



MANAGEMENT DISCUSSION & ANALYSIS

**FOR THE PERIOD ENDED
SEPTEMBER 30, 2020**

Introduction

The following Management's Discussion and Analysis ("MD&A") is intended to assist the reader to assess material changes in financial condition and results of operations of Ximen Mining Corp. ("the Company") as at September 30, 2020 and for the three-month period then ended in comparison to the same period in 2019.

This MD&A should be read in conjunction with the financial statements for the year ended June 30, 2020 and supporting notes. These financial statements have been prepared using accounting policies consistent with IFRS and in accordance with International Accounting Standard 34 ("IAS 34") – Interim Financial Reporting.

The Financial Statements, together with the MD&A, are intended to provide investors with a reasonable basis for assessing the performance and potential future performance of the Company and are not necessarily indicative of the results that may be expected in future periods. The information in the MD&A may contain forward-looking statements, and the Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, as they are subject to significant risks and uncertainties that may cause projected results or events to differ materially from actual results or events.

All monetary amounts are in Canadian dollars unless otherwise specified. The effective date of this MD&A is November 24, 2020. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Description of Business

Ximen Mining Corp., ("the Company") is an exploration company engaged in exploration and evaluation of resources properties. In this regard, the Company's plan is to acquire properties of merit and take them through the exploration phase and hopefully through feasibility and on to construction and operations.

The Company is currently engaged in the acquisition, exploration, and evaluation of its mineral property interests located in British Columbia. The Company's shares are listed on the TSX Venture Exchange under the symbol XIM.V, on the Frankfurt Exchange under the symbol 1XMA, and on the US OTCQB, under the symbol XXMMF.

The head office, principal address, and registered office is located at 888 Dunsmuir Street, Suite 888, Vancouver, British Columbia, Canada.

Overall Performance

The level of the Company's future operations will be determined by the availability of capital resources, which will be derived from the issuance of special warrants and future financings.

- The Company has incurred recurring losses since its inception and had an accumulated deficit of \$32,235,473 as at September 30, 2020 which has been funded primarily by the issuance of shares. The Company has no source of operating cash flows and expects to incur further losses in the exploration and development of its mineral properties. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors and generating profitable operations in the future.

Acquisitions

In April and May 2019, the Company entered into various agreements whereby it acquired approximately 78% of the issued and outstanding shares of 0995237 B.C. Ltd (“099 BC”), a private arm’s length company, in exchange for common shares and future cash payments by the Company. The principal asset of 099 BC is its option to acquire the Kenville Gold Mine, located west of Nelson, B.C.

Acquisition of Subsidiary - 0995237 B.C. Ltd.

In May 2019, the Company issued a total of 3,528,769 common shares from treasury (approximately 10.62% of the Company’s total issued outstanding common shares) for common shares and notes payable of 099 BC as follows:

- (i) 2,253,769 common shares of the Company, fair valued at \$1,115,616, to former shareholders of 099 BC in exchange for 43,261,811 common shares of 099 BC, representing 78% of the total outstanding common shares of 099 BC (the “78% Interest”).
- (ii) 1,275,000 common shares of the Company, fair valued at \$631,125, to a former shareholder of 099 BC in exchange for his promissory note receivable from 099 BC – principal amount of \$1,000,000 plus accrued interest receivable of \$118,388, for total face value of \$1,118,388. The excess of the total face value of the note payable and interest over the fair value of the Company’s shares issued, \$487,263, is recognized as gain on assumption of the promissory note payable.

The Company also has additional obligations as it acquired the following payables of 099 BC from a former shareholder of 099 BC as follows:

- (iii) Cash payable of \$980,000 in exchange for 099 BC note payable – principal amount of \$780,000 plus accrued interest payable of \$1,177,865, for total face value of \$1,957,865. The excess of the total face value of the note payable and interest over the future cash payment, \$977,865, is recognized as gain on assumption of the promissory note payable. This future cash payment is unsecured, is non-interest bearing, and includes repayment dates.
- (iv) Cash payable of \$400,000 in exchange for the same amount of debt owed to a former shareholder of 099 BC who paid for a mining equipment owned by 099 BC. This future cash payment is unsecured, is non-interest bearing, and includes repayment dates.
- (v) Assumption of debt totaling \$270,000 to two former shareholders of 099 BC by 099 BC. This amount was incurred on exploration expenditures related to Kenville property.

The following table summarizes the recognized fair value amounts of assets acquired and liabilities assumed on May 30, 2019, the date of acquisition of 78% interest in 099 BC:

	\$
Cash	11,552
Term Deposit (Reclamation Bond)	45,800
GST Recoverable	3,451
Property	984,200
Equipment purchase	708,262
Accounts Payable	(400,793)
Promissory Notes Payable	(3,076,253)
Royalty Option Payable	(220,000)
Shareholder Advances	(79,000)
Net Liabilities of 0995237 B.C. Ltd.	(2,022,781)

The acquisition of 78% interest of 099 BC by the Company does not meet the requirement of IFRS 3, Business Combination. As such, this acquisition was accounted for under IFRS 6, Exploration and Evaluation of Mineral Resources. The premium of the consideration paid by the Company over the net liabilities of the acquired 099 BC was expensed as exploration and evaluation expenditures as the Company’s accounting policy is expensing both the acquisition costs and exploration costs during the period where the expenditures were incurred.

The fair value of the consideration given by the Company for the 78% controlling interest in 099 BC, was \$1,115,616, (2,253,769 common shares issued at \$0.495 per share). The fair value of the 22% non-controlling interest in 099 BC was therefore valued at \$314,661, using the 78% valuation amount. Accordingly, the premium in the amount of \$3,453,057, comprising of the fair value of the shares issued by the Company plus the fair value of the 22% non-controlling interest, totaling \$1,430,277, over the fair value of the net liabilities of 0995237 BC Ltd. acquired by the Company, were recognized as exploration and evaluation expenditures for 2019.

On July 3, 2019, as part of the acquisition of 099 BC, the Company acquired an additional 4,733,320 shares of 099 BC by issuing 236,666 common shares to shareholders of 099 BC. On June 8, 2020, the Company acquired an additional 400,000 shares of 099 by issuing 20,000 common shares. The additional shares purchased brings the total percentage owned of 099 BC from 78% to 88%. The fair value of the consideration given by the Company for the additional 10% of non-controlling interest was \$167,033 including \$153,833 (236,666 common shares issued at \$0.65 per share) and \$13,200 (20,000 common shares issued at \$0.66 per share). The carrying value of the additional 10% non-controlling interest was \$122,822 prior to the acquisition of these non-controlling interests by the Company. The difference between the fair value of the consideration paid by the Company (\$167,033) and the carrying value (\$122,822), \$44,211, was charged to other comprehensive loss in 2020. On July 7, 2020, the Company acquired a further 66,667 shares of 099 by issuing 3,334 shares, fair valued at \$1,500. The difference between the fair value of the consideration paid and the carrying value equaled \$1,303 which was charged to other comprehensive loss for the period ended September 30, 2020.

Acquisition of Royalty Option from Gungnir Resources Inc.

On April 25, 2019, the Company entered into a royalty option agreement with Gungnir Resources Inc. (“Gungnir”) to acquire Gungnir’s receivable from 099 BC in the amount of \$220,000 and all of Gungnir’s remaining interest in its 4% gross metal royalty over 099 BC owned Kenville Gold Mine Property for total consideration of \$1,700,000. The option is exercisable at the Company’s sole discretion.

To exercise the option under the option agreement, the Company is required to pay the \$1,700,000 as follows:

- \$500,000 in cash (paid);
- \$200,000 in common shares of Ximen (285,918 shares issued fair valued at \$142,959);
- \$1,000,000 in cash, to be paid on or before October 31, 2019 (paid).

The exercise of the option is conditional on Ximen paying the full purchase price as set out above and receipt of TSXV approval. TSXV approved the transaction on May 24, 2019.

