



P2 GOLD INC.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2021 and 2020**



MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of P2 Gold Inc. ("P2 Gold", "we", "our", "us" or the "Company") provides information about our performance, financial condition and future prospects.

This MD&A should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2021 and 2020 as publicly filed in Canada on the System for Electronic Document Analysis and Retrieval ("SEDAR") website and on our website at www.p2gold.com.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The functional currency of the parent company, P2 Gold, is the Canadian dollar ("\$" or "CAD") and the functional currency of each of the Company's subsidiaries is the United States dollar ("USD" or "US\$"). The presentation currency of the consolidated financial statements is CAD. All dollar amounts in this MD&A are expressed in CAD, unless otherwise noted or the context otherwise provides.

The following abbreviations are used in this MD&A: m (meters); km (kilometers); mi (miles); Au (gold); AuEq (gold equivalents); Cu (copper); CuEq (copper equivalents); t (tonnes); Mt (million tonnes); ppm (parts per million); g/t (grams per tonne); oz (ounces); koz (thousand ounces) and Moz (million ounces).

This MD&A is prepared as of March 17, 2022 and includes certain statements that may be deemed "forward-looking information", "forward-looking statements", and "financial outlook". We direct readers to the section "*Statement Regarding Forward-Looking Information*" included within this MD&A.

Additional information relating to the Company, including our Annual Information Form ("AIF"), dated August 9, 2021, is available on the SEDAR website at www.sedar.com.

OUR BUSINESS

The Company was incorporated on November 10, 2017 under the laws of the *Canada Business Corporations Act* under the name Central Timmins Exploration Corp. Effective August 31, 2020, the Company continued under the *Business Corporations Act (British Columbia)* and changed its name to P2 Gold Inc., and in connection therewith, the Company adopted new constating documents comprising Notice of Articles and Articles of the Company, which are available under the Company's profile at www.sedar.com.

The Company's common shares are traded on the TSX Venture Exchange ("Exchange") under the symbol "PGLD". The address of the Company's corporate head office is Suite 1100 – 355 Burrard Street, Vancouver, British Columbia ("BC"), Canada, V6C 2G8.

The Company is a mineral exploration company engaged in the acquisition, exploration and development of mineral resource properties primarily in BC, Canada and the western United States of America (“USA”). Currently, the Company is focused on acquiring ownership rights to these properties and financing exploration programs to identify potential mineral reserves.

The Company owns the Gabbs Project located on the Walker-Lane Trend in the Fairplay Mining District of Nye County, Nevada. In addition, the Company holds interest in two properties located in northwest BC, the BAM Property and the Silver Reef Property, and one property located in southeast Oregon, the Lost Cabin Property.



The Company does not hold any interests in producing mineral deposits. The Company has no production or other material source of revenue. There is no operating history upon which investors may rely. Commercial development of any kind will only occur in the event that sufficient quantities of mineral resources containing economic concentrations of minerals are discovered. If, in the future, a discovery is made, substantial financial resources will be required to establish mineral resources and/or mineral reserves. Additional substantial financial resources will be required to develop mining and processing facilities for any mineral resources and/or mineral reserves that may be discovered. If the Company is unable to finance the establishment of mineral reserves or the development of mining and processing facilities it may be required to sell all or a portion of its interest in such property to one or more parties capable of financing such development.

4th QUARTER HIGHLIGHTS AND SIGNIFICANT EVENTS

- On August 30, 2021 and October 6, 2021, the Company reported the results of its drill program at the BAM Property. The 2021 drill program consisted of six holes totalling 835.9 meters. The Monarch Gold Zone was tested with drill holes BAM-001, 002, 003 and 005, which were targeted on coincident induced polarization (“IP”) chargeability anomalies with highly anomalous gold in soil values of up to 5.7 grams per tonne. The Jan Copper Zone was tested with drill holes BAM-004 and 006, which were targeted on soil geochemistry with values in excess of 1% copper and surface showings exposed in historical trenches. For further details on the 2021 drill program results, refer to the “BC Project Details – Description and Acquisition Status” section of this MD&A.
- Commencing on September 8, 2021, and continuing throughout the fourth quarter of 2021 and first quarter of 2022, the Company reported the results of its Phase One drilling at its Gabbs Project. The Phase One drill program totalled 580 meters in four diamond drill holes and 4,120 meters in 27 reverse circulation (“RC”) drill holes. The primary focus of the drilling was definition of the ore controls and testing the full extent of the mineralization at the Sullivan Zone.
- On October 6, 2021, the Company announced that it had terminated the mineral lease and option agreement for the Stockade Property located in Oregon.
- On October 19, 2021, the Company provided an update on the Gabbs Project, including the production trade-off study and Phase Two metallurgical program.
- On December 23, 2021, the Company completed the following private placements:
 - A private placement of 3,959,933 flow-through units at a price of \$0.77 per unit for gross proceeds of \$3,049,148;
 - A private placement of 1,458,616 premium flow-through units at a price of \$0.84 per unit for gross proceeds of \$1,225,237; and
 - A private placement of 2,421,188 non-flow-through units at a price of \$0.58 per unit for gross proceeds of \$1,404,289.

The proceeds of the flow-through and premium flow-through private placements will be used to fund exploration expenditures on the BAM Property. The proceeds of the non-flow-through private placement will be used to fund exploration expenditures at its Gabbs Project and for general corporate purposes.

- On December 24, 2021, the Company announced that the 2022 exploration program at the BAM Property was fully funded. The exploration program will consist of a Z-Tipper Axis Electromagnetic (“ZTEM”) airborne geophysical survey and 8,000 to 10,000 meters of diamond drilling. For further details, refer to the “BC Project Details - Description and Acquisition Status” section of this MD&A.



- On December 24, 2021, the Company announced that it had terminated the option agreements for the Todd Creek and Natlan properties located in northwest BC.
- Subsequent to year-end, on January 13, 2022, the Company announced the Gabbs Phase Two drill program had commenced with mobilization of a RC drill rig to site. The Phase Two drill program is planned to total approximately 4,000 meters of RC drilling in 20 holes. For further details on the 2022 drill program, refer to the “Gabbs Project” section of this MD&A.
- Subsequent to year-end, on February 10, 2022, the Company announced the completion of the February 2022 Updated Mineral Resource Estimate (“2022 MRE”) for the Gabbs Project. The 2022 MRE is the first update to the Mineral Resource estimate for Gabbs since the Company acquired the project in 2021. Gold-equivalent Mineral Resources at Gabbs have been upgraded and increased significantly as a result of the 2021 drill program, metallurgical test work and increased understanding of the geologic controls on the gold-copper mineralization. For further details on the 2022 MRE, refer to the “Gabbs Project” section of this MD&A.

NOVEL CORONAVIRUS (“COVID-19”) PANDEMIC

Management continues to actively monitor the potential effects of COVID-19. Any future impacts of COVID-19 remain uncertain, however, to date, the impact of COVID-19 on the Company has been minimal.

GABBS PROJECT

The Gabbs Project is located in the Fairplay Mining District, south-southwest of the town of Gabbs, Nye County, Nevada. The Gabbs Project is located on the Walker-Lane mineralization trend, on the southwest flank of the Paradise Range and is road accessible via Highway 361.

The Gabbs Project consists of 421 federal unpatented lode claims and one patented lode claim which comprises an approximately 35.3 km² (13.6 mi²) contiguous claim block.

