OMAI GOLD MINES CORP.

(FORMERLY ANCONIA RESOURCES CORP.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED JUNE 30, 2021

Omai Gold Mines Corp. (an exploration-stage company)

Management Discussion & Analysis for the six months and three months ended June 30, 2021

Introduction

This Management Discussion and Analysis ("MD&A"), dated August 30, 2021, provides a review of the financial position and the results of operations of Omai Gold Mines Corp. (the "Corporation", "Omai" or the "Company") and constitutes management review of the factors that affected the Company's financial and operating performance for the six months and three months ended June 30, 2021. This MD&A has been prepared in compliance with the requirements of National Instrument 51- 102 – Continuous Disclosure Obligations. The review is provided to enable the reader to assess the significant changes in the financial condition of the Company as at and for the period ended June 30, 2021. This MD&A should be read in conjunction with the unaudited condensed interim financial statements of the Company for the period ended June 30, 2021 and the audited consolidated financial statements of the Company for the years ended December 31, 2020 and 2019 together with the notes thereto. The Company's financial statements and the financial information reported in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). All amounts presented are stated in United States dollars, unless otherwise indicated. Information contained herein is presented as of August 30, 2021, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Omai's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Highlights

During Q2 2021 and up to the date of this MD&A, the Company:

- Completed the initial 5,000 metre drill program and commenced a Phase 2 program.
    - A total of eight holes tested at depth below and adjacent to the past producing Wenot pit, where approximately 1.4 million ounces averaging 1.5 grams of gold per tonne ("g/t Au") was mined prior to mining operations ceasing in 2005. A ninth hole is underway.
    - High grade mineralization was encountered in all of the completed holes, with most intersecting multiple mineralized shear zones within the broad 200 to 350 meter wide Wenot shear corridor that extends along the full 1.7 kilometer axis of the Wenot pit.
    - The first drill will continue to test the gaps along strike at depth and adjacent to the Wenot pit, with the goal of expanding a potential resource. The Company aims to deliver a NI 43-101 resource prior to year end.
    - After quarter end, a second drill was brought on site to commence the Phase 2 drill program that will include the testing of a number of exploration targets near the past producing pits.
- Completed a non-brokered private placement of CAD$5 million
- Strengthened the on-site exploration team

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statements	Assumptions	Risk factors
Potential of the Company's properties to contain economic deposits of precious and base metals.	Financing should be available for future exploration of the Company's properties; the actual results of the Company's exploration activities will be favorable; operating and exploration costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favorable to the Company; the price of precious and base metals and applicable interest and exchange rates will be favorable to the Company; no title disputes exist with respect to the Company's exploration and evaluation assets.	Precious metals price volatility; uncertainties involved in interpreting geological data and confirming title to acquired exploration and evaluation assets; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff; risks to title; mineral tenure and availability of permits.
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending June 30, 2022. The Company expects to incur further losses in the development of its business.	The operating and exploration activities of the Company for the twelve-month period ending June 30, 2022 and beyond, and the costs associated therewith, will be dependent on raising sufficient additional capital consistent with the Company's current expectations.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; changes in the operations currently planned for the next twelve months; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.
The Company's ability to carry out anticipated exploration on its exploration and evaluation assets.	The exploration activities of the Company for the next twelve months ending June 30, 2022, and the costs associated therewith, will be consistent with the Company's current expectations.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; changes in the operations currently planned for the next twelve months; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; receipt of applicable permits, ability to access the property, ability to secure the necessary personnel and support services to complete the planned programs.

Management's outlook regarding future trends, including the future price of precious metals and availability of future financing.	Financing will be available for the Company's exploration and operating activities; the price of precious and base metals will be favorable to the Company.	Precious metals price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions; availability of financing.
The Company will continue to focus its exploration efforts on existing targets located at the Omai Gold Mine in Guyana.	The Company will focus its budget on the exploration work program at the Omai Gold Mine.	Management may change its plans based on future exploration results. Political or social factors may make it difficult or unfeasible to continue to explore the Omai Gold Mine property.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Background

The company originally was incorporated under the Ontario Business Corporation Act ("**OBCA**") on March 22, 1962, as Citadel Gold Mines Inc.

On June 15, 2011, Anconia Resources Corp. ("Anconia") completed a reverse takeover transaction pursuant to which Anconia (then Citadel) acquired all of the issued and outstanding common shares in the capital of 2215107 Ontario Inc., a private Ontario company (incorporated under the OBCA on August 18, 2009) with an interest in a mineral property in Nunavut. In fiscal 2019, the Board of Directors and Management of Anconia decided, in light of the proposed transaction with Avalon Investment Holdings Ltd. ("Avalon"), the Company will no longer seek financing to explore the Nunavut property and it was written off. On September 2, 2014, the Company acquired an exploration project in the Kirkland Lake area of Ontario, Canada known as the Grenfell property.

On October 10, 2019, Anconia and Avalon announced that they have entered into a definitive acquisition agreement dated October 9, 2019 (the "RTO"), in respect of a proposed transaction (the "Transaction"), whereby Anconia agreed to acquire all of the issued and outstanding securities of Avalon, by way of three-cornered amalgamation, share exchange or such other form of business combination as the parties determine. The entity that would result from the completion of the Transaction (the "Resulting Issuer"), will continue to carry on base and precious metals exploration and development, focused primarily on the exploration of Avalon's Omai Gold Mine project in Guyana.

Avalon is a Barbados corporation incorporated on February 22, 2018, based in Christ Church, Barbados, with a wholly-owned operating subsidiary, Avalon Gold Exploration Inc. ("AGE").

On October 1, 2020, the Company completed the RTO with Avalon, pursuant to which the Company acquired all of the issued and outstanding common shares in the capital of Avalon. On closing of the transaction, the Company changed its name to Omai Gold Mines Corp. ("Omai") and completed a consolidation of Anconia's shares on the basis of one post-consolidation common share for each 15 pre-consolidation common shares.

Changes in Management and Board of Directors

After completion of the RTO, and to advance the Omai project in Guyana, the Company changed its CEO, introduced an independent Chairperson and added three additional independent directors with solid technical experience, capital markets experience, and a commitment to governance best practices.

Subsequent to the June 2021 quarter end, Mario Stifano resigned as CEO. Elaine Ellingham was appointed interim CEO and the Company commenced a search for a permanent CEO. Additionally, Dennis LaPoint is no longer with the Company as VP Exploration. Also subsequent to the June 2021 quarter, John Ross replaced Harvey McKenzie as CFO.

The Company will continue to review and adjust its management team to better meet the objective of advancing its exploration projects.

Exploration and Evaluation Projects

Omai Project

On April 26, 2019, the Guyana Geology & Mines Commission ("GGMC") issued Prospecting Licence (PL #01/2019) to Avalon Gold Exploration Inc. ("AGE") for the exclusive right of occupation and exploration for gold, precious minerals and precious stones, on 4,590 acres of licenced area (the "Omai PL"), including the site of the past-producing Omai Gold Mine, Potaro Mining District, Guyana.

AGE has the sole right to a 100% interest and to prospect on the Prospecting Licence which expires on April 25, 2022 and can be renewed for a further two-year period. AGE has agreed to pay the GGMC annual rental fees of US$1 million during the 1st year (paid), US$1 million during the 2nd year (paid) and a further US$2 million which is due on October 1st, 2021. In addition to these annual rental fees, the agreement provides for an exclusive right to use certain existing infrastructure at the Omai Gold Mine for any future mining operations, subject to entering into specific lease agreements. The Company recently became aware that there were legacy mining permits overlapping the southwest portion of the Company's Omai PL. These mining permits were granted in 2013 and 2014, and although applications for cancellation were filed, they were never formally cancelled. The Company has located the last representatives of the corporation that owned the permits and has secured all rights to the permits for a nominal amount of $1. There are no other known rights infringing on the rights the Company holds on the Omai PL.

In addition, AGE holds an option to acquire a 100% interest in a prospecting licence known as "Kaburi South", covering approximately 5,235 acres, located adjacent to Troy Resources Limited's Karouni mine in Guyana.

Exploration Activity

The Company has increased its exploration and operational activities on the Omai property, starting early in 2021. In late 2020, the Company completed construction on a modern exploration camp capable of housing up to 60 workers. The camp includes exploration offices and a large facility for core logging, sampling and storage. The Company also retained full-time security for the camp.

During Q1, the Company commenced re-logging and re-sampling of 6000 metres of drill core that was drilled in 2012 and recovered and remediated in 2020. The core had been stored in a secure government facility since previous exploration ceased in 2012.

Assay results from the first two of these 2012 holes, 12WED11 and 12WED13, were reported on December 15, 2020. These holes indicate that high-grade mineralization extends below the Wenot Pit and that there is potential for additional gold mineralization in dikes within the sedimentary sequence that lie on the southern flank of the Wenot shear system. Highlights from the sampling of these two holes are as follows:

Hole 12WED11 intersected intervals such as 20.6 meters of 3.55 grams per tonne (g/t) gold (Au) from 460 to 480.6 meters, including 4.5 meters of 8.02 g/t Au, and 10.5 meters of 3.93 g/t Au. Visible gold was encountered in this hole. The highest assay values include 29.19 g/t Au over 1 meter from 460 to 461 meters.

Hole 12WED13 intersected 4.5 meters of 2.93 g/t Au from 54 to 58.5 meters to the south of the Wenot Pit in dikes within the sedimentary sequence.

The results in hole 12WED11 extend gold mineralization at least 150 meters below the bottom of the Wenot Pit and mineralization remains robust at this depth with no indication of decreasing.

On February 11, 2021, the Company announced additional assay results from the re-logging of the 2012 drill core. All holes encountered high-grade gold associated with structural zones and felsic and dioritic dikes, including in the holes drilled from the sediments towards the Wenot shear (northwards).

Hole 12WED1B encountered zones of 7.4 meters of 3.2 g/t Au and 14.0 meters of 9.1 g/t Au within the lithic wacke sedimentary sequence south of the Wenot Shear.

Hole 12WED3B encountered 1.5 meters of 6.9 g/t Au and 2.5 meters of 6.3 g/t Au in the limited core available.

Hole 12WED05 encountered multiple zones including 9.0 meters of 1.6 g/t Au, 3.0 meters of 7.7 g/t Au, 1.5 meters of 10.5 g/t Au and 9.5 meters of 1.6 g/t Au.

Hole 12WED07B intersected 11.3 meters of 1.8 g/t Au and 3.5 meters of 4.1 g/t Au.

At the Fennell past producing pit, hole OMU39 encountered 6 meters of 3.8 g/t Au at a shallow depth in previously unsampled core above the gabbroic sill.

These 2012 holes have been incorporated into the drill hole database. A review of historical logs was initiated to provide a better understanding of controls on mineralization for planning of the Company's initial drill program. Highlights include the section-by-section plotting of high-grade mineralization associated with felsic and dioritic dikes along deformation zones.

At the west end of the Wenot pit, the shear corridor appears to have migrated further into the sedimentary package of lithic wackes south of the volcanics. Where mineralized zones occur within the sediments, they are associated with shearing and alteration, typically within or adjacent to dioritic or in some instances felsic dikes.

Within the basaltic and andesitic rocks, the Wenot Shear corridor consists of multiple mineralized shear structures. Further drilling is part of the program to expand the resource potential within the Wenot shear corridor as it occurs both within the volcanic and sedimentary rocks as mineralized zones typically associated with either felsic or diorite dikes below the Wenot pit.

On February 11, 2021, the Company commenced a 5,000-metre drill program to test for extensions of mineralization adjacent to, and below the Wenot Pit. Songela, a well-established Guyanese drilling contractor, was mobilized with a single drill rig using two shifts. Drill sites were located based on a review of the historical drill database.

In Q1 2021, the first two holes of the Phase 1, 5,000 metre drill program were completed. Holes 21ODD-001 and 21ODD-002 were drilled to confirm that gold mineralization continues at depth under the Wenot Pit, and returned the following highlights:

21ODD-001 intersected multiple high-grade and thick intervals including 19.5 meters of 2.2 g/t Au, 13.5 meters of 3.6 g/t Au, and 16 meters of 9 g/t Au including 1 meter of 127.7 g/t Au.

21ODD-002 intersected 32.1 meters of 3.6 g/t Au including 26.7 g/t (0.4 meters) and 25.7g/t (1 meters) and an additional intersection further downhole of 18.4 meters of 2.2 g/t Au.

The holes are drilled on sections separated by 350 meters, and the higher-grade zones are associated with sheared structures that host extensional veins. Gold, quartz-carbonate-sericite alteration and pyrite are associated with hornblende diorite intrusions within the basalt units under the pit. A second target type is the contact between the rhyolite dikes and basalts, which host highly sheared zones with strong iron and magnesium carbonate-sericite alteration and sulfides.

In Q2, an additional six holes were completed with one hole underway as at June 30th. All holes were designed to test below and adjacent to the Wenot pit. Eight holes totalling 4,196 metres were drilled and completed as at June 30th and since the program began in February 2021. To date, the holes encountered multiple gold mineralized zones both within the volcanic and sedimentary rocks within the broad Wenot shear corridor, both below and adjacent to the pit.

