AFRICAN GOLD GROUP, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2014

Date: The effective date of this report is April 30, 2015.

INTRODUCTION

This Management Discussion and Analysis ("MD&A") is an explanation through the eyes of management, of how African Gold Group, Inc. (the "Company" or "AGG") performed during the periods covered by the audited consolidated financial statements filed concurrently with this MD&A, and of AGG's financial condition and future prospects. The MD&A covers the year ended December 31, 2014 and the subsequent period up to the date of the filing. The MD&A compliments and supplements the consolidated financial statements of AGG. For a full understanding of the financial position and results of operations of the Company, the MD&A should be read in conjunction with the Consolidated Financial Statements for the year ended December 31, 2014 and 2013 and notes thereto. The Company's interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are stated in U.S. dollars, unless otherwise noted.

Readers are encouraged to read the Company's public information filings on Sedar at www.sedar.com or on the Company's website at www.africangoldgroup.com.

This MD&A contains certain forward-looking statements and information relating to the Company that is 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 and the estimated cost and availability of funding for the continued exploration and development of the Company's properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements that may be expressed or implied by such forward-looking statements. The Company does not assume the obligation to revise or update these forward-looking statements, except as required by securities law.

OVERVIEW

AGG and its subsidiaries are junior mineral exploration companies engaged in the business of exploring, evaluating and developing natural resource projects. Through its subsidiaries, the Company controls prospective exploration concessions covering significant segments of major mineralized belts in regions of Ghana and Mali, West Africa. AGG's gold projects include the Kobada Gold Project in Mali, and the Nyankumasi and Asankrangwa exploration tenements in Ghana, West Africa. The Asankrangwa Holdings in Africa comprise the Twedee, Moseaso, Tropical and Manso Atwere licenses as described in Note 5 to the consolidated financial statements.

OVERVIEW OF OPERATIONS

The Company continues its principal focus to de-risk the Kobada Gold Project and is working toward the completion of a feasibility study. To this end, the Company has announced the results of a Preliminary Economic Assessment (PEA) based on an update of the mineral resource statement, fresh metallurgical test work, mine design and infrastructure planning.

PRELIMINARY ECONOMIC ASSESSMENT (PEA) – KOBADA GOLD PROJECT

Mineral Resource Estimate

The resource estimation technique used was Multiple Indicator Kriging (MIK), considered to be the preferred industry practice for this style of mineralization, and is presented in Table 1 below.

Table 1
Kobada Gold Project Mineral Resource Estimate above 0.3g/t Au

Resource Category	Mt	Au g/t	Au koz
Measured Mineral Resource	10.8	1.06	367
Indicated Mineral Resource	25.2	1.04	843
Total M&I Mineral Resource	36.0	1.05	1,210
Inferred Mineral Resource	39.0	1.0	1,205

This new resource estimate is a significant development for the Kobada Gold Project as the average grade of the Measured and Indicated Mineral Resource (above a 0.3g/t AU cut off) is 1.05g/t Au. This is 20% higher than the previous grade estimation, reported in June 2013.

The Company acknowledges that there is significantly more Inferred Mineral Resource than the previous resource estimate stated. Much of the Inferred Resource has been drilled at closer than 50m by 50m drill collar locations, however, much of the drilling in the area of the Inferred Resource has been drilled in the same orientation or parallel to the strike of the deposit. This has introduced a volumetric uncertainty in the mineralized interpretation because detailed information as to the exact location of the hanging wall and footwall of the mineralisation is often not available across the strike of the deposit. That is, the drill hole orientation is parallel to the mineralisation rather than across it. This typically occurs north and south of the main mineralized zone, however, upon investigation, it did not appear to introduce any bias to grade interpolation. The grade of the Inferred Resource category is generally lower than the Measured and Indicated portions of the estimate.

Metallurgy

The PEA considered the construction of a mine to process 1.6Mtpa through pre-concentration and gravity concentration, followed by intensive leaching of the concentrates, electro-winning and smelting to produce gold bar (doré).

The processing concept is to remove most of the gangue material (the matrix of rock that does not contain gold) in the initial stage of the process. It is a metallurgical characteristic of the Kobada deposit that allows this to occur in the initial process, at low cost. Traditional Carbon-in-pulp (CIP) plants rely on the crushing and grinding of 100% of the feed for the leaching process. This requires large, power intensive crushing and milling equipment, which is expensive to purchase and operate. The Kobada process flow sheet requires washing of the ore and the subsequent crushing of a small percentage of the coarser quartz rocks within the saprolite. It is expected that this crusher (a Vertical Impact Crusher) will have installed power of only 200kW.

