

AFRICAN ENERGY METALS INC.
MANAGEMENT DISCUSSION AND ANALYSIS
Years Ended December 31, 2022 and 2021

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This discussion and analysis should be read in conjunction with the audited consolidated financial statements and related notes thereto for the years ended December 31, 2022 and 2021 (the “Financial Statements”), which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by IASB. All amounts in the financial statements and this discussion and analysis are presented in United States dollars, unless otherwise indicated. This Management Discussion and Analysis (“MD&A”) is dated May 26, 2023 and discloses specified information up to that date.

FORWARD LOOKING INFORMATION

This management discussion and analysis (“MD&A”) contains certain forward-looking statements and information relating to African Energy Metals Inc. (“Company”) that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words “anticipate”, “believe”, “estimate”, “expect” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of the exploration projects in Democratic Republic of Congo (“DRC”) as described below. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

1. DESCRIPTION OF BUSINESS

On March 27, 2007, African Energy Metals Inc. was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia). The Company commenced trading on the TSX Venture Exchange (“TSX-V”) under the symbol NMD.V on February 7, 2010. On August 25, 2020, the Company changed its name to Central African Gold Inc. and commenced trading on the TSX-V under the symbol CAGR effective August 26, 2020. On February 7, 2022, the Company changed its name to African Energy Metals Inc. and commenced trading on the TSX-V under the symbol CUCO effective February 12, 2022.

On October 20, 2017, the Company acquired Katanga Cobalt Corp. (“Katanga”) pursuant to the terms of a previously executed amalgamation agreement between Central African Gold, Katanga and a subsidiary of Central African Gold (“Subco”), under which Subco amalgamated with Katanga. For accounting purposes this was considered a reverse takeover whereby Katanga was identified as the acquirer of Central African Gold.

The Company is engaged in the acquisition, exploration, and development of mineral resources in the Democratic Republic of Congo.

In late February 2022, Russia launched a large-scale military attack on Ukraine. The invasion significantly amplified already existing geopolitical tensions among Russia, Ukraine, Europe, NATO and the West, including Canada. In response to the military action by Russia, various countries, including Canada, the United States, the United Kingdom and European Union issued broad-ranging economic sanctions against Russia. Such sanctions included, among other things, a prohibition on doing business with certain Russian companies, large financial institutions, officials and oligarchs.

A commitment by certain countries and the European Union to remove selected Russian banks from the Society for Worldwide Interbank Financial Telecommunications, or SWIFT, the electronic banking network that connects banks globally; a ban of oil imports from Russia to the United States; and restrictive measures to prevent the Russian Central Bank from undermining the impact of the sanctions. Additional

sanctions may be imposed in the future. Such sanctions (and any future sanctions) and other actions against Russia may adversely impact, among other things, the Russian economy and various sectors of the economy, including but not limited to, financials, energy, metals and mining, engineering and defense and defense-related materials sectors; result in a decline in the value and liquidity of Russian securities; result in boycotts, tariffs, and purchasing and financing restrictions on Russia's government, companies and certain individuals; weaken the value of the ruble; downgrade the country's credit rating; freeze Russian securities and/or funds invested in prohibited assets and impair the ability to trade in Russian securities and/or other assets; and have other adverse consequences on the Russian government, economy, companies and region. Further, several large corporations and U.S. states have announced plans to divest interests or otherwise curtail business dealings with certain Russian businesses.

The ramifications of the hostilities and sanctions may not be limited to Russia, Ukraine and Russian and Ukrainian companies and may spill over to and negatively impact other regional and global economic markets (including Europe, Canada and the United States), companies in other countries (particularly those that have done business with Russia and Ukraine) and on various sectors, industries and markets for securities and commodities globally, such as oil and natural gas. Accordingly, the actions discussed above and the potential for a wider conflict could increase financial market volatility and cause severe negative effects on regional and global economic markets, industries, and companies. In addition, Russia may take retaliatory actions and other countermeasures, including cyberattacks and espionage against other countries and companies around the world, which may negatively impact such countries and companies.

The extent and duration of the military action or future escalation of such hostilities, the extent and impact of existing and future sanctions, market disruptions and volatility, and the result of any diplomatic negotiations cannot be predicted.

While we expect any direct impacts to our business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect our business and may make it more difficult for us to raise equity or debt financing.