Results for some of the holes completed in Q2 were released July 6, 2021 with highlights including:

Hole	From	To	Interval (m)	Gold grade (gpt)
21ODD-003	354.5	357.5	3.1	4.0
	396.0	400.0	4.0	2.6
	450.9	465.0	14.1	1.7
21ODD-008	381.0	391.2	10.2	1.9
	442.0	446.0	4.0	4.7
	455.0	468.0	13.0	2.8
	498.8	507.8	9.0	6.6
21ODD-010	260.0	273.0	13.0	0.9
21ODD-011	206.0	218.4	12.4	1.5
	313.9	323.1	9.2	1.6
	326.7	338.9	12.2	1.1
	346.0	348.0	2.0	5.1

Eastern Flats Property

Following an exclusivity agreement signed in H1 2020, the Company entered into an agreement in April 2021 to acquire prospecting and mining rights on a property known as the "Eastern Flats" immediately east of and adjacent to Omai's 4,590-acre Prospecting Licence. The Eastern Flats consists of 1,519 acres along the main trend of mineralization seen in the Wenot Pit. While there has been little to no exploration carried out on the Eastern Flats, interpretation of the recent airborne geophysical survey (magnetics and radiometrics) has indicated that several priority targets for gold mineralization extend from the Omai PL on to the Eastern Flats.

Terms of the Agreement

Under the agreement, Omai would acquire a 100% interest in the exploration and hard rock mining rights for a cash payment of US$1.00. Six million common shares of the Company, valued at $600,000, were issued to the Vendor in H1 2020 as payment for an exclusive due diligence period on the property; no royalty agreements or further share issuances will be made to the Vendor. This transaction is subject to approval of the TSX Venture Exchange.

Kaburi South Property

On December 24, 2018, the Company entered into an Option Deed and Prospecting Agreement (the "Option Agreement") with Sheldon Carew and Dexter Charles for five Prospecting Permits owned by Mr. Carew and Mr. Charles in the Mazaruni Mining District No. 3, Guyana. The licenced area is adjacent to Troy Resources' Karouni mine in Guyana.

Terms of the Option Agreement

The ten-year option period expires on December 23, 2028. The Company has issued 300,000 common shares to each of Mr. Carew and Mr. Dexter and has paid a further US$50,000 for the Option Agreement. The Company has the sole right to explore and prospect on the five Prospecting Permits of Medium Scale. The Company may exercise its rights to acquire one or more of the five Prospecting Permits at any time during the Option Period by paying the Exercise Consideration of US$1.00 per Prospecting Permit. The Company has the exclusive right to explore and prospect on the five Prospecting Permits.

Grenfell Property

As a result of the RTO, the Company acquired Anconia's interest in the Grenfell property. The Grenfell property consists of 16 patented claims and 14 staked claims for a total land position of approximately 4.3 square kilometers, located west of the town of Kirkland Lake, Ontario, and approximately four kilometers west of the gold producing Macassa Mine.

The Company holds a 100% interest in the patented claims. The fourteen staked claims are 67% owned by the Company, the remaining 33% being registered to a company that no longer exists. The Company will use its best efforts to obtain the remaining 33%. The previous owner of the property retains a 2% net smelter return royalty

("NSR") in the Property; 1% of the NSR can be purchased by the Company for a period of up to 2 years after achieving commercial production for the sum of $1,000,000.

A preliminary review of Ontario Assessment records and a technical report filed on SEDAR has led to the following initial conclusions:

- The Kirkland Lake Main Break (04) has been mapped to approximately 500 meters from the eastern boundary of the property.
- The Larder Lake Break is within 100 meters of the southern boundary of the property.
- The southern portion of the property is underlain by Timiskaming-type clastic meta-sedimentary rocks, the same rock type which hosts many of the mines and deposits of the Kirkland Main Break.
- Previous work on the southern portion of the property included detailed mapping that uncovered the contact between the Timiskaming and Huronian sediments, which is interpreted to be a fault. This is located about 150 meters south of and parallel to Highway 568. This feature may relate to the reactivation of the Kirkland Main Break (04) to the east, with a similar strike.
- The property encompasses the historic Four Nations Shaft. The Four Nations area has undergone several exploration campaigns, which included the deepening of the shaft to 536 feet (163 meters), with lateral development on several levels between 1926 and 1928, along with surface trenching.
- Since 1934, when the Four Nations Shaft closed, the property has had sporadic exploration with a total of only 34 drill holes totaling 6,842 meters having been completed in 4 campaigns between 1934 and 2004.

The Company completed a grab sampling program and a drill program of 6 holes for a total of 663 metres. The results are published on SEDAR.

Prior to the reverse take over, in March 2020, the Board of Anconia approved, but had not finalized, the settlement of $586,700 of liabilities by assigning approximately 49.94% of the book value of the Grenfell property. In 2021, management of the Company decided that it was appropriate for the Company to continue to maintain 100% of the Grenfell property. In addition, management has agreed to settle the above noted debt in the latter part of 2021.

Financial Statements Going Concern Assumption

The financial statements have been prepared on the basis of accounting principles applicable to a going concern under IFRS. The use of these principles under IFRS assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations.

The business of exploration involves a high degree of risk, as such there is no assurance that the Company's expected exploration programs will result in profitable mining operations. Until it is determined that the exploration and evaluation properties ("E&E") can be economically mined, the costs of acquiring mining properties and licensing rights are capitalized upon acquisition. Mine development costs incurred to develop and expand the capacity of mines, or to develop mine areas in advance of production, are also capitalized once proven and probable reserves exist and the property is a commercially mineable property. Costs incurred to maintain current exploration or to maintain assets on a standby basis are recognized in profit or loss. Amounts received for the sale of exploration and evaluation assets, for option payments and for exploration advances, are reflected on the statement of profit and loss.

To date, the Company has not earned revenue and has an accumulated deficit of $16,353,049 as at June 30, 2021 (December 31, 2020 - $12,962,128). As at June 30, 2021, the Company had cash and cash equivalents of $3,760,073 (December 31, 2020 - $3,605,289) and working capital of $1,117,366 (December 31, 2020 - working capital of $490,142).

In the year ended December 31, 2020, the Company raised proceeds of approximately $11.56 million, net of issuance costs. In 2021, the Company has raised CAD$5,000,000 in a non-brokered private placement.

The Company will continue to seek additional sources of financing, as required, to finance exploration of its projects in the most accretive manner accretive to shareholders. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern that these uncertainties are material and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. These adjustments could be material.

There is no assurance that the Company will be able to obtain the external financing necessary to explore and develop if E&E are proven successful, and bring to commercial production its E&E. The Company has historically relied on financings to fund its operations and repay its liabilities; while the Company has been successful in the past, there can be no assurance that it will be able to raise sufficient funds in the future. These conditions and events indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. Management is actively pursuing financing and alternative funding options and is minimizing discretionary expenditures where prudent. The ability of the Company to arrange such financing in the future depends in part upon the prevailing capital market conditions as well as the business performance of the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to relinquish rights to certain of its interests or terminate its operations.