The next process step is pre-concentration via two stage hydro-cyclones that reject the fine (-0.02mm) size fraction. The test work indicated that between 57% and 61% of the total mass of material is rejected with around 96% recovery of gold.

Gravity concentration then occurs, further reducing the volume of the material from pre-concentration. This step can be considered a classification process where the process flow is separated based on density, with lighter material being rejected while the heavier material is upgraded to a concentrate. Test work completed by Gekko Systems Pty Ltd indicated that the concentrate consisted of 1% to 2% of the total feed but recovering up to 87% of the gold. More specifically, from 1.6 million tonnes of feed material from mining, a concentrate of 16,000 to 32,000 tonnes is produced.

This concentrate is then milled traditionally before passing to an intensive leach reactor. The significance of the pre-concentration and gravity concentration means that rather than milling 1.6Mtpa, less than 32,000 tonnes per annum of concentrate will be milled. The installed power for the regrind mill is only 75kW which is 40 times smaller than that required to grind 1.6Mtpa.

The net outcome for this process route is recovery of 85% of the gold for a cost of $7.19 per tonne processed. This places Kobada into a processing cost regime similar to a heap leach operation but with higher, faster and more reliable recovery of gold.

The processing plant will be modular, designed and fabricated in Australia, pre-commissioned in Australia prior to being shipped to Mali for assembly. This presents very low construction risk for the Project and offers opportunities to relocate the plant in order to maintain optimal haulage distances.

The low capital cost of this style of plant also offers opportunities to grow the production profile as increases in the resource base are establish. This can be done in a cost effective and incremental manner adding a parallel circuit to the process.

Mining and Production

The updated Scoping Study indicates that the Project has robust economics through a 15 year mine life, and the first two years can be considered exceptional from a financial perspective. The waste to ore strip ratio is less than 0.73 to 1 for the first three years as a result of the outcropping mineralisation. A head grade of more than 1.1 g/t Au can also be maintained for the first two years production, resulting in pre-tax cash flows of more than $37 million per annum in Years One and Two.

The mining operation is expected to be simple as the saprolite rocks are completely weathered and free digging, which negates the need to drill and use explosives. This is an important consideration that results in the estimated average mining cost to be $2.56 per tonne of waste and $3.85 per tonne of ore mined. General and Administration costs were estimated at $3.03 per tonne processed.

Mine designs were completed based on a process of open pit optimisation using GEMCOM's Whittle software. Production was schedule with the inclusion of two starter pits before stripping to the final pit limits. The in-pit mining inventory was estimated to be 24Mt at a diluted grade of 1.01g/t Au, containing more than 778,000 ounces of gold. This inventory comprised the Measured, Indicated and Inferred Mineral Resource.

Economic Outcomes

- The completion of the Scoping Study demonstrates robust Project economics for a 1.6Mtpa gravity concentration and concentrate leaching operation;

- Annual production in first two years of more than 50,000 Au ounces. Life of mine average gold production of 44,000 ounces for a 15 year mine life;

- Cash costs of $482 per ounce for the first two years of operations, with cash costs of US$694 per ounce life of mine. All in sustaining costs (AISC) of $792 per ounce life of mine;

- Total pre-production capital of US$46.6 million – includes contingency of US$6.1 million;

- Project payback in 18 months from initial production;

- Project NPV5% of US$126 million;

- Project IRR of 114%; and

- Significant exploration and brownfields expansion potential to be funded from project cash flow with the potential to quickly develop additional shallow (within 25m of surface) resources for inclusion in the mine plan.

ENVIRONMENTAL PERMITS

The Company has achieved a number of key elements in the process to establish the environmental permits for the Kobada Project. These include submission of the Environmental and Social Impact Assessment (ESIA), public consultation meetings and the establishment of a community development plan. These are all mandatory elements of the Malian Government's project approval process and the Company anticipates that the environmental permit will be granted in the near future.

MINING LICENSE

The Company is working through the Malian Government's exploitation license application processes. Whilst final documentation is yet to be submitted, consultation with the authorities has been extensive and is progressing smoothly. It is anticipated that the final documentation supporting the application will submitted within the second quarter of 2015.

