

**RAINY MOUNTAIN ROYALTY CORP.**

**Management's Discussion and Analysis**

**For the year ended April 30, 2021**

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**Management's Interim Discussion and Analysis**  
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**DESCRIPTION OF BUSINESS AND OVERVIEW OF OPERATIONS AND FINANCIAL CONDITION**

The following is management's discussion and analysis ("MD&A"), prepared as of August 26, 2021. This MD&A should be read in conjunction with the audited Financial Statements for the years ended April 30, 2021 and 2020, the accompanying notes thereto, and the MD&A included in the Company's Annual Report, all as prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

This report includes certain statements that may be deemed "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts that address such matters as future events or developments that the Company expects, are forward looking statements and, as such, are subject to risks, uncertainties, assumptions and other factors of which are beyond the reasonable control of the Company. You can identify these statements by forward-looking words such as "expects", "does not expect", "plans", "anticipates", "does not anticipate", "believes", "intends", "estimated", "projects", "potential", "scheduled", "forecast", "budget", and similar expressions, or that events or conditions "will", "would", "may", "could", "should" or "might" occur and similar words. Such statements give the Company's current expectations or forecasts of future events and are not guarantees of future performance and actual results or developments may differ materially from those expressed in, or implied by, this forward looking information. With respect to forward-looking statements and information contained herein, we have made numerous assumptions including among other things anticipated costs and expenditures and the Company's ability to achieve its goals. Although management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Factors that could cause actual results to differ materially from those in forward-looking statements include, for example, such matters as continued availability of capital and financing and general economic, market or business conditions. Although we have attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking statements or information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information. Any forward-looking statements are expressly qualified in their entirety by this cautionary statement. The information contained herein is stated as of the current date and subject to change after that date and the Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Additional information related to the Company is available for view on SEDAR at [www.sedar.com](http://www.sedar.com), and on the Company's website at [www.rmroyalty.com](http://www.rmroyalty.com).

**Description of Business**

The Company is engaged in the the acquisition and exploration of mineral resource properties (exploration and evaluation assets). Costs directly related to the identification, exploration and development of mineral properties are capitalized and are either amortized over the life of the property's production or written off when the property is sold, abandoned or released.

The Company trades on the TSX Venture Exchange under the symbol RMO and the Frankfurt Stock Exchange under the trading symbol EK7N-FF.

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**EXPLORATION AND EVALUATION ASSETS**

**Title to mineral properties**

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. However, such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.

The Company has entered into agreements to acquire, explore and develop certain mineral properties located in various regions of Canada. Numerous aboriginal groups are claiming unextinguishable aboriginal title to the lands and resources in various regions of Canada, which may include one or more of the mineral claims beneficially owned by the Company. The extent to which any successful aboriginal claim would materially affect the ability of the Company to exploit its mineral properties is not determinable at this time.

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

**Realization of assets**

The investment in and expenditures on mineral properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the confirmation of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

**Environmental**

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. To the best of its knowledge, the Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of the exploration and the development of a mineral property, the potential for production on the property may be diminished or negated.

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**Exploration Programs**

A summary of the Company's current exploration programs is set out below, however, for additional information and details regarding such matters, reference is made to the Company's news releases and related filings that can be viewed on www.sedar.com and the Company's website www.rmroyalty.com.

The technical information regarding the Company's currently active projects referred to herein has been reviewed and approved by Robert Middleton, P. Eng., who has been acting as the Company's Qualified Person, in accordance with regulations under NI 43-101. With respect to the technical information disclosed prior to Robert Middleton becoming the Company's Qualified Person, such technical information was reviewed and approved by Gordon Gibson, P. Geo.

The Company's expenditures on exploration and evaluation assets are as follows:

	Marshall Lake	Brunswick	Other Properties *	Total
<b>Balance, April 30, 2020</b>	\$ 2,173,937	\$ 1	\$ 4	\$ 2,173,942
Deferred costs:				
Additions during the period:				
Acquisitions and staking	12,500	-	-	12,500
Storage	1,310	-	-	1,310
Net change for the year	13,810	-	-	13,810
<b>Balance, April 30, 2021</b>	\$ 2,187,747	\$ 1	\$ 4	\$ 2,187,752

\* Other Properties currently consist of the Clay/Powell and Norton Lake Properties.

	Marshall Lake	Brunswick	Other Properties *	Total
<b>Balance, April 30, 2019</b>	\$ 2,158,737	\$ 1	\$ 4	\$ 2,158,742
Deferred costs:				
Additions during the year:				
Acquisitions and staking	12,500	-	-	12,500
Storage	2,700	-	-	2,700
Net change for the period	15,200	-	-	15,200
<b>Balance, April 30, 2020</b>	\$ 2,173,937	\$ 1	\$ 4	\$ 2,173,942

\* Other Properties currently consist of the Clay/Powell and Norton Lake Properties.