In March 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy, capital markets and the Company's financial position cannot be reasonably estimated at this time. The Company is monitoring developments and will adapt its business plans accordingly. The actual and threatened spread of COVID-19 globally could adversely impact the Company's ability to carry out its plans and raise capital.

Functional and Presentation Currency

These consolidated financial statements have been prepared in United States dollars. The Company's functional currency is the Canadian dollar.

Results of operations

A summary of selected financial information of the Company for recently completed periods is provided below.

Selected annual information

Year ended	**December 31, 2020**	December 31, 2019
Revenue	**Nil**	Nil
Income from operations	**Nil**	Nil
Exploration and evaluation expenditures	**3,565,888**	363,610
Net (loss) for the period	**(7,629,568)**	(1,471,127)
Basic & diluted (loss) per share	**(0.05)**	(0.02)
Weighted average common shares outstanding	**151,142,597**	68,171,969
As at	**December 31, 2020**	December 31, 2019
Cash and cash equivalents	**3,605,289**	2,908
Mineral properties	**3,896,722**	3,369,624
Total assets	**7,738,970**	3,461,832
Shareholder's equity (deficiency)	**4,405,364**	(2,366,100)

Selected quarterly information

The following table sets forth selected financial Information of the Company for the quarters ended as noted below:

For the quarter ended	June 30, 2021	Mar 31, 2021	Dec 31, 2020	Sept 30, 2020
Revenue	$ Nil	$ Nil	$ Nil	$ Nil
Income from operations	$ Nil	$ Nil	$ Nil	$ Nil
Exploration and evaluation expenditures	$ (816,973)	$ (1,016,455)	$ (827,563)	$ (1,552,572)
Net (loss) and compressive (loss) for the period	$ (1,677,383)	$ (1,713,538)	$ (3,206,992)	$ (1,982,075)
Basic & diluted (loss) per share	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.01)
As at the end of the quarter				
Cash and cash equivalents	$ 3,760,073	$ 2,099,163	$ 3,605,289	$ 4,668,936
Total assets	$ 8,235,055	$ 6,434,050	$ 7,738,970	$ 8,525,132
Shareholder's equity (deficiency)	$ 5,112,616	$ 2,828,830	$ 4,405,364	$ 6,195,611
For the quarter ended	June 30, 2020	Mar 31, 2020	Dec 31, 2019	Sept 30, 2019
Revenue	$ Nil	$ Nil	$ Nil	$ Nil
Income from operations	$ Nil	$ Nil	$ Nil	$ Nil
Exploration and evaluation expenditures	$ (852,009)	$ (333,744)	$ (281,272)	$ (26,600)
Net (loss) and compressive (loss) for the period	$ (1,496,468)	$ (944,033)	$ (635,314)	$ (251,979)
Basic & diluted (loss) per share	$ (0.01)	$ (0.01)	$ (0.01)	$ -
As at the end of the quarter				
Cash and cash equivalents	$ 2,127,241	$ 1,501,677	$ 2,908	$ 57
Total assets	$ 5,891,438	$ 5,286,834	$ 3,461,832	$ 3,452,782
Shareholder's equity (deficiency)	$ 2,701,487	$ 949,732	$ (2,366,100)	$ (2,606,644)

The increased loss in the December 2020 quarter reflects a one-time charge of $1,506,185 which was the RTO listing expense.

Consolidated Operating Results

This section should be read in conjunction with the unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss for the six months and three months ended June 30, 2021 and 2020, and the notes associated there with.

Quarter ended June 30, 2021

The Company reported a loss of $1,677,383 ($0.01 per share) for the quarter ended June 30, 2021 compared to a loss of $1,496,468 ($0.01 per share) for the quarter ended June 30, 2020. Increased management and professional fees in the June 2021 quarter created most of the increase.

Administrative costs

Quarter ended June 30	2021	2020
Share-based payments	**$ 108,576**	$ 240,000
Management fees	**360,467**	150,000
Legal and professional fees	**159,241**	82,410
General expenses	**26,957**	38,944
Travel	**2,297**	333
Advertising	**26,592**	11,102
Investor relations	**6,353**	10,960
Meals and Entertainment	**-**	79
Exchange (gain) Loss	**43,459**	1,218
Reporting issuer costs	**41,995**	-
Insurance	**8,494**	-
Administrative costs	**$ 784,431**	$ 535,046

Other significant Items

Quarter ended June 30	2021	2020
Exploration and Evaluation expenditures	**$ 816,973**	$ 852,009
Financing costs	**75,979**	109,413
(Gain) on modification of liability	**-**	(9,576)
Net loss and comprehensive loss for the period	**$ 892,952**	$ 951,846

The exploration expense of $816,973 in the June 2021 quarter was similar to the June 2020 quarterly expense of $852,009. The Company continued to execute on its planned 5,000 metre drill program during the 2021 period.

Administrative costs of $784,431 in the June 2021 quarter were increased compared to the $535,046 reported in the June 2020 quarter. Significant differences in comparable quarterly items were:

- Share-based payments were lower in the June 2021 quarter. These expenses reflect recent issuances and vesting periods. Valuations are calculated based on the Black Scholes and the expense is recognized over the vesting period of each grant.
- Management fees paid to Excel Logistics were $140,000 in the June 2021 quarter, as compared to $75,000 in the same period of 2020.
- Legal and professional fees were $159,241 in the June 2021 quarter, up from $82,410 in the June 2020 quarter. The Company continues to address issues post the closing of the RTO.
- Exchange losses of $43,459 in the June 2021 quarter reflect a stronger Canadian dollar against the US dollar in the June 2021 quarter.
- Advertising and investor relations in the three months ended June 30, 2021 was $32,945 (2020 – $22,062) increased as a result of increased activity in marketing the story of Omai to brokers and investors.
- Reporting and issuer costs in the June 2021 quarter was $41,995 (June 2020 quarter - $nil). This represents fees paid to the regulators and other listing-related costs.

Six months ended June 30, 2021

The Company reported a loss of $3,390,921 ($0.02 per share) for the six months ended June 30, 2021 compared to a loss of $2,430,925 ($0.02 per share) for the six months ended June 30, 2020. Increased exploration, management fees and professional fees in the June 2021 period created most of the increase. Share-based payments in the 2021 period were reduced as compared to those in 2020, due to reduced grants in the 2021 period.

Consolidated Financial Position

This section should be read in conjunction with the unaudited condensed interim consolidated statements of financial position and the unaudited condensed interim consolidated statement of changes in shareholders' equity as at June 30, 2021, and the unaudited condensed interim consolidated statements of cash flows for the six months ended June 30, 2021.

