



Form 51-102F1  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the years ended July 31, 2020 and 2019

## **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 November 30, 2019 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 years ended July 31, 2020 and 2019. This MD&A should be read together with the Company's annual audited consolidated financial statements for the years ended July 31, 2020 and 2019 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*. In December 2018 Stellar was continued under the British Columbia *Business Corporations Act*.

Stellar and its subsidiaries are junior mining exploration companies engaged in the business of acquiring, exploring and evaluating natural resource properties in Guinea 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 asset, the 80% owned Balandougou gold property in Guinea, Africa (the "Balandougou Gold Project"), was sold and the transaction closed on October 30, 2019. See further details below under Heading 5, Resource Properties.

On January 7, 2020 Stellar optioned up to a 100% interest in Birimian Geology Exploration SARL ("BGE"), a Côte d'Ivoire company which holds two gold exploration permits (pending) totaling approximately 471 km<sup>2</sup>, the Bocanda permit (97 km<sup>2</sup>) and the Djekanou permit covering (374 km<sup>2</sup>). See further details below under Heading 5, Resource Properties.

On March 6, 2020 Stellar acquired the Lullwitz-Kaepelli gold property (the "L-K Property") in the Charlevoix Area, Quebec. See further details below under Heading 5, Resource Properties.

On August 19, 2020 Stellar signed a definitive agreement to acquire a 90% interest the Tichka Est gold property ("Tichka Est") in the high Atlas region of Morocco. See further details below under Heading 5, Resource Properties.

On September 16, 2020 Stellar signed a definitive agreement to buy 100% interest of Aeos Resources Ltd ("Aeos"), a wholly owned Seychelles incorporated subsidiary of Altus. Aeos owns 100% of Aucrest SARL, an Ivoirian subsidiary that owns the Prikro Exploration Licence and the pending Zenoula Exploration Licence both totalling 770 km<sup>2</sup> in Côte d'Ivoire. See further details below under Heading 5, Resource Properties.

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### **3. HIGHLIGHTS**

#### *General Corporate*

- During fiscal Q1 there was no corporate activity to report.
- During Fiscal Q2 Stellar: a) closed on the sale of the Balandougou Gold project, Guinea, b) contracted to acquire the shares of Birimian Geology Exploration SARL, a Côte d'Ivoire mineral permit holding company, subject to TSX-V approval, c) agreed to purchase the L-K Property in Quebec, d) appointed two new directors and a technical advisor for Africa, and e) granted 250,000 stock options to two directors.
- During Fiscal Q2 Stellar completed the plan of arrangement with Mosaic Minerals Corp. ("Mosaic") and distributed to Stellar shareholders 2,000,000 shares of Mosaic Minerals Corp. retaining 5,200,000 shares (21.85%) of Mosaic's outstanding shares.
- During fiscal Q3 Stellar acquired the Lullwitz-Kaepelli gold property (the "L-K Property") in the Charlevoix Area, Quebec.
- During fiscal Q4 Stellar signed a definitive agreement to acquire a 90% interest the Tichka Est gold property ("Tichka Est") in the high Atlas region of Morocco.

#### *Financing Activities*

- During Q1 a US\$400,000 (C\$520,680) loan agreement was amended to freeze the accrual of interest and to schedule the repayment of principal and interest as follows: US\$228,546 on October 30, 2019; US\$87,528 payable on January 15, 2020; US\$87,528 payable on July 15, 2020; and US \$82,666 payable on January 15, 2021.
- During Q2 the second installment of the payment for the Balandougou Gold Project was received.
- During Q3 the Company issued 3,060,000 shares at an agreed price of \$ 0.05 per share to four arm's length parties to settle debt totalling \$153,000.
- During fiscal Q4 there was no financing activity to report.

#### *Balandougou Gold Project*

- During Q1: On August 22, 2019 Stellar and its minority partners reached a definitive agreement with Rida Mining Ltd. of Khartoum, Sudan, for the sale of 100% of the Balandougou Gold Project including the 7 km<sup>2</sup> Balandougou semi-industrial exploitation permit together with all related plant and equipment, and two Guinea subsidiary companies holding contiguous exploration permits totalling approximately 150 km<sup>2</sup>. Stellar and the minority partners own 80% and 20% respectively of the Balandougou Gold Project. The transaction price is US\$3.85M (C\$5.13M) paid in instalments, US\$1.8M (C\$2.46M) on closing with the balance in three instalments ending January 15, 2021. On October 30, 2019 the Balandougou sale closed and the first instalment of US\$1,850,000 was paid.
- During Q2: The second installment of the payment for the Balandougou Gold Project was received.
- During Q3 there was no Balandougou related activity.
- During fiscal Q4 there was no Balandougou related activity.

