AFRICAN GOLD GROUP, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

Date: The effective date of this report is May 1, 2017.

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 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, 2016 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, 2016 and 2015 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 a prospective exploration concession in a major mineralized belt in Mali, West Africa, the Kobada Gold Project (the "Project"), as described in Note 5 to the consolidated financial statements.

OVERVIEW OF OPERATIONS

On April 24, 2017, the Company closed on a CDN$6,734,447 private placement. A number of events immediately occurred with the closing which is detailed as follows:

1. Mr. David Brown, Mr. Michael A.J. Nikiforuk, Dr. Antony Harwood and Mr. Pierre Lalande stepped down from the board of directors.

2. The board appointed Mr. Stan Bharti as Chairman, along with following other new directors: Mr. Bruce Humphrey, Mr. John Begeman and Mr. Stephan Theron.

3. Mr. Declan Franzmann, who remains as a board member, resigned as President and CEO and was replaced by Mr. Stephan Theron as CEO and Mr. Brett Richards as President and COO. Mr. Theron brings to AGG 18 years of extensive management, capital project development and M&A experience within the mining industry. He has structured numerous mining focused investments and has worked on mining projects throughout Africa. As previously disclosed, Mr. Richards is a well-known mining executive with over 30 years' experience in mining and metals and has focused primarily on projects in Africa over the past 10 years.

4. The Company has also executed a binding term sheet dated April 24, 2017 with 2516232 Ontario Inc., a private company incorporated under the laws of Ontario ("**PrivateCo**"), whereby it has agreed to acquire all of the issued and outstanding securities of PrivateCo in exchange for an aggregate of 33,333,333 common shares in the capital of the Company at a deemed price of $0.09 per share for a total acquisition price of $3,000,000. The Company and PrivateCo are at arm's length to each other. The Acquisition is subject to customary conditions for a transaction of this nature, which include satisfaction of due diligence, negotiation and entering into a definitive acquisition agreement and approval of the TSX Venture Exchange.

   PrivateCo is party to an option agreement with TEMFOR s.a.r.l. providing PrivateCo with the option to acquire from TEMFOR, the Madougou gold project located in Burkina Faso. Madougou is a mid-stage exploration project, located in the north-western region of Burkina Faso. The project has been extensively explored, with both ground and airborne geophysical surveys conducted, and over 20,000m of RC drilling completed on the 182km^2 land package. Madougou is in a mining favourable jurisdiction within West Africa, and is contained in a regional mineralised area of the greenstone belt within Burkina Faso, with several gold producing operations. AGG view Madougou as a highly strategic asset, with tremendous potential to add significant value to the Company.

The aforementioned has been completed with a view to refocus AGG on its Kobada, Mali project and move it towards production at the earliest opportunity.

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 entered into a sale and purchase agreement with Star Goldfields Limited ("SGF"), a private Ghanaian company. SGF agreed to purchase the shares in AGG Ghana for a total cash consideration of $1,200,000. The sale of AGG Ghana included all of the Company's Ghanaian assets, including the 456 square km Asankrangwa tenements plus the separate Nyankumasi concession. The funds were received and the transaction completed in 2016.

SIGNIFICANT DEVELOPMENTS

- **Closing of Financing** On April 25, 2017, AGG closed on 74,827,188 units for aggregate gross proceeds of CDN$6,734,446.92. Each Unit consists 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 $0.12 per share for a period of thirty-six months from the date of closing.
- **Extension of warrants** On December 8, 2016, AGG announced it was extending the exercise date of 16,582,502 warrants and 3,525,000 warrants from January 14, 2017 and January 22, 2017 to January 14, 2018 and January 22, 2018.
- **Extension of warrants** On August 8, 2016 AGG announced it was extending the exercise date of 10,417,428 warrants from September 4, 2016 to September 4, 2017.
- **Closing of the sale of the Ghana assets** On July 12, 2016 the Company announced the closing of the Ghana sale.
- **Extension of warrants** On May 10, 2016 AGG announced it was extending the exercise date of 10,002,601 warrants from May 21,2016 to May 21,2017.
- **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.
- **At December 31, 2016**, the Company had cash and short-term investments of $105,144.

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 2016 has gone into this aspect of the project.

Costs associated with the property at December 31, 2016 versus December 31, 2015 are as follows:

Kobada	Dec-31 2016	Dec-31 2015
Opening balance	$ 22,117,587	$ 20,745,452
Drilling and Feasibility study	206,024	641,340
Site maintenance	2,170	2,170
Camp	91,101	639,832
Geologists	-	47,912
Assays and sampling	-	6,762
Taxes and other	-	34,119
	$ 22,416,882	$ 22,117,587

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.

GHANA

As previously mentioned, the Company has announced the sale of its Ghana assets for $1.2 million of which all proceeds have been received and transaction is completed.