The Company's cash and cash equivalents as at June 30, 2021 was $3,760,073 (December 31, 2020 – $3,605,289).

Consolidated current assets of the Company as at June 30, 2021 were $4,239,805 (December 31, 2020 – $3,823,748), comprising of cash and cash equivalents, HST receivables, prepaid expenses and other receivables.

Total consolidated assets as at June 30, 2021 were $8,235,055 (December 31, 2020 – $7,738,970), which are comprised of current assets of $4,239,805 (December 31, 2020 – $3,823,748), equipment of $98,528 (December 31, 2020 – $18,500) and mineral properties of $3,896,722 (December 31, 2020 – $3,896,722).

Consolidated Cash Flows

The Company realized an increase in cash of $154,784 in the six months ended June 30, 2021. There was no revenue during the period.

The net cash used in operating activities during the six months ended June 30, 2021 was $3,572,527 (2020 – $2,058,736). The net loss for the six months ended June 30, 2021 of $3,390,921 was adjusted for share-based payments of $245,580, accretion on liabilities of $142,354, increase in accounts receivable of $261,273 and decrease in trade and other payables $319,877. Other items contributed $11,610 to operating cash flow.

The Company purchased $89,518 of equipment in the period ended June 30, 2021.

The Company received $3,852,593 from share issuances in 2021. Loan repayments of $35,764 were made in the first six months of 2021.

Liquidity

The Company's activities have been funded to date through equity financing and the Company expects that it will continue to be able to utilize this source of financing until it develops cash flows from operations. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of finance cannot be obtained, then the Company will be forced to curtail such proposed activities to a level for which funding is available and can be obtained. See the "Financial Statements Going Concern Assumption" section above for more details.

As at June 30, 2021, the Company's current assets are comprised of: Cash and cash equivalents of $3,760,073, and other receivables and prepayments of $479,732 (mainly comprising of HST receivable and prepayments on resource work to be completed in 2021). As at June 30, 2021, the Company had working capital of $1,117,366 and shareholder's equity of $5,112,616.

Consolidated Liabilities

Consolidated current liabilities as at June 30, 2021 were $3,112,439 (December 31, 2020– $3,333,606) which are comprised largely of trade and other payables of $659,739 (December 31, 2020 – $979,616), loan payable $Nil (December 31, 2020 – $33,644), current portion of long-term liability of $522,278 (December 31, 2020 – $492,010) and current portion of licence payable $1,940,422 (December 31, 2020 – $1,828,336).

Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operating decisions or by virtue of common ownership. Related parties include the Board of Directors, officers, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions. In accordance with IAS 24 - Related Party Disclosure, 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 (executives and non-executive) of the Company.

a) Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel of the Company are:

Name	Designation
Renaud Adams	Non-Executive Chairman, Director
Nadine Miller	Director
Lon Shaver	Director
Denis Clement	Director
Elaine Ellingham	Director, Interim Chief Executive Officer ("CEO")
Mario Stifano	Former President, CEO, and Director (resigned July 20, 2021)
Harvey McKenzie	Former Chief Financial Officer ("CFO") and Corporate Secretary (resigned August 16, 2021)
Jason Brewster	VP Operations
Dennis LaPoint	Former VP Exploration (resigned August 4, 2021)
Norman McLean	Director at Avalon Gold Exploration (100% owned subsidiary of the Company)
Michael Smith	A former CEO/Director (resigned on October 1, 2020)
Robert deCastro	Former Director (resigned on October 1, 2020)
Kris Sammy	Former Chief Operating Officer ("COO") (resigned on May 8, 2020)

b) The following are the companies that the Company has related party relationships with as a result of the key management personnel and with which the Company has had related party transactions with during the six months ended June 30, 2021 and 2020:

Name	Relationship to the Company
Compass Investment (TC) Ltd.	The Former COO is the President of this company
Guyana Sunrise Mining	The Former COO is a Director of this company
4739 Holdings Ltd.	A Former CEO/Director is a Former Director of this company
Dynamic Equity Fund II Limited	The Owner of 4739 Holdings Ltd.
Smith Holdings LLC	Owned by a Former CEO
Smith & Alfonso, Inc.	Owned by a Former CEO
Midland Trust Company	A former CEO is a trustee
Darscom	The Owner is deemed to be related to Denis Clement
Appalachian Resources LLC	The former VP Exploration is the Owner of this company
Capital Acceleration Fund Limited	Wholly owned by 4739 Holdings Ltd.
Hamrajee Maraj	Director of 4739 Holdings Ltd., Owner and Director of Dynamic Equity Fund II and Capital Acceleration Fund Limited
Excel Logistics & Management Services Ltd. ("Excel Logistics")	A Former CEO/Director and COO are controlling partners

On October 1, 2019, the Company entered into a service agreement with Excel Logistics to provide administrative services in Guyana for a period of 3 years. The management fee paid to Excel Logistics includes a $25,000 monthly fee and 15% markup on the expenses it incurs in the normal course of carrying out mining exploration activities for the Company. The Company will not renew this agreement beyond the end of the current term.

Six months ended June 30,	2021	2020
Director fees and management fees	$ **376,108**	$ -
Director fees and management fees	**-**	413,000
Share-based compensation	**185,252**	259,000
Management fees paid to Excel Logistics	**280,000**	159,772
Share-based compensation (Excel Logistics)	**-**	148,000
Total	$ **841,360**	$ 979,772

As at June 30, 2021, the Company owed $2,285 (December 31, 2020 - $383,770) to the Company's key management personnel or related companies identified above.

During the six-month period ended June 30, 2021, a total of 1,150,000 (six-month period ended June 30, 2020 – 5,500,000) stock options were granted to the key management personnel or companies of the Company identified above.

Directors are entitled to director fees and stock options for their services and officers are entitled to stock options and cash remuneration for their services as outlined in their service contracts with the Company.

As a part of the RTO, the Company assumed a loan payable in the amount of $31,404 (C$41,890), which included C$25,000 of principal amount and C$16,890 of accrued interest. The loan bears an annual interest rate of 15%. As at June 30, 2021, the balance of the loan is $Nil (December 31, 2020 - $33,644).

Outstanding Share Data

At the date of this MDA, June 30, 2021 and December 31, 2020, the Company had the following securities outstanding:

	August 30, 2021	June 30, 2021	December 31, 2020
Common shares	227,120,458	227,120,458	197,708,701
Warrants	36,927,765	36,927,765	36,927,765
Stock options	16,866,676	15,866,676	14,716,676
	280,934,899	279,934,899	249,353,142

Subsequent to June 30, 2021, the Company issued 1,000,000 stock options.