Share Issuance

The following share issuances occurred during the period ended September 30, 2020:

- a) In July 2020, the Company acquired as part of the acquisition of 099 BC, an additional 66,667 shares of 099 BC by issuing 3,334 common shares, fair valued at \$1,500 to a shareholder of 099 BC. The Company currently holds 88% of all outstanding shares of 099 BC.
- b) In July 2020, the Company acquired 3% net smelter royalties covering properties located in the Greenwood mining camp in Southern British Columbia and a royalty on material processed in the Boundary Falls mill. Terms of the agreement include the issuance of 1,000,000 shares (issued). The transaction is subject to TSX and regulatory approval and the vendor has entered into a voting trust agreement whereby the share will be voted in favour of management.
- c) In July and August 2020, the Company completed two non-brokered private placement of 1,920,276 units at a price of \$0.45 per unit for gross proceeds of \$864,124 and 1,667,532 units at a price of \$0.60 for gross proceeds of \$1,000,519. For both offerings, one unit consists of one common share and one transferable common share purchase warrant. One warrant entitles the holder to purchase, for a period of 2 years from the date of issue, one additional common share at an exercise price of \$0.75 per share.
- d) In July 2020, the Company closed a draw-down equity financing facility with Alumina. The Company drew down \$236,363 from Alumina by issuing 454,545 units consisting of one common share priced at \$0.52 per share and two year warrants exercisable at \$0.8125 per share.
- e) In September 2020, the Company issued 800,000 shares fair valued at \$352,000 as payment on loans owing.

- f) During the period ended September 30, 2020, the Company issued 100,000 shares for gross proceeds of \$30,000 on exercise of stock options. The Company also issued 100,000 shares for gross proceeds of \$30,000 on exercise of share purchase warrants and 1,600 shares for gross proceeds of \$480 on exercise of Agents' warrants.

Marketable Securities

Marketable securities consist of a portfolio of investments held for trading. The fair value of the marketable securities has been determined directly by reference to public price quotations in an active market. These marketable securities are comprised of common shares of publicly traded companies and are classified as fair value through profit or loss and measured at fair value with unrealized gains and losses recognized through the statement of operations.

	September 30, 2020 \$	June 30, 2020 \$
Opening Balance	156,914	364,847
Marketable Securities Purchased (at Cost)	-	-
Marketable Securities Received from Property Option Sales	-	-
Marketable Securities Sold (at Cost)	-	-
Write – Up (Down) of Marketable Securities to Market Value	9,000	(207,933)
Advances from Trading Account		-
	<u>165,914</u>	<u>156,914</u>

Exploration Project

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing. All properties are located in Canada.

Cumulative acquisition and exploration costs incurred by the Company to September 30, 2020 on its mineral properties are summarized below.

	Brett \$	Gold Drop \$	Treasury Mountain \$	Kenville \$	Bouleau, Dentonia, Providence \$	Various, (i)(j)(k)(l) (m)(n)(o)(p) \$	General Exploration \$	Total \$
Balance, June 30, 2019	5,586,992	497,242	179,887	4,249,583	773,294	-	163,452	11,450,450
Acquisition Costs	-	-	-	176,819	-	-	33,000	209,819
Exploration Costs	16,653	7,690	69,728	156,994	-	-	(1,977)	249,088
Exploration Advance	-	-	(69,728)	-	-	-	(21,500)	(91,228)
Option payments received	-	(100,000)	-	-	-	-	-	(100,000)
Balance, Sept. 30, 2019	<u>5,603,645</u>	<u>404,932</u>	<u>179,887</u>	<u>4,583,396</u>	<u>773,294</u>	<u>-</u>	<u>172,975</u>	<u>11,718,129</u>
Balance, June 30, 2020	5,681,738	414,489	165,416	5,858,308	812,505	2,741,029	148,122	15,821,607
Acquisition Costs	-	-	-	-	-	500,000	23,050	523,050
Exploration Costs	45,352	2,495	-	268,553	146,294	-	5,574	468,268
Exploration Advance	-	-	-	-	-	-	-	-
Option payments received	-	-	-	-	-	-	-	-
	<u>45,352</u>	<u>2,495</u>	<u>-</u>	<u>268,553</u>	<u>146,294</u>	<u>500,000</u>	<u>28,624</u>	<u>991,818</u>
Balance, Sept. 30, 2020	<u>5,727,090</u>	<u>416,984</u>	<u>165,416</u>	<u>6,126,861</u>	<u>958,799</u>	<u>3,241,029</u>	<u>176,746</u>	<u>16,812,925</u>

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing. All properties are located in Canada.

a) Brett Property, British Columbia, Canada

On December 3, 2013, the Company entered into an option agreement to acquire a 100% interest in the Brett Gold Project situated in the North Okanagan region of southwest British Columbia approximately 29 kilometers west of Vernon. Under the terms of the agreement, the Company may acquire a 100% undivided interest by making cash option payments totalling \$1,000,000, issuing 1,000,000 common shares, and issuing additional common shares of the Company with an aggregate deemed value of \$350,000 as follows:

		Number of Shares	Cash \$
On execution of agreement	(Paid)	-	50,000
By December 18, 2013	(Paid)	-	50,000
By December 23, 2013	(Issued – fair valued at \$290,000)	200,000	-
By January 17, 2014	(Paid)	-	200,000
By January 05, 2015	(Paid)	-	300,000
By January 05, 2015	(Issued – fair valued at \$126,000)	140,000	-
By December 03, 2015	(Paid)	-	400,000
By December 03, 2015	(Issued – fair valued at \$166,667)	666,667	-
		<u>1,006,667</u>	<u>1,000,000</u>

The Company has earned a 100% undivided interest as it has complied with all the terms of the option agreement

On January 24, 2014, the Company entered into an option agreement to acquire a 100% interest in the 2% net smelter royalty (“NSR”) on the Brett Gold Project. The agreement was amended on February 14, 2017 and May 17, 2017 under the following amended terms: the issuance of \$50,000 worth of the Company’s common shares based on a ten day weighted average upon signing of the amended agreement, the issuance of \$420,000 worth of the Company’s common shares upon TSX approval of the amended agreement, the payment or issuance of \$60,000 in cash or common shares of the Company on February 18, 2018 and \$75,000 on February 18, 2019, and final cash payment of \$830,000 payable by February 20, 2020. On December 4, 2018, the agreement was further amended whereby the current outstanding amount of \$905,000 would be made in a final payment of 2,400,000 shares at a deemed price of \$0.30 for a total of \$720,000 in stock upon TSX approval thereby completing any and all payment. Final TSX approval was given on December 7, 2018. The fair value recognized of \$912,000 was based on the closing quoted price of the Company’s share at the date of issuance

		Number of Shares	Cash \$
By February 20, 2014	(Issued – fair valued at \$30,000)	20,000	-
By February 20, 2015	(Issued – fair valued at \$49,077)	51,660	-
By February 20, 2016	(Issued – fair valued at \$67,739)	225,800	-
By February 18, 2017	(Issued – fair valued at \$56,601)	125,780	-
Upon TSX Approval	(Issued – fair valued at \$210,000)	1,200,000	-
By February 18, 2018	(Issued – fair valued at \$59,993)	352,900	-
By December 7, 2018	(Issued – fair valued at \$912,000)	2,400,000	-
		<u>4,376,140</u>	<u>-</u>

Additional adjoining claims, including the former Gold Star property to the west were acquired by Ximen Mining Corp. in 2014.

Past exploration work carried out to date on the Brett Property has confirmed the presence of a number of significant gold bearing mineralized zones associated with northerly trending altered shear/fracture zone(s). Previous work (primarily from the early 1980s to 2004), summarized in a 43-101 report dated April 21, 2004, consisted of geochemical surveys, trenching, 10,000 meters (m) (32,900 feet) of diamond drilling, 2,800 meters (9,300 feet) of reverse circulation drilling, and 459 meters (1506 feet) of underground development.