There are four separate mineralized areas found to date on the Gabbs Project: the Sullivan, Lucky Strike, and Gold Ledge zones are considered to be gold-copper porphyry deposits. The Car Body Zone is considered to be an epithermal gold deposit. Although it was thought that Car Body was similar in origin to the Paradise Peak Property, which is adjacent to the Gabbs Project to the south, Paradise Peak is a high sulphidation epithermal deposit while Car Body is situated in a low-sulphidation epithermal environment.

Gabbs Project – 2022 MRE

The 2022 MRE was prepared by P&E Mining Consultants Inc. (“P&E”), based on four diamond drill holes and 27 RC drill holes completed by the Company in 2021 and 494 drill holes completed by prior Gabbs Project operators between 1970 and 2011. A National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) Technical Report will be prepared by P&E and posted on our website www.p2gold.com and the Company’s profile on SEDAR by March 26, 2022.

Table 1: February 2022 Gabbs Project Pit Constrained Mineral Resource Estimate⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

Mineral resource classification	Tonnes (M)	Gold grade (g/t)	Copper grade (%)	Gold (M oz)	Copper (M lbs)	Gold equivalent grade (g/t)	Gold equivalent (M oz)
Indicated	43.4	0.47	0.28	0.65	266.7	0.81	1.12
Inferred	69.9	0.39	0.24	0.88	376.1	0.73	1.64

- (1) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
- (2) The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.
- (3) The Mineral Resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”), Standards on Mineral Resources and Reserves, Definitions (2014) and Best Practices (2019) prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
- (4) The Mineral Resource Estimate was prepared for a potential open pit scenario using a constraining pit shell (with 50-degree slopes) at respective 0.35 g/t and 0.36 g/t oxide and sulphide gold equivalent cut-off grades. The gold equivalent cut-off grades were derived from US\$1,675 per ounce gold, US\$3.80 per pound copper, US\$2.14 per tonne mining cost, and US\$13.81 and US\$17.34 per tonne respective oxide and sulphide processing costs; US\$0.68 per tonne general and administrative (“G&A”) cost, 76% and 94% respective gold oxide and sulphide process recoveries; and 48% and 87% respective copper oxide and sulphide process recoveries.

Prior to the 2022 MRE, the Gabbs Project had an Inferred Mineral Resource (“2021 MRE”) of 1.84 million ounces of gold equivalent or 1.26 million ounces of gold and 422.3 million pounds of copper (73.1 million tonnes grading 0.54 g/t gold and 0.26% copper) (refer to news release dated February 23, 2021).

Oxide Mineral Resources at Gabbs now consist of Indicated Mineral Resources of 576,000 ounces of gold equivalent (20.1 million tonnes grading 0.61 g/t gold and 0.29% copper) and Inferred Mineral Resources of 260,000 ounces of gold equivalent (9.9 million tonnes grading 0.61 g/t gold and 0.19% copper). Refer to the table below for a breakdown of the oxide and sulphide Mineral Resources.

Table 2: February 2022 Gabbs Project Pit Constrained Mineral Resource Estimate by Rock Group⁽¹⁾⁽²⁾

Rock group	Tonnes (M)	Gold grade (g/t)	Copper grade (%)	Gold (M oz)	Copper (M lbs)	Gold equivalent grade (g/t)	Gold equivalent (M oz)
Oxide Indicated	20.1	0.61	0.29	0.39	127.9	0.89	0.58
Oxide Inferred	9.9	0.61	0.19	0.19	42.2	0.80	0.26
Sulphide Indicated	23.3	0.34	0.27	0.26	138.8	0.73	0.55
Sulphide Inferred	60.1	0.35	0.25	0.68	333.8	0.72	1.38

(1) Refer to note 1 to 4 in Table 1 above.

(2) Tables may differ and not sum due to rounding.

The majority of the increase in the 2022 MRE (from the 2021 MRE) occurred at the Sullivan Zone where the Company drilled 27 drill holes (four diamond drill holes and 23 RC drill holes) in 2021. The Inferred Mineral Resource at the Lucky Strike Zone also increased in the 2022 MRE, whereas the Inferred Mineral Resource changed nominally at Car Body and Gold Ledge. Refer to the table below for a breakdown of the Gabbs Mineral Resource by zone.

Table 3: February 2022 Gabbs Project Pit Constrained Mineral Resource Estimate by Zone⁽¹⁾⁽²⁾

Zone	Tonnes (M)	Gold grade (g/t)	Copper grade (%)	Gold (M oz)	Copper (M lbs)	Gold equivalent grade (g/t)	Gold equivalent (M oz)
Sullivan Indicated	43.4	0.47	0.28	0.65	266.7	0.81	1.12
Sullivan Inferred	16.3	0.43	0.26	0.22	94.3	0.78	0.41
Lucky Strike Inferred	49.1	0.34	0.25	0.54	269.5	0.69	1.10
Car Body Inferred	2.4	1.26	-	0.10	-	1.26	0.10
Gold Ledge ⁽³⁾ Inferred	2.1	0.19	0.26	0**	12.2	0.51	0**

⁽¹⁾ Refer to note 1 to 4 in Table 1 above.

⁽²⁾ Tables may differ and not sum due to rounding.

⁽³⁾ Gold Ledge Inferred Mineral Resource rounded to zero**.

Key parameters

A comparison of the key parameters of the 2022 MRE to the 2021 MRE is set out in Table 4 below. Of note, for the 2022 MRE, the oxide and sulphide cut-off grades increased to 0.35 g/t gold equivalent and 0.36 g/t gold equivalent respectively, from 0.24 g/t gold equivalent and 0.30 g/t gold equivalent for the 2021 MRE. In addition, the 2022 MRE used gold and copper prices of US\$1,675 per ounce gold and US\$3.80 per pound copper, compared to the 2021 MRE which used US\$1,600 per ounce gold and US\$3.00 per pound copper.

Table 4: Comparison of key parameters of the 2022 MRE to the 2021 MRE

Parameter	February 2022		January 2021	
Mining scenario	Open pit		Open pit	
Constrained pit shell	50-degree slopes		50-degree slopes	
Oxide cut-off grade	0.35 g/t gold equivalent		0.24 g/t gold equivalent	
Sulphide cut-off grade	0.36 g/t gold equivalent		0.30 g/t gold equivalent	
Gold price	US\$1,675 per ounce		US\$1,600 per ounce	
Copper price	US\$3.80 per pound		US\$3.00 per pound	
Gold recovery	76% Oxide	94% Sulphide	80% Oxide	80% Sulphide
Copper recovery	48% Oxide	87% Sulphide	0% Oxide	90% Sulphide
Mining costs	US\$2.14 per tonne		US\$2.00 per tonne	
Processing costs	US\$13.81 per tonne Oxide	US\$17.34 per tonne Sulphide	US\$8.00 per tonne Oxide	US\$12.00 per tonne Sulphide
G&A costs	US\$0.68 per tonne		US\$2.00 per tonne	



Metallurgical test results

The Company retained Kappes, Cassidy & Associates (“KCA”) in Reno, Nevada to carry out a Phase Two metallurgical program to determine the preferred extraction process for the Gabbs mineralization. Based on work completed to date, KCA is proposing that the oxide material be heap leached and gold recovered as a salable doré and cyanide soluble copper produced as a salable copper sulphide concentrate. For the sulphide material, KCA is proposing flotation to recover a salable copper concentrate with the flotation tails cyanide leached to recover additional gold as a salable doré and cyanide soluble copper as a copper sulphide concentrate.