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***Marshall Lake Property***

The Marshall Lake property is located in the Thunder Bay Mining Division, Ontario, and the Company has a joint venture interest in certain claim units as follows:

- (i) The Company acquired a 100% interest in certain mineral leases from Teck Cominco Ltd. ("Teck") and the underlying titleholder. Teck retains a 2% NSR.
- (ii) The Company acquired from Carey Lance (the "Vendor") of Ontario 100% interest in certain surface and mineral rights comprising 421 claim units. The Vendor retains a 2% NSR of which the Company can purchase one-half thereof (1% NSR) at any time for \$1,000,000 and the Company has a right of first refusal on the remaining 1% NSR.
- (iii) The Company acquired a 100% interest in certain leases and claim units from NWT Copper Mines ("NWT"). NWT retains a 3% NSR on precious metals and a 2% NSR on base metals, with 1% of either royalty purchasable by the Company for \$2 million and the Company having a right of first refusal on the remaining portions of these royalties. In connection with the NSRs, the Company is required to pay an annual advance royalty of \$25,000, which payments are credited against royalties otherwise payable to NWT. All annual advance royalty payments have been paid to date and such payments are shared on a 50/50 basis with Copper Lake Resources Ltd. ("Copper Lake") pursuant to an option agreement dated July 6, 2010, as amended, as referred to herein.

By agreement dated July 6, 2010, and as amended, the Company and Marshall Lake Mining Limited ("MLMP"), a privately held company based in the United Kingdom (each holding a 50% interest in the Marshall Lake property), granted an option to Copper Lake, whereby Copper Lake has the right to acquire up to a 50% joint venture interest in the Marshall Lake property and project. Additionally, once Copper Lake had completed its share issuance and spending requirements, it has the additional option to increase its joint venture interest to 75% by incurring such additional property expenditures as are necessary to take the Marshall Lake project to bankable feasibility stage.

On September 29, 2016, Copper Lake announced that it received shareholder and TSX-V approvals, to an agreement with MLMP to acquire its 31.25% interest in the Marshall Lake property. The acquisition gave Copper Lake a 68.75% interest in the Marshall Lake property with the remaining 31.25% held by the Company.

On June 14, 2018, the Company approved the expenditures and the earn in of Copper Lake's 75% interest. Copper Lake had earned its 75% interest and had the option to increase its joint venture interest to 87.5%.

In January 2020, the Company amended the underlying joint venture with Copper Lake to remove Copper Lake's right to participate in future mineral properties acquired by the Company. The Company paid Copper Lake \$25,000 as compensation for this amendment which was recognized as agreement amendment fee on the statement of loss and comprehensive loss for the year ended April 30, 2020.

**Current status:**

As reported by Copper Lake on August 26, 2021, Copper Lake Resources announced it has been issued mineral exploration permits by the Ontario Ministry of Energy, Northern Development and Mines ("MNDM") for its Marshall Lake copper-zinc-silver-gold property. The permits cover the Main Billiton Zone and the Deeds Island and Marshall Creek Zone and have been issued for an initial three-year term. As part of the permit approval process, Copper Lake consults with the respective First Nations communities when exploration takes place on their lands. On the Marshall Lake property, the Copper Lake is working with Aroland First Nation and Animibiigoo Zaagi'igan Anishinaabek ("AZA") First Nation.

**Billiton Zone MT/DCIP Survey** – Copper Lake completed an integrated Magnetotelluric (MT)/Deep IP survey over the Billiton deposit locale in mid-July. The goal of the surveys is to assist in mapping the configuration of the Marshall Mineralized Band, containing the Billiton Zn-Cu-Ag massive sulphide deposit (historic resource of 2.2 MT at 1.3% copper, 4.2% zinc & 2.5 opt Ag1), as well as several other base-metal occurrences contained within it (Map 1). The MT/DCIP survey measures resistivity, an important parameter given its sensitivity to massive sulphides and hydrothermal alteration. MT technology

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generates models of the subsurface resistivity in 2D & 3D at shallow depth and to depths of up to 1 km. Preliminary results of the survey are anticipated shortly; the Company is confident that the survey will generate several VMS drill targets on surface and at depth, in the Billiton deposit locale and within the Marshall Mineralized Band.

**Deeds Island Target** - The Deeds Island target, located 6 km to the east of the Billiton deposit, comprises an 800-metre long zinc anomaly containing zinc values of up to 1000 ppm. The geochemical anomaly is coincident with a large zone of intense garnet-actinolite alteration within felsic volcanic rocks, an alteration assemblage associated with sulphide mineralization at the Billiton deposit. Two airborne VTEM conductors as well as a number of historic EM conductors are closely associated with the target, adding further attraction to the area (Map 2). The Deeds Island target has not been tested by previous diamond drilling.