Financial and Other Instruments

The Company's financial asset consists of cash and cash equivalents, which is recorded at FVTPL, and accounts receivable, which is classified and subsequently measured at amortized cost. The Company's financial liabilities trade and other payables, other liabilities, loan from related party, promissory notes payable, license payable and long-term liability, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in net loss. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these instruments approximates their carrying value due to the short-term nature of their maturity.

Significant Accounting Judgments and Estimates

The preparation of these unaudited condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There have been no changes in the significant judgements and estimates used during the six months ended June 30, 2021 as compared to those used to prepare the Company's consolidated financial statements as at and for the year ended December 31, 2020.

Impairment of Non-financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets are impaired. Where such an indication exists, the recoverable amount of the asset is estimated. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels of CGU. The recoverable amount is the higher of an asset's fair value less costs to dispose and value in use (being the present value of the expected future cash flows of the relevant CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

Mineral Exploration and Evaluation Expenditures

The direct costs of acquiring mining properties and licensing rights are capitalized upon acquisition. Exploration and evaluation expenditures are expensed as incurred. Amounts received for the sale of exploration and evaluation assets, for option payments and for exploration advances are netted against the carrying amount of the associated mining property or licensing right and any excess is reflected on the statement of profit and loss. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized.

Decommissioning Liability

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the Company's exploration and evaluation activities. Discount rates using a pre-tax rate that reflects the risk and the time value of money are used to calculate the net present value. These costs are charged against profit or loss as exploration and evaluation expenditures and the related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

The Company has no restoration, rehabilitation and environment costs as at June 30, 2021 and December 31, 2020.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Financial Instruments

Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

i) those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and
ii) those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

i) amortized cost;
ii) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
iii) FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company's financial asset consists of cash and cash equivalents and accounts receivable, which are classified and subsequently measured at amortized cost.

The Company's financial liabilities trade and other payables, debt purchased, loan from related party, promissory notes payable and long-term liability, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in net loss.

Impairment

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

Financial Instruments Recorded at Fair Value

The Company categorizes its financial assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs used in the measurement.

- Level 1: This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date.
- Level 2: This level includes valuations determined using directly or indirectly observable inputs other than quoted prices included within Level 1. Derivative instruments in this category are valued using models or other standard valuation techniques derived from observable market inputs.
- Level 3: This level includes valuations based on inputs which are less observable, unavailable or where the observable data does not support a significant portion of the instruments' fair value.

The following table shows the levels within the hierarchy of financial assets measured at fair value at June 30, 2021 and December 31, 2021:

	Level	June 30, 2021	December 31, 2020
Cash and cash equivalents	1	$3,760,073	$3,065,289

New and Amended Accounting Policies

The Company has adopted the following new and revised IFRS standards and amendments, effective January 1, 2020. These changes were made in accordance with the applicable transitional provisions, but their adoption had no impact on the consolidated financial statements of the Company.

IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Estimates and Errors ("IAS 8")

Effective January 1, 2020, the Company has adopted the amendments in Definition of Material (amendments to IAS 1 and IAS 8). The amendments to IAS 1 and IAS 8 clarify the definition of 'material' and aligns the definition used within the IFRS Standards. The application of the amendments did not have an impact on the Company.

IFRS 3 – Business Combinations ("IFRS 3")

Effective January 1, 2020, the Company has adopted the amendments to IFRS 3 which narrow and clarify the definition of a business and provide for an optional simplified initial assessment of whether an acquired group of assets is a single identifiable group of assets, rather than a business. The application of the amendment has been made on a prospective basis and has not had an impact on the Company.

New Accounting Standards Issued but Not Effective

There were no new accounting standards issued during the quarter that are significant to the Company.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements at the date of this MD&A.

Commitments

The table below summarizes the maturity profile of the Company's financial liabilities as at June 30, 2021 based on contractual payments:

	Total	Up to 1 year	1 to 5 years	>5 years
Operating purchase commitments (Excel Logistics)	$ 375,000	$ 300,000	$ 75,000	$ -
Equipment and operator agreement in Guyana	72,000	72,000		
Trade and other payables	149,739	149,739	-	-
Loans from related parties	-	-	-	-
Other liabilities	510,000	510,000	-	-
License payable	2,000,000	2,000,000	-	-
Total	$ 3,106,739	$ 3,031,739	$ 75,000	$ -

In addition to the amounts included in the table above, the Company entered into the following commitments:

In January 2021, the Company entered into a drilling service agreement with a service provider in Guyana for a minimum drill program of 5,000 meters at a variable cost per meter drilled and to be recognized as a preferred vendor for a long-term drill program through December 31, 2022.

Management's Responsibility for MD&A

The information provided in this MD&A, including the consolidated financial statements, is the responsibility of management. In the preparation of these consolidated financial statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying consolidated financial statements.

Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

Qualified Person

Unless stated otherwise herein, all scientific and technical data contained in this MD&A has been reviewed, approved and verified by John Spurney who is a "Qualified Person" within NI 43-101 and is a Certified Professional Geologist (CPG). Mr. Spurney is a consultant to the Company.

Internal Controls Over Financial Reporting

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence that: (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented. In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the corresponding certificate for venture issuers does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers of the Company do not make any representations relating to the establishment and maintenance of:

i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with IFRS.

The Company's CEO and CFO are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the corresponding certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risk Factors

Omai is subject to a number of risks due to the nature of the business of mineral exploration and the early stage of its development. The following risk factors are provided from the perspective of the Company.

Exploration, Development and Production Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations, there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in any establishment or increase in the Company's resource base.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activities, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The remoteness and restrictions on access of properties in which the Company will have or has an interest will have an adverse effect on profitability as a result of higher infrastructure costs. There are also physical risks to the exploration personnel working in the terrain in which the Company's properties are located, often in poor climate conditions.

The long-term commercial success of the Company depends on their ability to find, acquire, develop and commercially produce gold and other precious metals. No assurance can be given that the Company will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic.

The Company has relied upon historical data compiled by previous parties involved with the properties. To the extent that any of such historical data may be inaccurate or incomplete, the Company's exploration plans may be adversely affected

Access to the Omai Gold Mine in Guyana is available through public roads which requires a ferry boat river crossing. If the ferry service ceases to operate, the Company may face additional expenses related to transportation.

No History of Mineral Production

The Company has no history of commercially producing metals from their mineral exploration properties and there can be no assurance that it will successfully establish mining operations or profitably, produce gold or other precious metals. None of the Company's properties are currently under development or production. The future development of any properties found to be economically feasible will require the construction and operation of mines, processing plants and related infrastructure.

Title Risks

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to mineral properties, as well as the location of boundaries on the grounds may be disputed. Moreover, additional amounts may be required to be paid to surface right owners in connection with any mining development. At all of such properties where there are current or planned exploration activities, the Company believe that they have either contractual, statutory, or common law rights to make such use of the surface as is reasonably necessary in connection with those activities.

