

The following discussion and analysis of the operations, results and financial position of WestKam Gold Corp. (the “Company”) for the nine months ended July 31, 2020 should be read in conjunction with the July 31, 2020 unaudited condensed interim financial statements and the notes thereto, which can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

This Management Discussion and Analysis (“MD&A”) is dated September 29, 2020 and discloses specified information up to that date. The Company is classified as a “venture issuer” for the purposes of National Instrument 51-102. The Company’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) in Canada. Unless otherwise cited, references to dollar amounts are in Canadian dollars.

The Company is a reporting issuer in each of the provinces of British Columbia and Alberta. Its head office and registered office is located at Suite 900 – 570 Granville Street, Vancouver, BC, V6C 3P1.

*We recommend that readers consult the “Cautionary Statement” on the last page of this report.*

### **Description of Business**

The Company was incorporated in British Columbia under the Company Act of British Columbia on October 2, 1984 as Consolidated Goldwin Ventures Inc. and effectively on April 30, 2012 changed its name to WestKam Gold Corp. The Company’s strategy is to identify, acquire, explore and develop precious and base metal deposits amenable to low production costs and high operating margins, focusing on properties with low initial entry costs.

### **Overall Performance and Outlook**

The Company is currently focusing its exploration efforts on the Bonaparte property located in British Columbia, Canada. During the fiscal year ended October 31, 2014, the Company completed the acquisition of its 100% interest in the Bonaparte claims and during the fiscal year ended October 31, 2015, the Company completed a 7-hole drill program to evaluate continuity on the “Discovery Zone. Highlights from the 2015 drill program include the discovery of a new vein, 450 metres east of the Crow/Grey Jay/Owl veins of the Discovery Zone (DZ). This new vein discovery from DDH-15-05 assayed 7.88 g/t Gold, (0.253 oz/t Gold), 38.4 g/t Silver, 0.33% Copper and 28.6 g/t Tellurium over 1.0 meters. The Company also identified a large new target area on the Company’s Bonaparte Property some 200 metres from the eastern edge of the original Discovery Zone where they encountered veins in granodiorite with the same type of mineralization as the Discovery Zone. The Company will continue to evaluate similar opportunities for base and precious metals projects located in Canada.

During the fiscal years ended October 31, 2016 and 2017, the Company’s exploration campaigns focused on advancing the decline towards the Grey Jay/Crow vein systems in anticipation of proceeding with a planned 10,000-tonne bulk sample program on the Discovery Zone. A proposed 12-hole, 2,440m drill program is planned to further evaluate the Crow vein structure prior to recommencing work on the decline in 2018.

During fall 2018, the Company completed a 591m, eight-hole drill program to further evaluate mineralization along the Crow-Grey Jay-Owl vein structure. Results from this exploration program were evaluated and incorporated into plans for future exploration drilling in fiscal 2020.

The Company will continue to advance its Bonaparte property and to evaluate similar opportunities for base and precious metals projects located in Canada.

### **Company Activity**

During the nine months ended July 31, 2020, the Company completed a debt settlement transaction pursuant to which it issued 7,208,560 common shares at a deemed price of \$0.10 per share to settle \$720,856 of debt.

During the nine months ended July 31, 2020, the Company incurred \$51,600 in exploration expenditures relating to the completion and filing of an updated NI 43-101 Technical Report on its Bonaparte Property.

On December 4, 2019, Company began trading its common shares on a consolidated basis following the completion of a 35:1 share consolidation of its common shares on December 2, 2019

The Company has been on care and maintenance pending the completion of certain corporate actions, including financing, and management expects that activities will increase in fiscal 2021.

***Bonaparte Gold Property – Kamloops, British Columbia***

In fiscal 2011, the Company acquired a 75% interest in the Bonaparte Gold property located in the Kamloops mining district in British Columbia.

To acquire its 75% interest, the Company paid \$8,001,550, issued 3,250,000 common shares with a value of \$4,750,000, and incurred certain expenditures on the property.

On January 24, 2012 the Company acquired a 100% right to a portion of land adjacent to the Bonaparte property. The rights were received in exchange for settlement of prepaid exploration costs of \$501,627.

In fiscal 2014, the Company entered an option agreement to acquire an additional 17% interest on its existing claims of the Bonaparte Gold property for consideration of 6,500,000 common shares (issued at a value of \$350,000) and payment of \$150,000 in cash (paid).

Additionally, the Company acquired the remaining 8% interest in the Bonaparte Gold property through the issuance of 10,950,000 common shares valued at \$547,500, bringing the Company's interest in the Property to 100% of all claims.