The majority of work has been concentrated in a small area (200 m strike and 76 meters depth) of the property, along what is known as the Main Shear Zone- RW vein. One hole drilled on the property, Hole 93-19, a reverse circulation hole, returned an intersection of 16.76 m grading 35.79 gms Au/tonne (1.045 oz Au/ton) including 3.048 m grading 57.88 grams Au/tonne (1.69 oz Au/ton) and 4.57 m grading 107.88 gms Au/tonne (3.15 oz Au/ton) within the Main Shear Zone.

In 1996 (291 tonne) bulk sample, from the RW vein and Main Shear Zone, was shipped to Trail and returned an average grade 27.74 gms Au/tonne and 63.7 gms Ag /tonne. Work was stopped in late 1996 and the property was tied up in litigation for several years.

To date, the Main Shear Zone has been traced for a strike length of over 1,300 meters and down dip to a depth of 150 meters (possibly as deep as 500 meters, based on a single hole drilled on the neighboring property) and is wide open in all directions. In addition to the Main Shear Zone, the local geology and geochemistry indicates excellent exploration potential for developing other mineralized zones. Gold mineralization on the property appears to be a strongly related to the intersections between flat lying inter unit polymictic tuffaceous horizons and the northerly trending altered shear/fracture zone(s).

Highlights of the Brett project prior to Ximen's involvement

- The property has seen high grade gold production from bulk sampling, with 96% recovery.
- 43-101 completed by Shaun Dykes late 2004
- No work has been conducted on the area of main shear from late 2004 till spring 2014 Ximen enters
- 100's of meters of underground workings on the property.

Based on the review of all available data, combined with information gained from a property inspection, the Brett property hosts epithermal style gold mineralization containing coarse gold and has potential of hosting a gold deposit. Epithermal gold mineralization on the Brett property is hosted within the Eocene volcanics, Mineralization, and related alteration, is controlled by northwest and north-trending, steeply west dipping structures and by more permeable (volcanic breccia or tuffaceous) units within the Eocene stratigraphy.

There is excellent infrastructure and access along well maintained paved and gravel roads. Since custom milling opportunities exist in the district, the property does not necessarily need to support a stand-alone mine/mill operation to be viable. A small or modest tonnage of high-grade ore could potentially be profitable to extract.

During the summer of 2014, the Ximen completed historic data compilation program and a field exploration program consisting of geochemical sampling, mapping, compilation reports, and geophysical survey to establish drill targets for a fall drill program. Then in September commenced a diamond drill program focused on new opportunities outside of the main shear where all the previous drilling was focused, results from the 13 holes completed were released in 2015.

Ximen's 43-101 prepared by Marek Mroczek, P.Eng completed in April 2017 made the following recommendations. In addition to field work it is recommended:

- Upgrade the roads to make better access to the exploration area
- Conduct the adit rehabilitation for access to drill exploration and underground drill holes
- Drill three to six drill holes on each target with drill hole directions perpendicular to the strike direction of the target
- When logging the core, record any fault as interval data and not just as point data
- Establish an onsite station with hard copies of maps, plans and drill hole data to facilitate their access during the field work Ximen Mining Corporation, NI 43-101 Technical Report, The Brett Gold Project. 76
- Explore any outcropping mineralization on surface and alteration structure
- Use a handheld XRF machine analyser to obtain preliminary Au, Ag, Mo results and thus follow up drilling if so warranted
- Obtain laser topographic scanning (Lidar) map for the topographic surface. A Lidar scanned map provides the best approximation of true ground conditions
- Drill several twin holes with high gold intersection to prove historical gold assay values to improve the quality of the data it is recommended:
- Resurvey all drill hole collars and shear zones occurring on surface by hiring qualified surveyor and produce a report from the surveying
- Update the header table in the database by adding a field with drill hole type. there are two different drill hole types: reverse circulation drilling and diamond drilling
- Conduct a detailed audit of drill hole database for all entries

- Expand the database by logging more geotechnical rock features such as type of discontinuity, spacing of discontinuities, conditions of discontinuities, groundwater conditions, hardness, roughness, and fracture infilling
- Collect every 20th sample pulp and send to another external laboratory to check assay analyses in order to determine laboratory precision
- Conduct manually geological interpretation of the structural-geological setting and geometry of the gold mineralization on the set of cross sections
- Prepare print outs and store written company exploration QAQC procedure on site so everyone of the team members produce work results in the same manner.

Exploration work by Ximen in 2014 included ground magnetics/VLF-EM, soil geochemistry, biogeochemistry, rock sampling, geological mapping, induced polarization and diamond drilling. The ground magnetic/VLF-EM survey encompassed the main areas of known mineralization on the property. Magnetic signatures were shown to be an effective method of identifying areas of alteration within the Eocene volcanics. The Main Zone, where most of the previous exploration work has been focussed and where high-grade epithermal gold mineralization is known, was defined as a modest northwest-trending magnetic low anomaly. A larger magnetic low anomaly occurs west of the Main Zone (the Border Zone) and is open to the west beyond the limits of the survey. The overwhelming feature detected by the magnetic/VLF-EM survey was a large, strong magnetic low anomaly in the northeast quadrant of the grid. The northeast mag-low anomaly measures 1.1 x 1.1 km in size, encompasses strongly altered rocks at the Gossan Zone, and remains open to the north and east beyond the limits of the survey. An induced polarization survey was also completed over the mag-low anomaly. A 1 km long, strong north south trending IP chargeability anomaly was defined at the Gossan Zone. The chargeability anomaly remains open to the south beyond the limits of the survey. A second, sub parallel, chargeability anomaly was also detected, which by the southernmost line of the survey, has merged with the main anomaly to create a chargeability feature that exceeds 1 km in width. At the Border Zone, a moderate to strong multi-element, Au-Ag-As-Hg-Mo-Sb-Se-Te-Tl soil anomaly was defined over an area of approximately 250 m north-south by 100-200 m east west. The anomaly remains open to the north, south and west, beyond the limits of the survey. A less well-defined Au-Ag-Hg-Sb-Tl soil anomaly occurs at the East Zone, with maximum gold values of 290 ppb and 243 ppb Au. This anomaly is effectively controlled by topography and defines the surface expression of a relatively flatlying tuffaceous horizon as it wraps around the steep south facing slope, between two prominent gullies.

Ximen completed a diamond drilling program in 2014 totalling 2,977 metres. Thirteen drill holes were drilled to test geological, geochemical and geophysical targets. All of the holes were drilled to test new targets that were untested, or only minimally tested, by historic work on the property. Widespread alteration was identified in several areas. Some core samples from the drilling program revealed high gold intersections. Two new high-grade gold-bearing zones were identified, with results including 34.18 g/t Au over 0.9 m from one zone and 16.7 g/t Au over 1.5 m from the second. Significant intervals of bulk tonnage gold mineralization were also intercepted, including 1.77 g/t Au over 31m, 1.88 g/t Au over 16.55m and 0.82 g/t Au over 33m.

Ximen completed a diamond drilling program in 2016, consisting of 16 holes totaling 2,363 metres. The program tested specific targets determined by cross section geological interpretation. Drill core logging and sampling extended into early 2017. Some core samples from the drilling program returned high grade gold values. High grade drill intersections included 18.95 g/t Au over 1m in drill hole 16-1, 13.35 g/t Au over 0.58m in drill hole 16-11, and 16 g/t Au over 0.39m in drill hole 16-21.

