MAGNUM GOLDCORP INC.

Management's Discussion and Analysis

For the three-month ended August 31, 2022

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DESCRIPTION OF BUSINESS AND OVERVIEW OF OPERATIONS AND FINANCIAL CONDITION

The following is management's interim discussion and analysis ("MD&A"), prepared as of October 11, 2022. This MD&A should be read in conjunction with the unaudited Interim Financial Statements for the years ended August 31, 2022 and 2021, and the accompanying notes thereto, as prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are stated in Canadian dollars unless otherwise indicated.

Forward looking statements

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.

Description of Business

Magnum Goldcorp Inc. (the "Company") was incorporated under the Alberta Business Corporations Act on April 4, 2011. On July 25, 2014, the Company continued into the Province of British Columbia under the provisions of the Business Corporations Act (British Columbia). The Company is primarily engaged in the acquisition and exploration of mineral resource properties and currently trades on the TSX Venture Exchange under the symbol "MGI".

Going Concern

Management believes the Company will be successful at securing additional funding so that its capital resources will be sufficient to carry its operations through the next twelve months and intends to continue the programs on its exploration and evaluation assets. However, there are several conditions that cast significant doubt on the Company's ability to continue as a going concern, including that the Company has incurred significant operating losses in the past years (2022 - $297,875; 2021 - $97,535). It is unable to self-finance operations in the long term, has net working capital deficit of $9,463 (May 31, 2022 - net working capital of $261,362), has a deficit of $1,844,071 (May 31, 2022 - $$1,831,677), as limited resources, no source of operating cash flows and no assurances that sufficient funding will be available to conduct further exploration and development of its exploration and evaluation assets. The recoverability of amounts shown for exploration and evaluation assets is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from

disposition of exploration and evaluation assets. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. Management is actively engaged in the review and due diligence on new projects, is seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost cutting measures. There can be no assurance that management's plan will be successful. If the going concern assumption were not appropriate for these financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of revenue and has significant cash requirements to meet its administrative overhead and maintain its mineral interests. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets.

EXPLORATION AND EVALUATION ASSETS

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. 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.

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 inextinguishable aboriginal title to the lands and resources in these regions, 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.

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.

The technical information regarding the Company's currently active projects referred to herein has been reviewed and approved by Rick Walker, P. Geo., who was acting as the Company's Qualified Person, in accordance with regulations under NI 43-101. With respect to the technical information disclosed prior to Rick Walker becoming the Company's Qualified Person, such technical information was reviewed and approved by John Kowalchuk, Bsc., P. Geo, and/or Gordon Gibson, P. Geo.
The Company's expenditures on exploration and evaluation assets are as follows:

	LH Property
Balance, May 31, 2021	**3,078,788**
Deferred costs:	
Additions during for the year:	
Accommodations	9,349
Drilling (net of mining tax credits received)	16,726
Transportation	63,373
Field office expenses	13,567
Geological and labour	33,175
Storage	4,240
Fuel	9,066
Exploration advance	37,575
Balance, May 31, 2022	**$ 3,265,859**
Deferred costs:	
Additions during for the year:	
Accommodations	3,032
Drilling (net of mining tax credits received)	165,255
Exploration advances	(37,575)
Transportation	54,320
Field office expenses	3,874
Geological and labour	60,780
Reports	4,818
Storage	1,074
Fuel	8,551
Balance, August 31, 2022	**$ 3,529,988**

LH Property

By way of background, International Bethlehem Mining Corp. ("IBC") acquired 19 crown-granted mineral claims in the Slocan Mining Division, British Columbia (the "LH Property"). The vendors retained a 1% net smelter return ("NSR") royalty. Once royalties of $350,000 have been paid, the NSR royalty will reduce to 0.5%. IBC also acquired 4 mineral claims near Silverton in the Slocan Mining Division, British Columbia (the "Willa Property"). The vendors retained a 1% NSR. Once royalties of $500,000 have been paid, the NSR royalty will reduce to 0.5%. The Company subsequently staked 3 additional mineral claims in the area surrounding the Willa Property. The LH Property and the Willa Property are adjacent properties ("collectively the "LH Property").

