

GOLD **INTERCONTINENTAL**

INTERCONTINENTAL GOLD AND METALS LTD.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2019**



Introduction

The following Interim Management Discussion & Analysis (“Interim MD&A”) of Intercontinental Gold and Metals Ltd. (the “Company”, “Intercontinental Gold”) has been prepared to provide material updates to the business operations, liquidity and capital resources of the Corporation since its last management discussion & analysis, being the Management Discussion & Analysis (“Annual MD&A”) for the period ended December 31, 2018. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with Annual MD&A, the audited annual financial statements of the Company for the period and year ended December 31, 2018 and March 31, 2017 and the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2019, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the three and six months ended June 30, 2019 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at August 5, 2019 unless otherwise indicated.

The unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2019, have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

For the purposes of preparing this Interim 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 Intercontinental Gold’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.

Further information about the Company and its operations is available on SEDAR at www.sedar.com.

Caution Regarding Forward-Looking Statements

This Interim 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”) and certain estimates and assumptions that were considered reasonable on August 5, 2019; actual results may differ materially. 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 state 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 Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement.

INTERCONTINENTAL GOLD AND METALS LTD.

INTERIM MANAGEMENT DISCUSSION AND ANALYSIS – FOR THE THREE and SIX MONTHS ENDED JUNE 30, 2019
DATED AUGUST 5, 2019

Forward-looking statements	Assumptions	Risk factors
The Company may require additional capital in order to meet its ongoing operating expenses and growth objectives for the period ending June 30, 2020	The operating period for the twelve-month period ending June 30, 2020 and the strategy change and the costs associated therewith, will be consistent with Intercontinental Gold's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favorable to Intercontinental Gold	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.
The Company's ability to meet its working capital needs at the current level for the twelve months ending June 30, 2020 The Company's cash balance at June 30, 2019, may not be sufficient to fund its growth at current levels. At the date hereof, the Company's cash balance remains allocated primarily in support normal business operations.	The operating activities of the Company for the twelve-month period ending June 30, 2020, and the costs associated therewith, will be dependent on executing on our current business plan, consistent with Intercontinental Gold's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favorable to Intercontinental Gold.	Adverse changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions
Management outlook regarding future trends	Financing will be available for the Company's growth objectives and development of its gold trading and refining business.	Interest rate and exchange rate fluctuation and political and economic conditions
Asset values for the period ended June 30, 2019 were not left to be impaired	Management's belief that no further write-down is required for its assets resulting from continuing efforts to raise capital (debt or equity, or a combination of both) to implement planned change of business strategy	If the Company does not obtain equity or debt financing on terms favorable to the Company or at all, a decline in asset values that could be deemed to be other than temporary, may result in impairment losses
Sensitivity analysis of financial instruments	Equity price will not be subject to change in excess of plus or minus 10%	Changes in debt and equity markets; interest rate and exchange rate fluctuations

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Intercontinental Gold's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" 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 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 Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Intercontinental Gold'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

INTERCONTINENTAL GOLD AND METALS LTD.

INTERIM MANAGEMENT DISCUSSION AND ANALYSIS – FOR THE THREE and SIX MONTHS ENDED JUNE 30, 2019
DATED AUGUST 5, 2019

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.

Non-IFRS Financial Measures

This MD&A and certain of Intercontinental Gold's press releases include references to the Company's adjusted earnings before interest, income taxes, depreciation and amortization ("adjusted EBITDA, a measure not prescribed by International Financial Reporting Standards (IFRS), and therefore does not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other companies. Adjusted EBITDA is presented at Intercontinental Gold's share of underlying operations. This measure should not be considered an alternative to net income (loss), cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. Rather, this measure is provided to complement IFRS measures in the analysis of Intercontinental Gold's results of operations from management's perspective. Management believes that adjusted EBITDA and per share amounts are widely accepted financial indicators used by investors and securities analysts to assess the performance of a company, including its ability to generate cash through operations. For reconciliation of adjusted EBITDA to consolidated net income (loss) under IFRS refer to Financial Highlights, Adjusted EBITDA discussion on page 6.