Ximen conducted collected rock samples (chip and grab samples) during 2017 from the RW Pit and Trench 21. The highlight was a chip sample (approximately 1 metre square) from the RW pit returning 6.31 g/t gold.

b) Gold Drop Property, British Columbia, Canada

On November 27, 2013, the Company entered into an option agreement to acquire a 100% interest in the Gold Drop Property located about 9 kilometers northeast from Greenwood, British Columbia, in the Greenwood Gold Mining district. Under the terms of the option agreement, the Company may acquire a 100% undivided interest by making cash option payments totalling \$170,000, and issuing an aggregate of 150,000 common shares as follows:

		Number of Shares	Cash \$
On November 27, 2013	(Paid)	-	25,000
On February 23, 2014	(Issued – fair valued at \$49,500, and paid)	30,000	15,000
By February 24, 2015	(Issued – fair valued at \$120,000, and paid)	50,000	60,000
By February 24, 2016	(Issued – fair valued at \$168,000, and paid)	70,000	70,000
		150,000	170,000

During the year ended June 30, 2016, the Company earned a 100% undivided interest by making the final cash payment of \$70,000, therefore, complying with all the terms of the option agreement.

On June 21, 2016, the Company entered into an option agreement with GGX Gold Corp. (“GGX”) (formerly Revolver Resources Inc.) to sell its 100% interest in the Gold Drop Property. GGX is required to make cash option payments totalling \$400,000, issue 1,000,000 common shares, issue additional common shares with a fair value of \$450,000, and incur exploration expenditures on the property as follows:

Cash Payments:

- \$50,000 on execution of the agreement (received);
- \$50,000 within five business day following the approval by TSX Venture (received); and
- \$100,000 on or before July 26, 2017 (received), July 26, 2018 (received), and July 26, 2019 (received).

Share Payments:

- 1,000,000 common shares within five business day following the approval by TSX Venture (received); and
- Additional common shares with a fair value of \$150,000 per year on or before July 26, 2017 (received), July 26, 2018 (received), and July 26, 2019 (received).

Exploration Expenditures:

- A minimum of \$1,000,000 on the property on or before July 26, 2019, but not less than \$150,000 per year on the property on or before July 26, 2017, July 26, 2018, and July 26, 2019. The option agreement was completed in the year ended June 30, 2020.

The Company will retain a 2.5% net smelter return royalty (the “NSR Royalty”) which GGX may buy down 1% of the NSR Royalty by paying \$1,000,000 to the Company. Upon the completion of the sale of the Property, the Company will have a right for nine months thereafter to elect to form a joint venture with GGX by paying to GGX the amount of money equal to 30% of the total amount expended on the Property by GGX. If the Company exercises this joint-venture right, the Company and GGX will enter into a joint venture for the exploration and development of the Property

The transaction was approved by TSX Venture on July 26, 2016.

GGX has a common director and officer of the Company.

In January 2014 a 43-101 report on the Gold Drop property by Linda Carron on behalf of Ximen

- The property covers geologically prospective ground in the well-mineralized Greenwood District, and hosts 8 or more known low-sulfide, gold-bearing veins or vein systems, including the North Star, Gold Drop, Amandy, Lakeview and Moonlight occurrences
- The property has seen high grade gold production as recent as the 1980's
- 100's of meters of underground workings on the property
- Since custom milling opportunities exist in the district, the Gold Drop property does not necessarily need to support a stand-alone mine/mill operation to be viable.
- Potential also exists on the claims for low-grade, bulk-tonnage gold mineralization related to broad fracture or stock work zones. Ximen has acquired the property on the basis of both its exploration and mining potential.
- There has been intermittent small-scale historic production from the property at the Gold Drop, North Star and Amandy mines. Historical production totals 7572 tonnes at an average grade of 5.2 g/t Au and 93.4 g/t Ag. The average mined grade is significantly affected by a large volume of very low-grade material that was removed from the North Star mine in 1934-35. Omitting production from these years, the average grade for the remaining 2,505 tonnes mined from the property is 13.1 g/t Au and 133.7 g/t Ag.
- Excellent infrastructure and access

In February 2014, Ximen received an approved Notice of Work permit from the Ministry of Energy and Mines for Phase 1 exploration work on the Gold Drop property. The approved work permit is a multi-year permit, valid until Dec 1, 2018, which enables the company to establish up to 20 drill sites and up to 25 excavator trenches on the property. The primary purpose of the work permit is to allow the Company to identify areas for bulk sampling. The land package that has been assembled is comprised of 26 claims and 9 crown grants that cover an area of approximately 12,870 hectares.

In the summer of 2014, the Company carried out extensive work consisting of partially brushing out 10km of existing roads for 4x4 access, examining numerous historical shallow pits, adits, including mine workings with 200

foot shafts and historical minor diamond drilling. Over one kilometre of veins were mechanized/excavator trenched.

There are at least six parallel veins semi-exposed on surface and underground, they average in excess of 300 metres (1000 feet) on strike not including unknown faulted and buried ones.

In the summer of 2015, the company conducted a work program of mapping and rock sampling. The Company collected samples in the eastern region of the Project, mainly from trenches previously excavated by the Company. These trenches were excavated in the area of the gold and silver bearing Gold Drop and North Star vein system and their respective underground workings. The highlight was a sample from a block of quartz – galena vein material, excavated from one trench near the Upper North Star Adit, which returned 159 grams per tonne gold and 744 grams per tonne silver (news release dated September 18, 2015).

The full text of all news releases, accompanying assay tables, and other technical information are available on the Company's website at ximenminingcorp.com and sedar.com

In 2017, Ximen's Joint Venture partner GGX Gold Corp. undertook a comprehensive exploration program on Ximen's Gold Drop Property. The exploration program consisted of trenching, surface sampling and diamond drilling (31 holes totalling 1,517 meters). During May 2017, GGX Gold collected multiple rock samples at the Gold Drop Southwest zone. GGX located the C.O.D. vein and historical C.O.D. shaft and other historical trenches and pits in this area during May. Rock samples were collected during the program at the C.O.D. vein at and close to the C.O.D. shaft; and from quartz veins northeast and northwest of the C.O.D. shaft. Of the 20 initial rock samples collected the company seven of these samples exceeded one gram per tonne gold with one sample from newly exposed quartz assaying 14.10 g/t gold and one from the COD vein assaying 19.95 g/t gold. An excavator trenching program exposed over 80 metres of vein on both sides of the COD shaft. Channel sample analytical results were received from the sampling program of the COD vein.. The vein has been channel sampled at 1.5-metre intervals across an average sample width of one metre. 52 samples returned anomalous to high-grade values for gold ranging from 0.2 gram per tonne to 43.2 grams per tonne gold. GGX discovered another mineralized vein referred to as the Everest vein approximately 600 metres southwest of the COD vein work site. Chip samples across the approximate 0.4 metre wide vein returned up to 52.8 g/t gold and 377 g/t silver. A grab sample from a quartz vein boulder broken from the exposure by the excavator returned 81.8 g/t gold and 630 g/t silver.

In July 2017, GGX Gold commenced a diamond drill program targeting the COD vein in the Gold Drop Southwest zone. Drilling was conducted from drill pads adjacent to the 160 metre long trench vein exposure. Significant gold intersections included (core length):

- COD17-3: 24.1 g/t Au and 192 g/t Ag over 0.48m
- COD17-9: 7.37 g/t Au and 55 g/t Ag over 0.73m
- COD17-9: 14.85 g/t Au and 164 g/t Ag over 0.35m
- COD17-14: 4.59 g/t Au over 16.03m (including 10.96 g/t Au over 5.97m)

Rock sampling was conducted in the east region of the Gold Drop Property in 2017. A grab sample of quartz from a dump pile at possible the southern Silent Friend showing returned 297 g/t gold and 1290g/t silver.