OVERALL PERFORMANCE

Management aims to minimize G&A expenditures while continuing to progress on placing Kobada into production.

Assets decreased from $23,740,113 as at December 31, 2015 to $22,650,868 as at December 31, 2016 due to the normal expenditures of the business on general and administrative functions as AGG was in care and maintenance mode after the completion of its feasibility study early in 2016. Foreign exchange fluctuations were experienced for the year, particularly in Canada where the Canada dollar weakened markedly against the US dollar in 2016.

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,	2016	2015
Operations	$	$
Revenue	-	-
Net income (loss)	(2,244,406)	3,860,091
Basic and diluted income (loss) per share	(0.01)	0.02
Balance Sheet		

Total Assets	22,650,868	23,740,113
Working capital deficit	(1,534,469)	(125,542)
Cash dividends declared	NIL	NIL

RESULTS OF OPERATIONS

Revenues

The exploration properties acquired by the Company are still in the exploration and evaluation stage. Until sufficient work has been completed to confirm the technical and commercial 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, 2016 or 2015.

Expenses

	2016	2015
Expenses		
Administrative and general	1,008,313	1,195,267
Personnel costs	277,109	369,931
Amortization	11,488	13,137
Foreign exchange gain	899,174	(4,758,494)
Share based payments	212,284	130,147
	2,408,368	(3,050,012)

Personnel Costs – the decrease in personnel costs year over year is due to the elimination of personnel and restructuring of the remaining salaries.

Foreign exchange gain – The Canadian dollar continued to fluctuate in 2016. The Canadian dollar has weakened considerably in 2016, resulting in sizable unrealized holding losses 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 2016 is primarily due to 5,800,000 options being issued in February 2016 versus the 3,500,000 options issued in 2015.

Administrative expenses – AGG's administrative expenses decreased in 2016 versus 2015 by approximately $186,000. Specifics of the administrative expenses are as follows:

For the year ended December 31,	2016	2015
Bank and interest charges	$ 51,615	$ 45,468
Communication	13,483	6,834
Consulting	437,999	633,380
Insurance	32,950	32,327
Investor relations	6,560	4,162
Office and general	32,965	65,827
Professional fees	331,415	211,980
Rent	31,756	38,324
Travel	60,213	156,965
	$ 1,008,313	$ 1,195,267

Bank and interest charges increased due to interest charged on short term loans advanced and repaid in the second quarter of 2016. Communications increased due to the feasibility study completed early in 2016. Consulting fell considerably due to reduced work efforts as a result of the care and maintenance phase entered by the Company. Office and administrative charges were reduced due to the elimination of all unnecessary purchases and part-time labour. Professional fees increased due to the additional administrative work associated with exiting employment, exploring merger opportunities and other contracts. Travel decreased due to the elimination of all unnecessary trips including conferences and site visits in 2016.

Income (loss) from discontinued operation – This represents costs associated with the Ghana operation sale referenced above. Charges in 2016 and the prior year are included in this category. A breakout of the 2015 and 2016 costs is included in the audited consolidated financial statement note 15.

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, 2016	Nil	280,871	0.00
September 30, 2016	Nil	105,428	0.00
June 30, 2016	Nil	(274,671)	(0.00)
March 31, 2016	Nil	(2,361,400)	(0.01)
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

* 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, 2016 of $1,534,469 (2015- $125,542) and cash and cash equivalents of $105,144 (2015 - $356,899). Specific cash flow fluctuations can be evidenced in the December 31, 2016 consolidated financial statements in the Statement of Cash Flows. Management estimates operating expenses for the 2017 of approximately $750,000 and property expenditures to amount to $2,250,000. As such, AGG does not have sufficient funds to meet its cash requirements for 2017. 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

Related party transactions are in the normal course of business and at an amount agreed to between the parties

Legal fees of $238,265 (2015 - $131,128) were paid to a legal firm in which one of the partners is a director of the Company of which $283,082 (2015 - $146,833) 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 $Nil (2015 - $1,880). Unpaid fees owing to the geologist of $5,916 (2015 -$5,910) 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:

		2016		2015
Remuneration	$	619,069	$	655,600
Share based payments		89,013		78,676
	$	708,082	$	734,276

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, 2016, 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, 2016, which have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

As of December 31, 2016, 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 2016.

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.

IFRS 16, Leases ("IFRS 16") was issued by the IASB in January 2016 and will replace IAS 17 Leases. IFRS 16 specifies the methodology to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The mandatory effective date is for annual periods beginning on or after January 1, 2019.

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 326,103,788 common shares issued and outstanding.

As at the date of this MD&A the Company had 143,681,817 warrants outstanding.

As at the date of this MD&A the Company had 16,300,000 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 and cash equivalents, 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, 2016, AGG had a cash balance of $105,144 and current liabilities of $1,762,665. 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, 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.

May 1, 2017