AFRICAN GOLD GROUP, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

Date: The effective date of this report is April 29, 2016.

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, 2015 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, 2015 and 2014 and notes thereto. The Company's 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 (the "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 development of the Kobada resource. To this end, the Company released the Kobada Feasibility study in February 2016.

In order to focus the Company's activities on the Kobada Project, it was decided to sell non-core assets. The Company entered into an agreement to sell AGG Ghana, the Company's 100% owned subsidiary. AGG Ghana is the 100% owner of the Asankrangwa and Nyankumasi Exploration tenements in Ghana.

MINING LICENSE

On July 31 2015, the Company was awarded the Mining (Exploitation) License by the Government of Mali. The Company now has all the permits required to develop the Kobada Gold Project.

The license is subject to the Malian Mining Code of 2012. This is an important consideration as the Malian Government Royalty is 3% and is significantly less than the 5.7% used in the Preliminary Economic Analysis published on 25 November 2014. It further entitles AGG to tax exemptions for a period of five years following the establishment of commercial production. After this period a tax rate of 35% on the operating profits is applicable with provisions for accelerated depreciation.

FEASIBILITY STUDY

The Kobada Feasibility Study was completed in early 2016. The key parameters of the study are presented in Table 1.

Table 1
Feasibility Study Facts and Statistics

Category	Description
Property Name	Kobada
Principal Commodity	Gold
Company Name	African Gold Group, Inc.
Owner/Holder	AGG Mali SARL
Mineral Tenure	80 to 90% ownership of mining license with the balance held by the Government of Mali.
Nearest Population Centre	Kobada Village
Mine Location	Cercle de Kangaba, southern Mali
Topography	Rolling laterite plains
Climate	Dry tropics
Historic Production	Artisanal mining only, no recorded history
Reason for NI 43-101 Technical Report	Feasibility Study
Estimation Type	Multiple Indicator Kriged
Measured Mineral Resource	11.0 Mt at 1.1g/t Au for 380 koz
Indicated Mineral Resource	24.4 Mt at 1.1g/t Au for 835 koz
Inferred Mineral Resource	32.8 Mt at 1.0g/t Au for 1,024 koz
Proved and Probable Reserve	12.7 Mt at 1.25g/t Au for 511 koz
Mine Life	8 Years
Mining Method	Open Pit, 40t Haul Trucks, Wheel Loaders, Excavators

Processing Method	Gravity concentration and intensive leaching
Overall Processing Recovery	80 to 85%
Metal Price	$1,200 per once
Mining Cost	$2.35/tonne (average)
Processing Cost	$6.55 per tonne processed
G&A Cost	$3.54 per tonne processed
Total Pre-production Capital Cost	$45.5 million
Total Cash Flow after taxation	$122 million (90% attributable to AGG)
Net Present Value after tax (Discount rate = 5%)	$86 million
Internal Rate of Return (IRR)	43%
Cash Costs per ounce (LOM average)	$ 557 per ounce (exclusive of royalties)
All in sustaining cost (LOM average)	$ 788 per ounce

Mineral Resource

The resource estimation was completed by International Resource Solutions Pty Ltd in November 2015. The estimation methodology utilized Multiple Indicator Kriging (MIK) to estimate gold grade within a mineralized shape that defined the broad zone of mineralization.

The Measured and Indicated Mineral Resource was estimated at 35.4 million tons at an average grade of 1.1 g/t Au, and contained 1.215 million ounces. The Inferred Mineral Resource contained a further 1.024 million ounces. The applied lower cutoff grade was 0.3g/t Au.

Mineral Reserve

The Proved and Probable Mineral Reserve was estimated to be 12.7 million tons at 1.25 g/t gold containing 511,000 ounces of gold. The reserve was reported within the optimized pit design and above a cutoff grade of 0.53g/t Au.

Mineral Processing

The plant design incorporates the concentration of the oxide ore types using physical separation techniques and then the grinding and leaching of the concentrate to produce gold bar as doré.

The key component in ore processing is the pre-concentration followed by gravity concentration which effectively can achieve up to 95% rejection of the feed mass while recovering more than 82% of the gold. It is this attribute that rejects barren material with relatively low energy inputs. Only the concentrate is ground to less than 180µm and leached, which is the energy intensive part of the ore processing flow sheet. This is the reason the processing cost per ton is comparatively low compared to traditional CIP/CIL operations.