GGX Gold conducted diamond drilling during March – May 2018 (79 holes totalling 5,222 metres). The program tested the continuation of the COD and Everest veins. Significant gold intersections from this drilling program include (core length):

- COD18-3: 14.62 g/t Au over 2.1 meters
- COD18-26: 10.3 g/t Au over 1.4 meter recovered core (within 2.35 meter interval)
- COD18-28: 11.3 g/t Au over 0.51 meters
- COD18-33: 8.65 g/t Au over 2.98 meters
- COD18-34: 6.16 g/t Au over 3.41 meters
- COD18-37: 8.23 g/t Au over 3.95 meters
- COD18-45: 50.1 g/t Au over 2.05 meters
- COD18-46: 54.9 g/t Au over 1.47 meters
- COD18-49: 9.52 g/t Au over 1.47 meters
- COD18-54: 7.60 g/t Au over 1.66 meters
- EVE18-5: 10.55 g/t Au over 0.45 meters
- EVE18-12: 12.45 g/t Au over 0.85 meters

c) Treasure Mountain Property, British Columbia, Canada

In March 2014, the Company entered into an option agreement whereby the Company acquired a 100% interest in the Treasure Mountain property located 30 kilometres east of Hope, British Columbia by making cash payments as follows: \$75,000 cash upon signing of the agreement (paid) and \$50,000 cash due 90 days after the signing of the agreement (paid).

In 2014, the Company also acquired a 100% interest in three surrounding mineral claims for cash payments of \$70,000 (paid).

On December 7, 2016, the Company acquired a mineral tenure claim north of Treasure Mountain Property for cash payment of \$15,000 (paid) from a director of the Company. The agreement is subject to a 2% net smelter return royalty ("NSR") payable to the vendor.

On November 30, 2016, the Company entered into an option agreement with New Destiny Mining Corp ("New Destiny") to sell its 100% interest in all mineral claims which comprise the Treasure Mountain Property. New Destiny is required to make cash and or issue common shares totalling \$400,000, issue an aggregate of 500,000 common shares, and incur exploration expenditures on the property as follows:

Cash Payments:

- \$25,000 on execution of the agreement (received);
- \$50,000 within five business day following the approval by TSX Venture;
- \$75,000 in cash and/or common shares equivalent (subject to a minimum of \$10,000 to be paid in cash) per year on or before the first, second, and third anniversaries of the approval by TSX Venture; and
- \$100,000 in cash and/or common shares equivalent (subject to a minimum of \$10,000 to be paid in cash) on or before the fourth anniversary of the approval by TSX Venture.

Share Payment:

- 500,000 common shares with a minimum fair value of \$50,000 within five business day following the approval by TSX Venture.(received)

Exploration Expenditures:

- Annual minimum exploration expenditures of \$100,000, \$150,000, \$250,000, and \$250,000 on the property in each year ending on or before the first, second, third, and fourth anniversaries, respectively, of the approval by TSX Venture.

The Company will retain a 2.5% net smelter return royalty (the "NSR Royalty") which New Destiny may buy down 1% of the NSR Royalty by paying \$1,000,000 to the Company. Upon the completion of the sale of the Property, the Company will have a right for nine months thereafter to elect to form a joint venture with New Destiny by paying to New Destiny the amount of money equal to 30% of the total amount expended on the Property by New Destiny. If the Company exercises this joint-venture right, the Company and New Destiny will enter into a joint venture for the exploration and development of the Property

On November 9, 2017, the transaction has been approved by TSX Venture.

New Destiny has a common director and officer of the Company.

The Treasure Mtn. Silver Project covers geologically prospective ground in the Similkameen and / or New Westminster Mining Divisions. The Project is adjacent to Nicola Mining Inc.'s Treasure Mountain property, site of the historic Treasure Mountain Silver-Lead-Zinc Mine (polymetallic veins). The Project also occurs within the Intermontane Tectonic Belt, which hosts numerous porphyry copper deposits. The Project covers an area of approximately 10,700 hectares and hosts at least seven gold, silver, lead, zinc and / or copper occurrences in various regions as reported in the B.C. Ministry of Energy and Mines MINFILE database. These include gold-quartz vein, polymetallic vein and porphyry type occurrences. Some of these mineral occurrences have associated historic underground workings.

In 2014, the Company conducted prospecting and rock sampling in the northeast region of the property. A quartz float sample collected at an historic adit along Jim Kelly Creek returned 9.59 g/t gold. Copper mineralization was located further south at an historic adit in the area of the Superior (Lucky Todd) occurrence. A boulder sample returned 0.636% copper. Another grab sample, reported to be from outcrop, returned 0.308% copper.

In October 2015, the Company conducted a program of prospecting as well as soil and till sampling in the northeast region of the Project (news release dated October 21, 2015). The till samples were collected using an overburden drill. The 2015 soil and till geochemical survey was conducted in the northeast region of the property, north of Railroad Creek and west of Tulameen River / Vuich Creek. The Superior (Lucky Todd) copper - gold occurrence is reported in this area (B.C.MINFILE No. 092HSE240). At this occurrence gold and copper mineralization were reported in a quartz porphyry dyke with a 5 foot sample reported to assay 0.02 ounce gold (1913 Annual Report of Minister of Mines). In 2012 Canadian International Minerals Inc. reported adits in this target area and copper mineralization in the adjacent rock dumps and outcrop with a few dump grab samples reported to exceed 1% copper while also assaying 76 and 69 g/t silver.

In May 2016 the Company announced the analytical results for the program conducted in October of 2015. The analytical results identified copper soil anomalies in this northeast region including samples in two areas exceeding 100 ppm copper. In one area some samples were anomalous for lead (up to 378 ppm Pb) and zinc (up to 391 ppm Zn).

The Company conducted additional till sampling and prospecting in the east region of the property during 2016. In the east region of the property a grab sample from a newly discovered quartz vein exposure returned 1.15 g/t gold. Local till samples from the southeast region of the property returned anomalous values for gold, silver, copper and / or lead.

New Destiny Mining Corp. conducted rock, soil and till geochemical sampling during 2017 in the east and southeast regions of the property. Multiple rock samples returned anomalous values for gold. The highlight was a grab sample from a silicified porphyritic dyke within an historic pit that returned 6.24 g/t gold. This is in the Vuitch Creek area in the area of the Superior occurrence. Local soil samples in this area returned anomalous values for gold and copper.

The full text of all news releases, accompanying assay tables, and other technical information are available on the Company's website at ximenminingcorp.com and sedar.com

d) Kenville Property, British Columbia, Canada

In April and May 2019, the Company entered into various agreements whereby it acquired approximately 78% of the issued and outstanding shares of 0995237 B.C. Ltd ("099 BC"), a private arm's length company, in exchange for common shares and future cash payments by the Company. The principal asset of 099 BC is its option to acquire the Kenville Gold Mine, located west of Nelson, B.C.

The acquisition costs comprised of: (i) the premium on the acquisition of 099 BC in the amount of \$3,429,334, the assumption of additional debts from former shareholders of 099 BC in the amount of \$191,000, and the considerations paid by the Company to Gungnir in the amount of \$500,000 (cash) and issuance of 200,000 shares with fair value of \$142,959, less assumption of the receivable from 099 BC in the amount of \$220,000. As at June 30, 2020, the Company's increase percentage owned of 099 BC from 78% to 88%.

The Kenville Gold mine was discovered and staked in 1888 and was the first hard rock gold mine in British Columbia. It was mined intermittently until 1954, with recorded production of 2,029 kilograms of gold, 861 kilograms of silver, 23.5 tonnes of lead, 15 tonnes of zinc, 1.6 tonnes of copper and 37 kilograms of cadmium from 181,395 tonnes processed. The property is located 8 km west of Nelson, BC, is accessible by paved road and is connected to the power grid. Existing infrastructure includes mining equipment, offices, mechanic shop, core storage and accommodation. The mine deposit consists of multiple, gold-silver quartz veins hosted by diorite. Between 2007 and 2008, 13,000 meters of diamond drilling was conducted that targeted previously un-tested areas southwest of the historic mine, and detailed sampling was conducted within the mine on the 257 Level. There are six other historical levels within the mine footprint; only this level was rehabilitated and remains open and accessible. Based on the mine sampling and drill hole information available at the time, new zones of gold mineralization were identified, and mineral resources were estimated (see table below).