Title insurance generally is not available for mining claims in Canada and Guyana, and the Company's ability to ensure that they have obtained secure claim to individual mineral properties or mining concessions may be severely constrained. The Company has not conducted surveys of all the claims in which it holds direct or indirect interests; therefore, the precise area and location of such claims may be in doubt. Accordingly, the properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate the properties as permitted or to enforce its rights with respect to its properties.

Under the laws of the jurisdictions where the Company's operations and projects are located, mineral resources belong to the state and governmental concessions are required to explore for, and exploit, mineral reserves. The Company holds exploration concessions in each of the jurisdictions where it is operating with respect to its projects and prospects. While the Company has not been advised of any proposed termination of any of its concession, the concessions held by the Company in respect of its operations and projects may be terminated under certain circumstances, including if certain fees are not paid, certain terms of the concessions or mining legislation governing such concessions are not complied with, or if environmental requirements are not met. Termination of any one or more of the Company's exploration concessions could have a material adverse effect on the Company's financial condition or results of operations.

Substantial Capital Requirements

The management of the Company anticipate that they may make substantial capital expenditures for the acquisition, exploration, development and production of its properties in the future. As the Company will be in the exploration stage with no revenue being generated from the exploration activities on its mineral properties, they may have limited ability to raise the capital necessary to undertake or complete future exploration work, including drilling programs. There can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. Moreover, future activities may require the Corporation to alter its capitalization significantly. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on its financial condition, results of operations or prospects. In particular, failure to obtain such financing on a timely basis could cause the Company to forfeit their interest in certain properties, miss certain acquisition opportunities and reduce or terminate operations.

The only source of future funds for further exploration programs, or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, which are presently available to the Company are the sale of equity capital or the offering by the Company of an interest in its exploration and evaluation assets to be earned by another party carrying out further exploration. Management has been successful in accessing equity markets in the past, but there is no assurance that such sources will be available on acceptable terms in the future. Future issuance of equity capital may have a substantial dilutive effect on existing shareholders of the Company. The Company is not able at this time to predict the future of such issuance or dilution.

Competition

The mining industry is highly competitive. Many of the Company's competitors for the acquisition, exploration, production and development of gold and other precious and base metals, and for capital to finance such activities, will include companies that have greater financial and personnel resources available to them.

Volatility of Mineral Prices

Metal prices fluctuate considerably and are affected by numerous factors beyond the Company's control, such as industrial demand, inflation and expectations with respect to the rate of inflation, the strength of the U.S. dollar and of other currencies, interest rates, forward sales by producers, production and cost levels and changes in investment trends. Gold prices are sometimes subject to rapid short-term changes because of speculative activities. If these prices were to decline significantly or for an extended period of time, the Company might be unable to continue its operations, develop its properties or fulfill its obligations under its agreements with its partners or under its permits and licences. As a result, the Company might lose its interest in, or be forced to sell, some of its properties. In the event of a sustained, significant drop in gold prices, the Company may be required to re-evaluate its assets, resulting in reduced estimates of reserves and resources and in material write-downs of the Company's or Avalon's investment in mining properties and increased amortization, reclamation and closure charges. Furthermore, since gold prices are established in US dollars, a significant increase in the value of the Canadian dollar relative to the US dollar coupled with stable or declining gold prices could adversely affect the Company's results with respect to development of and eventual sale of these metals. Currency fluctuations may affect some of the Company's future operations, financial positions and results. The Company's financial results are reported in United States dollars and the majority of its funds are held in United States dollars accounts. The majority of the Company's costs to date are in United States dollars. However, if the Company expands its activities in Guyana or Canada the Company will have increased exposure to fluctuations in the United States dollar against other foreign currencies.

Mineral Reserves / Mineral Resources

All of the properties in which the Company hold an interest are considered to be in the early exploration stage only and do not contain a known body of commercial minerals. No mineral resources have been established at the Company's properties and there is no assurance any such resources will be established in the future. Mineral reserves are, in the large part, estimates and no assurance can be given that any future anticipated tonnages and grades, if any, will be achieved or that any indicated level of recovery will be realized.

Any future figures will be determined based upon assumed metal prices and operating costs. Future production could differ dramatically from reserve estimates for, among other reasons:

- mineralization or formations could be different from those predicted by drilling, sampling and similar examinations;
- increases in operating mining costs and processing costs could adversely affect resources and reserves;
- the grade of the resources and reserves may vary significantly from time to time and there is no assurance that any particular level of metals may be recovered from the ore; and
- declines in the market price of the metals may render the mining of some or all of the reserves uneconomic.

Estimated mineral resources and reserves may require downward revisions based on changes in metal prices, further exploration or development activity, increased production costs or actual production experience. This could materially and adversely affect any future estimates of the tonnage or grade of mineralization, estimated recovery rates or other important factors that influence mineral resource and reserve of estimates.

Any reduction in estimated mineral reserves or estimated resources, if any, as a result could require material write downs in investment in the affected mining property and increased amortization, reclamation and closure charges, which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Because the Company has not commenced production at any of their properties, and have not defined or delineated any mineral resources or proven or probable reserves on any of its properties, any future mineralization estimates for the Company's properties may require adjustments or downward revisions based upon further exploration or development work or actual production experience. In addition, the grade of ore ultimately mined, if any, may differ from that indicated by drilling results. There can be no assurance that minerals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale.

Extended declines in market prices for gold or other metals may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on Company's results of operations or financial condition, as well as the market price of their respective securities.

Global Financial Conditions

Current global financial conditions have been subject to increased volatility and access to financial markets has been severely restricted. These factors may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, on terms favorable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the value and the price of the Company's Shares could continue to be adversely affected. A weak or declining economy could strain our suppliers, possibly resulting in supply disruption, or cause delays in payments for our services by third-party payors. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current our future economic climate and financial market conditions could adversely impact our business.

The World Health Organization declared COVID-19 to be a pandemic on March 11, 2020. COVID-19 has spread globally, and actions taken in response to COVID-19 have interrupted business activities and supply chains; disrupted travel; contributed to significant volatility in the financial markets, resulting in a general decline in equity prices and lower interest rates; impacted social conditions; and adversely impacted local, regional, national and international economic conditions, as well as the labor market.

To date, COVID-19 has not had any significant impact on the Company's operations other than to cause intermittent delays in activity due to quarantine. However, the Company is actively monitoring and implementing necessary precautions at its exploration sites and offices in response to quarantine directions.

Environmental Risks

All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

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

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

Property Interests

The agreements pursuant to which the Company hold its rights to certain of its properties, provide that the Company must make certain cash payments and/or incur certain exploration expenditures over certain time periods. If the Company fails to make such payments in a timely manner, the Company may lose all or a portion of their respective interests in those projects.

