# P2 GOLD INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 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 condensed consolidated interim financial statements for the three and nine months ended September 30, 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 condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Our significant accounting policies applied in the condensed consolidated interim financial statements are the same as those disclosed in note 3 of our annual consolidated financial statements as at and for the years ended December 31, 2020 and 2019.

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 condensed consolidated interim 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 November 9, 2021 and includes certain statements that may be deemed "forward-looking information", "forward-looking statements", "future-oriented financial information" 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 Country, Nevada. In addition, the Company holds interest in four properties located in northwest BC, the BAM Property, the Silver Reef Property, the Todd Creek Property and the Natlan 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.

## 3rd QUARTER HIGHLIGHTS AND SIGNIFICANT EVENTS

- On July 7, 2021, the Company announced that the Bureau of Land Management (“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 that the Company had posted the required reclamation bond and was now in a position to commence drilling at the Sullivan and Car Body Zones. The Company also announced that it had filed a separate Notice to Conduct Exploration Activities with the BLM for the Lucky Strike Zone and the northwest part of the Gabbs Project and that Fred Brown, M.Sc. (Eng), RM-SME, P.Geo., had been appointed Exploration Manager for the Gabbs Project as well as for the Company’s properties in Oregon.

- 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 located in northwest BC. Refer to the “*BC Project Details – Description and Acquisition Status*” section of this MD&A for further details of the option agreement.

- On August 4, 2021, the Company reported the completion of the Phase One metallurgical program for the Gabbs Project. The Phase One metallurgical program included testing for the potential recoveries of copper and gold from oxide mineralization by sequential leach using heap leach or conventional milling. The test work showed that gold and copper can be recovered by both process options, with extractions averaging 97.2% for gold and 95.2% for copper when the sample is ground to 100 microns.

- On August 30, 2021 and subsequent to quarter-end, on 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 of the 2021 drill program results, refer to the "*BC Project Details – Description and Acquisition Status*" section of this MD&A.

- On September 8, 2021 and subsequent to quarter-end, on October 13, 2021, October 19, 2021 and November 9, 2021 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. For further details of the 2021 drill program results, refer to the "*Gabbs Project*" section of this MD&A.

- On September 29, 2021, the Company completed a non-brokered private placement of 2,520,000 flow-through shares at a price of $0.50 per unit for gross proceeds of $1,260,000. The proceeds of the flow-through share private placement will be used to fund exploration expenditures on the BAM Property.

- Subsequent to quarter-end, on October 6, 2021, the Company announced that it had terminated the mineral lease and option agreement for the Stockade Property located in Oregon.

- Subsequent to quarter-end, on October 19, 2021, the Company provided an update on the Gabbs Project, including the production trade-off study and Phase Two metallurgical program. For further details, refer to the "*Gabbs Project*" section of this MD&A.

## NOVEL CORONAVIRUS ("COVID-19") PANDEMIC

The Company's business, operations and financial condition, and the market price of the Common Shares, could be materially and adversely affected by the outbreak of global epidemics or pandemics or other health crises, including the outbreak of COVID-19 and variants of the COVID-19 virus. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in a number of countries including Canada and the USA. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Such public health crises can result in volatility and disruptions in the supply and demand for metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk, share prices and inflation.

The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, increased labour and fuel costs, limitations or restrictions on the availability of consumables required to carry out the Company's operations, regulatory changes, political or economic instabilities or civil unrest. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 and its related impacts may impact the Company's ability to service any contractual commitments it may have in the short term, and over a longer term may have a material adverse effect on the Company's business, results of operations and financial condition and the market price of the Common Shares. The Company has been following federal, provincial/state and local health guidelines to minimize the risk of COVID-19.

## 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 33.2 $km^2$ (12.8 $mi^2$) contiguous claim block.

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

For additional information about the Gabbs Project, refer to the National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") Technical Report entitled "Updated Mineral Resource Estimate of the Gabbs Gold-Copper Property Fairplay Mining District, Nye County, Nevada, USA" dated effective January 13, 2021 prepared by P&E Mining Consultants Inc ("P&E"). The full technical report was filed on March 11, 2021 in Canada under the Company's profile on SEDAR at www.sedar.com and includes additional assumptions, qualifications, references, reliances and procedures which are not fully described herein.

**Phase One drill program**

The Phase One drill program has been completed and totalled 580 meters in four diamond drill holes and 4,120 meters in 27 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. All four diamond and 23 RC holes were completed in the Sullivan Zone. Three RC holes were completed in the Car Body Zone and one RC hole in the Lucky Strike Zone. Results of the diamond drill holes and first 12 RC drill holes are disclosed below, with assays pending for the remaining RC drill holes.

Historically, drilling at the Sullivan Zone focused on the near-surface oxide gold mineralization, with a significant number of holes stopped in mineralization or not assayed for copper. Most of this drilling was completed between 1980 and 1995 prior to the adoption of NI 43-101. The results to date from the Company's drill program have confirmed that the zone of gold-copper mineralization is much thicker and higher in grade than previously defined. In addition, the Sullivan deposit appears to be zoned with lower grade mineralization in the northwest with the grades improving to the southeast.