#### *L-K Gold Property, Quebec*

- During Q2: On January 22, 2020 Stellar agreed to acquire the L-K Property for \$5,000 and 300,000 common shares from treasury with the vendor retaining a 1.5% Net Smelter Return royalty which can be purchased by Stellar at any time for \$500,000.
- During Q3 the TSX-V approved the acquisition as a Fundamental Acquisition, the \$5,000 was paid and the 300,000 common shares were issued.
- During Q4 there was no L-K Property activity to report.

#### *Bocanda and Djekanou Permits, Côte d'Ivoire*

- During Q2: On January 7, 2020 Stellar optioned up to a 100% interest in Birimian Geology Exploration SARL ("BGE"), a Côte d'Ivoire company, which holds two well-located gold exploration permits (pending) totaling approximately 471 km<sup>2</sup>, the Bocanda permit (97 km<sup>2</sup>) and the Djekanou permit covering (374 km<sup>2</sup>). Subject to the final issuance of the two permits and TSX-V acceptance of the option agreement Stellar will acquire the initial 80% interest for US\$20,000. Stellar will then have up to 48 months to complete US\$3,000,000 of exploration on the permits to maintain the option after which Stellar may acquire the remaining 20% at any time for US\$1,500,000. If 100% of BGE is acquired, then the BGE vendors shall retain a 1.25% NSR.
- During Q3: No material activity on the Bocanda or Djekanou permits.

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*BGE Acquisition, Côte d'Ivoire*

- During Q2: On January 7, 2020 Stellar optioned up to a 100% interest in Birimian Geology Exploration SARL ("BGE"), a Côte d'Ivoire company which holds two gold exploration permits (pending) totaling approximately 471 km<sup>2</sup>, the Bocanda permit (97 km<sup>2</sup>) and the Djekanou permit covering (374 km<sup>2</sup>).
- During Q3 there was no BGE related activity to report.
- During Q4 BIRIMGEX SARL shareholders transferred the initial 80% of the shares of BIRIMGEX SARL to Stellar. The transaction remains subject to the final issuance of the two permits and TSX-V acceptance of the option agreement.

*Tichka Est Property, Morocco*

- During Q4: On August 19, 2020 Stellar signed a definitive agreement to acquire a 90% interest the Tichka Est gold property ("Tichka Est") in the high Atlas region of Morocco.

*Priko and Zenoula Permits, Côte d'Ivoire*

- During Q4 On June 29, 2020 Stellar signed a non-binding memorandum of understanding ("MOU") with Altus Strategies PLC outlining the commercial terms for the acquisition of two gold permits, the fully issued Priko permit and the pending Zenoula permit, totaling approximately 770 km<sup>2</sup> in Côte d'Ivoire. The MOU provided a thirty-day exclusivity period for Stellar to conduct a technical due diligence review and site inspection, and for the parties to complete a binding agreement (the "Agreement") for the acquisition. The definitive agreement was sign on September 16, 2020

#### **4. OUTLOOK**

Until October 31, 2019 the Company's principal asset was the Balandougou Gold Project in Guinea.

On January 22, 2020 Stellar acquired the L-K Property, Quebec. Stellar plans to begin Stage 1 exploration when weather permits, probably in calendar Q1, 2021.

On August 19, 2020 Stellar signed a definitive agreement to acquire a 90% interest the Tichka Est gold property ("Tichka Est") in the high Atlas region of Morocco. Work will begin on Tichka Est in calendar Q1, 2021.

On September 16, 2020 Stellar signed a definitive agreement to acquire the fully issued Priko permit and the pending Zenoula permit, totaling approximately 770 km<sup>2</sup>, in Côte d'Ivoire. Work is expected to begin in calendar Q1, 2021.

Stellar continues to work on resolving outstanding preconditions to closing the BGE acquisition in Côte d'Ivoire.