The Company entered into an Option Agreement, dated September 6, 2012 (the "Option Agreement") with IBC, pursuant to which the Company was granted an option to acquire a 51% interest in IBC's LH Property. Under the Option Agreement, the Company agreed to pay IBC $100,000 (paid) following the date (November 12, 2013) when the Exchange accepted the Option Agreement (the "Effective Date"). Additionally, the Company was required to incur expenditures on the Property totalling $500,000 ($250,000 by the first anniversary of the Effective Date (completed)) and an additional $250,000 by the second anniversary of the Effective Date (completed). As well, the Company was required to issue 300,000 shares to IBC (100,000 shares by the first anniversary of the Effective Date (issued December 1, 2014); an additional 100,000 shares by the second anniversary of the Effective Date (issued November 9, 2015); and an additional 100,000 shares upon the LH Property receiving a bankable feasibility report on or before 10 years after the option has been earned in). As a condition to the Company performing its obligations under the Option Agreement, IBC was required to incur between $100,000 to $150,000 in exploration expenditures on the LH Property (completed). The Company and IBC have certain directors in common.

The Company entered into a purchase agreement (the "Purchase Agreement") dated February 24, 2015, with IBC and Cobra Venture Corporation ("Cobra"), pursuant to which the Company agreed to sell and Cobra agreed to purchase one half (25.5%) of the Company's 51% option interest in the LH Property owned by IBC in exchange for a $300,000 payment (received). The Company was required to spend $200,000 to complete certain expenditures on the LH Property (completed) and was required to use reasonable commercial efforts to fulfil its obligations under the Option Agreement such that the option becomes exercised. As of November 13, 2015, the Company advised Cobra that the Option with IBC had been exercised and accordingly, Cobra has acquired a 25.5% interest in the LH Property and a joint venture has been formed between the Company, IBC and Cobra. The Company and Cobra have certain directors in common.

On December 17, 2015, Cobra, IBC, and together with the Company (the "Parties") entered into a non-binding letter of intent (the "LOI") pursuant to which the Company has indicated its intention to acquire (the "Proposed Acquisition") all of the interest of each of Cobra and IBC in the LH Property (the "LH Property Transaction"). The Parties anticipate that the consolidation of interest in the LH Property by the Company will enhance the Company's ability to secure financing to further develop the LH Property, while allowing Cobra and IBC to focus on their other respective assets. On March 1, 2016, the Parties entered into an asset purchase agreement (the "LH Property Agreement"), with respect to the acquisition by the Company of all of the interest of each of Cobra and IBC in the LH Property (the "LH Property Transaction"), which was subject to shareholder and TSX Venture Exchange approvals. On April 27, 2016, the Parties announced that all conditions and approvals for the LH Property Transaction had been met, and therefore, the Parties had closed the transaction (with the Company issuing 1,712,000 common shares in its capital to Cobra and 3,289,726 common shares in its capital to IBC (collectively, the "Magnum Shares") for their respective interests in the LH Property). As a result, the Company owns 100% of the LH Property. IBC distributed 1,702,643 of the Magnum Shares it received under the terms of the LH Property Agreement to its shareholders on a *pro rata* basis, which resulted in IBC shareholders receiving approximately 0.6 Magnum Shares for each share of IBC held. IBC retained the remaining 1,587,083 Magnum Shares to assist IBC in meeting its ongoing commitments and obligations and to enable IBC to participate, as a shareholder of Magnum, in the potential future value of the LH Property project. Cobra distributed all of the 1,712,000 Magnum Shares it received under the terms of the LH Property Agreement to its shareholders on a *pro rata* basis, which resulted in Cobra shareholders receiving approximately 0.432 Magnum Shares for each share of Cobra held. The return of capital of each of IBC and Cobra was approved by their respective shareholders.