*Diamond drilling results*

Selected diamond drill results from the Gabbs Project are highlighted in the table below(1,2,3):

| Hole | Collar Coords | Dip/ Azimuth | From (m) | To (m) | Interval (m) | Gold (g/t) | Copper (%) | AuEq (g/t) |
|---|---|---|---|---|---|---|---|---|
| GBD-001 | N4292637 E417583 | -45/45 | 27.43 | 168.10 | 140.67 | 0.81 | 0.30 | 1.15 |
| | | Incl. | 48.46 | 87.78 | 39.32 | 2.12 | 0.51 | 2.71 |
| GBD-002 | N4292924 E417321 | -45/45 | 12.50 | 58.83 | 46.33 | 0.12 | 0.23 | 0.39 |
| | | Incl. | 12.50 | 40.54 | 28.04 | 0.14 | 0.29 | 0.47 |
| GBD-003 | N4292711 E417542 | -50/45 | 24.08 | 98.57 | 74.49 | 0.48 | 0.26 | 0.78 |
| | | Incl. | 42.06 | 57.30 | 15.24 | 0.86 | 0.36 | 1.27 |
| GBD-004 | N4292586 E417663 | -65/45 | 33.16 | 118.87 | 85.71 | 1.00 | 0.36 | 1.41 |
| | | Incl. | 51.76 | 92.51 | 40.75 | 1.56 | 0.50 | 2.14 |

(1) True thickness to be determined.
(2) All samples were submitted for preparation by ALS Global at its facilities in Elko, Nevada, with the analysis completed at ALS Global facilities in Reno, Nevada and North Vancouver, 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.
(3) Gold equivalent calculations were consistent with the Gabbs Mineral Resource which used US$1,600 per ounce gold, US$3.00 per pound copper, and copper recoveries of 90%.

Drill hole GBD-001 was drilled in the center of the Sullivan Zone to test the full width of the zone and confirm the higher-grade gold-copper domain encountered by prior operators. The mineralization intersected in drill hole GBD-001 is approximately 70 meters thicker than defined by historical drilling, almost doubling the historical thickness of the mineralized zone and at higher average grades. The high-grade mineralization is hosted by an intensely sericite altered monzonite, with lower grade gold mineralization extending up into the overlying gabbro, and copper-gold mineralization extending well into the underlying chlorite altered pyroxenites.

Drill hole GBD-002 was drilled at the limits of the historical drilling included in the Gabbs Mineral Resource. This hole successfully extended the known mineralization by approximately 50 meters to the northwest and was collared entirely within the altered footwall pyroxenites. Additional drilling is planned further to the north and northwest of GBD-002 to test for additional extensions of the mineralization and the monzonite that hosts the high-grade mineralization in hole GBD-001.

Drill hole GBD-003 was drilled approximately 85 meters northwest of drill hole GBD-001, and drill hole GBD-004 was drilled approximately 95 meters southeast of drill hole GBD-001. Both GBD-003 and GBD-004 were diamond drill holes designed to test the full width of the Sullivan Zone and confirm the ore controls of the higher-grade gold-copper domain encountered by prior operators. Hole GBD-004 ended in mineralization due to mechanical issues with the drill.

The mineralization intersected in drill hole GBD-003 is approximately 40 meters thicker than defined by historical drilling and in drill hole GBD-004 is at least 60 meters thicker than defined by historical drilling. These intersections are at least 50% thicker than the historical intersections and at higher average grades. The high-grade mineralization is hosted by an intensely sericite altered monzonite, with the copper-gold mineralization extending well into the underlying chlorite altered pyroxenites.

Oxide mineralization was encountered down to approximately 130 meters in hole GBD-001, down to approximately 120 meters in hole GBD-003 and over the entire length of holes GBD-002 and GBD-004. Recently completed metallurgical test work by the Company confirmed that the gold and copper mineralization yield relatively high recoveries for both heap leach and conventional milling options. The oxide copper was not included in the gold equivalent calculation for the Gabbs Mineral Resource and as such represents a significant opportunity to increase the contained gold equivalent ounces.

*RC drilling results*

The RC program commenced at the northwest extent of the Sullivan Zone, with drill holes GBR-001 to 007 intersecting the footwall lithology where the monzonite host of the high-grade mineralization has been eroded off. However, there are indications it is preserved to the southwest of these holes where there has not been any historical drilling. Future drilling will test for this extension to the mineralization.

Drill holes GBR-008 to 012 intersected the intensely sericite-altered monzonite that hosts the high-grade mineralization, with copper–gold mineralization extending well into the underlying chlorite altered pyroxenites. As also seen in the results of the diamond drilling, the grade and thickness of the mineralization in the RC drill holes increase to the southeast. Drill holes GBR-011 and 012, drilled the furthest to southeast of these drill holes, ended in significant gold-copper mineralization indicating that the Sullivan Zone is thicker than interpreted from the historical drilling. The mineralization intersected in the first 12 RC drill holes is thicker and higher grade than defined by historical drilling and is consistent with the mineralization encountered in the diamond drilling where RC and diamond holes were drilled on the same section.