Gold and copper recoveries used for the 2022 MRE were based on historical metallurgical test work and recently completed metallurgical tests at KCA. For the oxide material, gold and copper recoveries were assumed to be 76% and 48%, respectively. For the sulphide material: (a) gold recovery to copper flotation concentrate was assumed to be 72% and gold recovery from rougher flotation tails was assumed to be 78% for a weighted gold recovery of 94%; and (b) copper recovery was assumed to be 79% to flotation concentrate and 7.6% from cyanide soluble copper precipitation for a weighted recovery of 87%. Metallurgical testing by KCA is ongoing.

Quality assurance

The 2022 MRE was prepared under the supervision of Eugene Puritch, P.Eng., FEC, CET of P&E of Brampton, Ontario, who is an Independent Qualified Person (“QP”), as defined by NI 43-101. Mr. Puritch has reviewed and approved the technical contents of this MD&A relating to the 2022 MRE and 2021 MRE.

Mr. Christopher L. Easton, MMSA QP, of KCA is the Independent QP responsible for metallurgical test work and has reviewed and approved the technical contents of this MD&A relating to metallurgical test work.

Ken McNaughton, M.A.Sc., P.Eng., Chief Exploration Officer of P2 Gold, is the Company QP, as defined by NI 43-101, responsible for the Gabbs Project. Mr. McNaughton has reviewed, verified and approved the technical information in this MD&A.

Phase Two drill program

The Phase Two drill program has commenced with mobilization of a RC drill rig to site. The Phase Two drill program is planned to total approximately 4,000 meters of RC drilling in 20 holes. The majority of the drill program will focus on definition drilling at the Lucky Strike Zone, with other holes designed to test the extension of the Sullivan, Lucky Strike and Car Body zones.

Geophysical surveys

In the field, a 25.7-line kilometer Natural Source Magneto Telluric (“NSMT”) survey has been completed over the project covering all four known zones of mineralization and the prospective locations of the potential gold-copper porphyry source at depth. Based on the results of the NSMT survey, a 22.5-line kilometer infill NSMT program has commenced over areas believed to potentially host the source gold-copper porphyry.



Permits

Approval from the BLM is required before exploration work is conducted. The BLM oversees and approves how much of the surface can be disturbed for exploration purposes and manages reclamation bonding.

Subsequent to the closing of the acquisition of the Gabbs Project, the Company filed a Notice to Conduct Exploration Activities on the Sullivan and Car Body Zones at the Gabbs Project with the BLM. The BLM reviewed the Company's Notice to Conduct Exploration Activities on the Sullivan and Car Body Zones at the Gabbs Project and determined it to be complete, and the Company posted the required reclamation bond in June 2021. The required reclamation bond was subsequently adjusted in July and October 2021.

The Company also filed a separate Notice to Conduct Exploration Activities with the BLM for the Lucky Strike Zone and the northwest part of the Gabbs Project. The BLM reviewed the Company's Notice to Conduct Exploration Activities on the Lucky Strike Zone and the northwest part of the Gabbs Project and determined it to be complete, and the Company posted the required reclamation bond in the third quarter of 2021.

Acquisition terms

On February 22, 2021, the Company and Borealis Mining Company, LLC ("Borealis"), an indirect, wholly owned subsidiary of Waterton Precious Metals Fund II Cayman, LP ("Waterton") entered into an asset purchase agreement ("Asset Purchase Agreement") under which the Company agreed to acquire all the assets that comprise the Gabbs Project.

On May 4, 2021, the Company and Borealis agreed to amend the terms of the Asset Purchase Agreement ("Amended Agreement"). Under the Amended Agreement, the Company agreed to pay \$1,216,600 (US\$1,000,000) and issue 15,000,000 common shares (\$7,500,000 in fair value) in its capital to Waterton at closing of the transaction. In addition, the Company is required to pay Waterton Nevada Splitter LLC, an affiliate of Borealis, (a) US\$4,000,000 on the twelve-month anniversary of closing and (b) US\$5,000,000 on the earlier of the announcement of results of a preliminary economic assessment and the 24-month anniversary of closing.

On closing, Borealis has reserved for itself a 2% net smelter returns royalty on production from the Gabbs Project, of which one percent may be repurchased at any time by the Company for US\$1,500,000 and the remaining one percent of which may be repurchased for US\$5,000,000.

On May 17, 2021, the Company also announced the completion of a private placement of 11,898,060 units at a price of \$0.50 per unit for gross proceeds of \$5,949,030. The proceeds of the private placement were used to fund the acquisition of the Gabbs Project, complete a Phase One exploration program of approximately \$2,500,000 on the Gabbs Project and for general corporate purposes.



BC PROJECT DETAILS – DESCRIPTION AND ACQUISITION STATUS

BAM Property

The BAM Property consists of ten mineral tenures that cover an area of over 8,100 hectares, located approximately 150 kilometers northwest of Stewart, BC. Highway 37 and the Northwest Transmission Line are approximately 35 kilometers to the east of the BAM Property, and the Galore Creek Project access road is 1.7 kilometers to the southeast.

2021 exploration program

The 2021 exploration drill program at the BAM Property consisted of six holes totaling 835.9 meters. The Monarch Gold Zone was tested with drill holes BAM-001, 002, 003, and 005, which were targeted on coincident IP chargeability anomalies with highly anomalous gold in soil values of up to 5.7 grams per tonne. The Jan Copper Zone was tested with drill holes BAM-004 and 006, which were targeted on soil geochemistry with values in excess of 1% copper and surface showings exposed in historical trenches.

Based upon the 2021 mapping and sampling and geophysics programs and 2020 soil geochemical sampling and geophysics programs, the Monarch Gold Zone is interpreted to extend over one kilometer north-south and up to 500 meters east-west at surface and the Jan Copper Zone is interpreted to extend approximately one kilometer north-south and over 500 meters east-west at surface.

Monarch Gold Zone and Jan Copper Zone Mineralization

The mineralization at the Monarch Gold Zone is constrained within a package of siltstones, sandstones, and conglomerates. These units are variably altered and silicified with the gold values related to pyrite cemented hydrothermal breccia. The mineralization is interpreted to be the upper extensions of an epithermal system related to an alkaline porphyry at depth, with higher-grade intervals found near the footwall contact of the host lithology.

Jan Copper Zone mineralization is hosted entirely within a thick dolostone unit. The mineralization is associated with a phreatic breccia which has been intensely silica flooded. Subsequent acid leaching has locally opened up a vuggy texture. Sulphide mineralization consists of bornite and tennantite which occurs as fracture and vug filling. The mineralization is believed to be related to a separate phase of the same alkaline porphyry that formed the Monarch Gold Zone.

