

# **ROSCAN GOLD CORPORATION**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS** **(for the year ended October 31, 2019)**

**February 18, 2020**

### **INTRODUCTION**

This management's discussion and analysis ("MD&A") has been prepared by Roscan Gold Corporation's ("Roscan" or the "Company") management and provides a review of the Company's operating and financial performance for the year ended October 31, 2019, as well as a view of future prospects. The MD&A should be read in conjunction with Roscan's audited consolidated financial statements for the years ended October 31, 2019 and 2018. Additional information related to the Company is filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) and is available online at [www.sedar.com](http://www.sedar.com).

#### Basis of presentation

Roscan's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars, unless otherwise noted.

NOTE: in this MD&A references to years, such as F2019, refer to the fiscal years ending October 31.

This MD&A may contain forward-looking statements, which may be influenced by factors described in the "Cautionary Statements" section of the MD&A. The "Risks and Uncertainties" section of this MD&A further describes other factors that could cause results or events to differ from expectations.

### **CORPORATE PROFILE**

Roscan is a publicly-listed exploration company involved in the business of acquiring, exploring and developing gold properties in West Africa. The Company has assembled a significant land position through five option agreements to acquire 100%-owned permits in the prolific gold prospective Birimian rocks of western Mali for its Kandiole Project. To better reflect its exploration focus, the Company changed its name to Roscan Gold Corporation from Roscan Minerals Corporation on September 19, 2018. RosCan is listed as a Tier 2 mining issuer on the TSX Venture Exchange ("TSX-V") and its common shares trade under the symbol ROS. The Company's common shares also trade on the Frankfurt Stock Exchange under the symbol 2OJ.

### **HIGHLIGHTS**

#### Kandiole Project - Mali

In November, 2018, Roscan commenced its inaugural 5,900-metre air-core drilling program over five anomalies at its Mankouke and Moussala North permits. The drill program returned very positive assay results and resulted in a potentially significant new gold discovery. The results of this drill program were released on January 24, 2019.

During February 2019, a 1,930-metre air-core and reverse circulation drill program was initiated to follow up on the inaugural drilling program at the Company's Mankouke permit. The results of this drill program were released on April 11, 2019.

During April to July 2019, a 30,054-metre air-core and diamond drill program was conducted to test the north and south extensions of the Mankouke gold discovery zone, as well as the many other gold anomalies identified on the other Kandiole permits. The majority of the results of this drill program were released on July 22, 2019 and August 16, 2019.

## **Roscan Gold Corporation**

### **Management's Discussion & Analysis (for the twelve month period ended October 31, 2019)**

#### Financing activities

On March 21, 2019, Roscan completed a 27,142,857 unit brokered and non-brokered private placement for gross proceeds of \$3,800,000. In addition, during F2019 the Company received net proceeds of \$643,105 from the exercise of 6,151,358 warrants.

On December 12, 2019, Roscan completed a 44,930,000 unit brokered private placement for gross proceeds of \$4,493,000.

#### New exchange listing

In July 2019 the Company commenced trading on the Frankfurt Stock Exchange under the symbol 2OJ.

#### Director and management changes

On July 23, 2019, Mr. David Kavanagh was appointed a director of the Company. Mr. Kavanagh was employed in mineral exploration, mine project financing, and project development for more than 25 years, and has over 30 years' experience in senior corporate management. Mr. Kavanagh holds a BSc. In Geology from Acadia University (1974), MBA from Dalhousie University (1981) and LLB from Dalhousie University (1981). Mr. Kavanagh was Vice President and General Counsel at Clearwater Fine Foods Incorporated and Clearwater Seafoods Incorporated from 2003 to 2017. Prior to 2003, Mr. Kavanagh was Assistant General Counsel of Rio Algom Limited from 1997 to 2001, prior thereto he was Senior Counsel of Rio Algom Limited from 1996 to 1997. Mr. Kavanagh was admitted to the Law Societies of Alberta (1983), Ontario (1989) and Nova Scotia (2004).

On September 18, 2019, the Company announced that Mr. John Learn was appointed the exploration manager for the Company. Mr. Learn succeeded Jean-Marc Gagnon who retired earlier in the month. Mr. Learn is a consulting geologist based in Ouagadougou, Burkina Faso, and brings 23 years of gold exploration experience in West Africa and East Africa to the Company. Mr. Learn studied geology at Brock University (1977) and McGill University (1981) before beginning his career in uranium and gold exploration in Canada, mainly in the Athabasca basin and the Abitibi sub-province. Over the years, Mr. Learn worked with various junior and major mining companies in the gold and uranium sectors: former chief geologist for 1) Channel Resources, 2) High River Gold Mines and 3) Goldrush Resources; former exploration manager for lamgold Mali and former general manager for High River Gold Exploration (Nordgold) from 2014 to 2018.

On December 12, 2019, the Company announced that Mr. Michael Gentile was appointed a strategic advisor for the Company. On January 12, 2020, Mr. Gentile transitioned from his strategic advisor role to being a director of the Company. From 2003 to 2018 Mr. Gentile worked as professional money manager at Formula Growth Ltd, an independent investment management firm established in Montreal in 1960 with a long-term track record of creating investor wealth. While at Formula Growth Mr. Gentile's main sector focus was the mining and natural resource sectors. In 2012, he became the co-manager of the Formula Growth Alpha Fund, a market neutral hedge fund focused on small to mid-cap equities. From 2011 to 2018 the Formula Growth Alpha Fund became one of the largest market neutral funds in Canada, growing its assets under management to over \$650 million by the end of 2018. In October 2018, Mr. Gentile retired from full time money management and remains a very active investor in the mining space, owning significant stakes in several small-cap mining companies.

On December 19, 2019, Mr. Nana Sangmuah was appointed President/Chief Executive Officer and a director of the Company and Dr. Andrew Ramcharan was appointed the Company's Vice-President of Corporate Development and Investor Relations. The Company's former President/Chief Executive Officer, Mr. Gregory Isenor, with 50 years of experience in the mineral sector, was appointed Executive Vice-Chair of the Company.

Mr. Sangmuah has over 20 years of international mining experience and provides Roscan with strong leadership skills and an extensive knowledge of the mining exploration industry and capital markets. Most recently, Mr. Sangmuah was Managing Director, Equity Research – Metals and Mining for Clarus Securities Inc ("Clarus"). During Mr. Sangmuah tenure's at Clarus, he successfully grew Clarus's capital markets mining profile and transitioned Clarus to become one of the leading financial mining institutions; and, attracted institutional capital funds into a number of

## **Roscan Gold Corporation**

### **Management's Discussion & Analysis (for the twelve month period ended October 31, 2019)**

west African mining companies, including Endeavour Mining, SEMAFO, Asanko Gold, Cardinal Resources, Perseus Mining, Golden Star Resources, amongst others. Prior to Clarus, Mr. Sangmuah held other global equity research roles with Haywood Securities Inc. and Stifel Financial Corp U.S.A. Mr. Sangmuah holds a BSc Hon's degree in Mining Engineering from Kwame Nkrumah University of Science and Technology, Ghana, and an MBA from University of Toronto – Rotman School of Management.

Dr. Ramcharan has over 20 years' experience in the mining industry and international experience involving over 300 mining project evaluations, exploration, and corporate development/investor relations. Most recently, Dr. Ramcharan was Managing Director at Sprott Resource, and Manager-Corporate Development at IAMGOLD Corporation. Dr. Ramcharan worked with the team that made a major discovery of over one (1) million ounces of NI 43-101 Compliant gold in Panama in 2013. He lectured at University of Toronto in Mineral Resource and Mineral Reserve Estimation, MIN301. Dr. Ramcharan is a graduate of the Colorado School of Mines, the University of Leoben and completed Harvard University's Continuing Education Program. Dr. Ramcharan is a P.Eng in Ontario, a Registered Member of The Society for Mining, Metallurgy and Exploration (SME), a Fellow of The Australasian Institute of Mining and Metallurgy (AusIMM) and The South African Institute of Mining and Metallurgy (SAIMM).

On January, 12, 2020, Sir Samuel Jonah was appointed a director and non-executive chair of the Company. Sir Jonah earned an Associateship in Mining Engineering at the Camborne School of Mines, Cornwall, England, and subsequently a M.Sc in Mine Management at the Imperial College of Science and Technology, London. He also has an honorary Doctor of Science (D.Sc.) degree awarded jointly by the Camborne School of Mines and the University of Exeter (UK) in 1996. Sir Jonah joined Ashanti Goldfields Corporation in 1979, working in various capacities, including underground operations. At the age of 36 he became the Chief Executive Officer (CEO), and supervised the transformation of Ashanti Goldfields into a mining multinational, increased gold production from 240,000 ounces per annum to over 1.6 million ounces in over ten years, and oversaw the company's listing as the first operating African company on the New York Stock Exchange. He became Executive President of Anglo Ashanti Ltd (world second largest gold producer at the time) in May 2004 when Ashanti merged with AngloGold Limited.

In June 2003, Sir Jonah became the first Ghanaian to be knighted in the 21st century when he was presented with an honorary knighthood by the Prince of Wales, in recognition of his achievements as an African businessman, a leading business executive from the Commonwealth, and an international public figure. In his long career he has successfully served on many boards, including the board of Vodaphone UK and the advisory board of Bank of America. Sir Jonah is the Chairman of Helios Towers that completed an initial public offering in October 2019 for \$1.8 billion.

On January 12, 2020, Mr. David Mosher and Mr. Donald Whalen resigned from the Company's board of directors to accommodate the appointments of Mr. Gentile and Sir Jonah.

## **MINERAL PROPERTIES**

### **Kandiole Project - Mali, West Africa**

Roscan has assembled a significant land package, encompassing 254 sq. kilometres, of 100%-owned permits in the prolific gold prospective Birimian rocks of west Mali. Roscan believes these are high potential properties, as they are located in an area of existing multi-million ounce gold deposits and producers. Kandiole lies along trend and south of the Oklo Resources Ltd. discovery (intercepts to 4.38 g/t Au over 45 metres) and the Komet Resources Inc. discovery (intercepts to 2.02 g/t Au over 62 metres) and north of the lamgold/Merrex Siribaya discovery (intercepts to 5.07 g/t Au over 33 metres).

### Option Agreements

To establish its foothold, in F2018, Roscan entered into five option agreements with private entities to acquire a 100%-interest in six contiguous gold prospective permits, as described below.

## Roscan Gold Corporation

### Management's Discussion & Analysis (for the twelve month period ended October 31, 2019)

#### 1) Kandiole North Option Agreement\* (40 sq. kms.) - Effective, November 3, 2017\*\*

- a) pay Touba Mining SARL ("Touba") an aggregate of \$80,000 over a three (3) year option period, as follows:
  - (i) \$40,000 in two \$20,000 instalments, payable May 3 (paid) and November 3, 2018 (paid);
  - (ii) \$20,000 in two \$10,000 instalments, payable May 3 (paid) and November 3, 2019 (paid); and,
  - (iii) \$20,000 in two \$10,000 instalments, payable May 3 and November 3, 2020.
- b) pay permitting fees of 10,000,000 CFA francs (paid), approximately \$23,500, to the Malian government's Direction Nationale de la Geologie et des Mines ("DNGM").
- c) Touba shall retain a 5% net profit interest ("NPI") and a 2% net smelter return royalty ("NSR") on all ore mined from the property. Roscan has the right to purchase one-half of the NSR (equivalent to a 1% NSR) for \$1,000,000.

\* The renewal date for the Kandiole North permit is March 1, 2021.

\*\* Touba assigned its option rights under its agreement with Quani-Or SARL to the Company.

#### 2) Kandiole West Option Agreement\* (25 sq. kms.) - Effective, November 3, 2017 \*\*

- a) pay Touba Mining SARL ("Touba") an aggregate of \$80,000 over a three (3) year option period, as follows:
  - (i) \$5,000 on signing (paid);
  - (ii) \$15,000 comprised of a \$5,000 instalment, payable May 3, 2018 (paid), and a \$10,000 instalment, payable on November 3, 2018 (paid);
  - (iii) \$20,000 in two \$10,000 instalments, payable May 3 (paid) and November 3, 2019 (paid); and,
  - (iv) \$40,000 in two \$20,000 instalments, payable May 3 and November 3, 2020.
- b) pay permitting fees of 10,000,000 CFA francs (paid), approximately \$23,500, to the DNGM.
- c) Touba shall retain a 5% net profit interest ("NPI") and a 2% net smelter return royalty ("NSR") on all ore mined from the property. Roscan has the right to purchase one-half of the NSR (equivalent to a 1% NSR) for \$1,000,000.

\* The renewal date for the Kandiole West permit is June 13, 2021.

\*\* Touba assigned its option rights under its agreement with Kara Mining SARL to the Company.

#### 3) Segando South and Moussala North Option Agreement\* (97 sq. kms.) - Effective, March 31, 2018

- a) pay K. L. Mining SARL and K. A. Gold Mining SARL (collectively, the "Optionor") an aggregate of US\$400,000 over a three (3) year option period, as follows:
  - (i) US\$40,000 in signing (paid);
  - (ii) US\$60,000, payable March 31, 2019 (paid);
  - (iii) US\$120,000, payable March 31, 2020; and,
  - (iv) US\$180,000, payable March 31, 2021.
- b) Incur an aggregate of US\$165,000 in exploration expenditures over the option period, as follows:
  - (i) First year - US\$40,000 (completed)
  - (ii) Second year - US\$60,000
  - (iii) Third year - US\$65,000

## Roscan Gold Corporation

### Management's Discussion & Analysis (for the twelve month period ended October 31, 2019)

- c) Pay permitting fees (paid) to the DNGM. The DNGM is in the process of formalizing the grant of these leases.
- d) The Optionor shall retain a 2% NSR on all ore mined from the property. Roscan has the right to purchase one-half of the NSR (equivalent to a 1% NSR) for US\$1,200,000.

\* Applications to renew the permits are pending.

#### 4) Niala Option Agreement (75 sq. kms.)\* - Effective, April 27, 2018

- a) pay SOLF SARL an aggregate of \$117,500 over a three (3) year option period, as follows:
  - (i) \$12,500 on signing (paid);
  - (ii) \$30,000, payable April 27, 2019 (paid);
  - (iii) \$35,000, payable April 27, 2020; and,
  - (iv) \$40,000, payable April 27, 2021.
- b) Incur an aggregate of \$205,000 in exploration expenditures over the option period, as follows:
  - (i) First year - \$50,000 (completed)
  - (ii) Second year - \$75,000
  - (iii) Third year - \$80,000
- c) pay permitting fees of 5,000,000 CFA francs (paid), approximately \$12,500, to the DNGM.
- d) SOLF shall retain a 2% NSR on all ore mined from the property. Roscan has the right to purchase one-half of the NSR (equivalent to a 1% NSR) for \$500,000.

\* The renewal date for the Niala permit is May 23, 2021.

#### 5) Mankouke Option Agreement (17 sq. kms.)\* - Effective, June 22, 2018

- a) pay Minex SARL an aggregate of \$250,000 over a three (3) year option period, as follows:
  - (i) \$40,000 on signing (paid);
  - (ii) \$60,000, payable June 22, 2019 (paid);
  - (iii) \$70,000, payable June 22, 2020; and,
  - (iv) \$80,000, payable June 22, 2021.
- b) Issue 1,000,000 Roscan shares (500,000 shares issued) to Minex in four equal instalments during the option period.
- c) Incur an aggregate of \$205,000 in exploration expenditures over the option period, as follows:
  - (i) First year - \$50,000 (completed)
  - (ii) Second year - \$75,000
  - (iii) Third year - \$80,000
- d) Minex shall retain a 3% NSR on all ore mined from the property. Roscan has the right to purchase two-thirds of the NSR (equivalent to a 2% NSR) for US\$1,000,000.

\* The renewal date for the Mankouke permit is April 3, 2020.

## Roscan Gold Corporation

### Management's Discussion & Analysis (for the twelve month period ended October 31, 2019)

During the option periods for all of the permits, Roscan shall be responsible for keeping each permit in good standing and performing all obligations required by law.

#### Exploration status

Roscan's initial compilation of technical information of the Kandiole Project identified several areas of immediate interest. An initial exploration program consisting of prospecting, mapping and sampling of the entire land position was completed in F2018 with the objective of identifying areas for more detailed exploration, including drilling. Ground control for the mapping and field work utilized updated satellite photographs. In addition, a program of detailed soil and termite sampling was completed in specific areas of the Mankouke and Moussala North permits, considered, in the short term, to be the most prospective.

The initial sampling program on the Kandiole Project identified 13 artisanal mining areas that returned rock grab samples of more than 0.5 g/t gold with local highs exceeding 10 g/t gold at Niala. To the Company's knowledge, these newly identified mining sites had not been evaluated in the past and represent new exploration opportunities for Roscan. A total of 4,916 samples were collected at Mankouke and Moussala North, consisting of 2,806 soil samples and 2,110 termite mound samples. Soil samples were collected on lines 100 to 200 metres apart with sample stations every 50 metres. The sampling program covered only 20% of the total Kandiole Project area and outlined several significant anomalous areas. Most of the anomalous samples align along northerly trending corridors up to 350 metres wide with individual anomaly groups extending for a minimum of 600 metres along strike.

The Mankouke property overlies a northerly-trending magnetic Siribaya structure that is interpreted to represent a regional-scale thrust fault. Some of Roscan's strongest termite and gold-in-soil anomalies lie along this structure. The Siribaya structure and the corridor associated with the structure host established resources and additional exciting new discoveries such as Oklo's Seko and Komet's Kabaya. The Mankouke targets have similar geological characteristics as other discoveries on this structural corridor.

In November 2018, Roscan commenced a 5,900-metre air core (AC) drilling program on the Mankouke and Moussala North permits to test the full width of a series of strong gold anomalies on termite mounds and gold-in-soil gold anomalies (*please refer to Roscan's news release of January 24, 2019 for further information*). The AC drilling consisted of 77 holes (47 holes on Makouke and 30 holes on Moussal North) over five anomalies that were tested with seven lines of AC holes drilled across the targets in a general east-west direction and drilled at -50 degrees to the west and to a depth of 45 to 60 metres in a heel to toe fashion. Significant gold mineralization was intersected in two areas: at Mankouke on drill lines 1 and 7 and at Moussala North on drill line 4.

Four drill fences, completed over the stronger targets in the Mankouke area, are summarized as follows:

- Line 1 - tested an anomalous area up to 750 metres wide and 600 metres long with termite and soil values ranging from 102 parts per billion (ppb) to 588 ppb gold; target area lies in a magnetic low embayment along the magnetic trend which may represent a large hydrothermal alteration zone;
- Line 2 - tested a target area up to 400 metres wide by 800 metres long with termite and soil values ranging from 52 ppb to 499 ppb gold; target area lies approximately 1,000 metres to the south of the line 1 target area and along the same interpreted mineralized structure;
- Line 3 - lies approximately 500 metres to the south and west of line 2 target area; drill fence to test an interpreted, approximately 1,200-metre-long, parallel mineralization trend across a 425-metre wide target area with termite and soil values ranging from 127 ppb to 675 ppb gold.
- Line 7 - lies approximately 250 metres to the south of line 1 target area; designed to test the Line 1 anomaly.

Drill fences at Moussala North were designed to test three strong anomalous gold trends. These anomalies are well defined and appear to be associated with a strong, northeast-trending structure that is semi-parallel to, and west of,

## Roscan Gold Corporation

### Management's Discussion & Analysis (for the twelve month period ended October 31, 2019)

the Siribaya structure. The three drill fences range from 225 metres to 275 metres wide with termite and soil values ranging up to 16,000 ppb gold. Two of the drill fences crossed over artisanal mining areas that are currently being mined.

#### Highlights of drilling lines 1 - 7:

- 5.94 g/t gold over 14 metres (including 26.7 g/t gold over 2 metres)
- 8.68 g/t gold over 14 metres (including 41.5 g/t gold over 2 metres)
- 8.47 g/t gold over 18 metres (including 29.0 g/t gold over 4 metres)
- 4.98 g/t gold over 8 metres (including 16.6 g/t gold over 2 metres)
- 3.06 g/t gold over 8 metres (laterite-hosted)
- 2.71 g/t gold over 4 metres (laterite-hosted)

Note: True widths of all drill holes reported in the MD&A cannot be determined from the information available

In February 2019, Roscan commenced a 1,930-metre air core (AC) program and reverse circulation (RC) drilling at Mankouke, to follow-up on the initial drilling noted above (*please refer to Roscan's news release of April 11, 2019 for further information*). A 370-metre RC drilling program on the line 7 discovery was completed to test for the down dip extension of the mineralization. It was concluded that due to poor recovery in the RC drilling the assay results may be inconclusive and a diamond drilling program was designed to test the discovery mineralization extension.

In addition, 1,560-metres of AC drilling over two lines was completed. One line north of line 7 and one line south of line 7. This AC drilling was to test the north and south extension of the discovery. Significant drilling results from the 1,930-metre drill program are provided below.

#### Highlights:

- 6.39 g/t gold over 6 metres (including 7.46 g/t gold over 2 metres)
- 2.26 g/t gold over 8 metres (including 3.35 g/t gold over 4 metres)
- 1.85 g/t gold over 16 metres (including 3.25 g/t gold over 6 metres)
- 1.68 g/t gold over 8 metres (including 2.30 g/t gold over 5 metres)
- 2.60 g/t gold over 3 metres (including 5.72 g/t gold over 1 metre)

During April to July 2019, in total, a 30,054-metre air-core and diamond drill program (DD) was conducted to test the north and south extensions of the Mankouke gold discovery zone, as well as the many other strong termite and soil gold anomalies identified on the other Kandiole permits (*please refer to Roscan's news releases of July 22, 2019 and August 16, 2019 for further information*).

2,017-metres of diamond drilling was completed over 19 holes in the Mankouke discovery zone area to test the northern extension of the zone. In addition, 28,037-metres of AC drilling was completed over 607 holes to test the most important termite and soil gold anomalies. Lines of AC holes were drilled across the target areas in a heel-to-toe fashion.

#### Highlights: Diamond Drill - Mankouke

- 8.63 g/t gold over 10 metres (including 11.48 g/t gold over 7 metres)
- 6.53 g/t gold over 5 metres (including 10.09 g/t gold over 3 metres)
- 5.56 g/t gold over 3 metres (including 7.14 g/t gold over 2 metres)
- 3.45 g/t gold over 10 metres (including 6.76 g/t gold over 3 metres)
- 1.18 g/t gold over 7.0 metres (including 3.88 g/t gold over 1.0 metre)
- 1.02 g/t gold over 3 metres

## Roscan Gold Corporation

### Management's Discussion & Analysis (for the twelve month period ended October 31, 2019)

#### Highlights: Air-Core (AC) - Mankouke

- 5.86 g/t gold over 26 metres (including 9.44 g/t gold over 10 metres)
- 3.74 g/t gold over 30 metres (including 6.73 g/t gold over 6 metres) -
- 7.59 g/t gold over 8 metres (including 28.30 g/t over 2 metres)
- 3.66 g/t gold over 10 metres (including 7.87 g/t gold over 2 metres)
- 5.11 g/t gold over 6 metres (including 9.57 g/t gold over 2 metres)
- 5.97 g/t gold over 4 metres (including 11.00 g/t gold over 2 metres)
- 3.42 g/t gold over 6 metres (including 4.78 g/t gold over 4 metres)

As a result of the drill programs carried out in F2019, the Mankouke gold discovery shows that a strong mineralization trend exists with strike continuity. Drilling to date shows that the original Mankouke discovery to have a strike length of at least 450 metres. In addition, the strong gold values intersected in AC drilling at the southern end of the Mankouke permit indicates that the entire seven-kilometre long trend of the Siribaya structure, on the Mankouke Permit, is a high priority exploration target.

The Mankouke gold mineralization trend is hosted in breccia zones which are interbedded with deeply weathered saprolitic metasediments. Drilling to date has intersected gold mineralized breccia (*8.63 g/t Au over 10 metres from 79.1 metres to 89.1 metres along the drill hole*) at a vertical depth of approximately 60 metres. This drilling indicates that the gold discovery initially reported (see news release of January 24, 2019) has "roots" and is not supergene.

The shallow AC drilling at Mankouke indicates that the gold mineralization is open to the north. Diamond drilling to date has also been shallow with the average depth of 110 metres. There has been gold host rock, breccia development identified in most of the diamond core holes drilled to date, to support Roscan's thesis of the mineralization system. The Company interprets a shallow north east plunge to the system. Deeper drilling will be required to test for additional mineralized lenses.

The exploration team, up to mid-December 2019, was led by Roscan's former President and CEO, Gregory Isenor, P.Geol., and John Learn, Roscan's exploration manager. Subsequent to mid-December 2019, the exploration team is now being led by Mr. Nana Sangmuah, Roscan's President and Chief Executive Officer, Mr. Isenor and Mr. Learn.

#### Future Plans

During the period of the rainy season from July to October, assay results were evaluated. A test induced polarization (IP) survey is planned to cover the two mineralized zones on the Mankouke permit to assist in identifying controlling structures to be tested with deeper drilling. It is expected that drilling will resume once the Company has obtained sufficient financing and will primarily consist of diamond drilling to test for both the extensions of the Mankouke gold discovery, and to test the significant AC intersections identified in other areas of the property. AC drilling will also be continued to test select termite and gold soil anomalies located on the land position and not previously tested.

A \$4,493,000 financing was completed on December 12, 2019, the IP program is in progress, and drilling has commenced in the Southern Mankouke discovery area. Further AC and DD drilling is planned to test both the remaining untested termite anomalies and the extensions of mineralization previously outlined.



## Roscan Gold Corporation

### Management's Discussion & Analysis (for the twelve month period ended October 31, 2019)

#### INVESTOR RELATIONS

On September 16, 2018, the Company retained the services of Michael Poulin to assist the Company in its investor relations activities. The original six month term of the agreement was extended and now revolves on a monthly basis. Compensation for the investor relations activities consists of a \$3,500 monthly fee and a grant of 150,000 stock options. The options were granted on May 14, 2019 and vest in quarterly instalments of 37,500 and were issued with an exercise price of \$0.15 and a three year term.

On June 1, 2019, the Company retained the services of Skanderbeg Capital Advisors Inc. to assist the Company in its investor relations activities. The term of the agreement was originally for one year. Compensation for the investor relations activities consists of a \$7,500 monthly fee and a grant of 600,000 stock options. The options were granted on June 1, 2019 and vest in quarterly instalments of 150,000 and were issued with an exercise price of \$0.15 and a three year term. The agreement has been terminated.

#### SELECTED ANNUAL INFORMATION

<b>Results of Operations</b>	Year ended, October 31,		
	2019	2018	2017
Interest income	\$ 13,841	\$ -	\$ -
Corporate and administrative expenses	(1,274,697)	(466,626)	(155,714)
Exploration and evaluation	(3,816,227)	(892,516)	(335,109)
Share-based payments	(612,564)	(239,810)	(22,530)
Foreign exchange loss	(22,011)	(5,623)	(165)
Net loss	(5,711,658)	(1,604,575)	(513,518)
Net loss per share - basic and diluted	(0.053)	(0.028)	(0.013)
<b>Financial Position</b>	As at October 31,		
	2019	2018	2017
Cash	\$ 240,219	\$ 1,050,780	\$ 18,181
Total assets	350,367	1,224,589	22,978
Working capital	(64,095)	639,912	(72,519)
Loans due to related parties	-	485,915	-
Total long-term financial liabilities	-	-	-

The increase in the F2019 loss, as compared to F2018, was primarily influenced by activities revolving around the Kandiole Project, expanded investor relation and promotion activities and a significant increase in option grants. The increase in the F2018 loss, as compared to F2017, was primarily influenced by the acquisition of the Kandiole Project and costs to support significantly expanded corporate activities focused on opportunities in West Africa.

For F2019, the decrease in the Company's cash was impacted by the repayment of loans to a Company director/officer and cash used to fund Kandiole Project activities and expanded corporate overheads. For F2018, the growth in the Company's cash and working capital was primarily funded by a \$2,198,130 private placement.

## Roscan Gold Corporation

### Management's Discussion & Analysis (for the twelve month period ended October 31, 2019)

#### SUMMARY OF QUARTERLY RESULTS

	Interest Income	Corporate and administrative	Exploration and evaluation	Net loss	Net loss per share
	\$	\$	\$	\$	\$
<b>Fiscal 2019</b>					
Q4 October 31	2,070	482,606	307,126	818,376	0.005
Q3 July 31	8,894	411,996	2,048,999	3,039,275	0.028
Q2 April 30	2,877	251,739	800,876	1,060,417	0.011
Q1 January 31	-	128,356	659,226	793,590	0.009
<b>Fiscal 2018</b>					
Q4 October 31	-	148,218	265,647	657,533	0.009
Q3 July 31	-	97,056	428,249	523,484	0.010
Q2 April 30	-	134,925	162,847	301,300	0.006
Q1 January 31	-	86,427	35,773	122,258	0.003

For F2019, fluctuations in quarterly results were influenced by: (1) corporate and administrative expenses, which were significantly impacted by - financing activity and the Company's annual shareholder meeting in Q2 - the degree of marketing and corporate development activity - and, legal fees and the accrual of annual audit and tax services fees in Q4; (2) exploration and evaluation expenditures related to the Kandiole Project; and, (3) share-based payments attributable to the grant of stock options in Q3.

For F2018, fluctuations in quarterly results were influenced by: (1) corporate and administrative expenses, which were significantly impacted by - the Company's annual shareholder meeting in Q2 - the degree of marketing and corporate development activity - the magnitude of legal fees to support corporate activity - and, the accrual of annual audit and tax services fees in Q4; (2) exploration and evaluation expenditures related to the Kandiole Project; and, (3) share-based payments attributable to the grant of stock options in Q4.

#### RESULTS OF OPERATIONS

The net loss for the F2019 was \$5,711,658 versus a net loss of \$1,604,575 for F2018, representing an increase of \$4,107,083. The increase in the net loss was primarily attributable to activities to support expanded operations and explore the Kandiole Project. The foreign exchange loss of \$22,011 (2018 - \$5,623) resulted primarily from unfavourable fluctuations in the United States dollar and the West African CFA franc. Interest income of \$13,841 (F2018 - \$nil) was earned on cash held on deposit with a Canadian banking institution.

The increase in corporate and administrative expenditures (F2019 - \$1,274,697 vs F2018 - \$466,626) resulted from higher:

- consulting fees, office and general expenses and premises costs to support activity at the Company's Bedford, Nova Scotia office;
- listing and share transfer costs, due to financing activity, changes in the Company's share registration particulars, additional TSX Venture Exchange fees, and the Company's new listing on the Frankfurt Stock Exchange;
- professional fees, due to an increase in legal fees to support elevated corporate activity;
- shareholder relations and promotion costs, as the Company retained two investor relations consultants and significantly expanded its investor marketing activities through industry trade shows/conferences, market awareness campaigns and investor communications; and,
- travel costs, as the frequency of management and project technical meetings grew.

## Roscan Gold Corporation

### Management's Discussion & Analysis (for the twelve month period ended October 31, 2019)

Kandiole Project exploration and evaluation expenditures (F2019 - \$3,816,227 vs F2018 - \$892,516) consisted of option payments and costs to support and conduct drilling and field exploration programs. The Company's accounting policy is to expense exploration expenditures as incurred.

Share-based payments (F2019 - \$612,564 vs F2018 - \$239,810) represent the fair value assigned to stock options granted to directors/officers and consultants.

#### LIQUIDITY AND CAPITAL RESOURCES

##### *Cash flows*

Operating activity cash flows for the F2019 were significantly impacted by expanded shareholder relations and promotion activity and Kandiole Project exploration programs. These activities were primarily responsible for the movement in prepaid expenses and the growth in accounts payable and accrued liabilities.

Financing activity cash flows for the F2019 reflects: the repayment of cash loans provided by a Company director in F2018; the March 21, 2019 closing of a 27,142,857 unit brokered and non-brokered private placement; and, the exercise of 6,151,358 warrants.

##### *Working capital*

As at October 31, 2019, Roscan had cash of \$240,219 and a working capital deficiency of \$64,095. Sales tax receivables represent amounts to be refunded by the Canadian government. Prepaid expenses include amounts advanced to fund future corporate and Kandiole Project activities. Accounts payable and accrued liabilities include \$78,165 payable to related parties for legal and management fees and the reimbursement of expenses.

Loans due to related parties of \$485,915 were repaid during F2019. These loans were non-interest bearing, unsecured and payable on demand.

To recapitalize Roscan, gross proceeds of \$3,800,000 were raised through a brokered and non-brokered 27,142,857 unit private placement closed on March 21, 2019. In addition, the Company's working capital was augmented by the exercise of 6,151,358 warrants for net proceeds of \$643,105. To further capitalize the Company, on December 12, 2019, the Company completed a non-brokered 44,930,000 unit private placement for gross proceeds of \$4,493,000.

In addition to the financing completed on December 12, 2019, Roscan will have to raise further working capital to fund the balance of its planned F2020 corporate and Kandiole Project activities. Further funds will be required to finance additional property acquisitions and any related exploration activities.

#### SHARE CAPITAL

As of the date of this MD&A, Roscan has the following securities outstanding:

Security	Number
Common shares	167,472,367
Warrants	97,765,082
Options	16,600,000

The Company issued 44,930,000 common shares and 33,697,500 common share purchase warrants in the private placement closed on December 12, 2019. The movement in the number of options outstanding since October 31, 2019, was due to the exercise of 250,000 options for proceeds of \$25,000, the expiration of 400,000 options and the granting of 8,500,000 options.

## **Roscan Gold Corporation**

### **Management's Discussion & Analysis (for the twelve month period ended October 31, 2019)**

#### **RELATED PARTY TRANSACTIONS AND BALANCES**

Consulting fees of \$1,250 (F2018 - \$nil) for the year were paid to Metal Tree Inc. a company controlled by a Company director.

Management fees of \$222,350 (F2018 - \$222,000) for the year were paid to companies controlled or associated with Company officers as follows:

- President and Chief Executive Officer, Mr. Greg Isenor - \$150,000 (F2018 - \$150,000), paid to G.P. Isenor Company Ltd ("GPI"). The agreement for Mr. Isenor's services was effective, November 1, 2017.
- Chief Financial Officer, Mr. Mark McMurdie - \$72,350 (F2018 - \$72,000), paid to Rustle Woods Capital Inc. The agreement for Mr. McMurdie's services was effective, November 1, 2017.

Rent of \$24,000 (F2018 - \$6,000) for the year was paid or became payable to GPI for the Company's office in Bedford, Nova Scotia. The Company began renting these premises on July 1, 2018. This amount is included in corporate and administrative expenses under premises.

Legal fees of \$105,872 (F2018 - \$49,690) for the year were paid or became payable to Irwin Lowy LLP ("Irwin"), a law firm in which a Company director is a partner. These amounts are allocated to corporate and administrative expenses (professional fees) and share capital (share issuance costs).

Share-based compensation (non-cash) of \$396,169 (F2018 - \$196,208) for the year represents the fair value of 3,500,000 stock options granted to directors/officers.

Loans due to related parties represented cash loans provided by GPI. The Company repaid all of these loans (\$485,915) during F2019. These loans were originally provided for working capital purposes and to fund Kandiole Project expenditures and were unsecured, due on demand and non-interest bearing.

A Company director subscribed for \$4,900 (35,000) units of the private placement closed on March 21, 2019.

The Company has in place termination and change of control clause agreements with two of the Company's officers, whereby the officers are entitled to a cumulative amount of \$481,000 in the event they are terminated without cause or in the event there is a change of control.

#### **COMMITMENTS AND CONTINGENCIES**

*For additional information on commitment and contingencies, please refer to Note 14 in Roscan's audited consolidated financial statements for the year ended October 31, 2019.*

#### **FOURTH QUARTER**

The net loss for the fourth quarter of F2019 was \$818,376 versus a net loss of \$657,533 for the comparable quarter of F2018, representing an increase of \$160,843. The increase in the net loss was primarily attributable to higher corporate and administrative expenditures (F2019 - \$482,606 vs F2018 - \$148,218), as: additional costs to support activity at the Company's office in Bedford, Nova Scotia were incurred, which impacted consulting, office and general and premises' costs; elevated corporate activity led to higher professional fees (legal); expanded marketing and corporate development activities, resulted in a sizeable increase in shareholder relations and promotion costs; and, the frequency of management and technical meetings grew, which increased travel costs.

Kandiole Project exploration and evaluation expenditures (F2019 - \$307,126 vs F2018 - \$265,647) experienced an increase and primarily consisted of permitting payments, costs to prepare technical reports and maintain operations during the rainy season. Share-based payments (F2019 - \$29,318 vs F2018 - \$239,810) represent the fair value

## Roscan Gold Corporation

### Management's Discussion & Analysis (for the twelve month period ended October 31, 2019)

assigned to the vesting of stock options granted to investor relation consultants. Interest income (F2019 - \$2,070 vs F2018 - \$nil) reflects interest earned on the Company's cash holdings.

Corporate and administrative	Three months ended October 31	
	2019	2018
Consulting	\$ 25,235	\$ 6,750
Listing and share transfer	6,571	12,504
Management fees	55,850	55,500
Office and general	12,334	3,641
Premises	8,200	5,550
Professional fees	69,825	39,238
Shareholder relations and promotions	274,849	25,035
Travel	29,742	-
	<u>\$ 482,606</u>	<u>\$ 148,218</u>

Related party transactions included in corporate and administrative expenses were comprised of: consulting fees of \$1,250 (F2018 - \$nil); management fees of \$55,850 (F2018- \$55,500); premise rent of \$7,500 (F2018 - \$4,500); and, legal fees of \$36,175 (F2018 - \$6,988). Related party transactions during the quarter, also included legal fees of \$nil (F2018 - \$2,300) for share issuance costs and share-based compensation of \$nil (F2018 - \$196,208).

Cash flows used in operating activities were \$1,005,218 (F2018 - \$760,484). Cash flows consumed by operations before changes in non-cash working capital items were \$925,169 (F2018 - \$417,723). Operating activity cash flows were significantly impacted by the growth in accounts payable and accrued liabilities and the reduction in prepaid expenses. Financing activities include gross proceeds of \$75,000 from the exercise of 1,350,000 stock options. There were no investing activities in the quarter

#### NEW ACCOUNTING POLICIES

*For information on current and future changes in accounting policies and disclosures, please refer to Note 5 in Roscan's audited consolidated financial statements for the year ended October 31, 2019.*

#### FINANCIAL INSTRUMENTS

*Disclosure on Roscan's financial instruments and related risks may be found in Note 16 of Roscan's audited consolidated financial statements for the year ended October 31, 2019.*

Roscan's exposure to liquidity risk has increased significantly with the acquisition of the Kandoile Project, as the Company needs to obtain financing to fund option and property payments, corporate and project overheads and exploration activities. In addition, Kandiole Project expenditures are denominated in the West African CFA franc (FCFA), Euros and the United States dollar, giving rise to market risk from changes in foreign exchange rates.

The Company does not have a risk management committee or written risk management policies. The Company has not entered into any specialized financial agreements to minimize its credit or foreign currency risks. There are no off-balance sheet arrangements.

## **Roscan Gold Corporation**

### **Management's Discussion & Analysis (for the twelve month period ended October 31, 2019)**

#### **CAUTIONARY STATEMENTS**

This MD&A may contain forward-looking statements relating to, but not limited to, Roscan's assumptions, estimates, expectations and statements that describe Roscan's future plans, intentions, beliefs, objectives or goals, that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or anticipated by such forward-looking statements. Statements that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements or forward-looking information, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Examples of such forward-looking statements, without limiting the generality of the foregoing, include:

- potential to earn our interest in mineral properties;
- ability to complete permit or property acquisitions/transactions and conduct exploration work;
- evaluation of the potential impact of future accounting changes;
- capital requirements and ability to obtain funding; and,
- ability to continue as a going concern: and,

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements and forward-looking information. Such factors include, but are not limited to:

- condition of underlying commodity markets and prices;
- ability to raise necessary capital;
- fluctuations in foreign exchange and stock market volatility;
- receipt or retention of necessary permits or approvals;
- access to properties and contests over title to properties;
- obtaining exploration, environmental and mining approvals;
- quality of exploration results and mineralogy;
- performance of our partners and their financial wherewithal;
- the speculative nature of exploration and development and investor sentiment;
- competition for, among other things, capital, acquisitions of resources and/or reserves, undeveloped lands and skilled personnel;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in which the Company conducts or may conduct business;
- business opportunities that may be presented to, or pursued by, us;
- our ability to correctly value and successfully complete acquisitions;
- effectiveness of corporate relations;

Although Roscan believes that the assumptions, estimates and expectations reflected in our forward-looking statements are reasonable, results may vary, and we cannot guarantee future results, levels of activity, performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements due to the inherent uncertainty. Roscan disclaims any intent or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or other such factors which affect this information, except as required by law.

#### **RISKS AND UNCERTAINTIES**

Roscan is in the business of exploring for minerals and, if successful, ultimately mining them. The mining sector is by its nature, cyclical, competitive and risky. Many of these risks are beyond the Company's control. Investment in the mining sector in general and the exploration sector, in particular, involves a great deal of risk and uncertainty and Roscan's common shares should be considered as a highly speculative investment. Current and potential investors should give special consideration to the risk factors involved.

## **Roscan Gold Corporation**

### **Management's Discussion & Analysis (for the twelve month period ended October 31, 2019)**

#### ***Acquisition risk***

Roscan uses its best judgment in the acquisition of mineral properties or an alternative business venture and, in pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including agreements to finance the acquisition and development of the mineral properties or business venture. The Company cannot provide assurance that it can complete any acquisition that it pursues, on favourable terms, or that any acquisition will ultimately benefit the Company.

#### ***Artisanal miner risk***

Artisanal mining activity does occur at Roscan's Kandiole Project, from time to time. While the Company has been able to conduct its exploration activities at this project, there is no guarantee that access to the properties will be granted in the future or that the Company will be successful in moving the artisanal miners, if need be.

#### ***Competition risk***

Roscan must compete with a number of other companies that possess greater financial and technical resources. Competition in the mining and business sectors could adversely affect the Company's ability to acquire mineral properties or projects.

#### ***Conflicts of interest risk***

Certain directors and officers of Roscan, in their personal capacities or as directors or officers of other companies, are engaged or have interests in mineral exploration and development activities outside of the Company. Accordingly, exploration opportunities or prospects of which they become aware of may not necessarily be made available to the Company.

#### ***Counterparty risk***

Counterparty risk is the risk that each party to a contract will not fulfill its contractual obligations. The entering into a transaction for a business opportunity exposes the Company to this risk. The Company is exposed to this risk through its Kandiole Project option agreements.

#### ***Dependence on directors, management and third parties risk***

Roscan is very dependent upon the efforts and commitment of its directors, management, consultants and Touba Mining SARL to the extent that if the services of these parties were not available, or Touba failed to perform its obligations at the Kandiole Project, a disruption in the Company's operations may occur, which may have an adverse effect on the Company's objectives and financial condition.

#### ***Environmental risk***

Exploration and development activities conducted on Roscan's mineral properties are subject to the environmental laws and regulations of the country in which the activities take place. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties, more stringent environmental assessments and a heightened degree of responsibility for companies and their officers, directors and employees.

Environmental laws and regulations may change at any time prior to the granting of necessary approvals. The support of local communities may be required to obtain necessary permits. Although the Company undertakes to comply with current environmental laws and regulations, there is no assurance that changes in environmental laws or regulations will not adversely affect the Company's operations.

#### ***Exploration risk***

There is no assurance that the activities of Roscan will be successful and result in economic deposits being discovered and in fact, most companies are unsuccessful due to the low probability of discovering an economic deposit. Once mineralization is discovered, it may take several years until production is possible during which time the economics of a project may change. Substantial expenditures are required to establish reserves through drilling. Roscan's ability to establish a mining operation is subject to a host of variables, such as the physical, technical and economic attributes of a deposit, availability of capital, cyclical nature of commodity markets and government regulations.

## **Roscan Gold Corporation**

### **Management's Discussion & Analysis (for the twelve month period ended October 31, 2019)**

Exploration activities involve risks which even a combination of experience, knowledge and prudence may not be able to overcome. Exploration activities are subject to hazards and risks which could result in injury or death, property damage, adverse environmental conditions and legal liability. Fires, power disruptions and shortages and the inability to access land or obtain suitable or adequate equipment or labour are some of the hazards and risks involved in conducting an exploration program.

#### ***Financing and liquidity risk***

The Company's ability to continue as a going concern, retain its mineral properties, finance its exploration and development activities and make acquisitions is highly dependent on its working capital and its ability obtain additional funds in the capital/equity markets. Roscan does not have production income or a regular source of cash flow to fund its operating activities. In addition, Roscan's financial success is dependent on the extent to which it can discover mineralization in economic quantities and the economic viability of developing its properties or projects.

Roscan will require significant capital to finance its overall objectives and there can be no assurance that the Company will be able to raise the capital required, thus jeopardizing the Company's ability to achieve its objectives, meet its obligations or continue as a going-concern. Given the nature of the Company's operations, which consist of exploration, evaluation, development and acquisition of mineral properties or mining projects, the Company believes that the most meaningful financial information relates primarily to current liquidity and solvency. There can be no assurance that the Company's directors/officers will fund the Company's working capital needs.