Selected RC drill results from the Gabbs Project are highlighted in the table below[1,2]:

| Hole | Collar Coords | Dip/ Azimuth | From (m) | To (m) | Interval (m) | Gold (g/t) | Copper (%) | AuEq[3] (g/t) | CuEq[3] (%) |
|---|---|---|---|---|---|---|---|---|---|
| GBR-001 | N4292989 / E417254 | -90/0 | 6.10 | 22.86 | 16.76 | 0.07 | 0.11 | 0.20 | 0.17 |
| GBR-002 | N4292989 / E417254 | -45/45 | 9.14 | 33.53 | 24.39 | 0.09 | 0.14 | 0.25 | 0.21 |
| GBR-003 | N4292982 / E417381 | -90/0 | 6.10 | 47.24 | 41.14 | 0.15 | 0.20 | 0.38 | 0.32 |
| GBR-004 | N4292982 / E417381 | -50/40 | 4.57 | 39.62 | 35.05 | 0.21 | 0.21 | 0.45 | 0.37 |
| GBR-005 | N4292982 / E417381 | -50/225 | 9.14 | 50.29 | 41.15 | 0.23 | 0.25 | 0.52 | 0.43 |
| GBR-006 | N4292923 / E417326 | -90/0 | 9.14 | 56.39 | 47.25 | 0.16 | 0.24 | 0.44 | 0.37 |
| GBR-007 | N4292923 / E417326 | -45/225 | 13.72 | 89.92 | 76.20 | 0.28 | 0.29 | 0.61 | 0.51 |
| | | Incl. | 59.44 | 85.34 | 25.90 | 0.54 | 0.38 | 0.99 | 0.81 |
| GBR-008 | N4292637 / E417583 | -70/225 | 32.00 | 195.07 | 163.07 | 0.56 | 0.23 | 0.82 | 0.66 |
| | | Incl. | 105.16 | 131.06 | 25.90 | 1.20 | 0.26 | 1.50 | 1.19 |
| GBR-009 | N4292637 / E417583 | -65/45 | 32.00 | 128.02 | 96.02 | 0.70 | 0.36 | 1.12 | 0.90 |
| | | Incl. | 51.82 | 79.25 | 27.43 | 1.72 | 0.46 | 2.25 | 1.79 |
| GBR-010 | N4292585 / E417656 | -90/0 | 45.72 | 149.35 | 103.63 | 1.19 | 0.37 | 1.62 | 1.29 |
| | | Incl. | 94.49 | 143.26 | 48.77 | 1.76 | 0.46 | 2.30 | 1.83 |
| GBR-011 | N4292507 / E417754 | -90/0 | 47.24 | 190.50 | 143.26 | 0.65 | 0.27 | 0.97 | 0.78 |
| | | Incl. | 118.87 | 147.83 | 28.96 | 1.07 | 0.33 | 1.44 | 1.16 |
| | | Incl. | 184.40 | 190.50 | 6.10 | 0.40 | 0.79 | 1.31 | 1.10 |
| GBR-012 | N4292507 / E417754 | -65/45 | 35.05 | 137.16 | 102.11 | 1.00 | 0.44 | 1.51 | 1.22 |
| | | Incl. | 76.20 | 114.30 | 38.10 | 1.74 | 0.77 | 2.63 | 2.12 |
| | | Incl. | 131.06 | 137.16 | 6.10 | 0.62 | 0.56 | 1.27 | 1.04 |

(1) True thickness to be determined.
(2) All samples were submitted for preparation by ALS Global at its facilities in Elko, Nevada, with the analysis completed at ALS Global facilities in Reno, Nevada and North Vancouver, 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.
(3) Gold equivalent calculations were consistent with the Gabbs Mineral Resource which used US$1,600 per ounce gold, US$3.00 per pound copper, and copper recoveries of 90%.

**Production trade-off study**

In August 2021, Kappes Cassiday & Associates ("KCA") was retained to prepare a trade-off study of the economic potential of several process options for treating the mineralization at the Gabbs gold-copper project. For the oxide ores, this study included both heap leaching and conventional milling using either acid or cyanide for recovery of gold and copper. In all cases, the sulphide ores were treated by conventional milling followed by flotation producing a gold/copper concentrate and cyanide leaching of the flotation tails to produce doré. In their analysis, KCA determined that a combination of heap leaching of the oxide ores with cyanide and conventional milling of the sulphide ores had the greatest economic potential. In this process option, the flowsheet used standard Sulphidation, Acidification, Recycling, Thickening ("SART") technology to recover the oxide copper and gold from the cyanide solutions collected from the heap leach, and then regenerate the cyanide for reuse on the heap. The second-best process option was conventional milling of both oxide and sulphide ores with cyanide and flotation/leaching of the sulphide ores. Additional metallurgical studies were recommended to refine the trade-off study and advance the project towards a Preliminary Economic Assessment ("PEA").

**Mineral processing and metallurgical testing**

*Phase One metallurgical program*

On August 4, 2021, the Company reported the completion of the Phase One metallurgical program for the Gabbs Project. The Phase One metallurgical program included testing for the potential recoveries of copper and gold from oxide mineralization by sequential leach using heap leach or conventional milling. The test work showed that gold and copper can be recovered by both process options, with extractions averaging 97.2% for gold and 95.2% for copper when the sample is ground to 100 microns.

The Phase One metallurgical program focused on the oxide mineralization as the current Inferred Mineral Resource for the Gabbs Project assumes zero recovery of oxide copper mineralization. By confirming that viable options for recovery of copper from the oxide mineralization do exist, the Company believes that oxide copper can be included in future estimates of the Mineral Resource and considered for recovery in the PEA planned for 2022/23. This is potentially significant as approximately 143.3 million pounds of oxide copper are defined, but not included in the Inferred Mineral Resource.

| Table 1: Metallurgical Composite One Test Results | | | | | |
|---|---|---|---|---|---|
| Test | Head Grade | | Recoveries | | Comments |
| | Au<br>gpt | Cu<br>% | Au<br>% | Cu<br>% | |
| Direct analysis | 0.88 | 0.50 | - | - | Direct head analysis |
| ½-inch crush | 1.16 | 0.49 | 66.0 | 84.5 | Bottle roll sequential leach |
| ¼-inch crush | 0.87 | 0.49 | 70.0 | 89.2 | Bottle roll sequential leach |
| 100-micron grind | 1.25 | 0.45 | 98.1 | 99.1 | Flotation followed by sequential agitated leach |

| Table 2: Metallurgical Composite Two Test Results | | | | | |
|---|---|---|---|---|---|
| Test | Head Grade | | Recoveries | | Comments |
| | Au gpt | Cu % | Au % | Cu % | |
| Direct analysis | 1.32 | 0.54 | - | - | Direct head analysis |
| ½-inch crush | 1.09 | 0.47 | 55.9 | 81.4 | Bottle roll sequential leach |
| ¼-inch crush | 1.19 | 0.47 | 79.0 | 88.0 | Bottle roll sequential leach |
| 100-micron grind | 1.28 | 0.47 | 96.3 | 91.2 | Flotation followed by sequential agitated leach |

*Phase Two metallurgical program*

The Phase Two metallurgical program is based on recommendations from the trade-off study and will build on the Phase One work. For this program, representative samples of oxide and sulphide mineralization have been composited from split diamond drill core and sent to KCA. Using the exploration assay results, the estimated grades of the composites averaged:

| Phase Two metallurgical program Composite name | Average gold grade (g/t) | Average copper grade (%) | Average sulphur grade (%) |
|---|---|---|---|
| Oxide – High grade | 1.65 | 0.48 | 0.05 |
| Oxide – Medium grade | 0.66 | 0.32 | 0.03 |
| Oxide – Low grade | 0.19 | 0.33 | 0.03 |
| Sulphides | 0.18 | 0.32 | 1.86 |

The Phase Two metallurgical program will primarily focus on processing the oxide ore on a heap leach using cyanide and SART technology to regenerate the cyanide and produce doré and a metallic copper concentrate. These studies will include bench scale agitated leach and bottle roll tests followed by column leach tests. For the sulphide composite, a limited number of tests will be completed testing the flotation responses of the mineralization to confirm the milling option assumptions in the trade-off study. Sulphide test work will focus on optimizing recoveries and production of a saleable copper concentrate and doré.

The Phase Two metallurgical program is expected to commence shortly and is expected to be completed in the first quarter of 2022. The overall objective of the program is the refinement of the economic analysis in the trade-off study and definition of any further test parameters required to complete a PEA.

**Geophysical surveys**

From 1970 through 2011, exploration activities were carried out on the Gabbs Project by several operators. Historical geophysical work included regional gravity and magnetic surveys, a property scale ground magnetic survey and an orientation IP survey. This work showed that the Sullivan and Lucky Strike zones are associated with prominent magnetic highs, which are open at depth. Re-interpretation of the ground magnetic and historical IP data has identified features which are potentially indicative of the source for the surface mineralization.

Field mapping and prospecting by the Company has located numerous showings and historical shafts, pits, and trenches which overlay some of the interpreted deep-seated sources. In a further attempt to define these targets, a Natural Source Magneto Telluric survey is being run over the project which totals 25.7 line kilometers. This survey will cover all four known zones of mineralization and the prospective source locations between the zones.

**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 filing of the Gabbs Project Technical Report, 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.

**Mineral Resource Estimate**

P&E prepared an updated Inferred Mineral Resource Estimate based on 494 drill hole records, consisting of 397 "historical" drill holes, 87 drill holes completed by Newcrest Mining Limited and ten RC drill holes completed by St. Vincent Minerals Inc. P&E's pit-constrained Mineral Resource Estimate for the Gabbs Project is reported using a cut-off of 0.24 g/t Au for oxide material, and 0.30 g/t AuEq for sulphide material. The Gabbs Project contains 26.2 Mt of oxide mineralization at an average grade of 0.72 g/t AuEq and 46.9 Mt of sulphide mineralization at an average grade of 0.82 g/t AuEq for a total of 1.84 Moz of AuEq (refer to the Summary of Inferred Mineral Resources table below). The effective date of the Mineral Resource Estimate is January 13, 2021.

| Summary of Inferred Mineral Resources (1-9) | | | | | | | |
|---|---|---|---|---|---|---|---|
| Deposit | Zone | Tonnes (k) | Au (g/t) | Au (koz) | Cu (ppm) | AuEq (g/t) | AuEq (koz) |
| Sullivan | Oxide & Sulphide | 37,600 | 0.58 | 700 | 2,820 | 0.75 | 900 |
| Car Body | Oxide & Sulphide | 2,800 | 1.39 | 130 | 10 | 1.39 | 130 |
| Gold Ledge | Oxide & Sulphide | 100 | 0.76 | 0 | 1,500 | 0.76 | 0 |
| Lucky Strike | Oxide & Sulphide | 32,600 | 0.41 | 430 | 2,620 | 0.77 | 810 |
| **Total** | **Oxide & Sulphide** | **73,100** | **0.53** | **1,260** | **2,620** | **0.79** | **1,840** |