Adjusted EBITDA

Adjusted EBITDA represents core operating performance of the business excluding leverage, income tax and non-core accounting items. Adjusted EBITDA is calculated as net income (loss) adjusted for the provision for (recovery of) income taxes, depreciation of property, plant and equipment, amortization of contracts and other intangible assets, net finance costs, unrealized foreign exchange (gain) loss, equity accounting and other adjustments as appropriate.

Management believes adjusted EBITDA is a meaningful measure of Intercontinental Gold's operating performance because it excludes certain items included in the calculation of net income (loss) that may not be appropriate determinants of long-term operating performance.

Description of Business

Intercontinental Gold was incorporated under the British Columbia Business Corporations Act and on October 30, 2017 was continued to Ontario and is now registered under the Ontario Business Corporations Act. The Company's head office is located at 217 Queen Street West, Suite 401, Toronto, Ontario, M5V 0R2 and it is listed on the TSX-Venture and Frankfurt exchanges under the symbol ICAU and G2W, respectively.

The Company was historically a mineral exploration company engaged in the acquisition and exploration of mineral properties, the evaluation of early staged exploration projects. In June 2015, the Company initiated the strategy of becoming an integrated metal trading and resources company. As of August 2017, the Company completed its acquisition of Goldway SRL and fulfilled its initial goal of achieving sustainable revenues and cash flows derived from physical gold trading.

The Company currently generates revenue from sale of gold purchased at a discount from licensed Artisanal and Small Gold Miners (ASGM's). Additional income is generated from foreign exchange and net interest margin on cash balances. Forward looking plans include strategic reviews to leverage the Company's gold trading business and access to physical gold, an historical store of value and form of currency to generate revenues from storage and emerging trends in gold-backed digital currency utilizing

INTERCONTINENTAL GOLD AND METALS LTD.

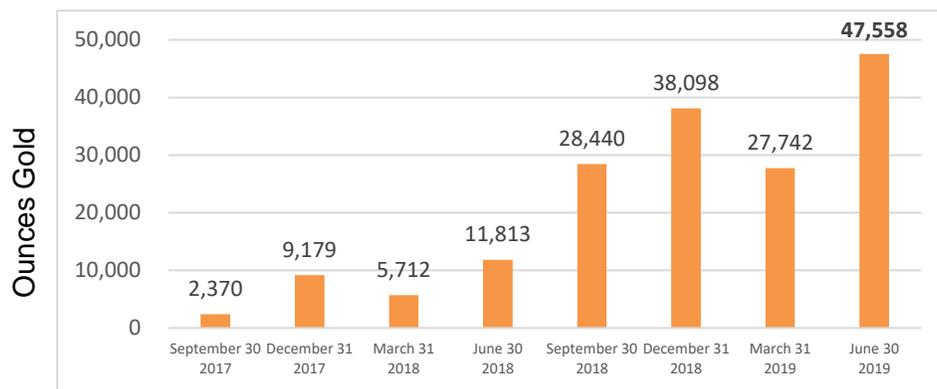
INTERIM MANAGEMENT DISCUSSION AND ANALYSIS – FOR THE THREE and SIX MONTHS ENDED JUNE 30, 2019
DATED AUGUST 5, 2019

the latest in distributed ledger technologies.

Operational Highlights

- During the three-months ended June 30, 2019 the Company continued to expand gold buying and refining operations.
- Trade Revenue of during the period was \$84,444,443, an increase of 184% over \$29,692,802 reported in comparable period of 2018
- Total refined gold sales/exports during the period were 47,558 ounces, an increase of 303% versus 11,818 ounces during the comparable period in 2018.
- Average refined grade of bullion exported during the period was 24 carat.
- Quarterly gold trading and exports continued to exhibit strong growth.
- Received “CNC Award for Innovation” by Bolivian National Chamber of Commerce.
- Received Ferreco R.L. Mining Federation “First Place” Certification. Ferreco R.L. represents 490 mining cooperatives in the Provinces of the Department of La Paz, Bolivia.
- Initiated discussions to secure long-term offtake agreements with certain cooperatives.

