

TRANSCONTINENTAL GOLD CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2020

Background

This discussion and analysis of financial position and results of operations ("MD&A") is prepared as at November 30, 2020 and should be read in conjunction with unaudited condensed interim financial statements for the nine months ended September 30, 2020 of Transcontinental Gold Corp. (the "Company" or "Transcontinental") with the related notes thereto. Those condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made.

Forward-Looking Statements

This MD&A contains forward-looking statements concerning anticipated developments on the Company's continuing operations, the adequacy of the Company's financial resources, financial projections, including, but not limited to, estimates of capital and operating costs, mining activities, production, grades, processing rates, life of mine, net cash flows, net present value, internal rate of return, metal prices, exchange rates, reclamation costs, results of the drill program, the conversion of mineral properties to reserves and resources and other events or conditions that may occur in the future. Forward-looking statements are frequently, but not always, identified by words such as "expects," "anticipates," "believes," "intends," "estimates," "potential," "possible," "budget" and similar expressions, or statements that events, conditions or results "will," "may," "could" or "should" occur or be achieved. Information concerning the interpretation of drill results and mineral resource and reserve estimates also may be deemed to be forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those described in this MD&A.

Forward-looking statements are subject to all of the risks and uncertainties normally incident in a public shell company looking for completing a transaction, which may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The major risk is that the Company currently has no business operations and intends to seek new ventures or other opportunities which could include acquiring a business or assets, which could require additional debt or equity financing.

With respect to the forward-looking statements contained in this MD&A, assumptions have been made regarding, among other things: the proposed qualifying transaction; the Company's ability to close the

transaction and receive regulatory approval as proposed; the Company's ongoing operating results; and the Company's ability to obtain future financing on acceptable terms.

Although the Company believes that the material factors, expectations and assumptions expressed in such forward-looking statements are reasonable based on information available to it on the date such statements were made, no assurances can be given as to future results, levels of activity and achievements and such statements are not guarantees of future performance. The Company's actual results may differ materially from those expressed or implied in forward-looking statements and readers should not place undue importance or reliance on the forward-looking statements. Statements including forward-looking statements are made as of the date they are given and, except as required by applicable securities laws, the Company disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

Company Overview

Transcontinental Gold Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on July 25, 2016. The Company is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The Company proposes initially to identify and evaluate businesses and assets that have profit potential and, once identified, to pursue discussions with a view to completing a Qualifying Transaction. The Company has not commenced commercial operations and has no significant assets other than cash. Until such time as the Company completes a Qualifying Transaction as required by the TSX-V, corporate expenditures will be restricted to costs of raising equity financing, administrative costs to maintain the Company in good standing and costs to identify and evaluate potential business opportunities.

On September 26, 2017, the Company completed its initial Public Offering ("IPO") and issued 3,000,000 common shares at a price of \$0.10 per share for total proceeds of \$300,000. Pursuant to an Agency Agreement between the Company and Haywood Securities Inc. (the "Agent"), the Agent received a cash commission of \$30,000, a corporate finance fee of \$10,500 and \$1,500 for expense reimbursement. Effective September 28, 2017, the date that the Company's common shares are listed for trading on the TSX-V, the Company issued Agents' warrants to acquire 300,000 common shares at \$0.10 per share, which expired on September 28, 2019.

Upon completion of the IPO, the Company granted 608,000 stock options to officers and directors of the Company with an exercise price of \$0.10 per share expiring September 28, 2027.

Proposed Qualifying Transaction

On January 8, 2018, the Company entered into a letter of intent ("LOI") with Marvel Dragon Holdings Limited ("Marvel Dragon") to acquire all of the outstanding common shares of Marvel Dragon as its proposed Qualifying Transaction (the "Transaction") to become a Tier 2 Mining Issuer on the TSX-V.

Marvel Dragon is a private corporation incorporated under the laws of Hong Kong. Pursuant to the terms of a Joint Venture Agreement dated April 25, 2017 between Marvel Dragon and Vatukoula Gold Mines Limited ("Vatukoula"), Marvel Dragon beneficially owns 55% of the issued and outstanding common shares of Goldbasin Mining (Fiji) Pte Limited ("Goldbasin") and Vatukoula holds 45% of Goldbasin. Goldbasin holds a 100% interest in 3 mineral claims (the "Property") located in Fiji.