2009 Historic Mineral Resource Estimate – Kenville Mine

Class	Tonnage	Gold g/t	Ounces
Measured	3,312	31.72	3,377
Indicated	21,312	18.84	12,912
M+I	24,624	20.58	16,289
Inferred	522,321	23.01	356,949

Significant diamond drilling was conducted after the above mineral resource estimate was made between 2009 and 2012. At least 4 new veins were identified with potential strike lengths of over 700 metres. The results of this drilling have not yet been reviewed by the Company's Qualified Person. A complete review of the technical information is required with the aim of completing a new resource estimate that includes the more recent diamond drill results.

In addition to the historic gold mine, elsewhere on the property historic soil geochemical surveys and results of scout drilling indicate potential for porphyry-type copper-molybdenum-silver-gold mineralization.

e) Cariboo-Armelia Property ("Caramerlia"), British Columbia, Canada

On June 4, 2019, the Company entered into an agreement to acquire crown granted mineral properties covering the Cariboo-Armelia gold mine in Camp McKinney in British Columbia. The acquisition includes crown-granted claims: Molson, Paragon, Burley#1, Edward VII, Wonder Y, Last Chance, Fontenoy, Emma, Alice, Cariboo, Armelia, Okanagan, Maple Leaf, Sawtooth and Wiarton. The properties Maple Leaf and Wiarton also include the surface rights as originally granted. Total area granted is 199.46 Hectares. The terms of the agreement is for 100% interest in all properties in exchange for 212,888 shares (issued) of Ximen. The fair value recognized of \$93,671 was based on the closing quoted price of Ximen's share at the date of issuance.

f) Bouleau Property, British Columbia, Canada

On July 15, 2014, the Company entered into a property option agreement to acquire a 100% interest in the Bouleau Property which is adjacent to the Company's Brett property located near Vernon, British Columbia. Under the terms of the option agreement, the Company may acquire a 100% undivided interest by making cash option payments totalling US\$250,000, and issuing additional common shares of the Company with an aggregate deemed value of \$300,000 as follows:

		Number of Shares	Cash US\$
On September 05, 2014	(Paid)	-	100,000
On September 05, 2014	(Issued – fair valued at \$102,174)	43,478	-
By March 05, 2015	(Paid)	-	50,000
By March 05, 2015	(Issued – fair valued at \$67,211)	96,015	-
By September 30, 2015	(Paid)	-	50,000
By September 30, 2015	(Issued– fair valued at \$46,260)	264,340	-
By March 05, 2016	(Paid)	-	50,000
By March 05, 2016	(Issued – fair valued at \$72,545)	241,818	-
By September 05, 2016	(Issued – fair valued at \$82,944)	107,025	-
		752,676	US\$250,000

During the year ended June 30, 2017, the Company earned a 100% undivided interest by making the final share issuance payment, therefore, complying with all the terms of the option agreement

g) Dentonia Property, South, British Columbia, Canada

On August 29, 2014, the Company entered into a property option agreement whereby the Company acquired a 100% interest in the Dentonia South Property, located 10 miles south of Greenwood, British Columbia, by issuing 30,000 common shares (fair valued at \$51,000 - issued).

h) Providence Property, British Columbia, Canada

On April 18, 2017, the Company entered into a purchase and sale agreement with arm's length vendors. Pursuant to the agreement, the vendors agreed to sell and the Company agreed to purchase two mineral tenure claims adjacent to the Company's Gold Drop Property situated near Greenwood, B.C, in consideration the Company agreed to issue an aggregate of 200,000 post-consolidation common shares to such vendors valued at \$35,000.

On July 17, 2017, the Company completed a purchase and sale agreement with arm's length vendor. Pursuant to the agreement, the vendor agreed to sell and the Company agreed to purchase three mineral tenure claims adjacent to the Company's Gold Drop Property situated near Greenwood, B.C, in consideration the Company agreed to issue an aggregate of 80,000 post-consolidation common shares (issued) to such vendor valued at \$18,000.

i) Nelson California and Camp McKinney, Southern British Columbia, Canada

In February 2020, the Company entered into an agreement with an arm's length individual to acquire mineral claims comprising of the Nelson California gold mineral claim and the Camp McKinney gold mineral claim in Southern British Columbia. For consideration, the Company issued 111,111 common shares fair valued at \$50,000 and cash payment of \$30,000.

j) Ron Gold, Clubine, Hughes and Quartz Mountain, Southern British Columbia, Canada

In March 2020, the Company entered into an agreement with an arm's length company to acquire 100% of its British Columbian properties. The properties total 98 mineral claims covering 1,171 hectares and one crown granted mineral claim of 8.7 hectares located in the southeastern corner of the province. The agreement includes the Ron Gold Property, the Clubine Property, the Hughes Property and the Quartz Mountain Property. For consideration, the Company paid \$100,000 in cash, issued 1,000,000 shares fair valued at \$410,00 and issued 1,000,000 share purchase warrants exercisable at \$0.45 for a 24-month period, fair valued at \$200,000.

k) Stewart and Rozan, Southern British Columbia, Canada

In March 2020, the Company entered into an agreement with an arm's length company to acquire 100% of Stewart and Rozan properties located in southeaster, British Columbia. The two properties consist of 60 mineral claims covering a total of 7,739 hectares. As consideration, the Company issued 1,275,000 shares fair value at \$369,750 and 1,275,000 share purchase warrants at \$0.45 per share for three years, increasing to \$0.55 per share in year 4 and year 5 from the date of issuance, fair valued at \$342,000. A cash payment of \$100,000 was also made.

l) 49er Creek and Queen Victoria Properties, Southern British Columbia, Canada

In March 2020, the Company entered into an agreement with an arm's length company to acquire 100% of its mineral properties located in southeastern, British Columbia. The properties cover a total of 105 mineral claims covering approximately 4,227 hectares. As consideration, the Company issued 1,400,000 shares fair value at \$525,000 with restriction on trading. 700,000 shares will become free trading six months and one day after the receipt of the TSX Venture Exchange approval and the reaming 700,000 shares to become free trading one year and one day after TSX Venture Exchange approval. A cash payment of \$100,000 was also made.

m) Bud-Elk Property, Southern British Columbia, Canada

In March 2020, the Company entered into an agreement with an arm's length company to acquire 100% of its mineral properties located in southeaster, British Columbia. The properties consist of 7 mineral claims covering approximately 806 hectares. As consideration, the Company issued 388,888 shares fair valued at \$147,777.

n) Ymir Property, Southern British Columbia, Canada

In June 2020, the Company entered into an agreement with an arm's length company to acquire 100% of its mineral properties located in southern, British Columbia. The properties consist of 11 mineral claims covering a total of 1,600 hectares. As consideration, the Company issued 600,000 shares fair valued at \$318,000.

o) Venus and Juno Gold Mines, Southern British Columbia, Canada

In July 2020, the Company entered into an option agreement with an arm's length company to acquire 100% of its mineral properties located in southern British Columbia. The properties consist of 5 mineral claims covering a total of 231 hectares. As consideration, the Company has agreed to pay \$100,000 in cash and issue 200,000 shares over four years. Subject to a 1% NSR which can be purchased back for \$500,000. The agreement is subject to TSX and regulatory approval.

p) Golden Crown, Southern British Columbia, Canada

In July 2020, the Company acquired 3% net smelter royalties covering properties located in the Greenwood mining camp in Southern British Columbia and a royalty on material processed in the Boundary Falls mill. Terms of the agreement include the issuance of 1,000,000 shares (issued). The transaction is subject to TSX and regulatory approval and the vendor has entered into a voting trust agreement whereby the share will be voted in favour of management.

Reclamation Bonds

The Company posts non-interest-bearing reclamation bonds against any potential land restoration costs that may be incurred in the future on its mineral properties. The funds are held in trust and may be released after required reclamation is satisfactorily completed.

As at June 30, 2020, the amount on deposit is \$125,800 (2019 – \$98,000) with respect to the Brett Property (\$31,000), Gold Drop Property (\$38,000), Treasure Mountain Property (\$5,000), Providence Property (\$6,000) and Kenville Property (\$45,800).

