

## **MONUMENTAL GOLD CORP.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED JUNE 30, 2021**

(All amounts expressed in Canadian dollars, unless otherwise stated)

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This Management Discussion and Analysis ("MD&A") provides a detailed analysis of the business of Monumental Gold Corp. (the "Company") and describes its financial results from period ended June 30, 2021. The MD&A should be read in conjunction with the consolidated financial statements of the Company and related notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") for the period ended June 30, 2021. In addition, refer to Note 3 of the September 30, 2020 audited financial statements for disclosure of the Company's significant accounting policies and a discussion of future accounting policy changes. The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in the Canadian dollar.

#### **Management's Responsibility**

The Company's management is responsible for the preparation and presentation of the financial statements and the MD&A. The financial statements have been prepared in accordance with International Financial Accounting Standards ("IFRS") as issued by the International Accounting Standards Board. This MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

#### **Forward-Looking Statements**

This MD&A may contain forward-looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of exploration or other risk factors beyond its control. Actual results may differ materially from the expected results. In particular, forward-looking information in this MD&A includes, but is not limited to, statements with respect to the Weyman project, transaction for an additional project, future events and is subject to certain risks, uncertainties and assumptions.

Except for statements of historical fact, this MD&A contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this MD&A includes, but is not limited to, statements with respect to future events and is subject to certain risks, uncertainties and assumptions. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the *forward-looking information*.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, which are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in Canada, the United States and globally; governmental regulation of the mining industry, including environmental regulation; geological, technical and drilling problems; unanticipated operating events; competition for and/or inability to retain drilling rigs, personnel and other services; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for commodities; failure to maintain or obtain all necessary government permits, approvals and authorizations; the impact of Covid-19 or other viruses and diseases on the Company's ability to operate; failure to maintain community acceptance (including First Nations);

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increase in costs; litigation; failure of counterparties to perform their contractual obligations; liabilities inherent in mining operations; changes in tax laws and incentive programs relating to the mining industry; and the other factors described herein under "Risks and Uncertainties" as well as in our public filings available at [www.sedar.com](http://www.sedar.com). Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

This MD&A is current as at August 30, 2021.

#### **Scientific and Technical Disclosure**

The scientific and technical information contained in this MD&A has been reviewed and approved by Kristopher J. Raffle, P.Geo. (BC) Principal and Consultant of APEX Geoscience Ltd. of Edmonton, AB, a Director of the Company and a "Qualified Person" as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

#### **BACKGROUND**

The Company is an exploration stage company engaged in the acquisition and exploration of mineral properties. The Company's current project (Weyman Property) is located in the southeast area of Kamloops, British Columbia, Canada. The Company is a British Columbia company. Its primary business objective is to identify, acquire, explore and develop mineral properties. The Company is primarily a junior exploration company with no revenues from mineral producing operations. The recoverability of amounts shown for the mineral properties and related deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration of the property, and upon future profitable production. On April 30, 2021, the Company completed its initial public offering ("IPO") and commenced trading on the TSX Venture Exchange ("TSXV") on May 4, 2021 under the trading symbol "MGLD". The head office and the principal address of the Company are located at 605 – 815 Hornby Street, Vancouver, BC V6Z 2E6, Canada.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. The impact of the COVID-19 pandemic has major implications for all economic activities, including that of the Company. At this time, it is not possible to predict the duration or magnitude of the adverse results of the outbreak, however, management believes that the impact to the Company will be limited mainly to the curtailment of travel and access to mineral projects due to travel and social distancing restrictions as well as its ability to raise financing. There has been no material disruption to the Company's current operations to date. The Company's current focus is on its project located in British Columbia, Canada and as a result, access to the property is not prohibited. The Company may consider acquisitions of other properties in foreign or domestic jurisdictions in the future. Subsequent to June 30, 2021, the Company incorporated a subsidiary in Mexico for the purposes of identifying and evaluating projects in Mexico.

