Customers ("IFRS 15")*

On May 28, 2014, the IASB issued IFRS 15. "Revenue from Contracts with Customers". The new standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five step analysis to transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced which may affect the amount and/or timing of revenue recognized. The new standards is effective for fiscal years beginning on or after January 1, 2018 and is available for early adoption.

The Company is currently evaluating the impact of IFRS 15 on its financial statements and expects to apply the standard in accordance with its future mandatory effective date.

*International Financial Reporting Standard 16, Leases ("IFRS 16")*

IFRS 16 replaces the previous leases standard, IAS 17 Leases, and interpretations. IFRS 16 sets out the principles for the recognition, measurements, presentation, and disclosure of leases both for parties to a contract, lessee and lessor. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. A company can choose to apply IFRS 16 before that date but only if it also applies IFRS 15 Revenue from Contracts with Customers. The Company is currently evaluating the impact that these standards will have on its financial statements.

**16. OUTSTANDING SHARE DATA**

**Issued capital**

On August 22, 2016 the Company issued 200,000 shares upon conversion of \$10,000 of convertible debt and issued a further 8,067 shares for accrued interest all at a price of \$0.05 per share.

As of the date of this report, the Company had authorized capital of an unlimited number of common shares without par value and an issued capital of 57,582,117 common shares.

**Warrants outstanding as at July 31, 2017:**

<b>Exercise Price</b>	<b>Number of Warrants</b>	<b>Expiry Date</b>
\$0.10	100,000	August 22, 2019
\$0.05	7,700,000	May 12, 2019
\$0.10	8,350,000	August 16, 2018
\$0.10	9,102,000	May 16, 2018
\$0.10	8,210,000	June 9, 2018
Total	<b>33,362,000</b>	

Subsequent to the end of the quarter the Company granted 1,000,000 share purchase warrants as a loan bonus. These warrants are exercisable at \$0.05 until November 10, 2019.

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Convertible debt outstanding as at October 31, 2017:

Amount of Debt	Number of Units Issuable if Converted at \$0.05 up to Sept 22 2017	Number of Units Issuable if Converted at \$0.10 between Sept 23 2017 and Sept 22 2019
\$140,000	2,800,000	1,400,000
Total	<b>2,800,000</b>	<b>1,400,000</b>

Stock options outstanding as at October 31, 2017:

Exercise Price	Number of Shares	Expiry Date
\$0.10	550,000	September 9, 2018
\$0.05	1,250,000	January 18, 2022
\$0.05	100,000	March 1, 2022
\$0.05	200,000	March 15, 2022
<b>Total</b>	<b>2,100,000</b>	

Subsequent to October 31, 2017 the Company granted 3,492,000 incentive stock options exercisable at a price of \$0.05 per share exercisable until November 14, 2022.

On November 21, 2014 500,000 incentive stock options due to expire on September 9, 2018 were voluntarily surrendered. On November 22, 2017 an additional 50,000 incentive stock options due to expire on September 9, 2018 lapsed unexercised.

## **17. RISK AND UNCERTAINTIES**

The Company is in the business of acquiring and exploring mineral properties, a business with numerous inherent risks and uncertainties common to other junior mineral exploration companies. Management has identified the following potentially significant inherent risks and uncertainties specific to its operations and plans in the coming years.

### *Funding Requirements*

The Company and its mineral exploration programs are at an early stage and the Company is not profitable and has no source of revenues. The Company relies upon the placement of equity and the exercise of stock options for its financing. Whilst it has been successful at raising equity in the past, there can be no assurance that it will be able to do so in the future.

### *Exploration and Development*

There can be no assurance that the activities of the Company will result in the discovery of a mineral deposit or that any such discovery will be of sufficient size and grade to warrant production. Each of the mineral claims and exploration permits which the Company holds or has a right to acquire an interest in is in the exploration stage only and without a known body of commercial ore. After discovery of mineralization, significant stages of exploration and assessment are required before economic viability can be determined and development is dependent upon success at every stage. Very few precious or base metal properties that are explored are ultimately developed into production.

### *Exploration Risks*

Mineral resource exploration activities involve risks which even a combination of experience, knowledge and prudence may not be able to overcome. The activities in which the Company is directly or indirectly involved will be subject to the hazards normally incidental to exploration activities which could result in injury and damage to life and property, possible adverse environmental impacts and possible legal liability for some or all of such injury, damage or impact. The Company maintains some liability insurance; however, any exposure may be outside the coverage of or exceed the limit of the insurance policy in which case the Company could be exposed to significant defence costs and ultimate financial liability.