On January 12, 2015, the Company announced assay results from its 2014 helicopter-supported drill program completed on the LH Property. The exploration drill program successfully tested magnetic anomalies identified from a ground geophysical survey completed in June/July 2014. Coincident Self-Potential ("SP") and Induced Potential ("IP") anomalies are associated with the magnetic trend. The objective of the drill program was to test for anomalous to elevated gold associated with the prominent magnetic trend, at locations associated with anomalous SP and IP responses. The first pad, from which drill holes

LH14-26 and 27 were drilled, is located at the southern end of a linear trend of magnetic anomalies, coincident with both SP and IP anomalies identified previously. The pad is located on the western margin of the magnetic trend, with the two holes drilled to the east-southeast and east, respectively. The second pad is located approximately 280 m southeast and 80 m higher than pad 1, on the southeast margin of the magnetic trend. Drill holes LH14-28 and 29 were drilled to the west and northwest, respectively. For analytical results on the 2014 drill holes and additional information and details regarding the 2014 exploration drill program, see the Company's news release dated January 12, 2015. The objective of the 2014 drill program was to test the interpretation of an association between magnetic anomalies and the presence of pyrrhotite and, more importantly, associated gold. The program is considered to have been successful, with approximately 37.6% of the core returning gold values in excess of 0.1 gm/tonne and a further 5.5% returned gold values in excess of 0.5 gm/tonne. The results are interpreted to indicate a strong gold-bearing system associated with widespread silicification and calc-silicate alteration. Furthermore, increased pyrrhotite content, qualitatively based on visual estimates at this time, is associated with increased gold content. In addition, narrow intercepts of relatively high-grade gold (greater than 1 gm/tonne) may be indicative of high grade veins similar to those reported from the underground workings of the LH Mine. Therefore, there may be two gold-bearing targets requiring further evaluation: (1) gold associated with pyrrhotite and skarn-style alteration, and (2) gold-bearing quartz veins. The successful 2014 program utilized the existing road system to minimize reliance on helicopter-use and reduce the cost of the program. Subsequent drilling to test the stronger, more prominent magnetic anomaly associated with the Ridge Zone, will necessitate helicopter-supported drilling above the existing road network. Based on drilling and analytical results to date, the Company believes the results continue to confirm a potentially significant gold-bearing skarn target associated with the Ridge Zone.

On June 19, 2015, the Company provided an update on its "LH" gold exploration property (the "LH Property"). Specifically, the Company had announced that it had received an approved Mines Act Permit for its proposed 2015 field program. For 2015, the Company had proposed a two phase drill program in the upper Fingland Creek basin.

The Phase I drill program will target high grade gold mineralization previously identified in the LH underground workings. Phase II will undertake additional testing of high grade gold mineralization previously identified and associated with the underground workings of the LH Mine and/or along the Ridge Zone. The current drill program will consist of approximately 800 metres of helicopter-supported diamond drilling to make an initial test of an interpreted steeply dipping mineralized zone. Oriented approximately east-west, the high grade, gold-bearing mineralized zone was interpreted based on work, including underground chip sampling and diamond drilling, completed in 1985 on behalf of Noranda Exploration Co. Ltd. The first hole to be drilled will be an inclined hole drilled north from surface, from a pad located above and south of the LH workings. Additional holes are proposed from a second pad north of the underground workings, drilled to the south as either a vertical and/or horizontal fan to further develop and test the mineralized zone.

On July 6, 2015, the Company announced that it had completed Phase 1 of its helicopter-supported drill program on the LH gold exploration property (the "LH Property"). As part of its 2015 exploration program, the Company completed 11 drill holes at one setup location for a total of approximately 675 metres of BTW core. The program was initiated to target high grade gold mineralization previously identified in the LH underground workings. A Phase II program (planned for the Fall of 2015) will undertake additional testing of high grade gold mineralization previously identified and associated with the underground workings of the LH Mine and/or along the Ridge Zone. Core from drill hole LH-15-30 was split in its entirety, with sampling in subsequent holes limited to mineralized intervals having approximately 2% pyrrhotite over greater than 1 metre. Sampling of the remainder of the holes has been postponed to a later date. Drill core has been split at approximately 1 metre intervals. Samples will be submitted to AGAT Laboratories in Burnaby, BC for analysis. Assay results will be reported by the Company when received and reviewed. By news release dated May 29, 2015, the Company announced its intention to proceed with a non-brokered "flow through" private placement. As Magnum has now completed Phase 1 of its exploration program from funds previously raised, the Company has elected to defer raising any flow through funds until such funding is needed for exploration expenditures that would qualify as such in accordance with the requirements of the Income Tax Act of Canada.

On August 18, 2015, the Company announced impressive analytical results from the Company's helicopter-supported drill program recently completed on its gold exploration property (the "LH Property"). As part of its 2015 exploration program, the Company initiated a helicopter supported drill program to target high grade gold mineralization previously identified in the LH underground workings. A total of 11 drill holes were completed from a single pad for a total of 693 metres. The objective of the Phase I program was to confirm high grade gold mineralization reported from both previous drilling and underground chip sampling by previous operators. Previous work was interpreted to suggest gold-bearing mineralized zones are associated with intervals having elevated sulphide content. At least two mineralized intervals are interpreted to be present (on the basis of the results tabulated below) which are moderately north dipping. Several of the holes intersected the -2-

underground workings and were terminated at depths less than the target depth. Despite this fact, all the holes (except LH15-33) intersected anomalous, high grade, gold mineralization, with the holes intersecting underground workings documenting shortened mineralized intervals. Furthermore, with an interpreted moderate dip to the north, many of the holes were drilled at a shallow angle to the mineralized zone(s), resulting in thickened mineralized intervals (i.e. greater than the true width). The true widths of the mineralized zones are not known at this time, however, are interpreted to be approximately 6-8 m in thickness. Further work is proposed by the Company to ascertain probable true width(s) (Refer to the August 18, 2015 news release for collar information and the analytical results for the 2015 exploration program drill holes). The Company views

the results of its Phase I program to be very significant and noteworthy. Phase II of the Company's planned program will undertake additional testing of high grade gold mineralization previously identified and associated with the underground workings of the LH Mine and/or along the Ridge Zone.On March 1, 2016, Cobra, IBC, and together with the Company (the "Parties") entered into an asset purchase agreement (the "LH Property Agreement"), with respect to the acquisition by the Company of all of the interest of each of Cobra and IBC in the LH Property (the "LH Property Transaction"), which was subject to shareholder and TSX Venture Exchange approval. On April 27, 2016, the Parties announced that all conditions and approvals had been met, and therefore, the Parties closed the transaction (with the Company issuing 1,712,000 common shares in its capital to Cobra and 3,289,726 common shares in its capital to IBC) As a result, the Company owns 100% of the LH Property.

On August 29, 2016, the Company announced the planned exploration on its "LH" gold exploration property (the "LH Property"). The first phase of the proposed 2016 exploration program will consist of a ground geophysical program comprised of a combined Self Potential, Magnetometer and Horizontal Loop EM survey. The Self-Potential ("SP") survey included: 1) several infill lines on the east flank of the Ridge Zone; and 2) several lines over the surface projection of the LH underground workings to further develop the target for future drilling.

The subsequent field program is intended to further evaluate significant gold results documented to date, arising from interpretation of recently compiled geological and geochemical data, including results from the 2012 drill program completed by International Bethlehem Mining Corp. ("International Bethlehem": TSX-V:IBC), ground geophysics in 2014 (SP and Induced Potential surveys) and the 2014 and 2015 drill programs as completed by the Company.

On September 19, 2016, the Company announced the result from a Self-Potential survey ("SP Survey") on its LH gold exploration property (the "LH Property"). Additional SP data were collected to supplement preliminary data collected in 2014 and complement magnetometer / Horizontal Loop EM ("Genie") data from the pending survey. High grade, gold-bearing mineralization is closely associated with, and interpreted to be hosted by, pyrrhotite ± arsenopyrite mineralization. As pyrrhotite is both strongly magnetic and highly conductive, the presence of pyrrhotite in the near sub-surface is expected to be easily detectable using indirect electromagnetic and magnetic geophysical methods. The combined results from these different methods is expected to provide valuable information with which to develop drill targets for the subsequent diamond drill program later this fall. A large anomalous zone has been delineated on the east flank of the Ridge, extending from Line 5 to immediately south of Line 8 (in the immediate vicinity of the "Ice Tunnel"). The defined zone, having an apparent trend of 020° – 200°, widens from approximately 75 m (north) to approximately 150 m at its southern boundary and remains open to the south. Additional moderately anomalous results are evident along, and on the east side, of Fingland Creek, east of, and below, the LH Property underground workings. SP results from the area of the LH Property underground workings document a relatively large zone of moderately to highly anomalous values, with the maximum values occurring in the immediate vicinity of Adit 1, where a large gossan is exposed at surface and drilling intersected mineralization in the shallow sub-surface. The anomaly in the LH Property Underground area is approximately 338 m north-south x 300 m east-west. There appears to be an east-west trend, extending from the LH Property Underground Workings west toward Fingland Creek. The second zone of anomalous SP values appears to be offset approximately 135 m south, interpreted to potentially indicate another fault parallel to that previously interpreted along Fingland Creek. A subsequent combined Magnetometer / Horizontal Loop EM survey will commence shortly, intended to complement the SP Survey results and further evaluate the mineralized zone(s) associated with the underground workings. The combination of the results from three separate and distinct geophysical methods is expected to establish the sub-surface extent and continuity of the mineralized zone(s) associated with the underground workings and provide greater confidence in locating, and targeting, the drill holes in the subsequent drill program.

On September 26, 2017, the Company announced that it is commencing an exploration program on its "LH" gold exploration property (the "LH Property"). For the 2017 exploration program, the Company has proposed a two-phase program in the upper Fingland Creek basin. Phase I comprises a ground geophysical survey over the LH underground workings to delineate pyrrhotite-hosted, high grade gold mineralization previously identified in the LH underground workings. Phase II comprises

a small diamond drill program to further evaluate sub-surface, high-grade gold mineralization previously identified, associated with the underground workings of the LH Mine (see the Company's news release dated August 18, 2015 providing all of the results from the Company's 2015 drill program, including high grade gold intercepts of 16.9 m of 13.58 g/t Au, including 10.9 m of 20.61 g/t Au, and 11 m of 20.66 g/t Au). The Company is expecting receipt of an approved Mines Act Permit for the proposed drill program on or about October 7, 2017. The Company has applied for a two-year permit to facilitate flexibility in planning its program. Data from the phase 1 program will be acquired along a series of north-south oriented survey lines straddling the surface projection of the LH Underground workings. Line spacing is expected to be approximately 25 m so as to provide high resolution definition of the vein system. The survey will extend east approximately 500 m along strike from Fingland Creek (along which an interpreted fault is interpreted to truncate and/or offset the vein system). Upon receipt of the approved Mines Act Permit, the phase II program will commence with mobilization of a crew to build the first of two pads proposed north of the LH Underground workings. Approximately 1,000 m of BTW drilling is proposed in a series of relatively short holes (<100 – 150 m) to: 1) confirm one (or more) pyrrhotite-hosted, high grade vein(s) identified in the Company's 2015 drill program, 2) confirm the estimated true width of the vein(s), and 3) attempt preliminary delineation of the mineralized zone with which to prepare an initial resource estimate. In contrast to the 2015 drill program, the proposed drill holes are expected to be oriented at a high angle to the vein system, allowing more confident determination of the true width of the vein(s). The vein system is interpreted to strike essentially east-west and dip steeply to the north. Sub-surface drill hole intercepts correlate well with historical mineralized samples reported from mineralization exposed in Level 1 and are interpreted to define a vein system which extends to depth just south of Level 3 (the lowest level of development in the LH underground workings). The 2017 program is expected to better define the vein system, both along strike and to depth.

On October 26, 2017, the Company provided an update on its "LH" gold exploration property (the "LH Property"). The Company has now been issued a two-year Mines Act Permit allowing for up to 10,000 meters of diamond drilling on the LH

Property. In that respect, Magnum has initiated the drill program, mobilizing pad-builders and engaging Wade Critchlow Enterprises Ltd. to undertake drilling, which is expected to commence this weekend.

Ground Geophysical (Magnetometer) Survey the Company has also just completed a total of 3.36 line km ground geophysical survey, comprising 14 lines spaced approximately 50 m apart, centered on the interpreted trend of the LH Property underground workings. The results are currently being modeled and interpreted by Frontier Geosciences Inc. of North Vancouver, BC. Pending receipt of the final report, tentative interpretations include the following: (a) Line 6 returned a prominent magnetic anomaly spatially associated with the surface projection of the gold-bearing, pyrrhotitic vein system intersected in the 2015 drill program (see the Company's News Release dated August 15, 2015). (b) There appear to be several, sub-parallel magnetic anomalies which may represent similarly gold-bearing, pyrrhotitic (possibly en echelon) veins. (c) The overall area characterized by the magnetic anomalies, possibly representing an en echelon vein system, is approximately 500 m east-west by 200 m north-south. (d) Additional anomalies are evident along the southern and eastern limits of the survey area, interpreted to suggest potential to extend the interpreted size of the vein system in these directions. Frontier Geosciences Inc. is modelling individual anomalies on lines 6 to 8 in preparation for drill testing of the main anomaly.