Failure to obtain sufficient and timely financing may result in delaying or indefinitely postponing exploration or development activities. If the Company obtains debt financing, it may expose its operations to restrictive loan and lease covenants and undertakings. If the Company obtains equity financing, existing shareholders may suffer dilution.

#### ***Infrastructure risk***

Exploration and development activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. The lack of availability of acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration or development of the Company's projects. If adequate infrastructure is not available, there can be no assurance that the exploration or development of the Company's projects will be commenced or completed on a timely basis, if at all.

#### ***Malian operating risk***

Roscan's operations in Mali are exposed to various levels of political, economic and other risks and uncertainties and any changes in the political or economic climate in Mali, or other countries in Africa, even if minor in nature, may adversely affect Roscan's exploration activities. These risks and uncertainties vary from time to time and include, but are not limited to: labour disputes, invalidation of governmental orders and permits, uncertain political and economic environments, potential for bribery and corruption, high risk of inflation, currency devaluation, high interest rates, sovereign risk, war (including in neighbouring states), military repression, civil disturbances and terrorist actions, arbitrary changes in laws or policies, consents or rejections, granting of waivers, corruption, arbitrary foreign taxation, delays in obtaining or the inability to obtain necessary governmental permits, opposition to mining from environmental or other non-governmental organizations, limitations on foreign ownership, difficulty obtaining key equipment and components for equipment and inadequate infrastructure.

In March 2012, Mali was subject to an attempted coup d'état that resulted in the suspension of the constitution, the partial closing of the borders and the general disruption of business activities in the country. Subsequently, the presence of United Nations, French and Malian troops in the country has had the effect of increasing security and rendering stability to the nation. However, conflicts with terrorist insurgents and bouts of violence have continued, primarily in the northern and central regions of Mali. The gold mining regions of Mali are principally located in the southern regions of Mali. As such, the operations of Roscan and other mining companies have, to date, not been disrupted in any material respect; however, companies operating in the region (including Roscan) continually monitor and assess the situation and potential risks. These risks may limit or disrupt operations and exploration activities,



## **Roscan Gold Corporation**

### **Management's Discussion & Analysis (for the twelve month period ended October 31, 2019)**

restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalization or expropriation without fair compensation, all of which would have a material adverse effect on the Company's operations.

#### ***Malian government and political risk***

While the government of Mali has supported the development of its natural resources by foreign companies, there is no assurance that the government will not in the future adopt different policies or new interpretations respecting foreign ownership of mineral resources, rates of exchange, environmental protection, labour relations, and repatriation of income or return of capital. Any limitation on transfer of cash or other assets between Roscan and its subsidiaries could restrict Roscan's ability to fund its operations, or it could materially adversely affect its financial condition and results of operations.

Moreover, mining tax regimes in foreign jurisdictions are subject to differing interpretations and constant changes and may not include fiscal stability provisions. Roscan's interpretation of taxation law, including fiscal stability provisions, as applied to Roscan's transactions and activities may not coincide with that of the Malian tax authorities. As a result, taxes may increase and transactions may be challenged by Malian tax authorities and Roscan's Malian operations may be assessed, which could result in significant taxes, penalties and interest. Roscan may also encounter difficulties in obtaining reimbursement of refundable taxes from tax authorities.

The possibility that the Malian government may adopt substantially different policies or interpretations, which might extend to the expropriation of assets, cannot be ruled out. Political risk also includes the possibility of civil disturbances and political instability in neighbouring countries, as well as threats to the security of properties and workforce due to political unrest, civil wars or terrorist attacks. Any such activity may disrupt our operations, limit our ability to hire and keep qualified personnel as well as restrict our access to capital.

#### ***Permit risk***

Roscan's current and anticipated future exploration and development activities on its properties, require permits from various governmental authorities. These permits are currently held by private entities. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could prevent, delay or restrict the Company from proceeding with certain exploration or development activities. There can be no guarantee that the Company or the private entities holding the permits will be able to obtain, renew or maintain all necessary licenses and permits that may be required to explore and develop its properties,

There can be no assurance that all permits that the Company requires will be obtainable on reasonable terms, or at all. Delays or a failure to obtain or renew such permits, or a failure to comply with the terms of any such permits that the Company has obtained or is earning an interest in, could have a material adverse impact on the Company.

#### ***Price risk***

The ability of Roscan to finance the acquisition, exploration and development of its mineral properties and the future profitability of the Company is strongly related to: the price of gold; the market price of the Company's equities; and, commodity and investor sentiment. Gold and equity prices fluctuate on a daily basis and are affected by a number of factors beyond the Company's control. A decline in either the price of gold, the Company's issued equities or investor sentiment could have a negative impact on the Company's ability to raise additional capital. Management monitors the commodity and stock markets to determine the applicable financing strategy to be taken when needed.

#### ***Property title risk***

Although Roscan takes reasonable measures to ensure proper title in the properties in which it holds or is acquiring an interest, there may still be undetected title defects affecting such properties. Accordingly, the properties in which Roscan holds or is acquiring an interest may be subject to prior unregistered liens, agreements, transfers or claims, or unsatisfied work commitments, all of which could have a material adverse impact on Roscan's operations. In addition, the Company may be unable to access or operate its properties as permitted or to enforce its rights with

## **Roscan Gold Corporation**

### **Management's Discussion & Analysis (for the twelve month period ended October 31, 2019)**

respect to its properties. If a title defect exists, it is possible that the Company may lose all or part of its interest in the properties to which such defects relate.

Further, there can be no assurance that the Company will be able to secure the grant or the renewal of exploration permits or other tenures on terms satisfactory to it, or that governments having jurisdiction over the Company's mineral properties will not revoke or significantly alter such permits or other tenures or that such permits and tenures will not be challenged or impugned.

#### ***Share volatility and dilution risk***

The securities markets are subject to a high level of price and volume volatility, and the securities of many mineral exploration companies can experience wide fluctuations in price, which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The price of the Company's common shares may also be significantly affected by short term changes in mineral prices or in the Company's financial condition or results of operations as reflected in its financial reporting.

In order to finance future operations and development efforts, the Company may raise funds through the issue of common shares or the issue of securities convertible into common shares. The Company cannot predict the size of future issues of common shares or the issue of securities convertible into common shares or the effect, if any, that future issues and sales of the Company's common shares will have on the market price of its common shares. Any transaction involving the issue of shares, or securities convertible into shares, could result in dilution, possibly substantial, to present and prospective holders of shares.