**Status of 2021 Drill Program** – Copper Lake intends to commence the drill program in early October, with an initial plan for 3,000 metres of drilling. The drilling will be primarily focused on the Billiton deposit locale in addition to drilling select land-based targets on the highly prospective Deeds Island and Marshall Creek Zone.

***Brunswick Property***

On September 1, 2016, the Company entered into an option agreement to acquire an undivided 100% interest in a 13 claim unit property located in Brunswick Twp., Ontario (the “Brunswick Property”). The Brunswick Property is currently owned by Michael Tremblay of Wawa, Ontario (as to 50% interest) and Fiorella Santamaria of Sault Ste. Marie, Ontario (as to 50% interest) (the “Optionors”). Under the option agreement (as Amended on September 20, 2019), the Company can earn a 100% interest in the Brunswick Property by making a series of cash payments and share payments as follows:

Cash Payments:

- (i) \$10,000 within 10 days following the Effective Date (paid);
- (ii) \$20,000 on or before March 31, 2017 (paid);
- (iii) \$20,000 on or before September 30, 2017 (paid in shares);
- (iv) \$25,000 on or before September 30, 2018 (paid in shares);
- (v) \$10,000 on or before September 30, 2019 (paid);
- (vi) \$25,000 on or before September 30, 2020 (paid);
- (vii) \$25,000 on or before September 30, 2021;
- (viii) \$25,000 on or before September 30, 2022;

Share Payments:

- (i) 100,000 shares upon approval of the option agreement by the TSX Venture Exchange “TSX-V” (the “Effective Date”) (issued);
- (ii) 100,000 12 months following the Effective Date (issued);
- (iii) 100,000 shares 24 months following the Effective Date (issued);

A 2% net smelter return royalty (“NSR”) has been retained by the Optionors and the Company has the right to purchase one half thereof (1% NSR) at any time for \$1.0 million, and as well, the Company has a right of first refusal to purchase the remaining 1% NSR.

On May 8, 2017, the Company concluded a Memorandum of Understanding with the Mattagami First Nation (“Mattagami”) in connection with the Company's optioned gold exploration property project (the “Brunswick Property”) located in the Timmins area of Ontario. The agreement calls for the Company to (i) issue 50,000 common shares (issued); (ii) issue 50,000 stock options (issued); and (iii) pay an amount equal to 2% of the first \$5,000,000 of aggregate exploration expenditures and 1% thereafter to Mattagami.

During the year ended April 30, 2019, the Company fully impaired the Brunswick property due to inactivity.

In January 2021, the Company entered into an Option agreement with Pursuit Gold Corp. (“Pursuit”), whereby Pursuit has the right to earn up to a 90% interest in the Brunswick property by completing the following steps and obligations. As per above, the property is subject to a 2% NSR held by the underlying Optionors and the following terms:

- 1) Payment to the Company of \$30,000, (completed).

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- 2) Payment to the Company of \$25,000 by September 15, 2021.
- 3) Payment to the Company of \$25,000 by September 15, 2022.
- 4) A firm expenditure commitment of \$100,000, as part of completing expenditures of \$200,000 by September 30, 2021.
- 5) An expenditure commitment of \$350,000 for a cumulative total of \$550,000 by September 30, 2022, which will earn Pursuit a 51% interest in the Property.
- 6) In order to earn an additional 29%, for a total of 80% interest in the Property, Pursuit must pay \$50,000 by September 30, 2023 and a further \$50,000 by September 30, 2024 and make exploration expenditures of \$400,000 by September 30, 2023 and a further \$500,000 by September 30, 2024 for a cumulative total of 1,450,000. Upon Pursuit earning an 80% interest in the property, the Company will be granted a 1.5% NSR which shall be under the same terms as the NSR to the Optionors, and Pursuit shall have the right to reduce said NSR to 0.5% by the payment of \$1,000,000.
- 7) An additional 10%, for a total of 90% interest in the property, may be earned by Pursuit by completing a bankable feasibility study.

***Clay and Powell Properties***

During 2003, the Company and Mega Uranium Ltd. ("Mega") acquired a 100% interest (50% each) in 11 claims located in the Thunder Bay Mining Division, Ontario. In August 2016, the Company entered into an agreement with Mega to acquire its 50% interest in the Powell Property and as a result, the Company now owns 100% of the Powell Property.

During the year ended April 30, 2017, the Company recorded an impairment charge of \$34,508 related to the Clay and Powell Properties since the Company has no currently planned exploration activities for the properties.

***Norton Lake Property***

The Company continues to hold a 30.21% interest and Copper Lake holds a 69.79% interest in certain claim units in the Norton Lake area. Some of the claim units are subject to a 2% NSR (the Company may purchase 1% of the NSR for \$1,000,000 and has a right of first refusal on the remaining 1% NSR).

During the year ended April 30, 2016, the Company fully impaired the Norton Lake Property due to inactivity.

**PERFORMANCE SUMMARY**

The following is a summary of the significant events and transactions that occurred during the period ended April 30, 2021 and for the subsequent period to the report date hereof:

- a) In January 2021, the Company entered into an Option agreement with Pursuit Gold Corp. ("Pursuit" or the "Optionee"), whereby Pursuit has the right to earn up to a 90 percent interest in the Brunswick, 173 claim cell property, by completing the following steps and obligations. The Property is subject to a 2 percent NSR held by the underlying vendors M. Tremblay and F. Santamaria ("Original Vendors") and the following terms:
  - 1) Payment to the Company of \$30,000, (completed).
  - 2) Payment to the Company of \$25,000 by September 15, 2021
  - 3) Payment to the Company of \$25,000 by September 15, 2022
  - 4) A firm expenditure commitment of \$100,000, as part of completing an expenditure of \$200,000 by Sept. 30, 2021
  - 5) A further expenditure of \$350,000 for a cumulative total of \$550,000 by September 30, 2022, which will earn Pursuit a 51% interest in the Property.
  - 6) In order to earn an additional 29%, for a total of 80% interest in the Property, the optionee must pay \$50,000 by September 30, 2023 and a further \$50,000 by September 30, 2024 and make exploration expenditures of \$400,000 by September 30, 2023 and a further \$500,000 by September 30, 2024 for a cumulative total of

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1,450,000. Upon Pursuit earning an 80% interest in the property, the Company will be granted a 1.5% Net Smelter Return ("NSR") which shall be under the same terms as the Underlying Royalty to the original vendors, save that Pursuit shall have the right to reduce said NSR to 0.5% by the payment of \$1,000,000.

- 7) An additional 10 percent interest may be earned by the optionee by completing a bankable feasibility study. The remaining 10 percent carried interest and the NSR will remain with the Company.

- b) On January 6, 2021, the Company announced, further to its press release dated December 14, 2020, it closed its previously announced non-brokered private placement (the "Placement") of up to 6,200,000 units at a price of \$0.07 per unit (each a "Unit") to raise aggregate gross proceeds of up to \$434,000. Each Unit comprised one common share and one share purchase warrant (each a "Warrant"). Each Warrant entitles the holder to acquire an additional common share of the Company at an exercise price of \$0.09 per share until January 6, 2026. No finder's fees were payable in connection with the Placement. All securities distributed pursuant to the Placement are subject to a statutory hold period ending on May 7, 2020. The proceeds of the Placement will be utilized to fund exploration activities on the Company's existing mineral property portfolio and general working capital. The private placement is subject to regulatory approval, including the approval of the TSX Venture Exchange.

Insiders participated in the private placement acquiring an aggregate of 1,700,000 units on the same basis as other subscribers. The participation in the private placement by insiders of the Company constitutes a "related party transaction" as such term is defined under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is relying on exemptions from the formal valuation and minority approval requirements under MI 61-101. The Company relied on Section 5.5(a) of MI 61-101 for an exemption from the formal valuation requirement and Section 5.7(1)(a) of MI 61-101 for an exemption from the minority shareholder approval requirement of MI 61-101 as the fair market value of the private placement in so far as the private placement involved interested parties did not exceed 25% of the Company's market capitalization.

**SELECTED ANNUAL INFORMATION**

	<b>Year Ended April 30, 2021</b>	<b>Year Ended April 30, 2020</b>	<b>Year Ended April 30, 2019</b>
Operating loss	262,239	328,586	262,422
Net loss	232,239	352,177	1,391,785
Basic and diluted loss per share	0.03	0.06	0.26
Total assets	2,244,160	2,189,124	2,199,741
Total liabilities	340,441	487,166	216,717

**SUMMARY OF QUARTERLY RESULTS**

	<b>April 30, 2021</b>	<b>January 31, 2020</b>	<b>October 31, 2020</b>	<b>July 31, 2020</b>
Total assets	2,244,160	2,668,373	2,182,538	2,199,421
Exploration and evaluation assets	2,187,752	2,187,752	2,175,252	2,175,252
Working capital (deficit)	(284,488)	(241,674)	(645,197)	(551,079)
Shareholders' equity	1,903,719	1,946,582	1,530,607	1,624,774
Other income (loss)	30,000	-	-	-
Operating expenses	72,863	18,025	94,167	77,184
Impairment of exploration and evaluation assets	-	-	-	-
Net loss	(42,863)	(18,025)	(94,167)	(77,184)
Basic and diluted loss per share	(0.00)	(0.00)	(0.02)	(0.01)