Previously completed Management Discussion and Analysis documents covering comments for earlier periods have been prepared and filed accordingly on www.sedar.com.

In June 2021, the Company announced the completion the first stage of a planned acquisition of multiple precious and base metals projects located in the resource rich Democratic Republic of Congo (DRC). Central African Gold has entered into an option agreement to enter into a joint venture agreement with the project owner to jointly develop the Musefu Gold Project which has historical gold exploration and production.

Update and preliminary projections for the industrial solar and carbon credit initiative

The Company retained EcoMetrix and Inerjys Ventures to assist in the development of a favorable business case utilizing industrial solar to generate positive revenue and carbon credits focused on the DRC. EcoMetrix is based in Johannesburg, South Africa and are experts on carbon credits in Africa. Inerjys Ventures is based in Montreal, Canada and are a cleantech investment fund. The approach taken by the Company was to develop a viable business model utilizing sustainable alternate energy to solve an existing problem while generating carbon credits and providing an Environmental, Social, and Governance (ESG) benefit.

The preliminary financial model indicates these goals can be achieved and provide a significant early stage and long-term revenue source for the Company. Like most African countries, the DRC is lacking

dependable power in sufficient quantity due to an inadequate power grid. As a result, industrial facilities, and in particular mining processing operations, supplement electrical grid power with diesel generators.

In addition to the negative environmental impacts of burning diesel fuel, the cost per kilowatt-hour (kWh) for diesel generated power is roughly five times the cost per kWh of solar-generated power. African Energy Metals' business plan will provide a cleaner hybrid solar/diesel/grid power solution for mining processors, starting with a pilot solar project with a capacity up to 15mW. The business can be expanded to providing a stand-alone solution by the addition of power storage units. The Company is initially targeting mining processors through pre-existing relationships with the Company's DRC management team and their knowledge of the DRC mining sector.

2. CORPORATE AND OPERATIONAL HIGHLIGHTS

On April 10, 2023, the Company consolidated all its issued and outstanding common shares on the basis of 1 new share for every 4 old shares (the "Consolidation"). All references herein to the number of shares, options, warrants, weighted average number of common shares and loss per share have been retrospectively restated for the Consolidation, including all such numbers presented for the prior periods.

On March 3, 2022, the Company entered into an agreement with Whiskey Cobalt Mining SASU to acquire 100% interest in a 50/50 joint venture with Liberty Mining and Investments Sarl.

On June 20, 2022, the Company entered into an agreement with AuClair ECC SASU to acquire 100% interest in a 70/30 joint venture and option with E29 Resources Sarl on concession PEPM 4582 in the DRC.

On June 24, 2022, the Company completed a non-brokered private placement of 1,500,000 units at CDN \$0.20 per unit for aggregate proceeds of CDN \$300,000.

On October 19, 2022, the Company closed the first tranche of its non-brokered private placement of 650,000 units at CDN \$0.20 per unit for aggregate proceeds of CDN \$130,000.

On December 16, 2022, the Company closed the second tranche of its non-brokered private placement of 600,000 units at CDN \$0.20 per unit for aggregate proceeds of CDN \$120,000.

On December 29, 2022, the Company closed the third and final tranche of its non-brokered private placement of 750,000 units at CDN \$0.20 per unit for aggregate proceeds of CDN \$150,000.

During the year ended December 31, 2021 subsidiaries located in Africa, Bankers Cobalt Mining SASU located in the DRC, Bankers Cobalt Mining (Namibia) Limited located in Namibia were disposed for \$1.

3. EXPLORATION AND EVALUATION ASSET

On March 3, 2022, the Company entered into a definitive assignment agreement with Whiskey Cobalt Mining SASU ("WCM") to acquire 100% interest in an option agreement with Liberty Mining and Investments Sarl ("Liberty") to enter a 50/50 joint venture with Liberty. Liberty owns 100% of concession PE 8251 located in the Democratic Republic of the Congo ("DRC"). As part of the acquisition cost, the Company paid \$70,000 to Liberty and \$47,990 (CDN\$65,000) to Lockwood Financial Ltd. The Company also issued 625,000 common shares with a fair value of \$87,399 (CDN\$112,500) to WCM and paid finder's fee of 62,500 common shares with a fair value of \$8,740 (CDN\$11,250).

During the year ended December 31, 2022, the Company has no further plans to continue exploration on the property given the uncertainty of obtaining financing to continue exploration and recorded an impairment loss of \$216,000.