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Exploration and evaluation assets comprise the following accumulated expenditures:

	<b>Weyman Project</b>
	\$
<b>Balance at June 15, 2020 (date of incorporation)</b>	-
Acquisition costs	25,000
Airborne survey	42,400
<b>Balance at September 30, 2020</b>	<b>67,400</b>
Acquisition costs	90,000
Airborne survey	52,470
Camp costs	2,148
Geological	21,000
Management and administration	20,500
Reports	19,461
<b>Balance at June 30, 2021</b>	<b>272,979</b>

On July 13, 2020, the Company entered into purchase option agreement ("Option Agreement" or "Option") with Platinum Resources Inc. ("Platinum"), whereby the Company was granted an irrevocable and exclusive option to acquire 100% of Platinum's eight (8) claims located southeast of Kamloops, British Columbia, Canada (the "Property"). On November 13, 2020, one additional claim became part of the Option Agreement pursuant to the area of common interest provision to bring the total number of claims under the Option Agreement to eight (8).

In order to exercise the option, the Company must meet the following commitments:

- a. Pay to Platinum an aggregate of \$105,000 as follows:
  - i. \$15,000 within 10 days after execution of the Option Agreement (paid);
  - ii. \$20,000 by 10 days after the Listing Date (as defined in the Option Agreement) (paid May 11, 2021);
  - iii. \$20,000 by 6 months after the Listing Date;
  - iv. \$25,000 by 12 months after the Listing Date; and
  - v. \$25,000 by 18 months after the Listing Date.
- b. Issue 200,000 shares within 10 days after the Listing Date (issued May 11, 2021)
- c. Incur no less than \$300,000 of exploration expenditures as follows:
  - i. \$100,000 by 12 months after the Listing Date (completed); and
  - ii. \$200,000 by 24 months after the Listing Date.

If the Property is acquired by the Company, then Platinum shall be entitled to a 2.0% net smelter returns royalty (one-half which may be repurchased for \$1,000,000)

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The Company issued 200,000 Class A common shares (“**common shares**”) with a fair value of \$0.05 per share as finders fees in connection with the Option Agreement which have been included in acquisition costs.

On May 13, 2021, the company announced commencement of soils geochemical sampling program at the Weyman Property designed the follow-up on historical geochemical and magnetic airborne geophysical anomalies.

Subsequently on July 26, 2021, Monumental announced the results from the Weyman Property soil sampling program. The work program consisted of 1,390 soil samples collected for analysis. The most notable result for copper had an assay value of 275 parts per million (ppm). In addition, three samples assayed 209, 131 and 128 ppm copper (Cu). The remaining soil values ranged to 50ppm Cu with the majority assaying under 20 ppm.

#### **ADDITIONAL DISCLOSURE FOR JUNIOR ISSUERS**

The proceeds from the recently completed initial public offering will fund at least the first twelve months of operations. The estimated operating costs for the first twelve months is approximately \$267,000, and the capital expenditures related to the Weyman property will include \$45,000 in cash option payments, and any additional exploration expenditures carried out on the Property.

#### **LIQUIDITY AND CAPITAL RESOURCES**

In management’s view, given the nature of the Company’s operations, which consist of exploration and evaluation of a mining property, the most relevant financial information relates primarily to current liquidity, solvency and planned property expenditures. The Company’s financial success will be dependent upon the extent to which it can successfully exercise its option, discover mineralization and the economic viability of developing its properties.

Such development may take years to complete and the amount of resulting income, if any, is difficult to determine. The sales value of any minerals discovered by the Company is largely dependent upon factors beyond the Company’s control, including the market value of the metals to be produced. The Company does not expect to receive significant income from any of its properties in the foreseeable future.

At June 30, 2021, the Company had working capital of \$864,931, including cash of \$725,280.

On incorporation on June 15, 2020, the Company issued 1,000,000 common shares to founders of the Company at a price of \$0.001 per share for gross proceeds of \$1,000 and 1,000,000 common shares to directors of the Company at a price of \$0.001 per share for gross proceeds of \$1,000.

Pursuant to a private placement, on July 10, 2020, the Company issued 4,200,000 common shares at a price of \$0.01 per share for gross proceeds of \$42,000.

Pursuant to a private placement, on July 14, 2020, the Company issued 1,000,000 flow through common shares at a price of \$0.05 per flow through common share for gross proceeds of \$50,000.