*(1) Mineral Resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM"), 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.*
*(2) The Inferred Mineral Resource in this estimate has a lower level of confidence that 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) Mineral Resources are reported within a constraining conceptual pit shell.*
*(4) Inverse distance weighting of capped composite grades within grade envelopes was used for grade estimation.*
*(5) Composite grade capping was implemented prior to grade estimation.*
*(6) A bulk density of 2.50 t/m³ was used for oxide material and 2.70 t/m³ for sulphide material.*
*(7) A copper price of US$3.00 per pound and a gold price of US$1,600/oz were used.*
*(8) A cut-off grade of 0.24 g/t Au for oxide material, and 0.30 g/t AuEq for sulphide material was used.*
*(9) Table columns may not sum due to rounding.*

**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 located on the Walker-Lane Trend in the Fairplay Mining District of Nye County, Nevada. 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 PEA 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. Each unit consisted of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share in the capital of the Company at an exercise price of $0.85 per common share for a period of two years from the date of issue. If after four months from the date of issue, the closing price of the common shares of the Company on the Exchange is equal to or greater than $1.50 for a period of 10 consecutive trading days at any time prior to the expiry date, the Company will have the right to accelerate the expiry date of the warrants. The proceeds of the private placement will be 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, British Columbia. 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*

Planning for the 2022 exploration program at the BAM Property is underway and is expected to include diamond drilling to test the full extent of the Monarch Gold Zone and Jan Copper Zone.

*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 Phase One exploration drill program consisted of 10 holes totaling 1,315 meters. Eight of the drill holes targeted the Main Zone, with the remaining two 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.

The 2020 Silver Reef Phase Two exploration drill program consisted of four holes totaling 374 meters. Two of the drill holes targeted the Main Zone, with the other two holes targeting the Northwest Zone.

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 British Columbia 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.

*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 British Columbia. 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**

The Todd Creek Property consists of 69 mineral tenures that cover an area of over 32,000 hectares, located approximately 35 kilometers northeast of Stewart, BC and bordering the east side of Pretium Resources Inc.'s Bowser Claims. Highway 37A connecting Stewart to Highway 37 and the transmission line providing power to Stewart pass through the southern portion of the property.

The western side of the Todd Creek Property covers a 12-kilometer by 3-kilometer corridor of altered lower Jurassic volcanic rocks which host at least four zones of gold-copper mineralization, known as Fall Creek, Ice Creek, Yellow Bowl and South zones. These zones are found in the same stratigraphy that hosts the nearby Brucejack, Snowfield, and Goldstorm deposits. On the eastern side of the property, a zone of VMS mineralization has been discovered in the Iskut River formation, which is the same formation that hosts the Eskay Creek deposit.

In August and September 2020, the Company completed the 2020 Todd Creek drill program, which consisted of three drill holes totaling 1,027 meters. Drill holes 1 and 2, totaling 802, meters targeted the Yellow Bowl Zone, a lenticular sericite-rich gossan measuring one kilometer by three kilometers which hosts numerous structurally-controlled copper and gold showings. Drill hole 3, 225 meters, tested a series of closely-spaced copper/gold showings in a zone located five kilometers southeast of Yellow Bowl.

Drilling demonstrated that mineralization identified on surface is hosted in veins that are well defined and remain open at depth, with copper and gold grades appearing to improve with depth, select results include:

- Hole TC-002 (Yellow Bowl Zone) intersected 1.48% copper, 0.04 g/t gold and 30.62 g/t silver over 1.2 meters within an 8.8-meter interval grading 0.53% copper, 0.01 g/t gold and 10.63 g/t silver; and
- Hole TC-002 (Yellow Bowl Zone) intersected 4.19% copper, 0.19 g/t gold and 4.90 g/t silver over 1.8 meters within a 3.3-meter interval grading 3.03% copper, 0.20 g/t gold and 7.15 g/t silver.

The 2020 exploration program at the Todd Creek Property also included an airborne magnetic and radiometric survey over the northwest portion of the property and a satellite hyperspectral survey.

The 2021 exploration program at the Todd Creek Property consisted of a geologic mapping and sampling program and a magnetotellurics ground geophysics program.

*Acquisition terms*

On July 9, 2020, the Company entered into an option agreement with ArcWest Exploration Inc., an arm's length TSX Venture Exchange listed company, to acquire up to a 70% interest in the Todd Creek property. Under the terms of the Todd Creek Property option agreement, the Company can acquire (the "First Option") up to a 51% interest in the Todd Creek Property over a five-year option period by paying to ArcWest the following:

- $100,000 (paid) and 200,000 common shares (issued) in the Company’s share capital on the signing of the agreement;
- $150,000 (paid) on the first anniversary of the agreement;
- $200,000 on the second anniversary of the agreement;
- $200,000 on the third anniversary of the agreement;
- $250,000 on the fourth anniversary of the agreement; and
- $250,000 on the fifth anniversary of the agreement.