On June 20, 2022, the Company entered into a Rights assignment agreement with AuClair ECC SASU (“AuClair”) to acquire 100% interest in a binding letter agreement with E29 Resources Sarl (“E29”) regarding a 70/30 joint venture and option on concession PEPM 4582 located in the Manono region of the DRC. The Company issued 625,000 common shares with a fair value of \$98,016 (CDN\$125,000) to AuClair and 250,000 common shares with a fair value of \$39,206 (CDN\$50,000) to E29. As part of the acquisition, the Company also issued 125,000 common shares as finders’ fee with a fair value of \$19,604 (CDN\$25,000). On September 1, 2022, the Company terminated the agreement and incurred an impairment loss of \$156,826 (CDN\$200,000).

In 2021, the Company entered into an assignment agreement with KBG Capital Sarl (KBG), pursuant to which KBG assigned to the Company 100% of KBG’s interest in an exclusive option agreement with La Societe Miniere de Bakwanga SA (MIBA) to enter a joint venture to develop and exploit the Musefu Gold Project (the “Project”) located in Kasai Central Province in southern DRC. Subsequent to the year ended December 31, 2021, economic recoverability and probability of future benefits of the advances for exploration and evaluation costs was estimated at low accordingly management decided to terminate the assignment agreement and recorded an impairment loss of \$1,141,637 on the remaining value of the exploration and evaluation assets.

4. PROPOSED TRANSACTIONS

Assignment Agreement

On January 3, 2023, the Company entered into an assignment agreement with AuClair ECC SASU (“AuClair”) to acquire 100% interest in an agreement with Amur Sarl (“Amur”) regarding a 60/40 joint venture on the project. The project is held 100% by Compagnie Miniere de Kalehe SA (“CMK”) which is a joint venture between Amur and Societe Aurifere du Kivu et du Maniema SA (“Sakima”). The Company would acquire a 60% interest in CMK. In consideration of the assignment, the Company issued 750,000 common shares to AuClair, and will pay US\$150,000 to Amur upon successful completion of due diligence and execution of formal agreements. The Company also paid a finder’s fee of 75,000 common shares to arm’s length parties in accordance with TSXV policies.

Mali Acquisition

On January 17, 2023, the Company entered into a definitive share purchase agreement pursuant to which African Energy Metals will acquire from GoviEx Uranium Inc. (“GoviEx”) all of the issued and outstanding shares of GoviEx’s indirectly owned Malian subsidiary, Delta Exploration Mali SARL (“the Transaction”).

The Company will acquire all the outstanding shares of Delta Exploration Mali SARL for a purchase price of \$5,500,000 which shall be satisfied as follows:

- (i) a closing cash payment of \$500,000;
- (ii) the issuance of common shares with a fair value of \$2,000,000 based on a 30 day VWAP; and
- (iii) when and if the Falea License is renewed, the issuance of additional common shares of African Energy Metals to GoviEx having a value \$3,000,000.

The Transaction is subject to several conditions including completion of the brokered private placement and approval of the TSX-V, and the closing date of the Transaction has been extended to May 31, 2023.

5. SELECTED ANNUAL RESULTS

Cash	2022	2021	2020
	\$	\$	\$
Financial results			
Total revenue	Nil	Nil	Nil
Net loss for the year	1,194,499	724,512	1,452,078
Basic and diluted loss per share	(0.08)	(0.07)	(0.24)
Statement of financial position			
Cash	62,745	165,020	25,223
Total assets	93,844	243,939	95,171
Shareholders' equity (deficiency)	(155,933)	205,738	(2,314,877)

6. LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

As at December 31, 2022, the Company had current assets of \$93,844 (2021 - \$243,939) and current liabilities of \$249,777 (2021 - \$38,201). There is a working capital deficit of \$155,933 as at December 31, 2022 (2021 – working capital of \$205,738).

On May 17, 2023, the Company signed a Promissory Note with GR7 Holdings Inc., a company controlled by a related party, to provide a loan in the aggregate amount of CDN \$13,000 with interest at a rate of 8% compounded semi-annually. The loan is secured for a period of one year.

On June 24, 2022, the Company completed a non-brokered private placement of 1,500,000 units at CDN \$0.20 per unit for aggregate proceeds of CDN \$300,000. Each unit consisted of one common share and one-half of one common share purchase warrant. Each Warrant is exercisable into one common share at a price of CDN \$0.60 per share for a period of two years from the date of issue.

During the last quarter of 2022, the Company completed a non-brokered private placement of and aggregate of 2,000,000 units at CDN \$0.20 per unit for gross proceeds of CDN \$400,000. Each unit consisted of one common share and one-half of one common share purchase warrant. Share issuance costs of CDN \$13,691 were incurred in connection with the private placement.

The financial information presented in this MD&A is based on consolidated financial statements that have been prepared based on accounting principles applicable to a “going concern”, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company has not generated any revenues or cash flows from operations to date. The Company expects that it will require additional debt or equity funding in the next 12 months in order to continue its planned exploration and evaluation activities and meet its business objectives. The Company plans to raise the necessary funds primarily through issuance of shares. The Company's ability to continue on a going concern basis is therefore dependent on its ability to successfully raise additional funds. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. Furthermore, during the current period, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the Company's business are not known at this time. These impacts could include an impact on the Company's ability to obtain debt and equity financing to fund ongoing

exploration and evaluation activities as well as our ability to explore and conduct business. These conditions result in significant uncertainties that may cast substantial doubt about the Company's ability to continue as a going concern. The Company's financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

7. RESULTS OF OPERATIONS

The information for the years ended December 31, 2022 and 2021 is based on the consolidated financial statements:

	Three months ended December 31, 2022	Three months ended December 31, 2021	Year ended December 31, 2022	Year ended December 31, 2021
Expenses				
Consulting fees	\$ 52,013	\$ 43,759	\$ 118,843	\$ 262,247
Corporate development	(24,417)	53,074	77,132	53,074
Filing fees	8,444	7,410	31,404	35,845
Investor relations	7,193	171,510	74,082	266,922
Management fees	23,057	33,915	92,280	369,714
Office expense	3,982	7,829	10,213	17,402
Professional fees	105,613	51,110	214,822	108,169
Project generation	(248)	5,133	17,975	112,499
Share-based payments	78,617	287,738	92,906	462,824
Travel and accommodation	26,664	26,553	95,086	252,034
Total expenses	(280,918)	(688,031)	(824,743)	(1,940,730)
Other income (expense)				
Interest expense	-	(38)	-	(38)
Impairment of exploration and evaluation assets	(372,826)	(1,141,637)	(372,826)	(1,141,637)
Forgiveness of debt	-	906,268	-	906,268
Gain on disposal of subsidiaries	-	1,425,379	-	1,425,379
Foreign exchange gain	382	30,338	3,070	26,246
Total other income (expense)	\$ (372,444)	\$ 1,220,310	\$ (369,756)	\$ 1,216,218
Net income (loss)	\$ (653,362)	\$ 532,279	\$ (1,194,499)	\$ (724,512)

THREE MONTHS ENDED DECEMBER 31, 2022 COMPARED TO THREE MONTHS ENDED DECEMBER 31, 2021

For the quarter ended December 31, 2022, net loss was \$653,362 compared to net income of \$532,279 recorded during the same period in 2021. Material variances from the prior year period are as follows:

- A decrease of \$164,317 in investor relations due to reduced activities in business development and shareholder awareness in the current quarter;
- A decrease of \$77,491 in consulting fees due to no services engaged for corporate development in the current quarter;
- A decrease of \$5,381 in project generation due to no cost incurred for sourcing new projects;

- A decrease of \$209,121 in share-based payments due to reduced share-based transactions in the current quarter;
- Loss on impairment of mineral property located in the DRC in the amount of \$372,826 due to impairment of property and termination of assignment agreement.
- There was no forgiveness of debt in the current quarter, compared to the amount of \$906,268 in forgiveness of debt related to the Company negotiating its debt in the prior quarter period.
- There was no gain on disposal of subsidiary in the current quarter, compared to the amount of \$1,425,379 gain related to the African subsidiaries being disposed off in the prior quarter period.

YEAR ENDED DECEMBER 31, 2022 COMPARED TO YEAR ENDED DECEMBER 31, 2021

For the year ended December 31, 2022, the net loss was \$1,194,499 compared to a net loss of \$724,512 recorded during the same period in 2021. Material variances from the prior year period are as follows:

- A decrease in investor relations fees of \$192,840 related to less activity in business development in the current year;
- A decrease in management fees of \$277,434 related to management directing available resources to generation of new projects;
- An increase of \$24,058 in consulting fees related to services engaged for corporate development;
- An increase of \$106,653 in professional fees due to increased services provided during the year end audit of December 31, 2022. The services related to complex transactions occurred during the current year;
- A decrease of \$94,524 in project generation due to less cost incurred for sourcing new projects;
- A decrease of \$369,918 in share-based payments due to less transactions in the current year;
- A decrease of \$156,948 in travel and accommodations as the Company decreased travel activities in prospecting for new mining projects and site visits compared to the prior year.
- Loss on impairment of mineral property located in the DRC in the amount of \$372,826 due to impairment of property and termination of assignment agreement.
- There was no forgiveness of debt in the current year, compared to the amount of \$906,268 in forgiveness of debt related to the Company negotiating its debt to be forgiven in the prior year.
- There was no gain on disposal of subsidiary in the current year, compared to the amount of \$1,425,379 gain related to the African subsidiaries being disposed off in the prior year.

8. SUMMARY OF QUARTERLY FINANCIAL INFORMATION

The following Information is derived from the consolidated financial statements:

Fiscal quarter ended	Net income (loss), \$	Income (loss) from continuing operations per share (1), \$	Net comprehensive income (loss) (2), \$
December 31, 2022	(653,362)	(0.04)	(632,699)
September 30, 2022	(168,532)	(0.01)	(182,105)
June 30, 2022	(182,219)	(0.01)	(180,170)
March 31, 2022	(190,386)	(0.01)	(189,909)
December 31, 2021	532,279	0.04	587,597
September 30, 2021	(558,653)	(0.05)	(513,847)
June 30, 2021	(249,733)	(0.03)	(259,214)
March 31, 2021	(448,405)	(0.05)	(461,859)

(1) Loss per share is rounded to the nearest whole cent

(2) Explanations for the increase in loss for the quarters ended can be found under Results of Operations.

9. TRANSACTIONS WITH RELATED PARTIES

Related party transactions for the years ended December 31, 2022 and 2021 are as follows:

Year ended	December 31, 2022	December 31, 2021
Management fees accrued for or paid to companies controlled by officers of the Company	\$ 92,280	\$ 621,978
Share-based payments	16,877	287,844
	<u>\$ 109,157</u>	<u>\$ 909,822</u>

As at December 31, 2022, the Company owed \$33,721 (2021 - \$nil) to a company controlled by a director of the Company, which is included in accounts payable and accrued liabilities. The amounts owing are unsecured, non-interest bearing, and due on demand.

During the year ended December 31, 2021, \$750,337 of amounts due to directors and officers of the Company were forgiven.

10. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported revenues and expenses during this year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Significant areas requiring the use of estimates include the recoverability of exploration and evaluation assets, fair value of share-based compensation, and unrecognized deferred income tax assets.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

i) Going concern - The Company's assessment of its ability to continue as a going concern requires management to take into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

ii) The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the consolidated statement of loss in the period when the new information becomes available.

11. RISKS RELATED TO THE COMPANY'S BUSINESS

Resource exploration is a speculative business and involves a high degree of risk. There is a probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis to further the development of a property. Capital expenditures to support the commercial production stage are also very substantial.

The following sets out the principal risks faced by the Company:

COVID 19. The Company's business could be significantly adversely affected by the effects of any widespread global outbreak of contagious diseases. A significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could affect demand for the Company's products and likely impact operating results. In particular, the recent outbreak of COVID-19 has had a negative impact on global financial conditions. The Company cannot accurately predict the impact COVID-19 will have on the Company's business, including its ability to obtain financing or third parties' ability to meet their obligations to the Company, as well as due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries.

War in the Ukraine. Our business, financial condition and results of operations may be negatively affected by economic and other consequences from Russia's military action against Ukraine and the sanctions imposed in response to that action.

In late February 2022, Russia launched a large-scale military attack on Ukraine. The invasion significantly amplified already existing geopolitical tensions among Russia, Ukraine, Europe, NATO and the West, including Canada. In response to the military action by Russia, various countries, including Canada, the United States, the United Kingdom and European Union issued broad-ranging economic sanctions against Russia. Such sanctions (and any future sanctions) and other actions against Russia may adversely impact, among other things, the Russian economy and various sectors of the economy, including but not limited

to, financials, energy, metals and mining. Accordingly, the actions discussed above and the potential for a wider conflict could increase financial market volatility and cause severe negative effects on regional and global economic markets.

While we expect any direct impacts to our business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect our business and may make it more difficult for us to raise equity or debt financing.

Financing risks. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. As at December 31, 2022 the Company had not yet achieved profitable operations. During the year ended December 31, 2022, the Company incurred a net loss of \$1,194,499 (December 31, 2021 – \$724,512), a cash outflow to operating activities of \$468,455 (December 31, 2021 - \$1,456,223) and, as of December 31, 2022, the Company had a working capital deficit (current assets minus current liabilities) of \$155,933 (December 31, 2021 – working capital of \$205,738).

The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

Exploration risk. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market risks. The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer-term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Commodity price risks. The Company's exploration projects seek copper and cobalt in the DRC. While each of these minerals have recently been the subject of significant price increases from levels prevalent earlier in the decade, there can be no assurance that such price levels will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Currency risks. The Company's exploration expenditures are predominately in US dollars and equity raised is predominately in Canadian dollars. The financial risk is the risk to the Company's operations that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Company is subject to fluctuations in foreign currency exchange rates and currently does not use derivative instruments to reduce its exposure to foreign currency risk.

Key personnel risks. The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

Competition. Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Cyber Security Risks. As the Company continues to increase its dependence on information technologies to conduct its operations, the risks associated with cyber security also increase. The Company relies on management information systems and computer control systems. Business and supply chain disruptions, plant and utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm its operations and materially adversely affect its operation results, Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the issue or loss of control over computer control systems, and breaches due to employee error. The Company's exposure to cyber security risks includes exposure through third parties on whose systems it places significant reliance for the conduct of its business. The Company has implemented security procedures and measures in order to protect its systems and information from being vulnerable to cyber-attacks.

The Company believes these measures and procedures are appropriate. To date, it has not experienced any material impact from cyber security events. However, it may not have the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to its information and control systems could have severe financial and other business implications.

Foreign Countries and Regulatory Requirements. Currently, the Company has joint-ventures located in the DRC. Consequently, the Company is subject to certain risks associated with foreign ownership, including currency fluctuations, inflation, and political risk. Both mineral exploration and mining activities and production activities in foreign countries may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to community rights, restrictions on production, price controls, export controls, restriction of earnings, taxation laws, expropriation of property, environmental legislation, water use, labour standards and workplace safety. The Company maintains the majority of its funds in Canada and only forwards sufficient funds to meet current obligations.

Environmental and Other Regulatory Requirements. The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational

health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties. To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations. The Company has incurred net losses to date. Its deficit as of December 31, 2022 was \$28,398,615. Even if the Company commences development of certain properties, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably, or provide a return on investment in the future.

Uninsurable risks. The Company and its subsidiaries may become subject to liability for pollution, fire, explosion, against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

12. OTHER MD&A DISCLOSURE REQUIREMENTS

Information available on SEDAR

As specified by National Instrument 51-102, the Company advises readers of this MD&A that important additional information about the Company is available on the SEDAR website <http://www.sedar.com/>

Outstanding Share Data

As at the date of this MD&A, the Company had 20,067,952 shares outstanding. As at the same date there were 5,810,925 warrants outstanding at exercise prices ranging from CDN \$0.40 to \$1.00 per share and 1,893,437 stock options outstanding at exercise prices ranging from CDN \$0.20 to \$2.00 per share.

Outstanding Warrants		Exercise Price (CDN\$)	Expiry Date
2,496,092		0.40	July 17, 2023
1,562,499		0.60	September 17, 2023
2,333		1.00	September 17, 2023
750,000		0.60	June 24, 2024
325,000		0.40	October 19, 2024
300,000		0.40	December 16, 2024
375,000		0.40	December 29, 2024
5,810,924			

Outstanding Options	Vested Options	Exercise Price (CDN\$)	Expiry Date
115,625	115,625	2.00	June 20, 2024
5,312	5,312	2.00	August 29, 2024
486,250	486,250	1.60	September 1, 2025
75,000	75,000	0.40	September 28, 2025
250,000	250,000	0.80	March 31, 2026
400,000	400,000	0.80	October 4, 2026
498,750	498,750	0.20	November 23, 2027
62,500	62,500	0.28	February 6, 2028
1,893,437	1,893,437		

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Vancouver, British Columbia

May 26, 2023