Per the terms of the LOI, the Company proposes to issue to the shareholders of Marvel Dragon 22,000,000 common shares in the capital of the Company and acquire all of Marvel Dragon's share purchase warrants

outstanding in exchange for 4,400,000 share purchase warrants of the Company exercisable at a price of \$0.15 per warrant share. In August 2019, Marvel Dragon cancelled all the 4,400,000 warrants.

Concurrent with the closing of the Transaction, the Company proposes to complete a non-brokered offering to raise gross proceeds between \$2,000,000 and \$2,500,000.

On April 15, 2019, the Company entered into a Letter of Agreement for TSX-V Sponsorship (the "Letter of Agreement") with Haywood Securities Inc. ("Haywood") to assist the Company in the Transaction by acting as its sponsor pursuant to the Policies of the TSX-V.

Scope of Assignment: The Sponsor will conduct due diligence and a review of the Company and Marvel Dragon for the purposes of providing the TSX-V with a sponsorship letter on which the TSX-V will consider the Transaction.

Sponsorship: Subject to being satisfied with the results of its due diligence procedures in accordance with TSX-V policies, Haywood will act as sponsor to the Company for the Transaction pursuant to the policies of the TSX-V.

In 2019 the Company paid a Sponsorship Fee of \$97,892 in cash to the Sponsor.

Quarterly Information

Results for the most recent quarters ending with the last quarter for the three months ending on September 30, 2020 are:

	3rd Quarter September 30, 2020	2nd Quarter June 30, 2020	1st Quarter March 31, 2020	4th Quarter December 31, 2019
Net Loss	\$26,279	\$9,303	\$3,000	\$111,600
Basic and diluted loss per share	\$(0.01)	\$(0.00)	\$(0.00)	\$(0.02)
Total assets	\$129,694	\$115,579	\$135,948	\$139,230
Working capital	\$36,725	\$53,004	\$72,307	\$75,307

	3rd Quarter September 30, 2019	2nd Quarter June 30, 2019	1st Quarter March 31, 2019	4th Quarter December 31, 2018
Loss	\$40,912	\$54,281	\$5,797	\$5,944
Basic and diluted loss per share	\$(0.01)	\$(0.01)	\$(0.00)	\$(0.00)
Total assets	\$222,670	\$235,200	\$288,298	\$296,452
Working capital	\$186,907	\$227,819	\$282,100	\$287,897

Results of Operations

The Company reported losses of \$38,582 for the nine-month period ended September 30, 2020. The major factors contributing to the losses are \$15,466 of accounting fees accrued to accounting and 2019 audit fees, \$3,000 of legal fees, \$3,951 of office expenses, 9,770 of filing fees accrued to SEDAR fees and PIF filing fees, and \$6,395 of transfer agent cost.

The Company reported losses of \$100,990 for the nine-month period ended September 30, 2019. The major factors contributing to the losses are \$52,007 of filing fees accrued to SEDAR fees, sponsorship fee

and PIF filing fees; \$30,000 of legal fees accrued to the Proposed Qualifying Transaction, \$1,294 of office expenses, \$3,412 of transfer agent cost, and \$14,277 of accounting and audit fees.

For the three-month period ended September 30, 2020, the Company reported losses of \$26,279. The major factors contributing to the losses are \$11,691 of 2019 audit fees, \$1,084 of office expenses, 9,770 of filing fees accrued to SEDAR fees and PIF filing fees, and \$3,734 of transfer agent cost.

The Company reported losses of \$40,912 for the three-month period ended September 30, 2019. The major factors contributing to the losses are \$30,000 of legal fees accrued to the Proposed Qualifying Transaction; \$835 of transfer agent cost, and \$10,077 of accounting and audit fees.

Financial Condition including Cash Flows, Liquidity and Capital Resources

At September 30, 2020, working capital was \$36,725. Cash at the end of the current period was \$109,694, compared with \$139,230 as at December 31, 2019. The decrease of cash of \$29,536 was cash used in operating activities.