### *Reliance on Personnel*

The Company is highly dependent on its key executive and operating officers, the loss of any of which could have an adverse effect on the Company. Recent increases in resource exploration activity worldwide have resulted in increased demand for and a resulting shortage of experienced technical field personnel and in increased costs of field personnel and related goods and services. The inability of the Company to secure such personnel when required or at affordable prices could have an adverse effect on the Company's performance.

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*Title Risks*

The Company's exploration properties are in Canada, Mali and Ireland. These countries generally are politically stable with respect to the laws governing mining tenure and mining activities. Nevertheless, the possibility of political instability or changes to mining regulations could result in the impairment or loss of mining title or impairment of the value of interests held. The Company exercises usual due diligence with respect to determining title to properties in which it has a material interest. However, the Company's property interests may be subject to prior unregistered agreements, or transfers or native land claims and title may be affected by undetected defects. There is no guarantee that property titles will not be challenged or impugned.

*Foreign Currency Exchange Rate Risk*

Certain of the Company's primary exploration permits are in the Republic of Guinea. The currency of commerce in Guinea is the Guinean franc and the United States dollar. Significant fluctuations in any of the Guinean franc or the United States dollar against the Canadian dollar could have a material effect on the Corporation's financial results, which are denominated and reported in Canadian dollars.

*Political Instability*

The Company has properties in Guinea, Mali and Canada. Canada is considered to be politically stable. Guinea is becoming increasingly politically stable with recent democratic elections resulting in a new reformist government and improved transparency and reduced corruption. Mali, historically a democratic republic, suffered from an insurrection and occupation by insurgents of northern Mali, a military coup d'état in southern Mali during 2012. Although civil government was restored and elections were held in July and August 2013, the insurgency and coup increased the level of political and economic uncertainty in Mali with a concurrent increase in the risk to mineral resource exploration activities in Mali. More recently continued sporadic Islamist extremist activity in the far north of Mali creates continuing risk and uncertainty.

**18. SUBSEQUENT EVENTS**

On November 10, 2017 the Company's Guinea subsidiary MGWA Goldenfrank SARL received an unsecured loan in the amount of US\$400,000 bearing interest at the rate of 10% per annum. Interest is capitalized until June 30, 2018 and thereafter repayable in blended payments (principal and interest) over 16 months. The loan is collaterally guaranteed by the Company. The Company also granted to the lender a loan bonus in the form of a share purchase warrant to acquire 1,000,000 shares at \$0.05 until November 10, 2019.

On November 14, 2017, the Company granted 3,492,000 incentive stock options exercisable at a price of \$0.05 per share until November 14, 2022. On November 21, 2014 500,000 incentive stock options were voluntarily surrendered. On November 22, 2017 an additional 50,000 incentive stock options due to expire on September 9, 2018 lapsed unexercised.

**19. ADDITIONAL INFORMATION**

The financial statements and additional information regarding the Company, including the Company's certificates of annual and interim filings, news releases and technical reports referred to herein, are available on SEDAR at [www.sedar.com](http://www.sedar.com).

**20. ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

Additional disclosures concerning the Company's expenses are provided in the Company's statement of loss and note disclosures contained in its Financial Statements for the period ended October 31, 2017. These statements are available on Stellar's SEDAR page and may be accessed through [www.sedar.com](http://www.sedar.com).

*Dividends*

The Company has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for mineral exploration and development. Any future determination to pay dividends will be at the discretion of the board of directors and will depend on the Company's financial condition, results of operations, capital requirements and such other factors as the board of directors deem relevant.

*Management's Responsibility for Financial Statements*

The information provided in this report, including the Financial Statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying Financial Statements.

In contrast to the certificate required under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109, in particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

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(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with the Company's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

*Nature of the Securities*

The purchase of the Company's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. The Company's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company's securities should not constitute a major portion of an investor's portfolio.

*Proposed Transactions*

There are currently no significant proposed transactions except as otherwise disclosed in this MD&A.

*Approval*

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the Financial Statements and related financial reporting and internal control matters before the Financial Statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of the Company has approved the Financial Statements and the disclosure contained in this MD&A.

A copy of this MD&A will be provided to anyone who requests it.