Results of Operations

Net Gain/Loss and Operating Expenses

During the period ended September 30, 2020, the Company recorded a loss of \$1,866,568 or 0.03 basic and diluted loss per share, compared to \$1,862,652 or \$0.05 basic and diluted loss per share for the same period in 2019. The Company posted a small increase over numbers from the prior year however reported variations between expense categories. The current quarter reported higher expenses in the areas of advertising, exploration, and management fees as well as depreciation (acquired \$601,668 in vehicles, equipment and furniture). The period ended September 30, 2019 recognized non-cash compensation expense in the amount of \$1,013,900 compared to \$Nil for the period ended September 30, 2020. This expense from the prior year offset the larger expenditure in exploration of \$991,318 (2019 – 358,907) and marketing of \$440,107 (2019 – 165,868) in the period ended September 30, 2020. The Company continues to investigate and acquire properties to expand their mineral property interests.

General Administrative Expenses

	Three Months Ended September 30,	
	2020	2019
	\$	\$
Audit and Legal	8,636	17,530
Advertising and Marketing	440,107	165,868
Bank Charges and Interest	21,798	822
Consulting	165,935	133,400
Depreciation	57,492	3,986
Exploration	991,318	358,907
Management	45,000	50,000
Office and Administration	187,951	69,800
Rent	29,100	10,500
Regulatory Fees and Transfer Agent	11,510	7,986
Stock-Based Compensation	-	1,013,908
Travel and Accommodations	25,946	32,196
	<u>(1,984,793)</u>	<u>(1,864,903)</u>
<u>Other Items:</u>		
Mineral Exploration Property Recovery	-	91,228
Loss on Sale of Marketable Securities	-	-
Reversal of Flow-Through Premium Liability	109,225	-
Write Up (Down) of Marketable Securities to Market Value	9,000	(88,977)
	<u>(1,866,568)</u>	<u>(1,862,652)</u>

- Advertising, Marketing and Investor Relations - \$440,107 (2019 - \$165,868). Amounts included in advertising and marketing are print and internet advertising costs, web site updates, marketing, investment and geological conference attendance fees.
- Consulting fees of \$165,935 (2019 - \$133,400), paid to companies for strategic, administrative services, project evaluation and future acquisition.

- Management fees comprised of \$45,000 (2019 - \$50,000) pursuant to the Management Consulting Agreement with the company controlled by the President and CEO of the company to perform management services for \$15,000 per month. See “Commitment” for further discussion.
- The Company incurred office and administrative expenses of \$187,951 (2019 - \$69,800). The office and administration included accounting, administration, telephone, printing storage, and secretarial. The office and administrative expenses increased due to the increase in administrative, accounting and secretarial fees.
- Regulatory and transfer agent fees of \$11,510 (2019 - \$7,986) consisted of fees paid to regulatory bodies in Canada in connection with routine filings and filing fees for private placement.
- Travel and accommodations expenses of \$25,946 (2019 - \$32,196). Management traveled to visit the Company’s properties in BC Canada and attending various geological conferences and meetings.
- The Company incurred \$991,318 (2019 - \$358,907) of exploration expenditures on the company’s Canadian BC Projects. The Company also had exploration recovery amounts of \$Nil (2019 - \$91,228). Details of Exploration and Evaluation Expenditures and agreements, please see above under exploration.
- Stock-based compensation costs have been determined based on the fair value of the stock options and agents’ warrants at the grant date using the Black-Scholes option-pricing model. During the period ended September 30, 2020, the Company issued Nil (2019 - 1,100,000 options) with a fair market value of Nil (2019 - \$638,908). The Company also granted 500,000 restricted stock units with a fair market value of \$375,000 in September 2019.

Summary of Quarterly Reports

Results for the eight most recent quarters ending with the last quarter for the period ended September 30, 2020:

	September 30, 2020 \$	Three Months Ended June 30, 2020 \$	March 31, 2020 \$	December 31, 2019 \$
Revenue	Nil	Nil	Nil	Nil
Net income (loss)	(1,866,568)	(995,426)	(2,703,455)	(1,740,088)
Basic and diluted per shares	(0.03)	(0.03)	(0.05)	(0.04)

	September 30, 2019 \$	Three Months Ended June 30, 2019 \$	March 31, 2019 \$	December 31, 2018 \$
Revenue	Nil	Nil	Nil	Nil
Net income (loss)	(1,862,652)	(3,628,581)	(679,322)	(1,291,271)
Basic and diluted per shares	(0.05)	(0.11)	(0.02)	(0.05)

Over the last eight quarters, the Company has been exploring projects in Canada and the majority of the loss each quarter relates to the expenditures incurred in maintaining the operations of the Company and general and administrative expenses. The other main contributor to the losses is non-cash stock-based compensation incurred on the grant of stock options done periodically over the last eight quarters.

Mineral exploration is typically a seasonal business, and accordingly, the Company’s operating expenses and cash requirements will fluctuate depending upon the season and the level of activity. The Company’s primary source of funding is through the issuance of share capital. When the capital markets are depressed, the Company’s activity level normally declines accordingly. As capital markets strengthen and the Company is able to secure equity financing with favorable terms, the Company’s activity levels and the size and scope of planned exploration projects will typically increase.

Liquidity and Capital Resources

At September 30, 2020, the Company had cash of \$485,279 and working capital of \$1,230,688. All cash is deposited in interest accruing accounts.

	September 30, 2020 \$	June 30, 2020 \$
Current assets	1,787,213	1,967,581
Reclamation Bond	125,800	125,800
Property and Equipment	2,541,575	1,997,399
Total Assets	4,454,588	4,090,780
Current Liabilities	556,525	1,175,524
Total Liabilities	1,169,025	1,788,024
Shareholders' Equity	3,285,563	2,302,756
Working Capital Deficiency	1,230,688	792,057

The Company does not generate sufficient cash flow from operations to fund its exploration activities, its acquisitions and its administration costs. The Company is reliant on equity financing to provide the necessary cash to continue its operations.

	September 30, 2020 \$	September 30, 2019 \$
Cash Used in Operating Activities	(963,501)	(793,082)
Cash Provided by Investing Activities	(601,668)	(27,500)
Cash Provided by Financing Activities	1,331,875	802,285
Change in Cash	(233,294)	(18,297)

At the Report Date, key management consists of Chris Anderson (CEO, President and a Director of the Company), Nicolette Keith (CFO of the Company), Scott Kent, Wesley Warthe-Anderson, and Roy Davis (Directors of the Company). The amounts paid by the Company for the services provided by related parties have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions were in the normal course of operations. Details of transactions between the Company and related parties, in addition to those transactions disclosed elsewhere in these financial statements, are described below.

Amounts due to related parties are in the normal course of business, unsecured, non-interest bearing, and have no specific terms of repayment.

b) Compensation of Key Management Personnel

All related party transactions were in the ordinary course of business and were measured at their exchange amount.

	September 30, 2020 \$	September 30, 2019 \$
Management Fees	45,000	45,000
Office Administration and Support Fees	65,087	-
Exploration	-	6,222
Stock-Based Compensation	-	477,327
	110,087	528,549

- c) During the period ended September 30, 2020, the Company incurred \$110,087 (2019 – \$51,222) in management and consulting fees, and reimbursements of travel and other expenses to a director and officer (and a company controlled by Chris Anderson) of the Company. As at September 30, 2020, \$1,655 was payable.
- d) During the period ended September 30, 2020, the Company incurred stock-based compensation of \$Nil (2019 - \$477,327) to directors and officers of the Company for the granting of stock options and RSUs.