Quarterly Gold Trading and Refining Operations Exports



- **Capital Investment** - During the quarter the company completed the planned expansion of refining operations from approximately 500kg gold per month to approximately 1 tonne gold per month. Capital investments related to the expansion were made in the prior quarter.

Finance and Corporate Developments – Continued Growth

- **Expanded Commodity Trading** - the Company’s growth strategy in Bolivia and elsewhere in Latin America (“LATAM”) is to aggressively expand its gold and metals trading business. Discussions are ongoing with producers and end users to further expand gold trading volumes and seek other trading opportunities in bulk commodities, ores, concentrates and energy metals.
- **Stock Options** – On February 11, 2019, the Company announced that it had granted an aggregate of 400,000 options to purchase common shares of the Company exercisable at a price of \$0.13 per common share for periods ranging from 2 to 5 years, to certain directors, officers, employees and consultants, pursuant to the Company’s stock option plan. The common shares issuable upon exercise of the options are subject to a four month hold period from the original date of grant.
- **Normal Course Issuer Bid** – On May 11, 2018, the Company announced a normal course issuer bid to purchase up to 877,873 of its common shares (the “Bid”). The Company received acceptance from the TSX Venture Exchange to commence the Bid on May 14, 2018. The Bid terminated on May 14, 2019 with no shares being repurchased. The Company reserves the right to put in place normal course issuer bid in the future if it feels appropriate to do so.

INTERCONTINENTAL GOLD AND METALS LTD.

INTERIM MANAGEMENT DISCUSSION AND ANALYSIS – FOR THE THREE and SIX MONTHS ENDED JUNE 30, 2019
DATED AUGUST 5, 2019

- **Growth Strategy** – the Company’s expansion strategy in Bolivia and elsewhere in Latin America (“LATAM”) is to aggressively grow its gold and metals trading business. During the quarter the company successfully advised and managed a gold and silver dore export from Peru. We continue to evaluate other advisory and trade business opportunities in Peru and other LATAM jurisdictions.

Financial Highlights

Three months ended June 30, 2019 compared with three months ended June 30, 2018

Intercontinental Gold’s net loss totaled \$295,309 for the three months ended June 30, 2019, with basic and diluted loss per share of \$0.02. This compares with a net loss of \$739,010 with basic and diluted loss per share of \$0.04 for the three months ended June 30, 2018. The decrease of \$443,701 in net loss was principally because:

- For the three months ended June 30, 2019, consulting fees decreased by \$104,7878, office and miscellaneous expense decreased by \$92,993, legal fees decreased by \$84,351, shareholder communications and investor relations decreased by \$65,394, business development decreased by \$29,758 and share based compensation decreased by \$407,449 compared to the three months ended June 30, 2018. The decrease is attributable to a focus on cash management during a period of hypergrowth at our operating subsidiaries.
- The above decreases were complimented by an increase in revenue derived from gold trading business of \$54,751,641 offset by an increase in cost of sales of \$54,443,555 during the three months ended June 30, 2018.

Adjusted EBITDA

The following table reconciles net income (loss) to adjusted EBITDA:

	Three months ended June 30,	
	2019	2018
Net income (loss)	\$ (295,309)	\$ (739,010)
Adjustments:		
Depreciation (note 7)	12,571	21,417
Share-based compensation (note 11)	0	407,449
Loss on debt settlement (note 10(b)(i))	47,083	0
Foreign exchange gain	209,053	(50,893)
Accretion on bonds (note 9)	38,553	39,430
Accretion of lease liability (note 13)	1,035	0
Interest expense on bond (note 9)	144,404	176,164
Income tax expense	160,624	0
Adjusted EBITDA	\$ 318,014	\$ (145,443)

Adjusted EBITDA of \$318,014 for the three months ended June 30, 2019 increased 219% or \$463,457 compared to the same quarter of 2018 primarily as a result of the significant increase in refined gold exports and corresponding increase in revenue during the period.

Cash Flow, Liquidity and Financial Position

This section should be read in conjunction with the audited statements of financial position for the period ended December 31, 2018 and year ended March 31, 2017, and the corresponding notes thereto.

The activities of the Company are principally gold and metals trading. The Company’s financial statements have been prepared on a going concern basis, under which the Company is assumed to be able to realize its assets and discharge its liabilities in the normal course of operations. The Company achieved first revenue from operations during the year ended March 31, 2018. As at June 30, 2019, the Company has

INTERCONTINENTAL GOLD AND METALS LTD.INTERIM MANAGEMENT DISCUSSION AND ANALYSIS – FOR THE THREE and SIX MONTHS ENDED JUNE 30, 2019
DATED AUGUST 5, 2019

financed its operations and met its capital requirements primarily through the re-investment of operational cash flows and through promissory note issuances.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of \$39,676,957. As at June 30, 2019 the Company had cash of \$1,265,833 to settle current liabilities of \$11,139,149.

To continue operations and to fund future obligations, management intends to fund operating and administration costs and debt and debt service costs over the year with the proceeds from refined gold sales, from debt and equity financing and proceeds from option and warrant exercises. Recent global economic conditions and market uncertainty may have an impact on the Company's ability to raise funds through the equity markets. Management believes that there are sources of financing available but there can be no assurance that the Company will be successful in its future fund-raising activities. See "Risks and Uncertainties" below.

The Company relies on issuance of equity securities and alternative sources of financing, if required, to maintain adequate liquidity to support its ongoing working capital commitments. The following table is a summary of quantitative data about what the Company manages as capital:

	June 30, 2019 \$	December 31, 2018 \$	Change \$
Current Assets	14,156,453	4,903,560	9,132,822
Share capital	33,586,699	33,586,699	nil
Reserves	4,992,233	4,947,441	44,792
Deficit	(39,676,957)	(39,304,719)	(372,238)

The Company monitors these items to assess its ability to fulfill its ongoing financial obligations, interest payments on Notes and growth funding requirements. To manage the Company's capital, given the recent economic conditions, management maintains relatively streamlined operations prioritized allocation of capital to gold and metals purchases over capital investment to the extent possible. The Company will, from time to time, consider raising additional funds as and when required.

As at June 30, 2019, the Company had positive working capital of \$3,017,304 compared to working capital of \$2,566,647 as at June 30, 2018.

Receivables were \$298,865 at June 30, 2019 and consisted primarily of HST/GST input tax credit claims compared to \$256,018 as at June 30, 2018. The increase is mainly due to increased level of HST/GST input tax credit claims during the quarter ended June 30, 2019. Amounts payable and accrued liabilities, which are expected to be paid in the normal course of business, were collectively \$1,986,431 at June 30, 2019, compared to \$961,145 at June 30, 2018.

Cash used in operating activities

Cash used in operations was \$164,747 for the six months ended June 30, 2019, compared to cash provided in operations of \$1,576,857 for the six months ended June 30, 2018. The increase of \$1,741,604 in cash used in operations is due to increased business activity related to gold and metals trading.

Cash used in investing activities

Cash used in investing activities was \$33,574 for the six months ended June 30, 2019, compared to cash used in investing activities of \$127,972 for the six months ended June 30, 2018. The decrease of \$94,398 in cash used in investing activities is due to a reduction in capital expenditures as compared to the prior year period when initial refinery installation occurred.

Cash from financing activities

Cash used in financing activities was \$311,855 for the six months ended June 30, 2019 which was composed of lease payment of \$26,005 and payment of interest expense of \$285,850. This compares to cash provided by financing activities of \$3,184,223 for the six months ended June 30, 2018 which included proceeds from the unit financing minus financing costs paid and proceeds from the exercise of broker warrants and advances from related parties.

New Accounting Policy Adopted

The Company has adopted IFRS 16 – Leases, which is effective for annual reporting periods beginning on or after January 1, 2019. Previously, the Company classified leases as operating or finance leases based on IAS 17 - Leases.