Other than accounts payable and accrued liabilities, the Company does not otherwise have any outstanding commitments and has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. Based on current information, the Company anticipates that its working capital is sufficient to meet its expected ongoing obligation for the coming year.

Transactions with Related Party

Details of the transactions between the Company and other related parties are disclosed below.

Trading transactions

The Company's related parties consist of companies owned by executive officers or related through common directors. There were no other related party transactions during the nine months ended September 30, 2020 and 2019.

Related party liabilities

The Company does not have amounts owing to or from related parties as of September 30, 2020 and December 31, 2019.

Outstanding Share Data

The following table summarizes the Company's outstanding share data as of the date of this MD&A:

	Number of shares Issued or issuable
Common shares	7,080,000
Stock options	608,000

Escrowed shares

As at the date of this MD&A, the Company has 7,080,000 common shares (December 31, 2019 – 7,080,000) outstanding, 3,100,000 shares (December 31, 2019 – 3,100,000) of which are held in escrow and contingently cancellable. These common shares will be held in escrow and will be released pro-rata to the shareholders as to 10% of the escrowed shares upon issuance of notice of final acceptance of a Qualifying Transaction by the TSX-V, and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These escrowed shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities. If the Company does not receive final acceptance of a Qualifying Transaction and is delisted, the shares may be cancelled and the proceeds returned to the shareholders.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Financial Instruments and Risk Management

As at September 30, 2020, the Company's financial instruments comprise cash and accounts payable and accrued liabilities. The fair value of accounts payable and accrued liabilities approximates its carrying value due to its short-term to maturity.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash that is invested in asset backed commercial paper.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures there is sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company believes that these sources are sufficient to cover the likely short-term cash requirements, but that further funding will be required to meet long-term requirements. As at September 30, 2020, the Company had a cash balance of \$109,694 to settle current liabilities of \$92,969. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i. Interest rate risk

Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company currently has no interest-bearing financial instruments other than cash, so its exposure to interest rate risk is insignificant.

ii. Foreign currency risk

Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has no assets or liabilities and has no revenue or expenses denominated in a foreign currency, so it is not exposed to foreign currency risk.

iii. Equity price risk

Equity price risk arises from market fluctuations in equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk is limited to declines in the values and volumes including those of its own shares, which could impede its ability to raise additional funds when required.

Capital Management

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at September 30, 2020, the Company's shareholders' equity was \$36,725 and it had \$92,969 in current liabilities. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The capital for expansion was mostly from proceeds from the issuance of common shares. The net proceeds raised will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a Qualifying Transaction. Additional funds may be required to finance the Company's Qualifying Transaction.

The Company's capital management objectives, policies and processes have not been changed over the period presented. The Company is not subject to any externally imposed capital requirements.

Critical Judgments and Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates on the resulting effects of the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

All of the Company's significant accounting policies and estimates are included in Note 3 and 4 of its annual financial statements for the year ended December 31, 2019.

Accounting Standards issued but not yet applied

At the date of approval of these financial statements a number of standards and interpretations have been issued, which are not yet effective. The Company considers these new standards and interpretations are either not applicable to the Company's operations or are not expected to have a material impact on the Company's financial statements.

Risks and Uncertainties

The Company is actively trying to identify a potential Qualifying Transaction and currently has no source of recurring income. The Company has not commenced commercial operations, and has no significant assets other than cash, has no history of earnings and shall not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction. Until the completion of a Qualifying Transaction, the Company is not permitted to carry on any other business other than the identification and evaluation of potential Qualifying Transactions.

There can be no assurances that the Company will continue to be able to obtain adequate financing in the future or that the terms of such financing will be favorable. The Company's success depends to a certain degree upon key members for the management. It is expected that these individuals will be a significant factor in our growth and success. The loss of the service of members of the management team or certain key employees could have a material adverse effect on the Company.

Corporate Governance

The Company's Board of Directors and its committees substantially follow the recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The current Board is comprised of six individuals, one of whom is an executive officer of the Company.