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

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

*The following properties were owned by the Company at July 31, 2020*

*L-K Gold Property, Quebec*

On January 22, 2020 Stellar agreed to acquire the L-K Property for \$5,000 (paid) and 300,000 common shares (issued) with the vendor retaining a 1.5% Net Smelter Return royalty which can be purchased by Stellar at any time for \$500,000. On March 6, 2020 the TSX-V approved the acquisition as a Fundamental Acquisition. The L-K Property is comprised of 4 contiguous mineral claims totaling 231.4 hectares in Lacoste and De Sales township in the Charlevoix Area of Quebec.

Consulting geologist Benoit Violette, P.Ge., in a March 5, 2020 report\* to Stellar reported "The L-K Property is located within the Grenville Geological Province which displays a high degree of metamorphism and high temperature intrusive rocks. The property is underlain by the Charlevoix charnockitic complex, mainly made-up of mixed gneisses and hosts the folded La Galette Formation, which is composed of garnet-bearing pink migmatites. The property is at the northern edge of the deformation zone caused by the Charlevoix meteoritic impact crater during the Devonian Era, which induced concentric ring faults on the Grenville sequences.

The historical gold and PGM mineralization that was reported as found in mafic veins, referred to as "black veins", is made up of tourmaline and hornblende and micas. High and continuous gold and iridium values in the order of 0.23 and 0.12 oz/t, respectively, were obtained, along with 22 g/t of gallium over widths of up to 30 feet. A summer field study and sampling of the exposed sequences are required for a better comprehension of the deposit types that may occur on the property."

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A two-phase exploration program totaling \$205,500 is proposed with Phase I (\$105,500) consisting of surface sampling and geophysical surveys and, contingent upon the results of Phase I, a Phase II program (\$100,000) of trenching and 500 meters of diamond drilling. Stage 1 exploration is expected to begin when weather permits, probably in fiscal Q4 2020.

*\*Technical Evaluation Report of the Gold Exploration Potential of the Lullwitz-Kaeppli Project, La MalBaie Area, Charlevoix Region NTS 21M16, Province of Quebec, March 5, 2020 by Benoit M. Violette, P.Geo.*

*Tichka Est Property, Morocco*

On August 19, 2020 Stellar signed a definitive agreement to acquire a 90% interest the Tichka Est gold property ("Tichka Est") in the high Atlas region of Morocco.

*Royalty Interest in the Eastmain North and Eastmain South Properties, Québec*

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

*Royalty Interest in the 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.

In 2018 the Company undertook a non-core asset review and decided to seek opportunities for the sale or joint venture of Opawica Project. On June 28, 2018 the Company agreed to sell the Opawica gold project to Mosaic Minerals Inc. ("Mosaic") for \$360,000 to be paid by the issuance of 7,200,000 shares of Mosaic issued at a deemed price of \$0.05 per share. The sale closed on December 20, 2018. Stellar retained a 2% Net Smelter Return royalty one-half of which may be purchased by Mosaic for \$1,000,000.

*The following property was acquired by the Company after July 31, 2020*

*Priko and Zenoula Permits, Côte d'Ivoire*

On June 29, 2020 Stellar signed a non-binding memorandum of understanding ("MOU") with Altus Strategies PLC outlining the commercial terms for the acquisition of two gold permits, the fully issued Priko permit and the pending Zenoula permit, totaling approximately 770 km<sup>2</sup> in Côte d'Ivoire. The MOU provided a thirty-day exclusivity period for Stellar to conduct a technical due diligence review and site inspection, and for the parties to complete a binding agreement (the "Agreement") for the acquisition. The definitive agreement was signed on September 16, 2020

*The following property was sold by the Company during the fiscal year-ended July 31, 2020*

*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 exploitation license for gold and associated minerals totalling 7.2 km<sup>2</sup> in the Republic of Guinea referred to as the Balandougou Gold Project, the principal project of the Company.

The Company also holds an 80% interest and an option to acquire the remaining 20% of a second Guinean subsidiary, Stellar Guinée SARL, which holds the Balandougou II exploration license (pending final issuance) for gold and associated minerals totalling 92 km<sup>2</sup>. Balandougou II surrounds the 7.2 km<sup>2</sup> exploitation license.

The property is in Upper Guinea, some 100 km north of the town of Siguiri, 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.

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During fiscal 2018, the Company completed construction and commissioning of a 150 tonne per day gravity mill to process a 15,000 tonnes bulk sample 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. Full-time operations at the Balandougou mill began in Q4 of fiscal 2018, and were temporarily suspended in July 2018 for an operational review and additional upgrades aimed at improving productivity and increasing gold recoveries.

During Q1 of fiscal 2019 the Company made upgrades and adjustments to the Balandougou gold mill and mill operations were resumed. However, the upgrades and adjustments did not significantly improve gold recovery due to the ultra-fine particle size of the gold, and milling operations were again suspended. The Company began evaluating the technical and economic feasibility of adding a cyanide circuit to the mill. During fiscal Q2 the Company began early stage discussions with several groups regarding financing for the proposed conversion of the Balandougou gravity mill to a 300 tonnes per day CIL ("carbon-in-leach") pilot plant to continue its evaluation of the suitability of small-scale mining methods to the surface oxide deposits of the West African Birimian greenstone belt. During fiscal Q3 the Company continued to investigate alternatives for financing the gravity plant conversion. During fiscal Q4 the Company sought alternatives including investigating the possibility of a sale of the Balandougou Gold Project.

On August 22, 2019 Stellar and its minority partners reached a definitive agreement with Rida Mining Ltd. of Khartoum, Sudan, for the sale of 100% of the Balandougou Gold Project including the 7 km<sup>2</sup> Balandougou semi-industrial exploitation permit together with all related plant and equipment, and two Guinea subsidiary companies holding contiguous exploration permits totalling approximately 150 km<sup>2</sup>. Stellar and the minority partners own 80% and 20% respectively of the Balandougou Gold Project. The transaction price was US\$3.85M (C\$5.13M) paid in instalments, US\$1.8M (C\$2.46M) on closing with the balance in three instalments ending January 15, 2021.

On September 10, 2019 Stellar received final approval for the grant of the two new exploration permits to Stellar Guinée SARL and Manding Gold SARL. referenced above. Both permits were included in the sale to Rida Mining Ltd.

On October 30, 2019 the Company closed the sale of the Balandougou Gold Project. To date instalments of US\$3,250,000 has been paid. The final instalment of US\$600,000 is due on January 15, 2021.

**Qualified Persons**

The technical content regarding the L-K Property has been reviewed and approved by independent consultant Benoit Violette, P. Geo, a Qualified Person as defined in NI 43-101.

The technical content regarding African projects has been reviewed and approved by Yassine Belkabar, MSc DIC, CEng, MIMMM, a director of the Company and a Qualified Person as defined in NI 43-101.

**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, 2020	July 31, 2019	July 31, 2018
	\$	\$	\$
<b>From Consolidated Statements of Financial Position</b>			
Total assets	2,037,189	604,737	310,777
Total liabilities	901,558	2,446,414	665,070
Working capital (deficiency)	937,438	(2,396,521)	(354,293)
<b>From Consolidated Statements of Comprehensive Income</b>			
Operating loss	(1,406,662)	(889,701)	(1,127,505)
Net income (loss) for the year	2,905,121	(640,402)	(907,693)
Total comprehensive income (loss) for the year	2,905,121	(640,402)	(930,443)
Basic and diluted loss per share	0.045	(0.008)	(0.021)

The Company's total assets increased in 2020 compared to 2019 due to the sale of the Balandougou property. The Company's total liabilities decreased as the Company settled amounts owed to related parties. As a result, working capital increased.

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The Company's operating loss increased due to increased consulting and registration and shareholders information expenses. Net income and comprehensive income increased due to the sale of the Balandougou property.

**7. RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JULY 31, 2020**

The following information has been extracted from the Company's consolidated financial statements for the years ended July 31, 2020 and 2019.

The Company had net income of \$1,261,629 for the three months ended July 31, 2020 compared to a net loss of \$264,041 for the same period in the prior year.

	<b>FOR THE QUARTER ENDED JULY 31,</b>	
	<b>2020</b>	<b>2019 (recast)</b>
<b>Expenses</b>		
Accretion on convertible debentures	\$ -	\$ 845
Consulting fees	(39,909)	(30,622)
Depreciation	-	3,190
Director's fees	-	-
Exploration and evaluation expenditures	(324,473)	(18,919)
Foreign exchange (gain) loss	(195,562)	6,084
Interest on debt	(15,489)	59,035
Management fees	45,000	62,500
Other operational expenses	39,745	64,527
Project supervision	393,054	-
Professional fees	(27,123)	10,000
Registration and shareholders information	72,379	(3,300)
Share-based compensation	4,187	-
Travel	7,985	-
<b>Income (Loss) Before Other Income</b>	<b>40,206</b>	<b>(153,340)</b>
<b>Other Income (Expense)</b>		
Equity and dilution gain (loss) from associate	41,394	(103,201)
Cost recovered on sale of mineral properties	1,180,029	-
Write-off of deposit	-	(7,500)
<b>Net Income (Loss) and Comprehensive Income (Loss) For The Year</b>	<b>\$ 1,261,629</b>	<b>\$ (264,041)</b>

**8. RESULTS OF OPERATIONS FOR THE YEAR ENDED JULY 31, 2020**

The following information has been extracted from the Company's consolidated financial statements for the years ended July 31, 2020 and 2019.

The Company had net income of \$2,905,121 for the year ended July 31, 2020 compared to a net loss of \$537,201 for the same period in the prior year. The decrease in net loss was primarily due to the sale of the Balandougou property.

	<b>YEARS ENDED JULY 31,</b>	
	<b>2020</b>	<b>2019 (recast)</b>
<b>Expenses</b>		
Accretion on convertible debentures	\$ -	\$ 9,845
Consulting fees	206,333	-
Depreciation	-	4,340
Director's fees	75,000	-
Exploration and evaluation expenditures	128,822	201,674
Foreign exchange (gain) loss	(75,905)	32,693

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Interest on debt		75,246	162,707
Management fees		197,500	250,000
Other operational expenses		69,385	74,069
Project supervision		513,054	120,000
Professional fees		46,824	32,350
Registration and shareholders information		142,303	2,023
Share-based compensation		4,187	-
Travel		23,913	-
<b>Loss Before Other Income</b>		<b>(1,406,662)</b>	<b>(889,701)</b>
<b>Other Income (Expense)</b>			
Equity and dilution gain (loss) from associate		41,394	(103,201)
Cost recovered on sale of mineral properties		4,270,389	360,000
Write-off of deposit		-	(7,500)
<b>Net Income (Loss) and Comprehensive Income (Loss) For The Year</b>	<b>\$</b>	<b>2,905,121</b>	<b>\$ (640,402)</b>

**9. SUMMARY OF QUARTERLY RESULTS**

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

	July 31 2020	Apr 30 2020	Jan 31 2020	Oct 31 2019	July 31 2019	April 30 2019	Jan 31 2019	Oct 31 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net income (loss)	1,915,971	(177,279)	(592,212)	1,758,641	(85,259)	(167,838)	(113,414)	(273,891)
Basic and diluted Income (loss) per share	0.045	(0.003)	(0.009)	0.03	(0.002)	(0.003)	(0.003)	(0.004)

The increased loss in the quarter ending July 31, 2019 is due to increased exploration and development activity on the Company's gold project in Guinea.

**10. LIQUIDITY AND CAPITAL RESOURCES**

	July 31, 2020 \$	July 31, 2019 \$
Working capital (deficit)	937,438	(2,396,521)
Deficit	(21,886,573)	(24,791,694)

The Company's working capital and current assets increased in 2020 in comparison to 2019 due to the sale of the Balandougou property. Current liabilities increased due settling amounts owed to related parties.

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. Although the Company will receive future payments from the sale proceeds of the Balandougou Gold Project the Company remains dependent on receiving additional funding through the issuance of equity securities in order to fund future property acquisitions and exploration programs, and to meet its ongoing general and administrative requirements. 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.

**11. 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.

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As at July 31, 2020, \$152,100 (2019 - \$952,344) of the amount owing to related parties is unsecured, bears interest at 12% per annum and is due on demand. As at July 31, 2020, \$129,346 (2019 - \$129,521) in interest has been accrued on these amounts.

As at July 31, 2020, \$29,559 (2019 - \$292,242) of the amount owing to related parties is unsecured, bears no interest and is due on demand.

As at July 31, 2020, accounts payable included \$31,342 (2019 - \$Nil) of amounts owing to related parties. The amounts are unsecured and bear no interest.

As at July 31, 2020, \$5,250 (2019 - \$5,250) was owing from a related company for reimbursement of expenses paid by the Company on the related company's behalf.

**Transactions with key management personnel**

Key management personnel of the Company are members of the Board of Directors and the management. Key management personnel compensation comprised the following:

	2020	2019
Short-term key management benefits:		
Consulting & management fees	\$ 961,281	\$ 370,000
Director's fees	75,000	-
Finder's fees	127,730	-
Interest	70,639	89,019
<b>Total compensation</b>	<b>\$ 1,234,650</b>	<b>\$ 459,019</b>

***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**

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The Company has no continuing contractual obligations.