Commitment

- a) The Company entered into a five-year agreement with its Director, President and Chief Executive Officer in December 2016, for consulting services to the Company for monthly consideration of \$15,000 (plus applicable taxes) plus automobile and reimbursement of all traveling and direct expenses incurred.
- b) In July 2019, the Company entered into one-year agreement with an individual to provide investor relations services. In consideration for the services, the Company shall pay a monthly fee of \$4,700 plus applicable taxes.
- c) Pursuant to the acquisition of 099 BC and mining equipment from former shareholders of 099 BC, the cash payable due dates are as follows:
 - (i) \$522,500 due to the former shareholders of 099 BC – on or before May 30, 2020;
 - a. A payment of \$245,000 was made during the year ended June 30, 2020.
 - b. During the period ended September 30, 2020 the remaining balance was paid.
 - (ii) \$122,500 due to the former shareholders of 099 BC – on or before November 30, 2020;
 - (iii) \$122,500 due to the former shareholders of 099 BC – on or before May 30, 2021;
 - (iv) \$122,500 due to the former shareholders of 099 BC – on or before November 30, 2021;
 - (v) \$122,500 due to the former shareholders of 099 BC – on or before May 30, 2022; and
 - (vi) \$122,500 due to the former shareholders of 099 BC – on or before November 30, 2022.

During the year ended June 30, 2020, the Company entered into an agreement with the former shareholder of 099 BC for a loan of \$300,000. The loan is unsecured, non-interest bearing and has no terms of repayment.

During the period ended September 30, 2020, the loan amount of \$300,000 was paid in full.

Subsequent Events

In October 2020, the Company closed a flow-through financing by issuing 1,875,000 flow-through shares at a price of \$0.40 per share for gross proceeds of \$750,000. Each flow-through share consists of once common share that qualifies a "flow-through" as defined in subsection 66(15) of the Income Tax Act.

In November 2020, the Company announced closed a financing by issuing 1,600,000 units at a price of \$0.255 per unit for gross proceeds of \$408,000. Each unit issued consists of once common share and one transferable common share purchase warrant. Each warrant will entitle the hold to purchase one additional common share of the Issuer at an exercise price of \$0.35 for a period of two years from date of issuance.

In November 2020, the Company closed a draw-down equity financing facility with Alumina Partners Ltd. The Company drew down \$250,000 from Alumina by issuing 694,444 units consisting of one common share priced at \$0.36 per share and three year warrants exercisable at \$0.60 per share

Coronavirus (COVID-19) Pandemic

The outbreak of the COVID-19 virus and the worldwide pandemic has impacted the Company's plans and activities. The Company may face disruption to operations, supply chain delays, travel and trade restrictions, and impacts on economic activity in affected countries or regions can be expected and are difficult to quantify. Regional disease outbreaks and pandemics represent a serious threat to hiring and maintaining a skilled workforce and could be a major health-care challenge for the Company. There can be no assurance that the Company's personnel will not be impacted by these regional disease outbreaks and pandemics and ultimately that the Company would see its workforce productivity reduced or incur increased medical costs and insurance premiums as a result of these health risks.

In addition, the pandemic has created a dramatic slowdown in the global economy. The duration of the outbreak and the resulting travel restrictions, social distancing recommendations, government response actions, business disruptions and business closures may have an impact on the Company's exploration operations and access to capital. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by the pandemic's impact on global industrial and financial markets which may reduce metal prices, share prices and financial liquidity thereby severely limiting access to essential capital.

Off Balance Sheet Agreements

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

Critical Accounting Policies and Estimates

The details of Ximen's accounting policies are presented in Note 2 of the financial statements ended June 30, 2020. These policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company's financial statements and the uncertainties that could have a bearing on its financial results.

New Accounting Standards Issued

A number of new accounting standards, amendments to standards, and interpretations have been issued but not yet effective up the date of issuance of the Company's consolidated financial statements. The Company intends to adopt the following standards when they become effective.

Risk and Uncertainties

There are no significant changes relating to the risk factors since the filing of the annual MD&A of June 30, 2020.

Capital Risk Management

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

The Company manages its share capital as capital, which as at September 30, 2020, was \$33,383,500 (June 30, 2020 – \$30,445,419). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period ended September 30, 2020.

Management Financial Risks

The fair value of the Company's loan receivable, accounts payable and accrued liabilities, convertible debentures, and amounts due to related parties approximate their carrying value, which is the amount recorded on the consolidated statement of financial position. The Company's other financial instruments, cash and marketable securities under the fair value hierarchy is recorded at fair value based on level one quoted prices in active markets for identical assets or liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

a) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Management believes that its credit risk is not significant.

b) *Liquidity Risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2020, the Company had a cash balance of \$485,279 to settle current liabilities of \$556,525. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Management expects to fund those liabilities through the issuance of capital stock and loans from related parties over the coming year.

c) *Interest Rate Risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's loans receivable and amounts due to related parties are non-interest bearing. Interest on the Company's debentures payable are based on fixed rates, and as such, the Company is not exposed to significant interest rate risk.

d) *Foreign Currency Risk*

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents and accounts payable and accrued liabilities that are denominated in U.S. Dollars. The Company's financial instruments denoted in U.S. Dollars are insignificant and any fluctuation in foreign currency exchange rates would have an insignificant impact on net loss for the year.

e) *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, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Forward-Looking Information

This MD&A, which contains certain forward-looking statements, are intended to provide readers with a reasonable basis for assessing the financial performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

Management's Report On Internal Control Over Financial Reporting

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Additional Information in relation to the Company

Additional information relating to the Company is available:

- (a) On SEDAR at www.sedar.com
- (b) On the Company's website at www.ximenminingcorp.com
- (c) In the Company's annual audited financial statements for the year ended June 30, 2020

	Number	Exercise Price	Expiry Date
Common Shares (November 13, 2020)	70,894,128	n/a	n/a
Stock Options	155,000	0.25	February 2, 2021
Stock Options	130,000	0.75	October 5, 2021
Stock Options	210,000	0.60	November 22, 2021
Stock Options	50,000	0.18	February 14, 2023
Stock Options	475,000	0.30	December 27, 2023
Stock Options	100,000	0.75	July 11, 2024
Stock Options	1,000,000	0.70	July 15, 2024
Warrants	840,000	0.30	January 03, 2021
Warrants	480,770	0.8125	January 11, 2021
Warrants	446,428	0.8750	January 26, 2021
Warrants	487,804	0.5125	March 18, 2021
Warrants	833,333	0.45	April 04, 2021
Warrants	833,500	0.45	April 08, 2021
Warrants	853,334	0.45	April 21, 2021
Warrants	350,000	0.45	May 25, 2021
Warrants	250,000	0.45	June 17, 2021
Warrants	468,498	0.45	July 07, 2021
Warrants	500,000	0.45	July 27, 2021
Warrants	462,000	0.50	August 15, 2021
Warrants	924,040	1.00	October 24, 2021
Warrants	200,000	0.50	December 30, 2021
Warrants	940,000	0.375	April 11, 2022
Warrants	404,500	0.375	April 13, 2022
Warrants	200,000	0.375	April 20, 2022
Warrants	1,000,000	0.45	May 05, 2022
Warrants	2,524,169	0.75	June 25, 2022
Warrants	1,920,276	0.75	July 28, 2022
Warrants	927,532	0.75	July 29, 2022
Warrants	535,000	0.75	July 31, 2022
Warrants	205,000	0.75	August 17, 2022
Warrants	122,000	0.25	December 13, 2022
Warrants	470,588	0.5313	February 05, 2023
Warrants	487,805	0.5125	February 25, 2023
Warrants	454,545	0.55	March 06, 2023
Warrants	1,275,000	0.45	March 12, 2023
Warrants	500,000	0.7875	June 3, 2023
Warrant	454,545	0.8125	July 30, 2023
Agents' Warrants	15,556	0.30	December 11, 2020
Agents' Warrants	1,600	0.30	January 04, 2021
Agents' Warrants	89,744	0.39	January 04, 2021
Agents' Warrants	44,872	0.39	January 04, 2021
Agents' Warrants	84,000	0.50	March 09, 2022
Agents' Warrants	23,000	0.375	April 13, 2022
Agents' Warrants	21,210	0.75	June 25, 2022
Agents' Warrants	36,400	0.75	July 29, 2022