The table below is a summary of exploration expenditures recognized in profit or loss for the nine months ended July 31, 2020 and 2019:

	July 31, 2020	July 31, 2019
	Bonaparte	Bonaparte
<b>Exploration Expenses</b>		
Camp supplies, maintenance and miscellaneous	-	-
Drilling and field support	-	36,435
Excavation and support	-	-
Geological consulting	51,600	-
Other	-	21,775
Travel and accommodation	-	-
Water monitoring and testing	-	2,359
<b>Net Exploration</b>	<b>\$ 51,600</b>	<b>\$ 60,569</b>

As at July 31, 2020, the Company has recognized a reclamation obligation of \$41,000 (2019 - \$41,000). The undiscounted amount of estimated cash flows was estimated at \$41,000. The liability was estimated using an expected life of three years and a net discount rate of 0.64%

## **Results of Operations**

### **Results of Operations for the nine months ended July 31, 2020**

#### **Expenses**

General and administrative expenses totaled \$310,261 for the nine months ended July 31, 2020 compared with \$238,257 for the same period in 2018. Details of the largest changes and significant general and administrative items are as follows:

- Consulting fees increased by \$50,000 to \$50,000 from \$nil and is a result of hiring a consultant to assist with First Nations relationship management with respect to the Bonaparte claims, as well consulting for future exploration planning.
- Investor relations and shareholder information decreased by \$5,001 to \$8,029 from \$13,130. The decrease is due to a reduction news release dissemination cost packages and costs incurred for website updates and news release writing.
- Management fees remained consistent at \$135,000.
- Office expenses increased by \$3,023 to \$19,653 from \$16,630 and are due to increased office expenses.
- Professional fees increased to by \$3,429 to \$6,429 from \$3,000 and are due to increased legal fees and tax preparation costs incurred in the period.
- Regulatory and filing fees increased by \$8,692 to \$27,531 from \$18,839 and are attributable to increased filing fees for annual general meeting costs and fees incurred for reviewable filings in connection with corporate actions.

Interest expense of \$11,292 was recorded during the period ended July 31, 2020 relating to interest accruing on notes payable and overdue accounts for professional fees compared to \$12,812 in the period ended July 31, 2019, an increase of \$1,520.

The Company had an expense recovery of \$22,500 during the period ended July 31, 2019 on amounts previously expensed, and subsequently reimbursed, for office and rent compared with \$nil in the current period.

#### **Exploration Expenses**

The Company incurred exploration and evaluation expenditures of \$51,600 the nine months ended July 31, 2020 compared to \$60,569 for the nine months' ended July 31, 2019.

### **Results of Operations for the three months ended July 31, 2020**

#### **Expenses**

General and administrative expenses totaled \$91,249 for the three months ended July 31, 2020 compared with \$58,065 in 2019. Details of the largest changes and significant general and administrative items are as follows:

- Consulting fees increased by \$35,000 to \$35,000 from \$nil and is a result of hiring a consultant to assist with First Nations relationship management with respect to the Bonaparte claims, as well as future exploration planning.
- Investor relations and shareholder information increased by \$74 to \$329 from \$255. The increase is due website updates.
- Office expenses decreased by \$3,776 to \$787 from \$4,563, a result of discontinuation of office premises.
- Professional fees increased by \$6,429 to \$6,429 from \$nil, due to increased legal fees and tax preparation costs incurred in the period.

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- Regulatory and filing fees increased by \$1,796 to \$3,081 from \$1,285 and is attributable to an increase in fees associated with corporate actions resulting from the debt settlement transaction..

Interest expense of \$425 was recorded during the period ended July 31, 2020 relating to interest accruing on overdue accounts on professional fees compared to \$4,358 in the period ended July 31, 2019, a decrease of \$3,933.

### Exploration Expenses

The Company incurred no exploration and evaluation expenditures during the three months' ended July 31, 2020 whereas \$2,359 was incurred during the three months' ended July 31, 2019.

Selected quarterly financial information of the Corporation for the quarters ended July 31, 2020 and 2019 are as follows:

### Summary of Quarterly Results

Quarter Ended	2020 July 31 Q3 \$	2020 Apr. 30 Q2 \$	2020 Jan. 31 Q1 \$	2019 Oct. 31 Q4 \$	2019 July 31 Q3 \$	2019 Apr. 30 Q2 \$	2019 Jan. 31 Q1 \$	2018 Oct. 31 Q4 \$
<b>Revenues</b>								
<b>G&amp;A Expenses</b>	91,249	78,493	140,519	133,392	58,065	73,876	106,316	265,092
<b>Share Based Compensation</b>	-	-	-	-	-	-	-	-
<b>Net Loss</b>								
- per share	(0.01)	-	(0.02)	-	(0.01)	-	-	-
- per share (diluted)								
<b>Total Assets</b>	\$14,476,280	\$14,487,937	\$14,470,872	\$14,509,723	\$14,518,695	\$14,522,482	\$14,531,724	\$14,574,453
<b>Liabilities (Long Term)</b>	-	-	-	-	-	-	-	-
<b>Cash Dividends</b>	-	-	-	-	-	-	-	-
<b>Working Capital (Deficiency)</b>	(726,700)	(1,406,504)	(1,328,220)	(1,187,921)	(1,062,849)	(1,005,029)	(931,412)	(825,369)
<b>Share Capital:</b>								
<b>Authorized</b>	Unlimited							
<b>Outstanding</b>	14,609,776	7,041,216	7,041,216	7,041,216	7,041,216	7,041,216	7,041,216	7,041,216
<b>Warrants</b>	3,741,711	4,666,568	4,666,568	4,666,568	4,666,568	4,666,568	4,666,568	4,666,568
<b>Options</b>	-	-	-	-	-	-	-	692,857