Mining

The Kobada deposit will be mined by conventional open pit mining methods utilizing 40 to 50 ton articulated dump trucks and 5m3 excavators. The saprolite is a free digging rock mass, and there is expected to be only minor use of explosives in blasting some areas of the overlying laterite cap. All mining operations have been assumed to be completed by a mining contractor.

The mine production schedule is based on delivering 1.6 Mt of ore for processing per annum. Due to the relatively small size of the equipment proposed, there is opportunity to tailor the mining program to suit the ore processing and waste stripping schedule.

Economic Assessment

The Project free cash flow was estimated to be $121.5 million and net present value at 5% discount rate was $86 million. AGG's 90% equity distribution was $109.2 million that had a NPV5% of $77 million. The Governments free carried distribution was $12.3 million. The NPV and IRR are based on the project's free cash flow which is reported net of all costs and Malian taxes.

The payback period for the project was 2.6 years from initial capital expenditures in July 2016, until positive cumulative cash flow in January 2019. This assumes that capital expenditures commence in July 2016 and commissioning is achieved in September 2017 with strong cash flows from this time.

Table 2
Financial Model Summary

Item	Project	AGG 90% equity distribution	Gov. 10% equity distribution
Operating Cashflow (US$MM)	$121.5	$109.2	$12.3
NPV @ 5.0% (US$MM)	$86.1	$77.1	$9.0
NPV @ 10.0% (US$MM)	$60.8	$54.1	$6.7
Internal Rate of Return	43%	41%	N/A
Payback Period (years)	2.6		
Maximum negative equity (US$MM)	$43.9		

OTHER BUSINESS

AGG continues to manage its business based on conditions present in the current equity market having completed its cost rationalization while much of its senior management continues to defer compensation.

AGG has entered into a sale and purchase agreement with Star Goldfields Limited ("SGF"), a private Ghanaian company. SGF has agreed to purchase the shares in AGG Ghana for a total cash consideration of $1,200,000.

The sale of AGG Ghana includes all of the Company's Ghanaian assets, including the 456 square km Asankrangwa tenements plus the separate Nyankumasi concession.

SGF has paid AGG $200,000 as a non-refundable deposit on the transaction, which commits the parties to the completion of a share purchase agreement, subject to customary conditions, including regulatory approvals. On execution of the definitive share purchase agreement, SGF will pay a remaining $1,000,000 as consideration for 100% of the share capital of AGG Ghana Limited.

SIGNIFICANT DEVELOPMENTS

- **Completion of the Mali feasibility study.** On February 3, 2016, AGG released its feasibility study for the Kobada gold project. The highlights included all in production costs of $788 per ounce and a free cash flow of $122 million net of all capital expenditure, operating costs, royalties and taxation in Mali, at a gold price of $1,200 per ounce.
- **Sale of Ghana assets** On January 6, 2016 the Company announced the sale of its Ghana subsidiary to Star Goldfields for $1,200,000. A binding term sheet was signed on November 20, 2015 relates to the sale and a $200,000 non-refundable deposit was received from Star Goldfields on December 29, 2015. The deal is expected to close in the second quarter of 2016.
- **Feasibility/Project Update** On November 19, 2015, AGG announced the results of its May drill program with intercepts ranging from 12.0 metres at 0.55 g/t Au to 19.0 metres at 3.26 g/t Au. Further disclosure was provided on the resource itself as the above a cutoff grade of 0.3g/t Au, the Measured and Indicated (M&I) Mineral Resource was estimated to be 35.4 million tonnes at 1.1 g/t gold, containing 1.21 million ounces of gold
- **Private Placement** On September 3, 2015, the Company closed on a private placement of 24,623,428 units at a price of CDN$0.05 per unit. Each Unit is comprised of one common share and one common share purchase warrant. Each Warrant entitles the holder to purchase one additional common share of AGG at a price of CDN$0.06 per share until expiry on September 3, 2018.
- **Extension of warrants** On August 21, 2015, the Company announced it would be extending the expiration date of 10,714,428 warrants exercisable at CDN$0.12 by one year to September 4, 2016.
- **Receipt of Mining License** On August 5, 2015 AGG advised that it had received a mining license for its Kobada Gold Project and published results of the most recent drill program, details of which are addressed in the Kobada Gold Project update.
- **Announcement of new Board member** On July 8, 2015, AGG press released that Mr Georges Cohen had been elected appointed to the Board of Directors.
- **Announcement of Granting of Environmental Permit** On June 3, 2015, the Company announced it had received the approvals for its mining operations for the Kobada Gold Project.
- **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 CDN$0.075 per common share for the first six months and CDN$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 CDN$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 CDN$0.075 per common share for the first six months and CDN$0.10 until expiry in January 2017.
- At December 31, 2015, the Company had cash and short-term investments of $356,899.

MINERAL PROPERTY UPDATE

THE KOBADA GOLD PROJECT

The Company's concessions in Mali cover 136 square kilometers under a mining license, and a further 79 square kilometres held under an exploration license. These properties are 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 study details 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. As evidenced by the table below, much of the focus in 2015 has gone into this aspect of the project.

Costs associated with the property at December 31, 2015 versus December 31, 2014 are as follows:

Kobada	Dec-31 2015	Dec-31 2014
Opening balance	$ 20,745,452	$21,659,992
Drilling and Feasibility study	641,340	529,956
Site maintenance	2,170	23,926
Camp	639,832	338,711
Geologists	47,912	133,299
Assays and sampling	6,762	3,676
Taxes and other	34,119	65,948
Unrecoverable costs	-	(2,010,055)
	$ 22,117,587	$20,745,452

Despite the challenges faced by AGG due to the restrictive nature of the global capital markets, the Company has been successful in raising sufficient funds to move its Kobada project forward. Monies have been allocated to completing the required documentation to obtain the environmental and exploitation permits as well as defining other elements of the Kobada Feasibility Study including the plant design.

GHANA

As previously mentioned, the Company has announced the sale of its Ghana assets for $1.2 million of which a non-refundable deposit of $200,000 has been received. The transaction is expected to close in the second quarter of 2016.

OVERALL PERFORMANCE

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

Assets increased from $21,413,152 as at December 31, 2014 to $23,740,113 as at December 31, 2015. This increase is attributed to the write up of the Ghana assets of approximately $1,200,000 due to the impending sale of this subsidiary. Foreign exchange fluctuations were experienced in the period particularly in Canada where the Canada dollar weakened markedly against the US dollar in 2015.

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,	2015	2014
Operations	$	$
Revenue	-	-
Net income (loss)	3,860,091	(5,505,268)
Basic and diluted income (loss) per share	0.01	(0.04)
Balance Sheet		
Total Assets	23,740,113	21,413,152
Working capital deficit	(125,542)	(994,875)
Cash dividends declared	NIL	NIL

RESULTS OF OPERATIONS

Revenues

The exploration properties acquired by the Company are still in the 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, 2015 or 2014.

Expenses

For the years ended December 31,	2015	2014
Expenses		
Administrative and general	1,195,265	1,087,513
Personnel costs	369,931	354,370
Amortization	13,137	45,288
Foreign exchange gain	(4,758,494)	(2,349,284)
Share based payments	130,147	409,515
Derecognition of financial liability (note 7)	-	(269,130)
Unrecoverable mineral property and exploration costs		2,654,286
	(3,050,012)	1,932,558

Personnel Costs – the increase in personnel costs year over year is due to the addition of a Malian COO in February 2015 which was offset by the elimination personnel and restructuring of the remaining salaries.

Foreign exchange gain – The Canadian dollar continues to fluctuate in 2015. The Canadian dollar weakened over $0.21 cents from the start of 2015 to the end of 2015, resulting in sizable unrealized holding gains on US based loans receivable in the Canadian entity that is reflected in the Statement of Operations.

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 2015 is primarily due to 3,500,000 options being issued in February 2015 versus the 4,775,000 options issued in 2014.

Administrative expenses – AGG's administrative expenses increased in 2015 versus 2014 by approximately $108,143. Specifics of the administrative expenses are as follows:

For the year ended December 31,	2015	2014
Bank and interest charges	$ 45,468	$ 74,369
Communication	6,834	18,636
Consulting	633,678	335,840
Insurance	32,327	44,077
Investor relations	4,162	4,554
Office and general	65,827	107,474
Professional fees	211,980	270,049
Rent	38,324	84,683
Travel	156,965	147,831
	$ 1,195,565	$ 1,087,513

Bank charges fell due to AGG using less expensive methods to move funds oversea. Communications fell due to the movement towards fixed allowances for cell phone usage in 2015 rather than full reimbursement of these charges in 2014. Consulting charges primarily increased over the prior year due to the hiring of the new CEO and President in April 2014 and monies paid to financial advisors assisting with developing operational models and presentations materials related to the sourcing of funds to place the Mali project into production. Office and general decreased as a result of efforts to rationalize all unnecessary costs in the current period. Rent fell considerably due to the AGG head office move to smaller office space in 2015. Professional fees also declined due to an overall decrease in administrative activities. Travel increased due to attendance at the Indaba conference in the current period, not attended by AGG in 2014, and additional travel to Mali to deal with the feasibility study and requisite permits.

Unrecoverable mineral property and exploration costs – These charges related to the write down of the Malian property assets destroyed during the illegal miners confrontation at Kobada in 2014. No such event occurred in 2015.

Income (loss) from discontinued operation – This represents costs associated with the Ghana operation which is in the process of being sold, referenced above. Charges in 2015 and the prior year are included in this category. A breakout of the costs is included in the 2015 audited consolidated financial statements in note 13.

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, 2015	Nil	167,421	0.00
September 30, 2015	Nil	1,758,300	0.01
June 30, 2015	Nil	(505,508)	(0.01)
March 31, 2015	Nil	1,631,795	0.01
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)

* 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, 2015 of $125,542 (2014- $994,875) and cash and cash equivalents of $356,899 (2014 - $484,418). Specific cash flow fluctuations can be evidenced in the December 31, 2015 consolidated financial statements in the Statement of Cash Flows. Management estimates operating expenses for the 2016 of approximately $800,000 and property expenditures to amount to $5,000,000. As such, AGG does not have sufficient funds to meet its cash requirements for 2016. 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. In 2014, the Company obtained a legal opinion indicating that unpaid amounts to CME are considered statute-barred. As a result, the Company derecognized $269,130 of accounts payable and accrued liabilities payable to CME, reducing expenses in the Consolidated Statement of Comprehensive Loss in the prior year.

Legal fees of $131,128 (2014 - $138,604) were paid to a legal firm in which one of the partners is a director of the Company of which $146,833 (2014 - $147,579) was unpaid and included in accounts payable and accrued liabilities at year end. The partner is head of the Compensation Committee and Audit Committee as well as Chairman of the Board. Consulting services have been provided for general corporate matters, attendance at committee and board meetings, as well as evaluating business opportunities. Corporate secretarial services are also provided to the Company by this firm.

Geological services were provided to the Company by one of its directors who charged $1,880 (2014 - $95,917). Unpaid fees owing to the geologist of $5,910 (2014 -$33,175) is included in accounts payable and accrued liabilities at year end. The services relate to evaluate and managing the Kobada feasibility study and consulting with the exploration team on various corporate matters.

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 the year ended December 31:	2015	2014
	$	$
Remuneration	655,600	663,995
Share based payments	78,676	333,198
	$ 734,276	$ 997,193

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:

Impairment

Assets, including property and equipment, and deferred exploration expenditures, 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 deferred exploration expenditures, 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 consolidated 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.

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 13 in the consolidated financial statements for the year ended December 31, 2015, 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, 2015, which have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

As of December 31, 2015, 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 2015.

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.

IFRS 15 Revenue from Contracts ("IFRS 15") establishes principals for recognizing revenues based on a five-step model which is to be applied with all contracts with customers. The Company plans to adopt the new standard for the year ended December 31, 2018.

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 consolidated 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 250,477,600 common shares issued and outstanding.

As at the date of this MD&A the Company had 78,825,182 warrants outstanding.

As at the date of this MD&A the Company had 18,600,000 stock options 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, receivables, 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 fluctuate 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, 2015, AGG had a cash balance of $356,899 and current liabilities of $1,730,428. As outlined in Note 2 of the consolidated financial statements, 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, and receivables. 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. Management has reviewed the receivable balances and determined that the balances are collectible; accordingly there has been no allowance for doubtful accounts recorded.

April 29, 2016