FEASIBILITY STUDY

Work on elements of the feasibility study continues, and the Company presently has a drill rig on site. The drill program is focused on obtaining additional samples for metallurgical testwork, and geotechnical analysis.

The aim of the additional metallurgical work is the establishment of final engineering parameters and sizing of equipment for the processing plant. The sample has been collected and will be imminently dispatched to Australia.

Sampling to better define the geotechnical parameters for open pit mining at Kobada are also well advanced, with samples dispatched to Rocklabs in South Africa for triaxial and uniaxial compressive strength analysis

OTHER BUSINESS

Recognizing the challenges faced in the current equity markets, AGG continues to tightly manage overhead and exploration budgets in an effort to maximize results from the work we complete. Restructuring of existing commitments and personnel continue. The Toronto office has been moved to a less expensive location, monetary settlements with key suppliers have been achieved, and senior management continues to defer compensation.

There has been no exploration activity on AGG's projects in Ghana, but the Company is engaged in negotiations with other parties to ensure that there is sufficient work completed to maintain good tenure. These initiatives will be announced once an agreement has been achieved.

SIGNIFICANT DEVELOPMENTS

- **Private Placement** On March 18, 2015, AGG closed on a private placement consisting of 25,796,437 units at a unit price of CDN$0.05 per unit for gross proceeds of CDN$1,289,822. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of AGG at a price of C$0.075 per common share for the first six months and $0.10 until expiry in March 2017.
- **Announcement of Chief Operating Officer** On February 6, 2015, Mr. Torben Michalsen was announced as the Chief Operating Officer for the Kobada Project. Incentives stock options were granted to two officers totalling 3,500,000 with an exercise price of $0.075 for a period of 3 to 5 years.
- **Private Placement** On varying dates in January 2015, AGG closed a private placement consisting of 40,715,998 units at a price of CDN$0.05 per unit for gross proceeds of CDN$2,035,800. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of AGG at a price of C$0.075 per common share for the first six months and $0.10 until expiry in January 2017.
- **Announcement of Preliminary Economic Assessment**. On 25 November 2014, the Company announced the results of a PEA for the Kobada Project, including an updated resource estimate, metallurgical test work, mine design and infrastructure planning as described in the overview of operations; issuing the detailed report on December 23, 2014
- **Metallurgical Results.** On October 29, 2014, AGG advised the results of its June sample sent to Gekko Systems Pty Ltd. The results exceeded management expectations with an overall gold recovery of 82.5% . 61% of the saprolite was rejected which will result in lower operating costs.
- **Appointment of new Board Chairman.** On September 4, 2014, David Brown was announced as the new Chairman of the Board.
- **Metallurgical Sample**. A two ton metallurgical sample was collected during June 2014 and dispatched to Gekko Systems Pty Ltd in Australia for further test work as part of the Kobada Feasibility Study. This work is now underway.

- **Groundwater Study**. In June 2014, the Company engaged consulting hydrogeology specialists to examine the potential yield of groundwater from the areas around Kobada. Whilst water sourced from the Niger River is available, the processing of permitting for groundwater is simpler and practical over the Company's 215km^2 of tenements.
- **ESIA Study Commenced**. On June 17, 2014, the Environmental and Social Impact Assessment (ESIA) was commenced with the engagement of Malian consulting firm "Environmental and Social Development Company SARL" to complete all aspects of the work to satisfy the requirements of government departments for the application for an exploitation license at Kobada.
- **Private Placement**. On May 22, 2014, AGG closed a private placement consisting of 20,005,208 units at a price of CDN$0.12 per unit for gross proceeds of CDN$2,400,625. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of AGG at a price of CDN$0.18 per common share to May 21, 2016.
- **New CEO Engaged**. On April 29, 2014, AGG announced the hiring of a new President and CEO, Declan Franzmann, to accelerate the completion of the Feasibility Study and oversee and expedite the initiation of production at AGG's Kobada Gold Project. The former President Michael Nikiforuk moved to the position of Corporate Development.
- **Announcement of Test Results.** On February 11, 2014, AGG reported the analytical results for the first 50 bulk metallurgical test samples that were comprised of composites of reverse circulation ("RC") drill intervals that were specifically selected to emulate the Kobada deposit, from surface down through to fresh bedrock which yielded gold grades 65% higher than the average given gold grade.
- At December 31, 2014, the Company had cash and short-term investments of $484,418.