### Liquidity

At July 31, 2020, the Company had current assets of \$31,430, of which \$12,022 was comprised of cash. Current liabilities totaled \$758,130, of which \$334,623 consisted of trade payables.

Total working capital as at July 31, 2020 was (\$726,700). The Company continues to assess funding opportunities to address its ongoing financial obligations and for exploration programs on its property and will pursue debt or equity financings to address its working capital requirements.

### **Capital Resources**

The Company plans to continue its participation in the Bonaparte project discussed above. The Company expects to finance expenditures on these projects through the sale of common shares by way of equity financings, and through the exercise of warrants and stock options.

### **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

### **Related Party Transactions**

Amounts owing to related parties consists of \$423,507 (2019 - \$285,961).

### **Related Party Transactions – Key Management Compensation**

Included in accounts payable is \$423,507 (2019 - \$285,961) to directors and officers or companies controlled by them. Notes payable of \$5,986 (2019 - \$239,996) are due to a company controlled by the CEO. Included in prepaid expenses is \$5,000 (2019 - \$2,620) payable to the CFO of the Company.

### **New standards, amendments and interpretations adopted:**

A number of new standards, amendments to standards and interpretations are not yet effective as of July 31, 2020, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

### **Effective for annual periods beginning on or after January 1, 2019**

#### **IFRS 16, Leases:**

IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. The Company has determined there will be no significant effect on the Company's financial statements other than increased disclosure.

### **Financial Instruments and Risk Management**

#### **Fair values**

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 - inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets;

- Level 2 - inputs to the valuation methodology included quoted prices for identical assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace; and,
- Level 3 - inputs to the valuation methodology are not based on observable market data.

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of receivables, reclamation bonds, accounts payable and accrued liabilities and notes payable are measured at amortized cost using effective interest rate.

**Financial instrument risk exposure and risk management**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company considers the fluctuations of financial markets and seeks to minimize potential adverse effects on financial performance.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management process.

**Credit risk**

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation. The Company's exposure to credit risk includes cash and receivables. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The Company's receivables consist primarily of grants due from federal government agencies. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company considers its current liabilities to be aged as follows:

As at July 31, 2020

	Total	Up to 3 months	3 – 12 months
Accounts payable and accrued liabilities	\$ 758,130	\$ 55,128	\$ 703,022
	\$ 758,130	\$ 55,128	\$ 703,022

**Interest rate risk**

The Company has cash balances. The Company's current policy is to invest excess cash in investment grade short-term demand deposit certificates issued by its banking institutions. The company periodically monitors the investments it makes and is satisfied with the credit rating of its banks. The Company is marginally exposed to interest rate risk. The Company's bank account earns interest income at variable rates and its notes payable carry fixed interest rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates.

### **Foreign currency risk**

The Company has limited exposure to foreign currency risk on currency fluctuations related to monetary items with a settlement currency other than Canadian dollars.

### **Commodity price risk**

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

### **Going concern risk**

The Company has prepared its financial statements assuming it will continue as a going concern. The Company has suffered recurring losses from operations, has a net capital deficiency, and has stated that substantial doubt exists about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### **Other**

#### **Outstanding Share Data as at September 29, 2020**

- (a) Authorized – unlimited common shares without par value.
- (b) Issued and Outstanding Capital as of July 31, 2020 and September 29, 2020: 14,609,776 common shares
- (c) The Company has no stock options outstanding.
- (d) Summary of Warrants outstanding.

<b>Exercise price</b>	<b>Number outstanding</b>	<b>Expiry date</b>
\$1.75	1,302,857	Dec. 13, 2020
\$1.75	511,429	Jan. 27, 2021
\$1.75	1,705,643	Apr. 29, 2021
\$1.75	221,782	May 16, 2021
	<b>3,741,711</b>	

### **Management Responsibility for the Financial Statements**

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and these financial statements together with the other financial information included in these filings. The Board of Directors approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

### **Additional Information**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Cautionary Statement**

This MD&A is based on a review of the Company's operations, financial position and plans for the future based on facts and circumstances as of September 29, 2020. Except for historical information or statements of fact relating to the Company, this document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change. These statements involve known and unknown risks, uncertainties, and other factor that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements.