**TRANSCONTINENTAL GOLD CORP.**
**MANAGEMENT'S DISCUSSION AND ANALYSIS**
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2022**

## Background

This discussion and analysis of financial position and results of operations ("MD&A") is prepared as at November 24, 2022 and should be read in conjunction with unaudited condensed interim financial statements for the nine months ended September 30, 2022, and the audited financial statements as at December 31, 2021 and 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, and estimates of capital and operating costs. 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.

**Loan Received**

In 2021, the Company entered into two $50,000 unsecured loan agreements to secure debt financing of $100,000 in total. One of the loans was with an arms' length lender and the other loan was received from an entity controlled by a director of the Company. The loans bear interest at 10% per year and due on demand.

During the nine months ended September 30, 2022, the Company received an additional of $30,000 unsecured loan from the same entity controlled by a director of the Company. The loan bears interest at 10% per year and due on demand.

As of September 30, 2022, the loans payable totaled $146,620 (December 31, 2021 – $107,332), which included a principal amount of $130,000 (December 31, 2021 – $100,000) and accrued interest expense of $16,620 (December 31, 2021 – $7,332). For the nine months ended September 30, 2022, the interest expense of $9,288 (2021 - $4,832) was recorded.

## 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.

On September 14, 2021, the Company received a termination letter from Marvel Dragon to terminate the LOI.

## Quarterly Information

Results for the most recent quarters ending with the last quarter for the three months ending on September 30, 2022 are:

| | **3rd Quarter September 30, 2022** | **2nd Quarter June 30, 2022** | **4th Quarter December 31, 2021** | **3rd Quarter September 30, 2021** |
|---|---|---|---|---|
| Net Loss | $24,345 | $9,254 | $9,847 | $121,063 |
| Basic and diluted loss per share | $(0.01) | $(0.00) | $(0.00) | $(0.01) |
| Total assets | $5,875 | $14,292 | $27,091 | $11,508 |
| Working capital (deficiency) | $(381,189) | $(356,844) | $(347,590) | $(337,743) |

| | **3rd Quarter September 30, 2021** | **2nd Quarter June 30, 2021** | **1st Quarter March 31, 2021** | **4th Quarter December 31, 2020** |
|---|---|---|---|---|
| Loss | $42,361 | $59,945 | $74,916 | $76,183 |
| Basic and diluted loss per share | $(0.01) | $(0.01) | $(0.02) | $(0.02) |
| Total assets | $11,748 | $53,180 | $64,675 | $69,037 |
| Working capital (deficiency) | $(216,680) | $(174,319) | $(114,374) | $(39,458) |

## Results of Operations

The Company reported losses of $43,446 for the nine months ended September 30, 2022. The major factors contributing to the losses are the $6,207 of accounting and auditing expenses, $7,269 of filing fees paid to TSX-V, $735 of bank charges, $10,764 of interest expenses, $14,439 of legal fees, and $5,737 of transfer agent costs, offset by $1,705 of sponsor fee recovery.

The Company reported losses of $177,222 for the nine-month period ended September 30, 2021. The major factors contributing to the losses are $11,930 of accounting fees, $79,313 of legal fees, $8,223 registration and filing fees, $66,000 of sponsor fees, and $6,479 of transfer agent cost.

The Company reported losses of $24,345 for the three months ended September 30, 2022. The major factors contributing to the losses are the $1,575 of accounting expenses, $14,439 of legal fees, $4,728 of interest expenses, and $3,351 of transfer agent costs.

For the three-month period ended September 30, 2021, the Company reported losses of $42,361. The major factors contributing to the losses are $1,575 of accounting fees, $2,740 of bank charges and interest expenses, $35,000 of sponsor fees, and $3,046 of transfer agent cost.

The higher costs in the three and nine-period ended September 30, 2021 were related to proposed Qualifying Transaction which was terminated on September 14, 2021.

## Financial Condition including Cash Flows, Liquidity and Capital Resources

At September 30, 2022, negative working capital was $381,189 (December 31, 2021 - $337,743). Cash at the end of period ended September 30, 2022 was $5,875, compared with $9,729 as at December 31, 2021.

Cash used in operation activities was $33,854 during the nine months ended September 30, 2022 compared with $135,763 during the same time period of last year.

Cash provided by financing activities from unsecured loans was $30,000 during the nine months ended September 30, 2022 compared with $100,000 during the same time period of last year.

As at September 30, 2022, the Company had a cash balance of $5,875, which is not sufficient to settle current liabilities of $387,064.

## 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. During the nine months ended September 30, 2022, the Company received a $30,000 (2021 - $100,000) unsecured loan from an entity controlled by a director of the Company. The loans bear interest at 10% per year and due on demand.

### Related party liabilities

As of September 30, 2022, there was a loan payable balance of $88,038 (December 31, 2021 - $52,500) owing to an entity controlled by a director of the Company. The loan payable was total $88,038 which included a principal amount of $80,000 (December 31, 2021 – $50,000) and accrued interest expense of $8,038 (December 31, 2021 – $2,500). The loans bear interest at 10% per year and due on demand.

## 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 |

<u>Escrowed shares</u>

As at the date of this MD&A and September 30, 2022, the Company has 7,080,000 common shares (December 31, 2021 – 7,080,000) outstanding, 3,100,000 shares (December 31, 2021 – 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 25% 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 25% every six months thereafter for a period of 18 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, 2022, 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, 2022, the Company had a cash balance of $5,875, which is not sufficient to settle current liabilities of $387,064. 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, 2022, the Company's shareholders' deficit was $(381,189) and it had $387,064 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, 2021 and 2020

**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 three individuals, one of whom is an executive officer of the Company.