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Pursuant to a private placement, on July 22, 2020, the Company issued 2,000,000 common shares at a price of \$0.05 per share for gross proceeds of \$100,000.

Pursuant to a private placement, on July 29, 2020 the Company issued 520,000 common shares at a price of \$0.05 per share for gross proceeds of \$26,000.

Pursuant to a private placement, on August 10, 2020 the Company issued 1,900,000 common shares at a price of \$0.05 per share for gross proceeds of \$95,000.

Pursuant to a private placement, on September 21, 2020, the Company issued 2,500,000 common shares at a price of \$0.05 per share for gross proceeds of \$125,000.

During the period ended June 30, 2021, the Company issued 680,000 common shares at \$0.05 per share for gross proceeds of \$34,000.

On April 30, 2021, the Company completed its IPO and though the same of 5,750,000 common shares at a price of \$0.20 per share for gross proceeds of \$1,150,000. In connection with the IPO, the Company paid a finder's fee comprising an 8% cash finder's fee, 460,000 share purchase warrants exercisable for \$0.20 per share expiring April 30, 2023, and 62,500 common shares at a deemed price of \$0.20 per share.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

## **OUTSTANDING SHARE DATA**

The following share capital as of date of this MD&A is:

	<b>Balance</b>
Shares issued and outstanding	21,012,500
Share purchase warrants	460,000
Share purchase options	2,080,000

## **RESULTS OF OPERATION**

### **For the three and nine months ended June 30, 2021**

The Company incurred a net loss of \$746,740 and \$843,912 for the three and nine months ended June 30, 2021 comprising consulting fees, office and administration costs, marketing and communication costs, professional, regulatory costs and stock-based compensation. Since the Company was not active in the comparable June 15, 2020 (date of incorporation) to June 30, 2020 period, the current reporting period saw an increase in expenses. During the current period the Company incurred a

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marketing and communication expenditure to increase visibility of the Company's exploration program and related development activity. In addition, the company incurred consulting expenditures related to the development of the Company and issued stock options which resulted in increased stock-based compensation. The Company expects an increase in all expense areas as the operations ramp up through the next quarters.

The Company is committed to meeting all its obligations as they relate to exercising Option Agreement, comprising of cash payments and a minimum amount of exploration evaluation expenditures. Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

**SELECTED QUARTERLY INFORMATION FOR MOST RECENT COMPLETED QUARTERS**

	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	Date of Incorporation, June 15, 2020 to June 30, 2020
	\$	\$	\$	\$	\$
Net profit (loss)	(746,740)	(56,494)	(40,678)	(44,187)	-
Basic profit (loss) per share	(0.04)	(0.00)	(0.00)	(0.01)	(0.00)
Diluted profit (loss) per share	N/A	N/A	N/A	N/A	N/A

**SELECTED ANNUAL INFORMATION FOR MOST RECENT COMPLETED YEAR**

	Date of Incorporation, June 15, 2020 to September 30, 2020
	\$
Revenue	-
Net profit (loss)	(44,187)
Loss per share (basic and diluted)	(0.01)
Total assets	438,252
Total long-term liabilities	-
Distributions or Cash Dividends	-

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**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

	Level	Ref.	June 30, 2021	September 30, 2020
			\$	\$
Other financial assets	1	a	725,280	365,852
Other financial liabilities	2	b	29,089	34,430

- a. Comprises cash and prepaid expenses.
- b. Comprises accounts payable.

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The fair values of the Company's financial instruments are not materially different from their carrying values.

**Management of Industry and Financial Risk**

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

The Company's financial instruments are exposed to certain financial risks, which include the following:

***Credit risk***

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash and other receivables. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Other receivables comprise sales tax refunds from the Canadian federal government.

***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company ensures that there is sufficient capital in order to meet short-term operating requirements, after taking into account the Company's holdings of cash. The Company's cash is held in corporate bank accounts available on demand. Liquidity risk has been assessed as being high.

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***Market Risk***

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

***Currency Risk***

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

***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 is not exposed to significant interest rate risk relating to its related party balances (Note 7).