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	April 30, 2020	January 31, 2020	October 31, 2019	July 31, 2019
Total assets	2,189,124	2,213,934	2,172,331	2,185,808
Exploration and evaluation assets	2,173,942	2,184,770	2,161,094	2,159,918
Working capital (deficit)	(472,634)	(360,586)	(226,317)	(247,372)
Shareholders' equity	1,701,958	1,824,904	1,935,567	1,918,405
Other income (loss)	-	-	(110)	1,519
Operating expenses	97,946	110,663	53,839	66,138
Impairment of exploration and evaluation assets	-	-	-	-
Net loss	(122,946)	(110,663)	(53,949)	(64,619)
Basic and diluted loss per share	(0.02)	(0.02)	(0.01)	(0.01)

**Results of Operations**

The following discussion addresses the operating results and financial condition of the Company for the three and twelve month periods ended April 30, 2021 compared with the three and twelve month period ended April 30, 2020. The Management's Discussion and Analysis should be read in conjunction with the Company's financial statements and the accompanying notes for the period ended April 30, 2021.

**For the three-month period ended April 30, 2021:**

**Net loss for the period**

The Company had a net loss for the three-month period ended April 30, 2021 of \$42,863 (2020 - \$122,946). The net decrease of \$80,083 in the net loss for the three-month period ended April 30, 2021 compared to the three-month period ended April 30, 2020 was primarily due to a decrease in general and administrative expenses of \$25,083 and other expenses of \$25,000 as noted below.

**Other income (expenses)**

During the three-month period ended April 30, 2021, the Company reported loss in other expenses of \$25,000 compared to other expense of \$25,000 in the three-month period ended April 30, 2020 from other sources. Items that caused the net \$25,000 change in other net expenses are noted in the following:

In comparison to the three-month period ended April 30, 2020:

- Agreement amendment fee of \$Nil (2020 - \$25,000) due to agreement amendments for the Marshall Lake Property.

**Operating expenses**

General and administrative expenses of \$42,863 (2020 - \$97,946) are primarily comprised of consulting, administrative, professional fees, transfer agent fees and filing fees, rent and utilities and general office expenses. The net decrease was \$55,083 compared to the three-month period ended April 30, 2020. Items that caused the net increase are noted in the following:

In comparison to the three-month period ended April 30, 2020:

- Consulting fees of \$27,000 (2020 - \$51,750) decreased by \$24,750 due to a change in consultants and services provided due to the reduction of staff.
- Depreciation of \$49 (2020 - \$70) remained fairly consistent and was mainly due to depreciation expense on reducing book balance of the fixed assets.
- Exploration expense recovery of \$32,084 (2020 - \$12,004) decreased by \$20,080 and was due to costs relating on the Brunswick Property which was written off.
- Interest and financing fees of \$4,222 (2020 - \$24,008) decreased by \$19,786 of which \$2,008 was due to interest on loan

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balances where the loans were repaid during the period and \$17,778 was due to the accretion being fully utilized prior to the current period on the bonus shares issued on the loans.

- Office and miscellaneous of \$2,008 (2020 - \$1,769) remained fairly consistent.
- Professional fees of \$5,214 (2020 - \$5,000) remained fairly consistent.
- Transfer agent and regulatory fees of \$2,286 (2020 - \$3,345) decrease by \$1,059 due to decreased services, the prior year included the cost of share consolidation.

**For the twelve-month period ended April 30, 2021:**

**Net loss for the period**

The Company had a net loss for the twelve-month period ended April 30, 2021 of \$232,239 (2020 - \$352,177). The net decrease of \$119,938 in the net loss for the twelve-month period ended April 30, 2021 compared to the twelve-month period ended April 30, 2020 was primarily due to an increase in general and administrative expenses of \$66,347 and an increase in other net income of \$53,591 as noted below.

**Other income (expenses)**

During the twelve-month period ended April 30, 2021, the Company reported gain in other expenses of \$30,000 compared to other net expenses of \$23,591 in the twelve-month period ended April 30, 2020 from other sources. Items that caused the net \$53,591 change in other net expenses are noted in the following:

In comparison to the twelve-month period ended April 30, 2020:

- Exploration recoveries of \$30,000 (2020 - \$nil) increased by \$30,000 as the Company optioned of the Brunswick Property to Pursuit Gold Corp. with the initial payment of \$30,000 received on closing as part of the option terms.
- Fair value gain on marketable securities of \$nil (2020 - \$1,500) decreased by \$1,500 due to change of market values of securities held. The marketable securities the Company held in prior periods comprised of securities received from its option and/or joint venture partners under its farmout agreements.
- Loss on sale of marketable securities of \$nil (2020 - \$110) decreased by \$110 due to change of market values of securities held. The marketable securities the Company held in prior periods comprised of securities received from its option and/or joint venture partners under its farmout agreements.
- Other income of \$nil (2020 - \$19) remained fairly consistent when compared to the same period in the prior year.
- Agreement amendment fee of \$Nil (2020 - \$25,000) due to agreement amendments for the Marshall Lake Property.

**Operating expenses**

General and administrative expenses of \$262,239 (2020 - \$328,586) are primarily comprised of consulting, administrative, professional fees, transfer agent fees and filing fees, rent and utilities and general office expenses. The net decrease was \$66,347 compared to the twelve-month period ended April 30, 2020. Items that caused the net decrease are noted in the following:

In comparison to the twelve-month period ended April 30, 2020:

- Consulting fees of \$108,000 (2020 - \$103,250) increased by \$4,750 due to a change in consultants and services provided due to the reduction of staff.
- Depreciation of \$195 (2020 - \$279) remained fairly consistent and was mainly due to depreciation expense on reducing book balance of the fixed assets.
- Exploration expense of \$31,479 (2020 - \$12,004) increased by \$19,475 and is due to \$31,479 in expenses and a \$25,000 in options payments and other related expenses on Brunswick Property. On April 30, 2019, the Company fully impaired the Brunswick Property due to inactivity.
- Investor relations of \$nil (2020 - \$1,374) decreased.
- Interest and financing fees of \$60,559 (2020 - \$58,840) increased by \$1,719 where an increase \$13,570 was due to interest on loan balances and a decrease of \$11,851 on accretion of the bonus shares for the loans issued.
- Office and miscellaneous of \$8,424 (2020 - \$17,011) decreased by \$8,587 due to shared office services which ceased in September 2019.

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- Professional fees of \$39,739 (2020 - \$83,450) decreased by \$43,711 due to legal fees in the comparative period on the change of management, loan documentation, share consolidation and Annual General Meeting Costs.
- Rent and utilities of \$nil (2020 - \$7,939) decreased by \$7,939 due the elimination of an office lease in September 2019.
- Transfer agent and regulatory fees of \$13,843 (2020 - \$28,841) decrease by \$14,998 due to decreased services, the prior year included the cost of share consolidation.
- Wages and benefits of \$nil (2020 - \$15,487) decreased by \$15,487 due to the elimination of staff in September 2019 and a greater reliance on consultants.

**LIQUIDITY AND CAPITAL RESOURCES**

The Company's mineral exploration activities have been funded to date primarily through the issuance of common shares, and the Company expects that it will continue to be able to utilize this source of financing until it develops cash flow from its mining operations. Other than as discussed herein, the Company is not aware of any trends, demands, commitments, events or uncertainties that may result in its liquidity either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in the Company's liquidity will be substantially determined by the success or failure of its exploration programs on its properties, as well as its continued ability to raise capital.

The Company anticipates spending capital resources on the exploration of the Brunswick Property in the next twelve months. The Company principally engages in option agreements with optionees paying 100% of the exploration costs. Under such arrangements, the optionees are responsible for exploration expenditures on such properties and pay fees to the Company (in cash or shares) as part of the agreement to earn an interest in the Company's properties. The Company is continuing its search for additional optionees and joint venture partners and will attempt to meet expenditure requirements through such arrangements rather than through the spending of its own capital resources.

Currently, the Company's overhead expenses are averaging approximately \$17,500 per month during inactive exploration.

The Company assesses its financing requirements and its ability to access equity or debt markets on an ongoing basis. The assessment considers: the stage and success of the Company's evaluation activities to date; the continued participation of the Company's partners in evaluation activities; and financial market conditions. The Company received \$284,227 in loans during the year ended April 30, 2020 and an additional \$198,019 during the 12 months ended April 30, 2021 of which \$425,726 was repaid in April 2021. The Company also closed a private placement in January 2021 and received proceeds of \$434,000. The Company used the private placement and loan proceeds for general working capital purposes. It is possible that future economic events and global conditions may result in further volatility in the financial markets which could negatively impact the Company's ability to access equity or debt markets in the future.

As at April 30, 2021, the Company had a working capital deficit of \$284,488 compared to working capital deficit of \$472,634 as at April 30, 2020. As at April 30, 2021, the Company had cash of \$42,237 compared to cash of \$671 as at April 30, 2020.

Net cash used in operating activities for the period ended April 30, 2021 was \$150,917 compared to \$269,324 for the period ended April 30, 2020, consisting primarily of the operating loss for the period and the change in non-cash items.

Net cash used in investing activities for the period ended April 30, 2021 was \$13,810 compared to \$5,708 April 30, 2020 consisting of net cash used in exploration and evaluation assets investment of \$13,810 (April 30, 2020 - 13,098) and proceeds of \$Nil (April 30, 2020 - \$7,390) from the sale of marketable securities.

Net cash provided by financing activities for period ended April 30, 2021 was \$206,293 (April 30, 2020 - \$266,227) from proceeds on share issuance of \$434,000 (April 30, 2020 - \$Nil) and loan proceeds of \$198,019 (April 30, 2020 - \$284,227) less repayments of \$425,726 (April 30, 2020 - \$18,000).

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company has not entered into any off-balance sheet transactions.

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**PROPOSED TRANSACTIONS**

The Company does not have any current proposed asset or business acquisition or dispositions; however, the Company continues to seek new business opportunities to raise capital.

**CHANGES IN ACCOUNTING POLICIES**

See Note 3 in the audited financial statements for the period ended April 30, 2021 for the Company's changes in accounting policies, including new policies adopted during the year.

**RELATED PARTY TRANSACTIONS**

During the year ended April 30, 2021, the Company paid or accrued the following amounts to companies controlled by directors and former directors or companies having certain directors and former directors in common:

<b>Name of Company, Directors and/or Officers</b>	<b>Directors/Officers</b>	<b>April 30, 2021</b>	<b>April 30, 2020</b>
<b><i>Expenses:</i></b>			
Beachfront Enterprises Limited Partnership (Rent)	A limited partnership, a majority interest of which is owned by a former director, namely, Douglas L. Mason	\$ -	\$ 7,939
Waterfront Capital Partners Inc. (formerly, Criterion Capital Corporation) (Consulting fees)	A company controlled by a former director, namely, Douglas L. Mason	-	10,000
		-	264
Sead Hamzagic, Inc. (Financial Consulting fees)	A company controlled by an officer, namely, Sead Hamzagic	42,000	35,000
Hazmagic Holdings Inc (Interest)	A company controlled by an officer, namely, Sead Hamzagic	-	360
David Speck (Director's fees)	A director, namely, David Speck	2,000	1,500
Shawn Smith (Director's fees)	A director, namely, Shawn Smith	2,000	1,500
Sean Charland (Director's fees)	A director, namely, Sean Charland	2,000	1,000
Robert S. Middleton (Geological fees) (Consulting fees)	VP Exploration and Qualified Person	1,760	-
		-	4,750
Gorand Enterprises Inc. (Director's fees)	A company controlled by a former director, namely, Andrzej Kowalski	-	500
Mehrun Payravi (Director's fees)	A former director, namely, Mehrun Payravi	-	500

During the period ended April 30, 2021, the Company reimbursed Waterfront Communications Inc. (a company with certain former directors in common) on a cost basis, to cover shared administrative and geological payroll costs in the amount of \$Nil (2020 - \$15,487) and shared expenses in the amount of \$Nil (2020 - \$12,977).

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The Company entered into certain loan agreements. The loans were provided by a company controlled by a former directors and an officers and each loan advance is for a term of one year with interest at a rate of 1% per month (12% per annum). During the period ending July 31, 2019, the Company borrowed \$7,500 and \$10,500, respectively and have repaid these loans in full in August 2019.

As at April 30, 2021, accounts payable and accrued liabilities include \$16,830 (April 30, 2020 - \$44,974) owing to companies with certain directors in common or companies controlled by directors or former directors as follows:

Name of Company, Director or Officer	Directors/Officers	April 30, 2021	April 30, 2020
Beachfront Enterprises Limited Partnership (Rent)	A limited partnership, a majority interest of which is owned by a former director, namely, Douglas L. Mason	\$ 4,168	\$ 4,168
David Speck (Director’s fees)	David Speck	3,500	1,500
Shawn Smith (Director’s fees)	Shawn Smith	3,500	1,500
Sean Charland (Director’s fees)	Sean Charland	3,000	1,000
Robert S. Middleton (Geological fees and expenses)	Robert S. Middleton	-	-
Sead Hamzagic, Inc. (Consulting fees)	A company controlled by an officer, namely, Sead Hamzagic	-	29,112
Hazmagic Holdings Inc. (Interest)	A company controlled by an officer, namely, Sead Hamzagic	-	52
Waterfront Capital Partners Inc. (formerly, Criterion Capital Corporation) (Consulting fees)	A company controlled by a former director, namely, Douglas L. Mason	2,662	2,662
Waterfront Communications Inc. (Wages and benefits and shared expense recoveries)	A company with certain former directors in common, Douglas L. Mason and Sead Hamzagic	-	4,980
		\$ 16,830	\$ 44,974

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**LOANS PAYABLE**

In August 2019, the Company entered into certain loan agreements. The loans were provided by certain shareholders of the Company and each loan advance is for a term of one year with interest at a rate of 1% per month (12% per annum). The initial advances, subsequent advances, capitalized interest and balances are noted as follows:

	2021	2020
Loan balance:		
Balance at beginning of year	\$ 283,727	\$ -
Initial advances <sup>(1)</sup>	-	200,000
Additional advances	198,019	83,727
Interest	27,836	-
Repayments <sup>(2)</sup>	(405,903)	-
	\$ 103,679	\$ 283,727
Interest accretion:		
Balance at beginning of year	\$ (26,629)	\$ -
Fair value of loan bonus shares issued <sup>(1)</sup>	-	(71,111)
Interest accretion on loan bonus shares <sup>(1)</sup>	26,629	41,482
	\$ -	\$ (26,629)
Carrying value	\$ 103,679	\$ 254,098

(1) In conjunction with the initial loan advances, the Company issued 355,556 bonus shares with a fair value of \$71,111 which was applied against the loans and is being accreted using the effective interest method.

(2) A total of \$425,726 was repaid which includes accrued interest \$19,823.

**CAPITAL MANAGEMENT**

The Company's capital comprises its shareholders equity under management. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. 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.

In order to maximize ongoing development efforts, the Company does not pay dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

To fund future operations and exploration activities, the Company will need to raise funds through future share issuances, issue new debt or dispose of assets.

There have been no changes to the Company's approach to capital management during the period ended April 30, 2021. The Company is not subject to externally imposed capital requirements.

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**FINANCIAL INSTRUMENTS**

**Fair value**

The Company classified its cash as fair value through profit and loss; marketable securities, as fair value through profit and loss; receivables at amortized cost; and accounts payable and accrued liabilities and loans payables at amortized cost.

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

The Company's measurement of fair value of financial instruments in accordance with the fair value hierarchy is as follows:

	Total	Level 1	Level 2	Level 3
<b>April 30, 2021</b>				
Cash	\$ 42,237	\$ 42,237	\$ -	\$ -
<b>April 30, 2020</b>				
Cash	\$ 671	\$ 671	\$ -	\$ -

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

**Credit risk**

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its payment obligations. The Company is exposed to credit risk with respect to its cash and cash equivalents and receivables.

The Company's credit risk is primarily attributable to cash and cash equivalents. Management believes that the credit risk concentration with respect to cash and cash equivalents is remote, as it maintains accounts with highly-rated financial institutions. Receivables are due primarily from GST input tax credits.

The Company is exposed to credit risk on its receivables. Credit risk with respect to receivables has been assessed as low by management.

The Company's concentration of credit risk and maximum exposure thereto is as follows:

	April 30, 2021	April 30, 2020
Bank account	\$ 42,237	\$ 671
Total	\$ 42,237	\$ 671

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. At April 30, 2021, the Company had accounts payable, accrued liabilities and loans payable of \$340,441 (April 30, 2020 - \$487,166).

Based on the current funds held, the Company will may need to rely upon financing from shareholders and/or debt holders to obtain sufficient long-term working capital. There is no assurance that such financing will be available on terms and conditions acceptable to the Company.

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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: interest rate risk, foreign currency risk, and other price risk.

(i) Interest rate risk

Interest rate risk consists of two components:

- (a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.  
The Company is not exposed to significant interest rate risk.

(ii) Foreign currency risk

The Company is not exposed to significant foreign currency risk.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk.

The Company is not exposed to other price risk since it has sold its marketable securities.

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**OUTSTANDING SHARE DATA as at August 26, 2021:**

- a) Authorized Share Capital:  
Unlimited number of common shares without par value
- b) Issued Share Capital:  
12,000,178 common shares with a stated value of \$24,008,035
- c) Outstanding stock options:

<u>Expiry Date</u>	<u>Exercise Price</u>	<u>Number of Options</u>
September 20, 2021	\$ 0.60	28,200
March 17, 2022	\$ 1.05	80,000
June 14, 2022	\$ 1.10	5,000
August 9, 2022	\$ 1.00	18,400
<b>Outstanding and exercisable</b>		<b>131,600</b>

- d) Outstanding share purchase warrants:

<u>Expiry Date</u>	<u>Exercise Price</u>	<u>Number of Warrants</u>
January 17, 2023	\$ 0.70	100,000
January 6, 2026	\$ 0.09	6,200,000
<b>Outstanding</b>		<b>6,300,000</b>

- e) Shares held in escrow or pooling agreements: Nil

**DIRECTORS AND OFFICERS**

Sean Charland, CEO and Director (Chairman)  
David Speck, Director  
Shawn Smith, Director  
Sead Hamzagic, CFO