Permits and Licences

The activities of the Company are subject to government approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters, including issues affecting local native populations. Although the Company believe that their activities are currently, and the Company's will be, carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the mining licences and permits issued in respect of their respective projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licences. In the event of revocation, the value of the Company's investments in such projects may decline.

Country Risk

The Company could be at risk regarding any political developments in the countries which it operates. At present, the Company is active in Canada, Barbados and Guyana. The Company's mineral exploration in Guyana, may be adversely affected by political instability, legal and economic uncertainty in the countries where the Corporation operates or has plans to operate. These risks may include: political unrest; labor disputes; invalidation of governmental orders and permits; corruption; war and civil disturbances; terrorist activities; arbitrary changes in laws; regulations; policies; taxation; price controls; exchange controls; delays in or the inability to obtain necessary permits; opposition to mining from environmental activists or other non-governmental organizations; limitations on foreign ownership; limitations on the repatriation of earnings; limitation on mineral exports and increase financing costs. These risks may limit or disrupt the Company's projects, restrict the movement of funds or result in the deprivation of contractual rights. Failure to raise capital when needed would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Regulatory Requirements

Mining operations, development and exploration activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labor standards, occupational health, waste disposal, environmental protection and remediation, protection of endangered and protected species, mine safety, toxic substances and other matters. Changes in these regulations or in their application are beyond the control of the Company and could adversely affect its operations, business and results of operations.

Government approvals and permits are currently, and may in the future be, required in connection with the exploration and evaluation assets. To the extent such approvals are required and not obtained, the Company may be restricted or prohibited from proceeding with planned exploration or development activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or require abandonment or delays in development of properties or reductions in levels of production at producing properties.

Reliance on Key Management Personnel, Employees and Executives

The Company will be dependent upon the continued support and involvement of a small number of key management personnel. The loss of the services of one or more of such personnel could have a material adverse effect on the Company. The Company's ability to manage its exploration activities and, hence, its success, will depend in large part on the efforts of these individuals. The Company faces intense competition for qualified personnel and there can be no assurance that the Company will be able to attract and retain such personnel. The number of persons skilled in the acquisition of, exploration of exploration and evaluation assets is limited and competition for such persons is intense.

The success of the Company will be largely dependent upon the performance of its management and key employees. In assessing the risk of an investment in Company, potential investors should realize that they are relying on the experience, judgment, discretion, integrity and good faith of the management of the Company. The Company does not, nor does it foresee that it will, maintain life insurance policies in respect of its key personnel. The Company could be adversely affected if such individuals do not remain with the Company. Guyana is an emerging market where mining expertise is limited and competition for qualified nationals is particularly intense.

Possible Conflicts of Interest of Directors and Officers of the Company

Certain of the directors and officers of the Company also serve as directors, officers and/or advisors of and to other companies involved in natural resource exploration and supporting services. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. The Company expects that any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders, but there can be no assurance in this regard. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest with or which are governed by the procedures set forth in the OBCA and any other applicable law.

Absence of Dividends

To date, Company has not paid any dividends on its outstanding shares. Any decision to pay dividends on the shares of the Company will be made by its board of directors on the basis of its earnings, financial requirements and other conditions.

Market for Securities

There can be no assurance that an active trading market in the Company's securities will be sustained. The market price for the Company's securities could be subject to wide fluctuations. Factors such as precious metal commodity prices, government regulation, interest rates, share price movements of the Company's peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Corporation. The stock market has from time-to-time experienced extreme price and volume fluctuations, particularly in the mining sector, which have often been unrelated to the operating performance of particular companies.

History of Losses

The Company has not received any revenue to date from the exploration activities on its properties. The Company incurred losses during their most recently completed financial year. The Company has not found that commercial mining activity is warranted on any of their properties. Even if the Company does undertake development activity on any of the Company's properties, there is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

The exploration of the Company's properties depends on its ability to obtain additional required financing. There is no assurance that the Corporation will be successful in obtaining the required financing, which could cause it to postpone its exploration plans or result in the loss or substantial dilution of its interest in its properties.

Uninsured Risks

The Company, as a participant in mining and exploration activities, may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs. Furthermore, the Corporation may incur a liability to third parties (in excess of any insurance coverage) arising from negative environmental impacts or any other damage or injury.

Cyber Security Threats

Information systems and other technologies, including those related to the Company's financial and operational management, are an integral part of the Company's business activities. Network and information systems-related events, such as computer hackings, cyber-attacks, computer viruses, worms or other destructive or disruptive software, process breakdowns, denial of service attacks, malicious social engineering or other malicious activities, or any combination of the foregoing, or power outages, natural disasters, terrorist attacks or other similar events, could result in damage to the Company's property, equipment and data. These events also could result in significant expenditures to repair or replace the damaged property or information systems and/or to protect them from similar events in the future.

Further, any security breaches, such as misappropriation, misuse, leakage, falsification or accidental release or loss of information maintained in the Company's information technology systems, including personnel and other data, could damage its reputation and require the Company to expend significant capital and other resources to remedy any such security breach. Insurance maintained by the Company against losses resulting from any such events or security breaches may not be sufficient to cover any consequent losses or otherwise adequately compensate the Company for any disruptions to its business that may result, and the occurrence of any such events or security breaches could have a material adverse effect on the business of the Company. There can be no assurance that these events and security breaches will not occur in the future or not have an adverse effect on the business of the Company.

Compliance with Anti-Corruption Laws

The Company is subject to various anti-corruption laws and regulations including but not limited to the Canadian Corruption of Foreign Public Officials Act 1999. In general, these laws prohibit a company and its employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. The Company's primary operations are located in Guyana and, according to Transparency International, the country of Guyana is perceived as having fairly high levels of corruption relative to the selected sample of countries around the world. The Company cannot predict the nature, scope or effect of future regulatory requirements to which its operations might be subject or the manner in which existing laws might be administered or interpreted. Failure to comply with the applicable legislation and other similar foreign laws could expose the Company and its senior management to civil and/or criminal penalties, other sanctions and remedial measures, legal expenses and reputational damage, all of which could materially and adversely affect the Company's business, financial condition and results of operations. Likewise, any investigation of any potential violations of the applicable anti-corruption legislation by Canadian or foreign authorities could also have an adverse impact on the Company's business, financial condition and results of operations, as well as on the market price of the Common Shares. As a consequence of these legal and regulatory requirements, the Company has instituted policies with regard to the code of business conduct and ethics. There can be no assurance or guarantee that such efforts have been and will be completely effective in ensuring the Company's compliance, and the compliance of its employees, consultants, contractors and other agents, with all applicable anti-corruption laws.

Other Information

Additional information about the Company is available on the Company's website (www.omaigoldmines.com) and (www.sedar.com).