***Price Risk***

The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to raise financing due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

***Capital management***

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of components of shareholders' equity. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

**MONUMENTAL GOLD CORP.****Management's Discussion and Analysis of Financial Condition and Results of Operations****For the Period Ended June 30, 2021****(All amounts expressed in Canadian dollars, unless otherwise stated)****RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel.

	<b>For the nine months ended June 30, 2021</b>
	<b>\$</b>
Exploration and evaluation management cost charged by the Max Sali, Director of the Company.	2
	20,500
Consulting charged by a private-BC company owned by Todd Macdonald, the Chief Executive Officer of the Company.	10,250
Consulting charged by Max Sali, a director of the Company.	28,000
Office rent charged by a private BC-company owned by Ryan Cheung, the Chief Financial Officer.	4,961
Professional accounting fees charged by a private BC-company owned by Ryan Cheung, the Chief Financial Officer.	16,250

As at June 30, 2021 - \$81 (September 30, 2020 - \$10,212) was owing to the Chief Financial Officer of the Company for reimbursable expenses and \$Nil (September 30, 2020 - \$3,180) to a director of the Company. Balances owing to related parties are unsecured, did not bear interest, and had no fixed terms of payments.

**Off-Balance Sheet Transactions**

The Company has not entered into any significant off-balance sheet arrangements or commitments.

**CRITICAL ACCOUNTING ESTIMATES**

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses.

The use of estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about

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carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. Accounts which require management to make material estimates and significant assumptions in determining amounts recorded include: impairment of exploration and evaluation assets, share-based payments, and determination of functional currency.

#### *i) Impairment*

The Company assesses its exploration and evaluation assets annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments may require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, and exploration potential.

#### *ii) Share based payments*

The Company follows accounting guidelines in determining the fair value of stock-based compensation. The computed amount is not based on historical cost, but is derived based on subjective assumptions input into an option pricing model. The model requires that management make forecasts as to future events, including estimates of: the expected life of options; future volatility of the Company's share price in the expected hold period (using historical volatility as a reference); and the appropriate risk-free rate of interest. Stock-based compensation incorporates an expected forfeiture rate. The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm's length transaction, given that there is no market for the options and they are not transferable. It is management's view that the value derived is highly subjective and dependent entirely upon the input assumptions made.

#### *iii) Functional and presentational currency*

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

#### *iv) Basis of measurement*

These financial statements have been prepared on a historical cost basis and except for cash flow information, using the accrual basis of accounting.

## **PROPOSED TRANSACTIONS**

None.

## **RISK AND UNCERTAINTIES**

The Company is in the mineral exploration and development business and, as such, is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Some of the possible risks include the following:

- a) The industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates. The recovery of the Company's investment in exploration and evaluation assets and the attainment of

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profitable operations are dependent upon the discovery and development of economic ore reserves and the ability to arrange sufficient financing to bring the ore reserves into production.

- b) The most likely sources of future funds for further acquisitions and exploration programs undertaken by the Company are the sale of equity capital and the offering by the Company of an interest in its properties to be earned by another interested party carrying out further exploration or development. If such exploration programs are successful, the development of economic ore bodies and commencement of commercial production may require future equity financings by the Company, which are likely to result in substantial dilution to the holdings of existing shareholders.
- c) The Company's capital resources are largely determined by the strength of the resource markets and the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.
- d) The prices of metals greatly affect the value and potential value of its exploration and evaluation assets. This, in turn, greatly affects its ability to raise equity capital, negotiate option agreements and form joint ventures.
- e) The Company must comply with health, safety, and environmental regulations governing air and water quality and land disturbances and provide for mine reclamation and closure costs. The Company's permission to operate could be withdrawn temporarily where there is evidence of serious breaches of such regulations, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations.
- f) The operations of the Company will require various licenses and permits from various governmental authorities. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits to continue exploration and development activities in the future.
- g) Although the Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such assets may be subject to prior agreements or transfers and title may be affected by such undetected defects.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in any forward looking statement. The development and exploration activities of the Company are subject to various laws governing exploration, development, and labour standards which may affect the operations of the Company as these laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are, or were conducted.

## **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The information provided in this report is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.