The Company has applied IFRS 16 in accordance with the modified retrospective approach only to contracts that were previously identified as leases. Contracts that were not identified as leases under previous standards were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2019. The Company has determined that there is no change to the comparative periods required as a result of the adoption of this standard.

On initial application, for leases previously classified as operating leases under IAS 17, the Company has elected to record right-of-use assets based on the corresponding lease liability. As such, as at January 1, 2019, the Company recorded lease obligations of \$36,008 and right-of-use assets of \$36,008, with no net impact on deficit (See Notes 8 and 13).

When measuring lease liabilities for those leases previously classified as operating leases under IAS 17, the Company discounted future lease payments using its incremental borrowing rate as at January 1, 2019. The weighted-average rate applied is 20%.

The Company has elected to apply the practical expedient on facility leases, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component

The Company's accounting policy for leases under IFRS 16 is as follows:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. Contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration are accounted for as leases giving rise to right-of-use assets.

At the commencement date, a right-of-use asset is measured at cost, where cost comprises: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made at or before the commencement date, less any lease incentives received; (c) any initial direct costs incurred by the Company; and (d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

A lease liability is initially measured at the present value of the unpaid lease payments discounted using the interest rate implicit in the lease or if that rate cannot be reliably determined, the Company's incremental borrowing rate. Subsequently, the Company measures a lease liability at amortized cost using the effective interest method. It is then remeasured to reflect revised in-substance fixed lease payments. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any re-measurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

Capital Risk Management

The Company defines capital that it manages as shareholders' equity, consisting of issued share capital, reserve and deficit.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

INTERCONTINENTAL GOLD AND METALS LTD.

INTERIM MANAGEMENT DISCUSSION AND ANALYSIS – FOR THE THREE and SIX MONTHS ENDED JUNE 30, 2019
DATED AUGUST 5, 2019

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions.

The Company currently has no interests in exploration stage; but has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

There was no change in management's approach to capital management during the period ended June 30, 2019.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

Financial Instruments and Risk Management

The fair value of cash and marketable securities are measured based on level 1 inputs of the fair value hierarchy. The fair values of receivables, accounts payable and accrued liabilities and loan from related party approximate their fair value because of the short-term nature of these instruments. The promissory notes are measured at carrying value at the effective interest rate which approximates fair value.

Financial Risk Factors

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 loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. The Company places its cash in major financial institutions. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote.

Liquidity Risk - The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of June 30, 2019, the Company had a cash balance of \$1,265,833 to settle current liabilities of \$11,139,149. All of the Company's financial liabilities have contractual maturities of less than 30 days and are 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.

Interest Rate Risk - The Company has cash balances and the promissory notes are subject to fixed interest rates. The Company's current policy is to invest excess cash in investment-grade demand investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign Currency Risk - The Company is nominally exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in US Dollars and Bolivianos.

Gold Price Risk - The Company is exposed to gold price risk given that its revenues are derived from the sale of gold through its gold dore and bullion products, the prices for which have been historically volatile. Consequently, the economic viability of the Company's operations may be adversely affected by fluctuations in metal prices. For gold shipped and provisionally invoiced during the quarter ended June 30, 2019, a 1% change in gold prices would result in an immaterial increase/decrease in the Company's pre-tax income. As at June 30, 2019, the embedded derivative arising from the provisional pricing is deemed

INTERCONTINENTAL GOLD AND METALS LTD.

INTERIM MANAGEMENT DISCUSSION AND ANALYSIS – FOR THE THREE and SIX MONTHS ENDED JUNE 30, 2019
DATED AUGUST 5, 2019

immaterial.

Fair Value Hierarchy - Receivables have been classified as loans and receivables and are measured at amortized cost. Accounts payable and accrued liabilities, loan from related party and promissory notes are classified as other financial liabilities and are measured at amortized cost. Cash and marketable securities are classified as fair value through profit and loss ("FVTPL") and carried at fair value.

IFRS 9 - Financial Instruments: Disclosures requires classification of fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and,

Level 3: Inputs for the asset or liability that are not based on observable market data.