MINERAL PROPERTY UPDATE

THE KOBADA GOLD PROJECT

The Company's concessions in Mali cover 215 square kilometers of land located in the Kangaba region of Mali. A detailed discussion on the site was discussed in the operational overview.

The Company's driving philosophy of the Kobada Feasibility Study and subsequent development of the Project will be the return of profits to shareholders via fixed dividend payments based on a percentage of gold production. The Feasibility will not only detail the development philosophy, environmental commitments, production rate and financial metrics, but the Company will also use it to develop a dividend policy that shareholders can easily understand.

Costs associated with the property on a December 2014 versus December 2013 are as follows:

Kobada	Dec-31 2014	Dec-31 2013
Opening balance	$ 21,659,992	$20,515,150
Drilling and Feasibility study	529,956	300,935
Site maintenance	23,926	27,455
Camp	338,711	478,406
Geologists	133,299	183,946
Assays and sampling	3,676	26,721
Taxes and other	65,948	127,379
Unrecoverable costs	(2,010,055)	-
	$ 20,745,452	$21,659,992

The restricted financial resources available to AGG in 2014 resulted in reduced activity (and expenditure) in the majority of the significant exploration categories, save the feasibility study which is required to obtain the exploitation license. The focus has been the demonstration of the economic potential of the resource without significant exploration expenditure. In July 2014, illegal mining activities commenced on the Kobada property and the Malian Gendarmerie's intervened to protect the Kobada Project. The confrontation resulted in casualties on both sides and irreparable damage to AGG's drill and pilot plant. As a result, the Company deemed approximately $2,600,000 of capitalized exploration and equipment costs as being unrecoverable and charged this amount to the statement of operations during the year.

GHANA

The Company has minimized expenditures on its Ghanaian properties and has assumed a care and maintenance program for each concession in order that each project remains in good standing. No additional expenses have been capitalized in the individual projects.

Details of each project are as follows:

Twedee and Pekyi

The Company holds 100% of Arziki Mining Ltd., which owns the 295 sq. km Twedee License, located in the northern section of the Asankrangwa gold belt in Ghana. The Company is in the process of commuting the reconnaissance license held to a prospecting license which requires dividing the existing property in two halves and individually applying for a prospecting license. The projects will be identified as Twedee and Pekyi. AGG has paid the required fee of GHC 1,000 to the Ghana Minerals Commission and is awaiting ministerial approval on this matter.

Moseaso

The Company holds an option under an agreement with Moseaso Mining Co. Ltd., to acquire the 9.3 sq. km Moseaso License, located near and contiguous to the Twedee License in the northern section of the Asankrangwa gold belt in Ghana.

Nyankumasi

The Company has optioned the 20 sq. km Nyankumasi Concession**,** located in the northeastern sector of the Ashanti gold belt, from Jelgom Mining Company Limited. Title is in the process of being transferred to AGG (Ghana) Ltd.

Tropical

On September 7, 2005, the Company entered into an option agreement with Tropical Minerals Ltd.(“Tropical”) to acquire the Tropical Prospecting License, which covers 99 sq. km in the Amansie West District and 37 sq. km in the Nkawie District. Having fulfilled all of its financial obligations, AGG is moving to register title for the concession directly in the name of the Company. Certain obligations inferred in the original contract are currently being questioned by Tropical Minerals Ltd. Each side has appointed an arbiter to consider all concerns being expressed and the transfer of title to AGG has been delayed until a resolution is reached. On January 6, 2012, it was agreed that AGG would pay $500,000 to Tropical to have the deed of assignment transferred. Payment has been satisfied and the requisite documents filed with the Ghana Minerals Commission to transfer Tropical’s assignment.

Manso Atwere

On September 12, 2007, the Company entered into an option agreement with Gyampo Mining Company Limited (“GMCL”) to acquire 100% interest in a prospecting license for the Manso Atwere concession located in Ghana, West Africa for a 5 year period through September 12, 2012 subject to a 10% equity interest by the Government of the Republic of Ghana and a 10% net profit interest to GMCL for a purchase price of $450,000. The 7.2 kilometer concession represents the fifth distinct contiguous concession in the Asankrangwa gold belt. All remaining payments were made on this concession in 2011 and the property title has been transferred to AGG.

On March 23, 2011, the Company entered into an agreement with the Gyampo Mining Company Limited to purchase a 100% interest in a mineral license containing an area of approximately 6.8 square kilometres in the Amansic West District of the Ashanti Region in the Republic of Ghana for $120,000.

The Company has initiated a strategic review process to consider alternatives in relation to its Ghanian projects. These options included, but are not limited to, the sale of all or a portion therein, joint venture or earn-in of the projects. The Company is in discussion with a number of parties, but these discussions are at an early stage and the Company has no material progress to report at this time. The Company’s plans with regard to the Ghanaian assets are complimentary to the focus on the development of the Kobada Gold Project.

Since no further expenditures on exploration and evaluation of mineral resources in Ghana are planned in the near term, and based on information available that the carrying amount of the exploration and evaluation assets was unlikely to be recovered from further development or by sale in the current market, AGG has written off its Ghana deferred exploration expenditures on its properties to $Nil.

Year over year comparison of the individual projects is as follows:

	Twedee & Pekyi Licenses	Moseaso License	Nyankumasi Concession	Tropical License	Gyampo Licenses	Total
Balance December 31, 2013	$ 129,015	$ 707,732	$ 776,000	$ 908,960	$ 682,791	$ 3,204,498
Balance December 31, 2014	$ -	$ -	$ -	$ -	$ -	$ -

OVERALL PERFORMANCE

Management aims to minimize G&A expenditures while continuing to progress the Kobada Feasibility study.

Assets decreased from $26,191,385 as at December 31, 2013 to $21,413,152 as at December 31, 2014. This decrease was due to the write off of the Ghana exploration properties of $3,329,415 and the expensing of previously capitalized exploration expenditures of $2,654,286 as described in the Mali property update. Foreign exchange fluctuations were experienced in the period particularly in Ghana were the Cedi continued to depreciate against the US dollar and Canada where the Canada dollar weakened in the quarter markedly against the US dollar.

For a discussion of trends that are reasonably likely to affect the Company's business, see "Liquidity and Capital Resources – Trends" below.

SELECTED FINANCIAL INFORMATION

The following information has been extracted from the Company's consolidated financial statements:

December 31,	2014	2013
Operations	$	$
Revenue	-	-
Comprehensive loss	(7,883,811)	(4,320,248)
Basic and diluted loss per share	(0.04)	(0.02)
Balance Sheet		
Total Assets	21,413,152	26,191,385
Working capital deficit	(994,875)	(1,089,769)
Cash dividends declared	NIL	NIL

RESULTS OF OPERATIONS

Revenues

The exploration properties acquired by the Company are still in the early exploration and development stage. Until sufficient work has been completed to confirm the feasibility of any specific interest being placed into production, it is not anticipated that AGG will have any material revenue. No revenues have been reported for the years ended December 31, 2014 or 2013.

Expenses

For the years ended December 31		2014		2013
Interest income	$	3,880	$	8,190
Expenses				
Administrative and general		1,322,964		1,149,488
Personnel costs		354,370		450,649
Amortization		45,288		59,783
Foreign exchange gain		(2,337,560)		(1,627,554)
Share based payments		409,515		472,088
Derecognition of financial liability		(269,130)		-
Unrecoverable mineral property and exploration costs (note 5)		5,983,701		2,037,419
		5,509,148		2,541,873
Net loss for the year	$	5,505,268	$	2,533,683

Personnel Costs – the decrease in personnel costs is a function of the foreign exchange depreciating against the Canadian dollar as Head Office salaries became progressively less expensive as the US dollar strengthened in 2014.

Foreign exchange gain – The Canadian dollar and Ghanian Cedi continue to fluctuate in 2014. The Canadian dollar weakened almost eight full cents on a year over year basis, resulting in sizable unrealized holding gains on Canadian based payables. This gain was offset the unrealized holding losses of the weakening Cedi in 2014 and realized losses on the conversion of funds into US dollars to satisfy early year liabilities.

Share based payments – This amount is affected by timing and size of stock options granted as amounts are expensed over the vesting periods of the options along with volatility and strike price entered into the Black Scholes model. The change in the expense in 2014 is due to 4,775,000 options being issued in the year while the 2013 charge is attributed to 3,580,000 issued in Q1 of that year.

Unrecoverable mineral property and exploration costs – The Company expensed approximately $2,600,000 of exploration and equipment costs due to the damages incurred during the illegal miners' confrontation as described in the Mali property update and wrote off the Ghana deferred exploration expenditures of approximately $3,300,000 as noted in the Ghana property update.

De-recognition of financial liability -

Administrative expenses – AGG's administrative expenses fell in 2014 versus 2013 by approximately $173,000. Specifics of the administrative expenses are as follows:

For the year ended December 31,	2014	2013
Administrative fees	$ 68,290	$ 68,485
Bank and interest charges	74,369	105,573
Communication	18,636	17,775
Consulting	335,840	222,733
Insurance	44,077	47,824
Investor relations	4,554	35,900
Office and general	274,635	168,819
Professional fees	264,844	266,728
Rent	84,683	129,108
Travel	147,831	86,543
	1,322,964	$ 1,149,488

Interest and bank charges declined as the one time non-resident withholding tax penalty assessed in Mali in 2013 did not recur in 2014. Consulting charges increased due to the hiring of the new CEO and President in April 2014. Investor relations declined by $32,000 as a result of the outsource work being placed on hold during 2014 pending market recovery. Office and general charges increased primarily in Ghana where previously capitalized expenses were absorbed through administration in 2014. Rent decreased in the current year as AGG has sourced cheaper space in Toronto. Travel increased by $61,000 primarily due to the movement of personnel to and from Mali in an effort to advance the feasibility study.

SUMMARY OF QUARTERLY RESULTS

Selected unaudited consolidated financial information for each of the last eight quarters:

Quarter Ended	Revenue	(Loss)income for the Period	Earnings(Loss) per Share *
	$	$	$
December 31, 2014	Nil	(1,999,218)	(0.01)
September 30, 2014	Nil	(1,315,881)	(0.01)
June 30, 2014	Nil	(2,377,319)	(0.02)
March 31, 2014	Nil	187,150	(0.00)
December 31, 2013	Nil	(1,287,680)	(0.01)
September 30, 2013	Nil	(325,291)	(0.00)
June 30, 2013	Nil	(163,343)	(0.00)
March 31, 2013	Nil	(757,369)	(0.01)
December 31, 2012	Nil	(3,015,130)	(0.04)

* Earnings (Loss) per share data is basic and diluted

The Company's level of activity and expenditures during a specific quarter are influenced by the availability of working capital, the availability of additional external financing, the time required to gather, analyze and report on geological data related to mineral properties, the results of the Company's prior exploration activities on its properties and the amount of expenditure required to advance its projects**.**

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital deficit at December 31, 2014 of $994,875 (2013- 1,089,769) and cash and cash equivalents of $484,418 (2013 - $498,496). Specific cash flow fluctuations can be evidenced in the December 31, 2014 consolidated financial statements in the Statement of Cash Flows. Management estimates operating expenses for 2015 of approximately $3,600,000 and property expenditures to amount to $10,000,000. As such, AGG does not have sufficient funds to meet its cash requirements for 2015. AGG raised CDN$3.3 million in the first quarter of 2015 but this would not be sufficient to meet all necessary aspects of the budgeted costs for the year due to its working capital deficit. Accordingly, there is uncertainty as to whether the Company will be able to meet its committed exploration expenditures for its exploration and evaluation assets and to meet its corporate administrative expenses for the next 12 months without additional financing.

Management is confident that it will be able to raise sufficient capital to further explore and develop its properties and projects in future periods when additional funding is required. The Company has been successful in accessing the equity market for funds required to maintain its operations. However, there is no guarantee that the Company will continue to able to access the equity markets, or that financing will be available upon terms acceptable to the Company.

Trends

Mineral exploration is a speculative venture. There is no certainty that the money spent on exploration and development of mineral projects will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be related to the success of its exploration programs, which may be affected by a number of factors that are beyond the control of the Company.

The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration companies who have greater financial resources and experience. The market price of precious metals and other minerals is volatile and cannot be controlled.

RELATED PARTY TRANSACTIONS

The Company incurred project management and consulting fees to CME, a company that is wholly-owned by a former director of the Company in prior years who resigned from AGG in July 2008. Unpaid management and consulting fees of $Nil (2013 - $290,401) have been included in accounts payable and accrued liabilities.

Legal fees of $110,751 (2013 - $113,325) were paid to a legal firm in which one of the partners is a director of the Company of which $147,579 (2013 - $80,470) was unpaid and included in accounts payable and accrued liabilities at year end.