Selected drill results from the Monarch Gold Zone are highlighted in the table below⁽¹⁾⁽²⁾:

Hole	Collar Coords	Dip/ Azimuth	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)
BAM-001	N6341778 E387114	-45/90	18.25	69.00	50.75	0.62	4.87
		Incl.	46.10	55.85	9.75	1.11	4.07
BAM-002	N6341711 E387332	-45/270	20.00	35.30	15.30	0.51	3.25
BAM-003	N6341996 E386870	-45/270	5.35	51.20	45.85	2.63	3.08
		Incl.	34.70	51.20	16.50	5.29	4.27
		Incl.	42.00	51.20	9.20	7.30	4.44
BAM-005	N6342305 E386513	-45/270	47.40	109.70	62.30	0.65	-
		Incl.	91.50	109.70	18.20	1.14	-

Selected drill results from the Jan Copper Zone are highlighted in the table below⁽¹⁾⁽²⁾:

Hole	Collar Coords	Dip/ Azimuth	From (m)	To (m)	Interval (m)	Gold (g/t)	Copper (%)
BAM-004	N6340892 E386295	-45/270	68.00	107.25	39.25	0.01	1.10
		Incl.	75.70	84.85	9.15	0.04	3.23
BAM-006	N6341173 E386513	-45/270	7.20	14.00	6.80	0.04	0.33

(1) True thickness to be determined.

(2) All samples were submitted for preparation by ALS Global at its facilities in Terrace, BC. All samples were analyzed using multi-digestion with ICP finish and fire assay with AA finish for gold. Samples with over 10 ppm gold were fire assayed with a gravimetric finish. One in 20 samples were blank, one in 20 was a standard sample, and one in 20 samples had a sample cut from assay rejects assayed as a field duplicate at ALS Global in North Vancouver, BC.

BAM-003 is located approximately 320 meters northwest of BAM-001, with BAM-002 located approximately 220 meters southeast of BAM-001. BAM-005 is located approximately 600 meters north of BAM-002 (the most southerly Monarch Gold Zone hole) and approximately 600 meters northeast of BAM-003 (the most westerly Monarch Gold Zone hole). The Jan Copper Zone is located to the west and south of the Monarch Gold Zone, with BAM-004 located approximately 1,300 meters southwest of BAM-002.

2022 exploration program

The 2022 exploration program is fully funded with the completion of the private placements in December 2021. The program is planned to commence with a ZTEM airborne geophysical survey in late spring 2022 in an effort to identify the source of the surface epithermal mineralization encountered in the 2021 exploration program.



The program is also expected to include 8,000 to 10,000 meters of diamond drilling to expand on the surface epithermal mineralization encountered in 2021 and test for the feeder system of the surface epithermal mineralization and its interpreted alkaline porphyry source.

Acquisition terms

On July 2, 2020, the Company entered into an option agreement with an arm's length private vendor to acquire up to a 100% interest in the BAM property. Under the terms of the option agreement, the Company can acquire up to a 70% interest in the BAM Property over a three-year option period by paying to the vendor the following:

- \$60,000 (paid) and 200,000 common shares (issued) in the Company's share capital on the signing of the agreement;
- \$150,000 (paid) and 200,000 common shares (issued) in the Company's share capital on the first anniversary of the agreement;
- \$200,000 and 200,000 common shares in the Company's share capital on the second anniversary of the agreement; and
- \$550,000 and 800,000 common shares in the Company's share capital on the third anniversary of the agreement.

To maintain the option, the Company is also required to incur exploration expenditures of \$150,000 before the first anniversary of the agreement (completed), \$400,000 of cumulative exploration expenditures by the second anniversary of the agreement (completed) and \$750,000 of cumulative exploration expenditures by the third anniversary of the agreement (completed). Following exercise of the option, the Company has the right for a period of 120 days to acquire the remaining 30% interest in the BAM Property, for a 100% total interest, on payment of \$7,500,000 of which up to \$4,000,000 may be paid in common shares of the Company at its election. If the Company elects to not purchase the remaining 30% interest, the Company and the vendor shall form a joint venture, with the Company appointed the operator.

During the first three years of the joint venture, the Company will fund the vendor's participating interest in the joint venture. If the vendor fails to sell its interest in the joint venture during such three-year period, the vendor's interest will convert to a 2% net smelter returns royalty ("NSR"), provided that the Company will have the opportunity to purchase the vendor's interest prior to such conversion for \$7,500,000. Following the conversion of the vendor's interest to the BAM NSR, the Company may purchase 1% of the NSR for \$2,000,000 (inflation adjusted from 2020).

The vendor has also agreed to assign to the Company two claims that form part of the BAM Property for \$40,000 and a 2% NSR, 100% of which can be purchased by the Company for \$1,125,000 prior to commercial production on such claims and 1% of which can be purchased for \$300,000 (inflation adjusted from 2020) after commercial production is achieved on such claims.

Silver Reef Property

The Silver Reef Property covers an area of over 23,000 hectares approximately 85 kilometers north of Hazelton, BC and to the east of the Golden Triangle.



The Company completed the 2020 Silver Reef exploration program in September 2020, which consisted of airborne geophysics, a two-phase drill program and prospecting and mapping. The 2020 Silver Reef exploration drill program consisted of 14 holes totaling 1,689 meters. Ten of the drill holes targeted the Main Zone, with the remaining four holes targeting the Northwest Zone.

Both zones host silver/gold/lead/zinc mineralization within and on the margins of graphitic shears that are proximal to an altered felsic dyke.

Drilling demonstrated that the Main Zone and Northwest Zone structures are well defined with mineralization typical of silver deposits within the silver belt that runs from Idaho through BC into Yukon. Select drill results include:

- Hole SR-004 (Main Zone) intersected 1.18 g/t gold, 521.0 g/t silver, 0.71% lead and 2.17% zinc over 0.5 meters within a 1.3 meter interval grading 0.93 g/t gold, 245.25 g/t silver, 0.33% lead and 0.98% zinc; and
- Hole SR-011 (Northwest Zone) intersected 0.55 g/t gold, 410.69 g/t silver, 2.38% lead and 3.18% zinc over 1.68 meters within a 7.49 meter interval grading 0.24 g/t gold, 188.5 g/t silver, 0.99% lead and 1.51% zinc.

Prospecting has shown that the Main Zone is now at least four kilometers long, and that the Northwest Zone is a separate, parallel trend that is at least two kilometers long. In addition, prospecting also identified several other showings between these two primary trends suggesting the property hosts a stacked system of multiple zones. This more than doubles the known strike extent of the mineralization, which remains open in all directions.

The 2021 exploration program at the Silver Reef Property consisted of a geological mapping and sampling program and a soil geochemical sampling program.

Technical report

For additional information about the Silver Reef Project, refer to the NI 43-101 technical report entitled “NI 43-101 Technical Report on the Silver Reef Property, Omineca Mining Division, British Columbia, Canada” with an effective date of December 31, 2021. The full technical report was filed on January 11, 2022 in Canada under the Company’s profile on SEDAR at www.sedar.com and on the Company’s website at www.p2gold.com.

The technical report was prepared by Ken McNaughton, M.A.Sc., P.Eng., Chief Exploration Officer of P2 Gold, a QP as defined by NI 43-101.

Acquisition terms

On June 10, 2020, the Company entered into an option agreement with an arm's length private vendor to acquire up to a 100% interest in the Silver Reef Property located in northwest BC. Under the terms of the option agreement, the Company can acquire up to a 70% interest in the Silver Reef Property over a three-year option period by paying to the vendor:



- \$50,000 (paid) and 200,000 common shares (issued) in the Company's share capital on the signing of the agreement;
- \$200,000 (paid) and 200,000 common shares (issued) in the Company's share capital on the first anniversary of the agreement; and
- \$500,000 and 800,000 common shares in the Company's share capital on the second anniversary of the agreement.