To maintain the option, the Company is also required to incur exploration expenditures of $500,000 before the first anniversary of the agreement (with a minimum of 1,000 meters of drilling) (completed), $3,000,000 of cumulative exploration expenditures by the second anniversary of the agreement, $6,500,000 of cumulative exploration expenditures by the third anniversary of the agreement, $10,000,000 of cumulative exploration expenditures by the fourth anniversary of the agreement and $15,000,000 of cumulative exploration expenditures by the fifth anniversary of the agreement.

Following exercise of the First Option, the Company has the right for a period of 60 days to acquire (the "Second Option") an additional 19% interest in the Todd Creek Property, for a 70% total interest, by completing a feasibility study within three years of the exercise of the First Option and paying to ArcWest $250,000 on each anniversary of the exercise of the First Option until the feasibility study is completed. ArcWest has the right, at its election, to receive any payment from the Company as cash, common shares in the Company's capital, or a combination of 50% cash and 50% common shares in the Company's capital. If ArcWest elects to receive any payment in common shares in the Company's capital, the common shares will be priced at the Company's 30-day volume weighted average price.

On exercise of the Second Option (or the First Option, if the Company does not elect to increase its interest by an additional 19%), the Company and ArcWest will form a joint venture, with the Company appointed the operator. Until commercial production is achieved on the Todd Creek Property, the Company will fund the first $100,000 of joint venture expenditures. If either party's joint venture interest is diluted to less than 10%, its joint venture interest will convert to a 2% net smelter returns royalty, one percent of which may be purchased by the other party for $5,000,000 at any time. If decision is made by the joint venture to place the property into production, the Company will arrange project financing for the joint venture, the repayment of which shall be made out of cash flows from the property in priority to distributions to the joint venture participants.

### Natlan Property

The Natlan Property consists of 10 mineral tenures covering an area of over 15,000 hectares approximately 30 kilometers northeast of Hazelton, BC and 65 kilometers south of the Silver Reef Property.

The Natlan Property sits in the same mineralized trend as the Silver Reef Property and is prospective for silver, gold and base metals.

*Acquisition terms*

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. Under the terms of the option agreement, the Company can acquire a 100% interest in the Natlan Property over a five-year option period by paying to the vendor:

- $25,000 (paid) and 100,000 common shares (issued) in the Company's share capital on the signing of the agreement;
- $75,000 and 100,000 common shares in the Company's share capital on the first anniversary of the agreement;
- $75,000 and 200,000 common shares in the Company's share capital on the second anniversary of the agreement;
- $150,000 and 200,000 common shares in the Company's share capital on the third anniversary of the agreement;
- $225,000 and 200,000 common shares in the Company's share capital on the fourth anniversary of the agreement; and
- $450,000 and 200,000 common shares in the Company's share capital on the fifth anniversary of the agreement.

The Company is also required to incur exploration expenditures of $150,000 by the first anniversary of the agreement and $300,000 of cumulative expenditures by the second anniversary of the agreement. On exercise of the option, the Company will grant the optionor a 2% net smelter returns royalty on all minerals produced from the property, which the Company may purchase at any time for $5,000,000 inflation adjusted from 2021.

## 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., 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 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., the Company's Chief Exploration Officer is the qualified person, as defined by NI 43-101, responsible for the Gabbs Project, the BAM Property, the Silver Reef Property, the Todd Creek Property, the Natlan 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 cyclicality 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 September 30, 2021, total assets were $4,231,169, an increase of $2,370,803 compared to December 31, 2020. Higher assets were predominantly due to an increase in cash and cash equivalents of $1,569,408 relating to the completed flow-through private placement in the third quarter of 2021 and an increase in receivables and other of $801,395 relating primarily to tax and other receivables.

Under our accounting policy for exploration and evaluation 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 September 30, 2021, total liabilities were $11,615,981, an increase of $11,497,974 compared to December 31, 2020. Higher liabilities were predominantly due to the acquisition liabilities associated with the Gabbs Project in the amount of $10,661,319, a flow-through share premium liability of $352,800 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 $6,908,660, a change of $8,651,019 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

**Exploration and evaluation expenditures**

For the three and nine months ended September 30, 2021, exploration and evaluation expenditures were $2,610,338 and $23,490,075, respectively, compared to $3,131,867 and $3,318,701, respectively, in the comparable period of 2020.

Exploration and evaluation expenditures of the Company, by property, for the three and nine months ended September 30, 2021 and 2020 were as follows:

| | For the three months ended September 30, 2021 | For the three months ended September 30, 2020 | For the nine months ended September 30, 2021 | For the nine months ended September 30, 2020 |
|---|---|---|---|---|
| Gabbs Project | $ 1,121,949 | $ - | $ 20,403,086 | $ - |
| BAM Property | 1,028,439 | 479,036 | 1,784,182 | 479,036 |
| Silver Reef Property | 238,916 | 1,274,050 | 763,742 | 1,367,812 |
| Todd Creek Property | 312,085 | 889,894 | 424,992 | 889,894 |
| Stockade Property | 128,344 | 284,381 | 190,918 | 284,381 |
| Natlan Property | 166,611 | - | 166,611 | - |
| Lost Cabin Property | 48,467 | 201,307 | 105,864 | 201,307 |
| Timmins Property | - | 3,199 | 37,468 | 96,271 |
| Prospective exploration properties | (32,685) | - | 15,000 | - |
| British Columbia Mineral Exploration Tax Credit ("BCMETC") recovery | (401,788) | - | (401,788) | - |
| | $ 2,610,338 | $ 3,131,867 | $ 23,490,075 | $ 3,318,701 |

For the three months ended September 30, 2021, exploration and evaluation expenditures decreased by $521,529 compared to the comparable period in 2020. The decrease was primarily due to the BCMETC recovery of $401,788 which was recognized upon completion of the Canada Revenue Agency audit.