**14. OFF-BALANCE SHEET ARRANGEMENTS**

At July 31, 2020 the Company had no off-balance sheet arrangements.

**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. The Company adopted IFRS 9 in its consolidated financial statements on August 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening deficit balance on August 1, 2018

**Recently issued accounting pronouncements**

*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**

**Capital transactions during the year.**

During the year ending July 31, 2020 the Company issued 300,000 common shares fairly valued at \$15,000 for the purchase of the L-K properties, issued 2,500,000 common shares to settle \$125,000 in fees owing, and issued 560,000 common shares valued at \$28,000 in settlement of the debenture interest payable.

**Issued capital**

As of July 31, 2020, the Company had authorized capital of an unlimited number of common shares without par value and an issued capital of 67,282,117 common shares. 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 69,782,117 common shares.

**Warrants outstanding at July 31, 2019:**

Exercise Price	Number of Warrants	Expiry Date
\$0.10	100,000	August 22, 2019
\$0.05	1,000,000	November 10, 2019
Total	<b>1,100,000</b>	

During the year ended July 31, 2020, 1,100 warrants (1,100,000 warrants at \$0.05 and 100,000 warrants at \$0.10) expired unexercised.

**Convertible debt outstanding at July 31, 2020:**

During the year ended July 31, 2020, the Company made cash payments of \$140,000 to settle the loan principal balance and issued 560,000 common shares to settle accrued interest of \$28,000.

**Stock options outstanding at July 31, 2020:**

Exercise Price	Number of Shares	Expiry Date
\$0.05	1,250,000	January 18, 2022
\$0.05	300,000	March 15, 2022
\$0.05	3,492,000	November 14, 2022
\$0.05	250,000	November 29, 2024

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<b>Total</b>	<b>5,292,000</b>	
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## **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 could be exposed to significant defence costs and ultimate financial liability.

### *Operational Risks*

The Company has begun milling operations in Guinea. Mineral resource exploitation 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 mining and milling 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 could be exposed to significant legal defence costs and ultimate financial liability. Additionally the economics of mining and milling operations carry significant risk and there is no certainty that any such operations will become economically viable.

### *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.

### *Title Risks*

The Company's exploration properties are in Guinea. Guinea is generally considered to be increasing politically stable insofar as the laws governing mining tenure and mining activities are concerned and recent democratic elections resulted in a new reformist government offering improved transparency and promoting reduced corruption. Nevertheless, the possibility of political instability, changes to mining regulations or local corruption 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, transfers or land claims by local persons 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*

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The Company's property is in Guinea, a country considered to be increasing politically stable with recent democratic elections resulting in a new reformist government offering improved transparency and promoting reduced corruption.

**18. SUBSEQUENT EVENTS**

Subsequent to year-end, the Company and Altus Strategies PLC closed the acquisition agreement for two gold permits, the fully issued Priko permit and the pending Zenoula permit, totaling approximately 770 km<sup>2</sup> in Côte d'Ivoire. Stellar has acquired a 100% interest in Aeos Resources Ltd., a Seychelles company, which owns a 100% interest in Aucrest SARL, a Cote D'Ivoire company. Aucrest SARL owns a 100% interest the Priko gold permit and the pending Zenoula gold permit application.

The Company issued to Altus Strategies Plc 2,500,000 units of Stellar, each unit consisting of one common share and one share purchase warrant exercisable for two years at \$0.07 per share. The shares are subject to an investment hold period expiring March 26, 2021.

Contingent upon reaching exploration milestones on each permit Stellar will also make two further share payments per permit of shares equal to US\$250,000 in value: a) upon completion of a NI43-101 resource estimate of not less than 500,000 ounces of gold with not less than 250,000 ounces in the Indicated category, and b) upon completion of a definitive feasibility study.

Contingent upon reaching exploration milestones on each permit Stellar will also make two further share payments per permit of shares equal to US\$250,000 in value: a) upon completion of a NI43-101 resource estimate of not less than 500,000 ounces of gold with not less than 250,000 ounces in the Inferred category, and b) upon completion of a definitive feasibility study.

Altus will retain a 2.5% Net Smelter Return ("NSR") royalty on each permit. Stellar may repurchase up to 1.0% of each NSR for US\$500,000 for each 0.5%.

**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 July 31, 2020. 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 deems 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 when assessing 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:

(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

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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.