To maintain the option, the Company is also required to incur exploration expenditures of \$250,000 before the first anniversary of the agreement (completed), \$750,000 of cumulative exploration expenditures by the second anniversary of the agreement (completed) and \$2,000,000 of cumulative exploration expenditures by the third anniversary of the agreement.

Following exercise of the option, the Company has the right for a period of 120 days to acquire the remaining 30% interest in the Silver Reef Property, for a 100% total interest, on payment of \$7,500,000 of which up to \$4,000,000 may be paid in common shares of the Company at its election. If the Company elects to not purchase the remaining 30% interest, the Company and the vendor shall form a joint venture, with the Company appointed the operator.

During the first three years of the joint venture, the Company will fund the vendor's participating interest in the joint venture. If the vendor fails to sell its interest in the joint venture during such three-year period, the vendor's interest will convert to a 3% net smelter returns royalty, provided that the Company will have the opportunity to purchase the vendor's interest prior to such conversion for \$7,500,000.

Todd Creek Property

On December 23, 2021, the Company terminated the option agreement for the Todd Creek Property located in northwest BC. As of the date of termination, the Company had paid \$250,000 and issued 200,000 common shares under the option agreement.

Natlan Property

On July 12, 2021, the Company entered into an option agreement with an arm's length private vendor to acquire up to a 100% interest in the Natlan Property.

On December 23, 2021, the Company terminated the option agreement for the Natlan Property located in northwest BC. As of the date of termination, the Company had paid \$25,000 and issued 100,000 common shares under the option agreement.



OREGON PROJECT DETAILS – DESCRIPTION AND ACQUISITION STATUS

Lost Cabin Property

The Lost Cabin Property consists of 106 unpatented lode mining claims that cover an area of over 2,190 acres, located in Lake County, Oregon. The property is located along a major-northwest-trending structural lineament and hydrothermal alteration associated with silicic volcanism, with limited exploration activities carried out to date.

The Company has completed airborne and ground geophysical surveys at Lost Cabin and is reviewing the geophysical data.

Acquisition terms

On September 10, 2020, the Company signed a mineral lease and option agreement with La Cuesta International, Inc. (“La Cuesta”), an arm's length private company, to lease a 100% interest in the Lost Cabin Property.

Under the terms of the Lost Cabin option agreement, the Company has the right to use the Lost Cabin Property for exploration and mining for a minimum of 50 years provided it continues to make the following preproduction payments:

- US\$5,000 (paid) and 100,000 common shares (issued) in the Company’s share capital on signing the agreement;
- US\$5,000 (paid) six-months after the signing of the agreement;
- US\$10,000 (paid) 12-months after the signing of the agreement;
- US\$10,000 (paid) 18-months after the signing of the agreement;
- US\$15,000 24-months after the signing of the agreement; and
- US\$20,000 30-months after the signing of the agreement and every six months thereafter.

The term of the Lost Cabin option agreement may continue after 50 years provided active mining operations are being conducted on the Lost Cabin Property.

To maintain the option, the Company is also required to incur minimum work expenditures on the Lost Cabin Property of US\$30,000 in the first year (completed) and a minimum of 2,000 meters of drilling in the second year. On achievement of production on the property, a production royalty of 2% of net smelter returns is payable on claims owned by La Cuesta and 0.5% of net smelter returns is payable on third party claims and claims acquired within the area of influence, provided that a minimum production royalty of US\$25,000 is payable quarterly. On payment to La Cuesta of US\$10,000,000 in any combination of preproduction payments, production royalties and minimum royalties, the production royalty on claims owned by La Cuesta reduces to 1% and on third-party claims and claims acquired within the area of influence to 0.25%.



Stockade Property

On October 6, 2021, the Company terminated the mineral lease and option agreement for the Stockade Property located in southeast Oregon. As of the date of termination, the Company had paid US\$40,000 and issued 100,000 common shares under the option agreement.

QUALIFIED PERSON

Ken McNaughton, M.A.Sc., P. Eng., Chief Exploration Officer of P2 Gold, is the QP, as defined by NI 43-101, responsible for the Gabbs Project, the BAM Property, the Silver Reef Property, and the Lost Cabin Property and has reviewed, verified and approved the scientific and technical information contained in this MD&A relating to such project and properties.

OTHER PROPERTIES

As the Company's exploration focus turned to BC, Canada and the western USA, it was determined that the Timmins Property was a non-core property and the Company decided to pursue the sale of the property. On April 28, 2021, the Company executed an agreement with an arm's length private corporation for the sale of all its interest in the Timmins Property for proceeds of \$10. The purchaser assumed all liabilities associated with the property.

BUSINESS CYCLE AND SEASONALITY

The Company's business is not cyclical or seasonal, however construction of and access to its properties can be delayed and production operations may be curtailed during heavy spring rains, snow, cold temperatures and other extreme weather phenomena. Demand for and the price of commodities is volatile and can be affected by seasonal weather variations.

The cyclicity of the business reflects the global supply and demand outlook for gold, which in turn is influenced by diverse factors, US currency valuations, derivatives market activity, interest rate and inflation forecasts and other factors.

FINANCIAL POSITION

Total assets

As at December 31, 2021, total assets were \$8,452,113, an increase of \$6,591,747 compared to December 31, 2020. Higher assets were predominantly due to an increase in cash and cash equivalents of \$6,161,272 relating to the completed private placements during 2021 offset by an increase in spending on exploration and evaluation ("E&E") expenditures for its mineral projects.

Under our accounting policy for E&E expenditures, all acquisition costs incurred related to the Gabbs Project and payments under option agreements were expensed to the statement of loss and not capitalized to the statement of financial position.



Total liabilities

As at December 31, 2021, total liabilities were \$12,899,281, an increase of \$12,781,274 compared to December 31, 2020. Higher liabilities were predominantly due to the acquisition liabilities associated with the Gabbs Project in the amount of \$10,803,662, a flow-through share premium liability of \$1,425,728 and higher trade payables as the Company was completing more substantial work on its properties.

Total shareholders' equity

Total shareholders' equity was a deficit of \$4,447,168, a change of \$6,189,527 compared to December 31, 2020. Lower shareholders' equity was due to an increased net loss driven by the acquisition of the Gabbs Project, and exploration programs completed on the BC properties. This was partially offset by an increase in share capital for the completed private placements and shares issued for acquisition of the Gabbs Project and property option payments.

FINANCIAL RESULTS OF OPERATIONS

E&E expenditures

For the three months and the year ended December 31, 2021, E&E expenditures were \$1,179,098 and \$24,669,173, respectively, compared to \$599,822 and \$3,918,523, respectively, in the comparable period of 2020.

E&E expenditures of the Company, by property, for the three months and years ended December 31, 2021 and 2020 were as follows:

	For the three months ended		For the year ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Gabbs Project	\$ 1,039,415	\$ -	\$ 21,442,501	\$ -
BAM Property	82,290	156,867	1,866,472	635,903
Silver Reef Property	16,648	160,540	780,390	1,528,352
Todd Creek Property	19,070	179,274	444,062	1,069,168
Stockade Property	1,653	(65,838)	192,571	218,543
Natlan Property	20,107	-	186,718	-
Lost Cabin Property	(1,745)	131,654	104,119	332,961
Timmins Property	1,660	37,325	39,128	133,596
Prospective exploration properties	-	-	15,000	-
British Columbia Mineral Exploration Tax Credit ("BCMETS") recovery	-	-	(401,788)	-
	\$ 1,179,098	\$ 599,822	\$ 24,669,173	\$ 3,918,523

For the three months ended December 31, 2021, E&E expenditures increased by \$579,276 compared to the comparable period in 2020. The increase was primarily related to the continued exploration work on the Gabbs Project including drilling and assaying and work on the 2022 MRE offset by a decrease in exploration work completed on the BC properties.