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.

For the nine months ended September 30, 2021, exploration and evaluation expenditures increased by $20,171,374 compared to the comparable period in 2020. The increase was primarily due to the acquisition of the Gabbs Project in the amount of $19,150,601.

Exploration and evaluation expenditures of the Company, by nature of expense, for the three and nine months ended September 30, 2021 and 2020 were as follows:

| | For the three months ended | | For the nine months ended | |
|---|---|---|---|---|
| | September 30, 2021 | September 30, 2020 | September 30, 2021 | September 30, 2020 |
| Acquisition costs | $ 500,435 | $ 757,495 | $ 20,053,867 | $ 841,269 |
| Drilling | 653,877 | 646,466 | 852,789 | 646,466 |
| Helicopters | 329,640 | 941,880 | 663,045 | 941,880 |
| Consulting | 263,617 | 194,963 | 519,023 | 247,263 |
| Camp costs | 255,302 | 28,887 | 433,383 | 30,551 |
| Geophysical and other surveys | 164,574 | 347,304 | 302,334 | 353,274 |
| Salaries and benefits | 253,300 | - | 253,300 | - |
| Assays | 169,316 | 76,242 | 226,885 | 76,242 |
| Government payments | 149,996 | - | 159,083 | 20,492 |
| Equipment rentals | 96,008 | 8,466 | 132,044 | 8,466 |
| Travel expenses | 108,486 | 71,328 | 127,479 | 73,415 |
| Technical and assessment reports | 28,615 | 46,924 | 84,635 | 67,229 |
| Other exploration and evaluation expenditures | 38,960 | 11,912 | 83,996 | 12,154 |
| BCMETC recovery | (401,788) | - | (401,788) | - |
| | $ 2,610,338 | $ 3,131,867 | $ 23,490,075 | $ 3,318,701 |

**Administrative expenses**

For the three and nine months ended September 30, 2021, total administrative costs were $670,071 and $1,865,079, respectively, an increase of $172,231 and $990,690, respectively compared to the comparable period in 2020.

For the three and nine months ended September 30, 2021, share-based compensation expense was $285,854 and $855,107, respectively, a decrease of $30,862 and an increase of $396,999, 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 of those options.

For the three and nine months ended September 30, 2021, general and administrative costs were $263,120 and $556,994, respectively, an increase of $226,411 and $476,505, respectively compared to the comparable period in 2020. The increase was due to higher employee salaries, information technology support, insurance expense and the variable component of the rent expense for the corporate office.

For the three and nine months ended September 30, 2021, professional fees were $15,790 and $185,137, respectively, a decrease of $58,330 and $10,334, respectively compared to the comparable period in 2020. The decrease was mainly due to lower legal fees for general representation and consulting fees for former executives partially offset by higher audit fees for the interim reviews and other services.

For the three and nine months ended September 30, 2021, investor relations and travel costs were $35,277 and $94,035, respectively, an increase of $13,580 and $54,095, respectively compared to the comparable period in 2020. The increase is due to increased promotion and marketing of the Company and conference fees.

**Interest and finance expense**

For the three and nine months ended September 30, 2021, interest and finance expense was $196,001 and $300,753, respectively, an increase of $195,959 and $299,226, respectively compared to the comparable period in 2020. The increase is due to the accretion of acquisition liabilities related to the Gabbs Project.

**Net loss and comprehensive loss**

For the three months ended September 30, 2021, net loss was $3,249,860, a decrease of $179,085 compared to the comparable period in 2020. The increase is primarily driven by a decrease in exploration and evaluation expenditures due to the BCMETC recovery partially offset by an increase administrative expenses and interest and finance expense.

For the nine months ended September 30, 2021, net loss was $25,364,897, an increase of $21,366,941, 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 and nine months ended September 30, 2021, cash flows used in operating activities were $3,486,127 and $6,608,102, respectively, an increase of $726,119 and $3,414,920, 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 and nine months ended September 30, 2021, cash flows used in investing activities were $19,871 and $214,584, respectively, an increase of $20,675 and $211,245, 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 September 30, 2021, cash flows generated by financing activities were $962,816, a decrease of $2,414,759 compared to the comparable period in 2020. The decrease was primarily due to lower proceeds from private placements in the amount of $1,010,000 (2020 - $3,500,000).

For the nine months ended September 30, 2021, cash flows generated by financing activities were $8,388,598, an increase of $4,538,758 compared to the comparable period in 2020. Financing cash inflows increased primarily due to proceeds from the private placement in the amount of $5,949,030 (2020 - $2,800,000), proceeds from the flow-through share private placements in the amount of $2,760,302 (2020 - $1,200,000) offset by share issuance costs of $226,424 (2020 - $118,885).