As at June 30, 2019 none of the Company's financial instruments were held at fair value other than cash and marketable securities which were classified as level 1 inputs at the fair value hierarchy.

Trade receivable/payable from provisional sales of gold includes provisional pricing, and final price and assay adjustments. Derivative instruments are forward arrangements that were valued using pricing models, which require a variety of inputs, such as expected gold prices and foreign exchange rates. The trade receivable/payable from sales of gold and derivative instruments are valued using observable market commodity prices and thereby classified within Level 2 of the fair value hierarchy.

Economic Dependence

During the quarter ended June 30, 2019, one customer (2018 – one) accounted for 100% of the Company's total revenue. The loss of the above customers could have a material adverse effect on the Company's financial position and results of operations.

Related Party Transactions

(a) The Company entered into the following transactions with related parties recorded as legal fees:

	Three Months Ended June 30,		Three Months Ended June 30,	
	2019 (\$)	2018 (\$)	2019 (\$)	2018 (\$)
Irwin Lowy LLP (i)	8,075	84,102	9,865	85,892

(i) A director of the Company is a partner at Irwin Lowy LLP, a law firm, and these fees related to professional services provided by the firm. As at June 30, 2019, the Company owed \$37,819 (December 31, 2018 - \$49,309) to this firm and this amount was included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing with no fixed terms of repayment.

(b) Compensation of key management personnel of the Company

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of the Board of Directors, corporate officers, including the Chief Executive Officer and Chief Financial Officer, as well the Vice President of Operations and the Country Manager.

INTERCONTINENTAL GOLD AND METALS LTD.

INTERIM MANAGEMENT DISCUSSION AND ANALYSIS – FOR THE THREE and SIX MONTHS ENDED JUNE 30, 2019
DATED AUGUST 5, 2019

Salaries and benefits	Three Months Ended June 30,		Six Months Ended June 30,	
	2019 (\$)	2018 (\$)	2019 (\$)	2018 (\$)
Salaries and benefits	nil	221,521	nil	432,475
Consulting Fees	231,664	131,663	415,167	255,666
Directors Fees	8,000	8,000	16,000	15,000
Share-based	nil	230,631	20,717	142,189
Total	239,664	591,815	451,884	845,330

As at June 30, 2019, accounts payable and accrued liabilities included \$113,920 (December 31, 2018 - \$219,322) owing to directors, officers, directors, Country Manager, VP of Operations and a company controlled by the Chief Executive Officer. The amounts bear no interest and have no fixed terms of repayment.

Share Capital

As of the date of this Interim MD&A, the Company had 18,022,000 issued and outstanding common shares. Warrants outstanding for the Company at the date of this Interim MD&A were as follows:

Warrants	Expiry Date	Exercise Price
2,895,000	August 8, 2022	\$0.10
990,000	January 5, 2023	\$0.20
1,822,500	April 13, 2023	\$0.20
5,707,500		

Broker Warrants	Expiry Date	Exercise Price
50,400	August 8, 2022	\$0.10
45,000	January 5, 2023	\$0.20
99,000	April 13, 2023	\$0.20
194,400		

Stock options outstanding for the Company at the date of this MD&A were as follows:

Options	Expiry Date	Exercise Price
2,078,000	August 10, 2022	\$0.11
1,060,000	April 20, 2023	\$0.45
400,000	February 11, 2024	\$0.13
3,538,000		

INTERCONTINENTAL GOLD AND METALS LTD.

INTERIM MANAGEMENT DISCUSSION AND ANALYSIS – FOR THE THREE and SIX MONTHS ENDED JUNE 30, 2019
DATED AUGUST 5, 2019

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the 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 years presented by the annual audited financial statements; and (ii) the 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 years 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"), this Venture Issuer Basic Certificate 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 filing this certificate are not making 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 the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this 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.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors Relating to the Company's Business" in the Company's MD&A for the period ended December 31, 2018, available on SEDAR at www.sedar.com.

BY ORDER OF THE BOARD

"Gorden Glenn"

Gorden Glenn
President, CEO, and Director

"John Anderson"

John Anderson
Director