For the year ended December 31, 2021, E&E expenditures increased by \$20,750,650 compared to the comparable period in 2020. The increase was primarily due to the acquisition of the Gabbs Project in the amount of \$19,213,133 and a more substantial exploration program at its other mineral projects offset by the BCMETC recovery of \$401,788.

BCMETC is a tax credit for eligible corporations conducting grassroots mineral exploration in BC. The credit applies to exploration for all base and precious metals. Only qualified mining exploration expenses for determining the existence, location, extent or quality of a mineral resource in BC are eligible. The credit is calculated as 20% of qualified mining exploration expenses less the amount of any assistance received or receivable, which includes proceeds from flow-through share private placements.

E&E expenditures of the Company, by nature of expense, for the three months and years ended December 31, 2021 and 2020 were as follows:

	For the three months ended		For the year ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Acquisition costs	\$ 16,052	\$ 6,668	\$ 20,069,919	\$ 847,937
Drilling	142,437	800	995,226	647,266
Helicopters	-	2,500	663,045	944,380
Consulting	96,997	118,930	616,020	366,193
Camp costs	81,512	76,753	514,895	107,304
Assays	266,785	108,363	493,670	184,605
Geophysical and other surveys	132,866	244,764	435,200	598,038
Salaries and benefits	141,583	-	394,883	-
Technical and assessment reports	163,618	31,885	248,253	99,114
Government payments	54,159	-	213,242	20,492
Equipment rentals	55,469	300	187,513	8,766
Travel expenses	17,836	4,885	145,315	78,300
Other E&E expenditures	9,784	3,974	93,780	16,128
BCMETC recovery	-	-	(401,788)	-
	\$ 1,179,098	\$ 599,822	\$ 24,669,173	\$ 3,918,523

Administrative expenses

For the three months and year ended December 31, 2021, total administrative costs were \$707,722 and \$2,572,801, respectively, an increase of \$291,206 and \$1,281,896, respectively, compared to the comparable period in 2020.

For the three months and year ended December 31, 2021, share-based compensation expense was \$158,141 and \$1,013,248, respectively, a decrease of \$48,177 and an increase of \$348,822, respectively, compared to the comparable period in 2020. The movement in share-based compensation expense is the result of the timing and number of share options granted during the period and the vesting conditions and fair value attributed to those options.



For the three months and year ended December 31, 2021, general and administrative costs were \$280,696 and \$837,690, respectively, an increase of \$221,519 and \$698,024, respectively, compared to the comparable period in 2020. The increase was due to higher employee salaries, information technology support, directors and officers' insurance expense and the variable component of the rent expense for the corporate office.

For the three months and year ended December 31, 2021, professional fees were \$63,592 and \$248,729, respectively, a decrease of \$32,507 and \$42,841, respectively, compared to the comparable period in 2020. The decrease was mainly due to lower consulting fees for former executives partially offset by higher audit fees for the interim reviews and services related to the base shelf prospectus.

For the three months and year ended December 31, 2021, investor relations and travel costs were \$146,219 and \$240,254, respectively, an increase of \$139,103 and \$193,198, respectively compared to the comparable period in 2020. The increase is due to increased promotion and marketing of the Company and investor conferences.

Interest and finance expense

For the three months and year ended December 31, 2021, interest and finance expense was \$200,018 and \$500,771, respectively, an increase of \$200,018 and \$499,244, respectively compared to the comparable period in 2020. The increase is due to the accretion of acquisition liabilities related to the Gabbs Project and interest expense on the corporate office lease.

Net loss and comprehensive loss

For the three months ended December 31, 2021, net loss was \$2,022,439, an increase of \$1,008,074 compared to the comparable period in 2020. The increase is primarily driven by higher E&E expenditures due to continued exploration work at the Gabbs Project, higher administrative expenses and higher interest and finance expense.

For the year ended December 31, 2021, net loss was \$27,387,336, an increase of \$22,375,015, compared to the comparable period in 2020. The increase is primarily driven by the acquisition of the Gabbs Project, more extensive summer explorations programs at the BC properties and increased administrative expenses.

Net comprehensive loss is impacted by the same reasons noted above for net loss and the currency translation adjustment for translation of the Company's subsidiaries financial results into the presentation currency.

LIQUIDITY AND CAPITAL RESOURCES

Cash flow

For the three months and year ended December 31, 2021, cash flows used in operating activities were \$1,004,344 and \$7,612,446, respectively, an increase of \$5,759 and \$3,420,679, respectively compared to the comparable period in 2020. Operating cash outflows increased due to the payment related to the Gabbs Project acquisition and progress on exploration programs at the Gabbs Project and the BC properties.



For the three months and year ended December 31, 2021, cash flows used in investing activities were \$8,459 and \$223,043, respectively, an increase of \$10,432 and \$221,677, respectively compared to the comparable period in 2020. Investing cash outflows increased primarily due to reclamation bond requirements to complete exploration programs at the BC properties and purchases of property, plant and equipment.

For the three months ended December 31, 2021, cash flows generated by financing activities were \$5,607,356, an increase of \$4,199,436 compared to the comparable period in 2020. The increase was primarily due to proceeds from the private placement in the amount of \$1,404,289 (2020 - \$1,424,000) and proceeds from the flow-through share private placements in the amount of \$4,524,385 (2020 - nil) offset by share issuance costs of \$338,331 (2020 - \$16,080).

For the year ended December 31, 2021, cash flows generated by financing activities were \$13,995,954, an increase of \$8,738,194 compared to the comparable period in 2020. Financing cash inflows increased primarily due to proceeds from the private placements in the amount of \$7,353,319 (2020 - \$4,224,000) and proceeds from the flow-through share private placements in the amount of \$7,284,687 (2020 - \$1,200,000) offset by share issuance costs of \$564,755 (2020 - \$134,965).

Liquidity and capital resources

As at December 31, 2021, the Company had cash and cash equivalents of \$7,796,236 (2020 - \$1,634,964) and current liabilities of \$6,847,268 (2020 - \$118,007) for positive working capital of \$1,151,749 (2020 - \$1,742,359). Significant funds will be required to complete the acquisition of the Gabbs Project, refer to the “Commitments” section of this MD&A.

The properties held by the Company are in the exploration and development stage and, as a result, the Company has no source of revenue or operating cash flow. The exploration and development of the Company’s properties depends on the ability of the Company to obtain financing. During the year ended December 31, 2021, the Company has successfully completed the following private placements:

- On December 23, 2021, the Company completed the following private placements:
 - A private placement of 3,959,933 flow-through units at a price of \$0.77 per unit for gross proceeds of \$3,049,148;
 - A private placement of 1,458,616 premium flow-through units at a price of \$0.84 per unit for gross proceeds of \$1,225,237; and
 - A private placement of 2,421,188 non-flow-through units at a price of \$0.58 per unit for gross proceeds of \$1,404,289.
- On September 29, 2021, the Company completed a private placement of 2,520,000 flow-through shares at a price of \$0.50 per share for gross proceeds of \$1,260,000.
- On June 4, 2021, the Company completed a private placement of 2,917,170 flow-through units at a price of \$0.60 per unit for gross proceeds of \$1,750,302.
- On May 17, 2021, the Company completed a private placement of 11,898,060 units at a price of \$0.50 per unit for gross proceeds of \$5,949,030.



If the Company's exploration programs are successful, additional funds will be required to continue exploring and developing its properties until commercial production is achieved. As the Company does not have a source of operating cash flow, the Company will seek financing through, but not limited to, debt financing, equity financing and strategic alliances. However, there is no assurance that such financing will be available. If adequate financing is not available or cannot be obtained on a timely basis, the Company may be required to delay, reduce the scope of or eliminate one or more of its exploration programs or relinquish some or all of its rights under the existing option and acquisition agreements.

The ability of the Company to arrange financing or the sale of a property or a project interest in the future will depend in part upon the prevailing market conditions as well as the business performance of the Company. If additional financing is raised through the issuance of shares, control of the Company may change and shareholders may experience dilution.

Use of proceeds

The following table includes a comparison of actual use of proceeds to the intended use of proceeds related to the private placement completed on May 17, 2021:

	Intended use of proceeds	Actual use of proceeds
Phase One exploration program at Gabbs Project	\$ 2,500,000	\$ 2,111,655
General corporate purposes, including transaction costs associated with private placement	2,149,030	2,150,764
Acquisition of Gabbs Project ⁽¹⁾	1,300,000	1,216,600
Remaining in treasury	-	470,011
	\$ 5,949,030	\$ 5,949,030

⁽¹⁾ The initial payment for the acquisition of the Gabbs Project was US\$1,000,000 (C\$1,300,000) assuming a foreign exchange rate of US\$1.00 : CAD\$1.30.

On June 4, 2021, the Company completed a flow-through share private placement for gross proceeds of \$1,750,302. Under the terms of the flow-through share private placement, the funds must be used to pay for qualifying exploration expenditures, as defined under the Canadian Income Tax Act ("ITA"). As at December 31, 2021, all of the proceeds from this flow-through share private placement have been utilized on qualifying exploration expenditures.

On September 29, 2021, the Company completed a flow-through share private placement for gross proceeds of \$1,260,000. Under the terms of the flow-through share private placement, the funds must be used to pay for qualifying exploration expenditures, as defined under the Canadian ITA. As at December 31, 2021, \$1,050,359 of the Company's cash balance is required for this purpose.

On December 23, 2021, the Company completed two flow-through share private placements for gross proceeds of \$4,274,385. Under the terms of the flow-through share private placements, the funds must be used to pay for qualifying exploration expenditures, as defined under the Canadian ITA. As at December 31, 2021, \$4,274,385 of the Company's cash balance is required for this purpose.



COMMITMENTS

The following table provides our contractual obligations as of December 31, 2021:

	1 year	2 -3 years	More than 3 years	Total
Acquisition liabilities -				
Gabbs Project	\$ 5,071,200	\$ 6,339,000	\$ -	\$ 11,410,200
Lease obligations	137,432	140,784	-	278,216
	\$ 5,208,632	\$ 6,479,784	\$ -	\$ 11,688,416

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

OUTSTANDING SHARE DATA

As at March 17, 2022, the Company had the following number of securities outstanding:

	Number of securities	Exercise price (\$)	Weighted average remaining life (years)
Common shares	70,437,882	-	-
Share options	4,624,166	\$0.30 - \$0.61	0.94
Warrants	31,411,832	\$0.60 - \$0.90	1.15
	106,473,880		

SUMMARY OF ANNUAL RESULTS

The following table contains selected annual financial information derived from our audited consolidated financial statements, which are reported under IFRS.

	December 31, 2021	December 31, 2020	December 31, 2019
			For the year ended
Revenue	\$ -	\$ -	\$ -
E&E expenditures	24,669,173	3,918,523	1,223,863
Net loss	(27,387,336)	(5,012,321)	(1,304,631)
Net comprehensive loss	(27,232,906)	(5,012,321)	(1,304,631)
Loss per share - basic and diluted	(0.56)	(0.26)	(0.15)
Cash and cash equivalents	7,796,236	1,634,964	570,337
Total assets	8,452,113	1,860,366	664,435
Total liabilities	12,899,281	118,007	149,677
Cash dividends	\$ -	\$ -	\$ -



The increase in E&E expenditures, resulting in an increase in net loss and net comprehensive loss in 2021, is due to the acquisition of the Gabbs Project and continued focus on exploration programs on the BC properties.

SUMMARY OF QUARTERLY RESULTS

The following table contains selected quarterly financial information derived from our unaudited quarterly condensed consolidated interim financial statements, which are reported under IFRS applicable to interim financial reporting.

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
E&E expenditures	1,179,098	2,610,338	20,632,000	247,737	599,822	3,131,867	120,661	66,173
Net loss	(2,022,439)	(3,249,860)	(21,484,199)	(630,838)	(1,014,365)	(3,428,945)	(403,897)	(165,114)
Net comprehensive loss	(1,921,139)	(3,410,802)	(21,270,127)	(630,838)	(1,014,365)	(3,428,945)	(403,897)	(165,114)
Loss per share -								
basic and diluted	(0.03)	(0.05)	(0.49)	(0.02)	(0.04)	(0.15)	(0.02)	(0.02)
Cash and								
cash equivalents	7,796,236	3,204,372	5,748,316	1,198,821	1,634,964	1,223,656	605,285	342,073
Total assets	8,452,113	4,707,321	6,338,661	1,712,726	1,860,366	1,355,868	643,271	405,105
Total liabilities	12,899,281	11,615,981	11,142,654	469,889	118,007	213,382	55,672	55,461
Cash dividends	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The increase in net loss and net comprehensive loss in the second quarter of 2021 is due to the acquisition of the Gabbs Project. The increase in net loss and net comprehensive loss in the third quarter of 2021 and 2020 is due to summer exploration programs on the BC properties.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Additional disclosure concerning the Company's E&E expenditures and administrative expenses is provided in the Company's statement of loss and comprehensive loss contained in its annual consolidated financial statements and condensed consolidated interim financial statements, which are all available on the Company's website and its profile on SEDAR at www.sedar.com.

EVENTS AFTER THE REPORTING DATE

Other than disclosed elsewhere in this MD&A, the Company does not have any material events after the reporting date to disclose.

RELATED PARTY TRANSACTIONS

Key management includes the Company's directors and officers including its President and Chief Executive Officer, Chief Exploration Officer, Executive Vice President and Chief Financial Officer. It also includes the Company's former directors and officers.



Directors and key management compensation:

	For the three months ended		For the year ended	
	December 31,	December 31,	December 31,	December 31,
	2021	2020	2021	2020
Share-based compensation	\$ 125,874	\$ 186,033	\$ 852,476	\$ 609,116
Salaries and benefits	159,718	-	302,023	-
Management and consulting fees	-	42,843	76,995	154,843
	\$ 285,592	\$ 228,876	\$ 1,231,494	\$ 763,959

As at December 31, 2021, accounts payable and accrued liabilities include \$16,850 (2020 - \$12,870) owed to four officers of the Company for reimbursement of transactions incurred in the normal course of business.

A total of 7,000,000 units were purchased in the private placement completed on May 17, 2021 by two officers of the Company.

A total of 376,668 units were purchased in the flow-through share private placement completed on June 4, 2021 by five officers and directors of the Company.

NEW ACCOUNTING POLICIES

Our significant accounting policies are presented in note 3 to the audited consolidated financial statements for the years ended December 31, 2021 and 2020. There were no new accounting policies adopted during the year ended December 31, 2021.

NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS

The following standards, amendments and interpretations have been issued but are not yet effective:

- The IASB issued an amendment to International Accounting Standard (“IAS”) 16, Property, Plant and Equipment to prohibit the deducting from property, plant and equipment amounts received from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management. The amendment will require sales proceeds and related costs to be recognized in the statement of loss. The amendment is effective for annual reporting periods beginning on or after January 1, 2022, with earlier application permitted. The amendment will not impact the Company’s business or financial statements at the time of adoption.

There are no other IFRS standards or International Financial Reporting Interpretations Committee interpretations that are not yet effective or early adopted that are expected to have any impact on the Company.



CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates. It also requires management to exercise judgment in the process of applying its accounting policies. Estimates and policy judgments are regularly evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Aside from the ability to continue as a going concern (refer to the “*Liquidity and Capital Resources*” section of this MD&A), there are no sources of material estimation uncertainty which could result in material changes within the next twelve months to the carrying amounts of assets and liabilities.

FINANCIAL INSTRUMENTS

Classification of financial assets

The Company has the following financial assets: cash and cash equivalents, receivables and other and restricted cash.

Cash and cash equivalents comprise cash holdings in business and savings accounts held at major financial institutions with an original maturity date of three months or less. Restricted cash is held by the Provincial Government of BC as collateral for reclamation bonds. Cash and restricted cash are classified at amortized cost. Interest income is recognized by applying the effective interest rate method.

Classification of financial liabilities

The Company has the following financial liabilities: accounts payable and accrued liabilities, lease obligations and acquisition liabilities for the Gabbs Project.

Accounts payable and accrued liabilities and the acquisition liabilities related to the Gabbs Project are recognized initially at fair value, net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are held at amortized cost using the effective interest method.

Financial risk management

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's cash flows or value of its financial instruments.

(i) *Currency risk*

The Company is subject to currency risk on financial instruments that are denominated in currencies that are not the same as the functional currency of the entity that holds them. Exchange gains and losses would impact the statement of loss.



The Company is exposed to currency risk through cash and cash equivalents and accounts payable and accrued liabilities held in the parent entity which are denominated in USD.

(ii) *Interest rate risk*

The Company is subject to interest rate risk with respect to its investments in cash and cash equivalents. The Company's current policy is to invest cash at floating rates of interest with cash reserves to be maintained in cash and cash equivalents in order to maintain liquidity. Fluctuations in interest rates when cash and cash equivalents mature impact interest and finance income earned.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company limits its exposure to credit risk on financial assets through investing its cash and cash equivalents with high-credit quality financial institutions and its restricted cash with the BC Ministry of Energy, Mines and Low Carbon Innovation. Management believes there is a nominal expected credit loss associated with its financial assets.

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 manages liquidity risk by monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. Cash flow forecasting is performed regularly to ensure that there is sufficient liquidity in order to meet short-term business requirements.

Refer to note 1b of the audited consolidated financial statements and the "*Liquidity and Capital Resources*" section of this MD&A for further discussion regarding the Company's ability to continue as a going concern.

The Company has issued surety bonds to support future decommissioning and restoration provisions.

Fair value estimation

The Company's financial assets and liabilities are initially measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The three levels of fair value hierarchy are as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data.



The carrying values of cash and cash equivalents, receivables and other, restricted cash and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

The carrying value of the acquisition liabilities for the Gabbs Project are considered to approximate their fair value.

INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

Currently, the certification required by the Company's certifying officers under National Instrument 52-109 – *Certificate of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the 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 are not making any representations relating to the establishment and maintenance of:

- 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, summarised and reported within the time periods specified in securities legislation; and
- 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 Generally Accepted Accounting Principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make in the 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

Mineral resource acquisition, exploration and development involves a number of risks and uncertainties, many of which are beyond our control. These risks and uncertainties include, without limitation, the risks discussed elsewhere in this MD&A and those identified in our AIF dated August 9, 2021 as filed in Canada on SEDAR at www.sedar.com. You should carefully consider such risks and uncertainties prior to deciding to invest in our securities.



STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains “forward-looking information” (within the meaning of applicable Canadian securities law, and also referred to herein as “forward-looking statements”) concerning the Company’s plans at its mineral properties and other matters. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Actual results could differ materially from the conclusions, forecasts and projections contained in such forward-looking information.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects”, “is expected”, “anticipates”, “plans”, “projects”, “estimates”, “assumes”, “intends”, “strategy”, “goals”, “objectives”, “potential” or variations thereof or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to materially differ from those reflected in the forward-looking statements, and are developed based on assumptions about such risks, uncertainties and other factors set out herein including, without limitation:

- uncertainties regarding title relating to ownership and validity of mining claims;
- governmental regulations, including environmental regulations;
- the effects of the ongoing COVID-19 pandemic;
- the exploration, development and operation of a mine or mine property, including the potential for undisclosed liabilities on our mineral projects;
- the fact that we are a relatively new company with no mineral properties in development or production and no history of revenue generation;
- risks associated with the Company’s historical negative cash flow from operations;
- our ability to obtain adequate financing for our planned exploration and development activities and to complete further exploration programs;
- the Company’s need to attract and retain qualified personnel;
- uncertainties related to the competitiveness of the mining industry;
- risks associated with changes to the legal and regulatory environment that effect exploration and development of precious metals mining properties where the Company holds its mineral projects;
- uncertainties related to actual capital costs, operating costs and expenditures, production schedules and economic returns from the Company’s mineral projects;
- increased costs and restrictions on operations due to compliance with environmental laws and regulations;
- uncertainties related to the availability of future financing;
- uncertainties inherent in the estimation of mineral resources and metal recoveries;
- uncertainties relating to the interpretation of drill results and the geology, grade and continuity of our mineral deposits;
- risks associated with having adequate surface rights for operations;
- risks associated with security and human rights;
- environmental risks;

- risks associated with the Company being subject to government regulation in foreign jurisdictions;
- market events and general economic conditions;
- risks associated with potential legal proceedings;
- risks that the Company's title to its property could be challenged;
- risks related to the integration of businesses and assets acquired by the Company;
- delay in obtaining or failure to obtain required permits, or non-compliance with permits that are obtained;
- uncertainty regarding unsettled First Nations rights and title in BC and the potential for similar adverse claims in the other jurisdictions in which the Company hold its mineral projects;
- risks associated with potential conflicts of interest;
- commodity price fluctuations, including gold, silver and copper price volatility;
- risks associated with operating hazards at the Company's mining projects;
- uncertainties related to current global economic conditions;
- uncertainties associated with development activities;
- risks related to obtaining appropriate permits and licenses to explore, develop, operate and produce at the Company's projects;
- potential difficulties with joint venture partners;
- risk associated with theft;
- risk of water shortages and availability and risks associated with competition for water;
- uninsured risks and inadequate insurance coverage;
- risks associated with community relations;
- outside contractor risks;
- risks related to archaeological sites; and
- risks related to the need for reclamation activities on the Company's properties.

This list is not exhaustive of the factors that may affect the Company's forward-looking information. These and other factors should be considered carefully, and readers should not place undue reliance on such forward-looking information.