Geological services were provided to the Company by one of its directors who charged $95,917 (2013 -

$99,396). Unpaid fees owing to the geologist of $7,919 (2013 -$33,175) is included in accounts payable and accrued liabilities at year end.

In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key management of the Company was as follows for year ended December 31:

	2014	2013
Remuneration	$ 663,995	$ 682,862
Stock Compensation	333,198	367,844
Total	$ 997,193	$ 1,050,076

The Company has entered into an arrangement with International Scout, whereby International Scout agreed to represent the Company with respect to the identification of a prospective joint venture partner or potential purchaser of the Company's Kobada, Mali Gold Project. The Company and International Scout clarified and confirmed the terms of this arrangement by entering into a letter agreement dated September 24, 2010 (the "**Letter Agreement**").

The Letter Agreement confirms International Scout's representation of the Company pursuant to the earlier arrangement and in consideration for such representation, International Scout shall be paid in the case of a sale of the Kobada, Mali Gold Project as an indirect consequence of the acquisition of all of the Company's issued and outstanding common shares by a third party (a "**Share Transaction**"), a fee equal to 1% of the enterprise value of such Share Transaction using the 5-day volume weighted average trading price of the Company's common shares on the TSX Venture Exchange during the 5 trading days immediately prior to the closing of the Share Transaction.

International Scout is controlled by Pierre Lalande, now a director of the Company. At the time of the original arrangement between the parties, Mr. Lalande was not a director, officer or an affiliate or associate of a director or officer of the Company.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management is often required to make judgments, assumptions and estimates in the application of generally accepted accounting principles that have a significant impact on the financial results of AGG. A comprehensive discussion of AGG’s significant accounting policies is contained in note 3 to the consolidated financial statements.

As is common with exploration companies, the Company's ability to continue its on-going and planned exploration activities and continue operations as a going concern, is dependent upon the recoverability of costs incurred to date on mineral properties, the existence of economically recoverable reserves, and the ability to obtain necessary equity financing from time to time. Should the Company be unable to continue as a going concern, amounts realized from disposal of its assets (primarily its mining properties) on a liquidation basis may be significantly less than their carrying amounts.

Management continues to pursue various alternatives, including private placements, to raise capital. It is not possible to determine with certainty the success or adequacy of this or other initiatives.

The following is a discussion of the accounting estimates that are critical in determining AGG's financial results

Exploration and Evaluation Assets

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the year the new information becomes available.

Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Impairment

Assets, including property and equipment, and exploration and evaluation assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts.

There are a few circumstances that would warrant a test for impairment of exploration and evaluation assets, which include: the expiry of the right to explore, substantive expenditure on further exploration is not planned, exploration for and evaluation of the mineral resources in the area have not led to discovery of commercially viable quantities, and/or sufficient data exists to show that the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale. If information becomes available suggesting impairment, the amount capitalized is written off in the statement of comprehensive income (loss) during the period the new information becomes available.

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Functional Currency

The determination of an entity's functional currency is a key judgment based on the primary economy environment in which each entity of the Company operates. In determining the functional currency, management considers the currency that most faithfully represents the economic effects of events, conditions, future direction and investment opportunities.

Income Taxes

The Company has not recognized a deferred tax asset as management believe it is not probable that taxable profit will be available against which a deductible temporary differences can be utilized.

The Company has received Notices of Assessment and Reassessment (“the assessments”) from the Canada Revenue Agency relating to the taxation years from 2009 to 2013 totaling approximately CDN$1,110,000. The assessments relate to the harmonization of Ontario with the Canadian federal corporate tax system and the Minister of National Revenue’s position that the Company has a transitional tax liability. Management does not believe that such a liability exists. The amounts from the assessments have not been recognized in the consolidated financial statements and the Company is commencing the process of objecting to reverse/vacate the reassessments.

USE OF FINANCIAL INSTRUMENTS, OFF BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk. There is no off-balance sheet arrangements that are likely to have a material effect or future effect on the Company’s financial condition that have not been disclosed in the consolidated financial statements.

Additional disclosure concerning the Company’s contractual obligations is provided in Note 5 and Note 14 in the consolidated financial statements for the year ended December 31, 2014, copies of which are filed on the SEDAR website at www.sedar.com.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

There were no significant changes to the Company’s internal control over its financial reporting for the year ended December 31, 2014, which have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

As of December 31, 2014, the Company evaluated its disclosure controls and procedures and internal control over financial reporting. These evaluations were carried out under the supervision of the Company’s president and chief financial officer. Based on these evaluations, the president and chief financial officer concluded that the design and operation of these internal controls and procedures and internal control over financial reporting was effective.

Other

In March 2011, the board of directors of the Company approved the adoption of a shareholder rights plan agreement ("SRP") which was adopted to provide adequate time for the Board and the Company's shareholders to assess any unsolicited take-over bid (a "Bid") which might be received, to provide the Board with sufficient time to explore and develop alternatives for maximizing shareholder value and to provide the Company's shareholders with an equal opportunity to participate in the Bid and protect them from unfair or coercive tactics. The plan was again approved at the Company annual general meeting held in June 2014.

Recent Accounting Pronouncements

The International Accounting Standards Board ("IASB") or the International Financial Reporting Interpretations Committees ("IFRIC") have issued a number of new or revised standards or interpretations that will become effective for future periods and have a potential implication for the Company.

IFRS 9 Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

The Company has not early adopted any of these standards or interpretations and is currently assessing the impact of the revised standards and interpretations on its financial statements.

DISCLOSURE OF OUTSTANDING SHARE DATA

The following is for disclosure of information relating to the outstanding securities of the Company:

As at the date of this MD&A the Company had 225,854,172 common shares issued and outstanding.

As at the date of this MD&A the Company had 54,666,884 warrants outstanding.

As at the date of this MD&A the Company had 14,535,000 stock options outstanding.

As at the date of this MD&A the Company had 2,993,418 broker compensation warrants outstanding.

RISK FACTORS

The Company's recorded value of its mineral properties is based on historical costs that expect to be recovered in the future. The Company's recoverability evaluation is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through the mining operations or by sale. The Company is in an industry that is exposed to a number of risks and uncertainties, including:

Fair value and foreign exchange risk
The carrying amount of cash, short term investments, receivables, due from director and accounts payable and accrued liabilities approximates their fair value because of the short-term maturities of these items. The Company has operations in Canada, Barbados and West Africa and as such, transactions are settled in local currencies or the United States Dollar. Given this scenario, AGG's operating businesses and financial reporting results and cash flows are exposed to risks associated with foreign currency fluctuations.

Price Volatility

Any future earnings will be directly related to the price of precious and base metals. Such prices fluctuated over time and are affected by numerous factors beyond the control of the Company.

Political and Economic Risk

The Company's operations in West Africa are affected by West Africa's unpredictable and potentially unstable political and economic environment. Although the environment has been relatively stable in recent years, there is the risk that this situation could deteriorate and adversely affect the Company's operations.

Environmental

Operations, development and exploration projects could potentially be affected by environmental laws and regulations of the country in which activities are undertaken. The environmental standards continue to change and the global trend is to a longer, more complex process. Although the Company continuously reviews environmental matters and undertakes to comply with changes as expeditiously as possible, there is no assurance that existing or future environmental regulations will not materially adversely affect AGG's financial conditions, liquidity or results of operations.

Certain environmental issues, such as storm events, storage seepage, dust and noise emissions, while having been assessed and strategies based on best practices have been adopted, there can be no assurance an unforeseen event will occur which could have a material effect on the viability of the Company's business and affairs.

Going Concern

As is common with exploration companies, the Company's ability to continue its on-going and planned exploration activities and continue operations as a going concern, is dependent upon the recoverability of costs incurred to date on mineral properties, the existence of economically recoverable reserves, and the ability to obtain necessary equity financing from time to time.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. Sensitivity to a plus or minus 1% change in the interest rates could impact any renewals or extensions of term deposits which would have no significant impact on the net loss due to the immateriality of the interest earned.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

At December 31, 2014, AGG had a cash balance of $484,418 and current liabilities of $1,620,900. As outlined in Note 2, the Company will be required to obtain additional financing for working capital and continued exploration and development of its properties.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk in its cash and cash equivalents, short-term investments, receivables and due from related parties. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. Concentration of credit risk exists with respect to the Company's cash and cash equivalents as substantially the entire amount is held at a single major Canadian financial institution. Credit risk on cash and cash equivalents and short-term investments is minimized by depositing with only reputable financial institutions. There is also concentration of credit risk from the balance due from related parties which share common directors with AGG. Management has reviewed the receivable balances and determined that the balances are collectible; accordingly there has been no allowance for doubtful accounts recorded.

April 30, 2015