**Liquidity and capital resources**

As at September 30, 2021, the Company had cash and cash equivalents of $3,204,372 (December 31, 2020 - $1,634,964) and current liabilities of $5,578,381 (December 31, 2020 - $118,007) for a working capital deficit of $1,347,212 (December 31, 2020 – surplus of $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 nine months ended September 30, 2021, the Company has successfully completed the following private placements:

- On September 29, 2021, the Company completed a non-brokered 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 non-brokered 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 | $ 1,252,485 |
| General corporate purposes, including transaction costs associated with private placement | 2,149,030 | 1,535,573 |
| Acquisition of Gabbs Project[(1)] | 1,300,000 | 1,216,600 |
| Remaining in treasury | - | 1,944,372 |
| | **$ 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 non-brokered 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. As at September 30, 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 non-brokered 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 Income Tax Act. As at September 30, 2021, $1,260,000 of the Company's cash balance is required for this purpose.

## COMMITMENTS

The following table provides our contractual obligations as of September 30, 2021:

| | 1 year | 2 -3 years | More than 3 years | Total |
|---|---|---|---|---|
| Acquisition liabilities - Gabbs Project | 5,096,400 | 6,370,500 | - | 11,466,900 |
| Lease obligations | 136,594 | 175,142 | - | 311,736 |
| | 5,232,994 | 6,545,642 | - | 11,778,636 |

As described elsewhere in this MD&A, the Company has commitments under existing option agreements for its BC and Oregon properties to maintain its interest in those properties.

## OFF-BALANCE SHEET ARRANGEMENTS

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

## OUTSTANDING SHARE DATA

As at November 9, 2021, the Company had the following number of securities outstanding:

| | Number of securities | Exercise price ($) | Weighted average remaining life (years) |
|---|---|---|---|
| Common shares | 62,374,395 | - | - |
| Share options | 4,892,666 | $0.30 - $0.61 | 1.27 |
| Warrants | 23,179,036 | $0.60 - $0.85 | 1.28 |
| | 90,446,097 | | |

## 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.

| | Q3 2021 | Q2 2021 | Q1 2021 | Q4 2020 | Q3 2020 | Q2 2020 | Q1 2020 | Q4 2019 |
|---|---|---|---|---|---|---|---|---|
| Total revenue | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Net loss | (3,249,860) | (21,484,199) | (630,838) | (1,014,365) | (3,428,945) | (403,897) | (165,114) | (122,084) |
| Net comprehensive loss | (3,410,802) | (21,270,127) | (630,838) | (1,014,365) | (3,428,945) | (403,897) | (165,114) | (122,084) |
| Loss per share - basic and diluted | (0.05) | (0.49) | (0.02) | (0.04) | (0.15) | (0.02) | (0.02) | (0.01) |
| Cash and cash equivalents | 3,204,372 | 5,748,316 | 1,198,821 | 1,634,964 | 1,223,656 | 605,285 | 342,073 | 570,337 |
| Total assets | 4,707,321 | 6,338,661 | 1,712,726 | 1,860,366 | 1,355,868 | 643,271 | 405,105 | 664,435 |
| Total liabilities | 11,615,981 | 11,142,654 | 469,889 | 118,007 | 213,382 | 55,672 | 55,461 | 149,677 |
| 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 exploration and evaluation 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 RERPORTING 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, its Chief Exploration Officer, its Executive Vice President and its Chief Financial Officer. It also includes the Company's former directors and officers.

Directors and key management compensation:

| | For the three months ended September 30, 2021 | For the three months ended September 30, 2020 | For the nine months ended September 30, 2021 | For the nine months ended September 30, 2020 |
|---|---|---|---|---|
| Share-based compensation | $ 203,673 | $ 293,933 | $ 726,602 | $ 423,083 |
| Management and consulting fees | - | 40,000 | 76,995 | 112,000 |
| Salaries and benefits | 133,667 | - | 142,305 | - |
| | $ 337,340 | $ 333,933 | $ 945,902 | $ 535,083 |

As at September 30, 2021, accounts payable and accrued liabilities includes $7,440 (December 31, 2020 - $12,870) owed to two 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 purchase in the non-brokered 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, 2020 and 2019. There were no new accounting policies adopted during the nine months ended September 30, 2021.

## 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 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 on the carrying amounts of assets and liabilities.

## 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 IAS 16, *Property, Plant and Equipment* to prohibit the deducting from mineral properties, 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. This amendment is not expected to have a material impact on our business or financial statements.

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 us.

## 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 with the BC government as cash collateral for reclamation bonds. Cash and cash equivalents and restricted cash are classified at amortized cost.

**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 acquisition liabilities for the Gabbs Project are recognized initially at fair value. Subsequent to initial recognition these financial liabilities are held at amortized cost using the effective interest method.

**Financial risk management**

The Company has exposure to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk from its use of financial instruments.

*Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange 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's credit risk is primarily attributable to its financial assets including cash and cash equivalents and restricted cash.

The Company limits its exposure to credit risk on financial assets through investing its cash and cash equivalents and restricted cash with high-credit quality financial institutions. Management believes there is a nominal expected credit loss associated with these deposits.

*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.

Refer to note 1b of the condensed consolidated interim 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.

*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 date.

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.

## 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 British Columbia 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.