On January 3, 2018, the Company announced completion of its 2017 exploration program on its "LH" gold exploration property (the "LH Property"). The Company's 2017 exploration program was comprised of a two-phase program in the upper Fingland Creek basin. Phase I consisted of a ground geophysical survey centred over the LH Underground workings to delineate pyrrhotite-hosted, high grade gold mineralization previously identified in the LH Underground workings. Phase II was comprised of a follow-up diamond drill program to further evaluate results of both the ground magnetic survey and sub-surface, high-grade gold mineralization previously identified, and associated with the underground workings of the LH Mine. (Note: see the Company's news release dated August 18, 2015 providing all of the results from the Company's 2015 drill program, including high grade gold intercepts of 16.9 m of 13.58 g/t Gold (Au), including 10.9 m of 20.61 g/t Gold (Au), and 11 m of 20.66 g/t Gold (Au)). Data from the Phase 1 magnetic survey was acquired along a series of approximately north-south oriented survey lines straddling the surface projection of the LH Underground workings. Line spacing was approximately 50 m so as to provide definition of the vein system over the entirety of its strike length. The prominent magnetic anomaly associated with the LH Underground workings is interpreted to extend at least 150 m along strike. The magnetic anomaly spatially associated with the LH Underground workings extends east to the steep ridge defining the eastern margin of the Fingland Creek drainage basin. Two additional, sub-parallel anomalies are evident immediately south of the LH anomaly, spaced approximately 50 m apart. These are tentatively interpreted as sub-parallel mineralized trends similar to the LH system. Additional local magnetic anomalies are evident on single lines or extending over at least two adjacent lines

and, therefore, approximately 30 to 100 m in strike length. There are a relatively large number of magnetic anomalies identified on the central to eastern portion of the 2017 survey grid for subsequent follow-up. In addition, an initial comparison of the magnetic data from a 2014 magnetic survey (collected along essentially east-west lines) and the 2017 data (collected along north-south lines) defines a prominent magnetic anomaly immediately south of the 2017 survey. It appears to have a preferred east-west orientation and is tentatively interpreted as a potential fourth east-west mineralized system sub-parallel to the LH system. The two data sets will be leveled and merged for further evaluation and interpretation. The phase II drill program was immediately initiated following receipt of the approved Mines Act Permit, resulting in recovery of 659 m of BTW size drill core from 5 drill holes completed from a single pad. The holes were drilled to: 1) confirm one (or more) pyrrhotite-hosted, high grade vein(s) identified in the Company's 2015 drill program; 2) confirm the estimated true width of the vein(s); and 3) attempt preliminary delineation of the mineralized zone with which to prepare an initial resource estimate.

Results from the drill program are pending (expected in early 2018) and will be released once received and evaluated. The Company is investigating the possibility of undertaking a drone mounted, magnetic survey in the spring of 2018 to follow-up results of the combined 2014 and 2017 surveys. The proposed survey will further evaluate the LH magnetic trend eastward into the adjacent drainage and potentially acquire higher resolution (i.e. tighter station sampling) with which to evaluate the potential for multiple, pyrrhotite mineralized systems sub-parallel to the LH trend. The results would be utilized to better guide a proposed follow-up drill program in 2018.

On February 8, 2018, the Company announced analytical results from the Company's successful helicopter supported drill program recently completed on its gold exploration property (the "LH Property"). As part of its 2017 drill and exploration program, the Company initiated a helicopter supported drill program to further evaluate high grade gold mineralization previously identified in the LH underground workings (see News Release dated August 18, 2015). A total of 5 drill holes were completed from a single pad for a total of 659 meters with collar information tabulated below. Hole Number Azimuth Inclination Depth Comment LH17-41 199 -45 149.34 Intersected 3 mineralized intervals LH17-42 194 -75 149.34 Intersected 2 mineralized intervals LH17-43 186.5 -85 177.69 Intersected 3 mineralized intervals LH17-44 178.5 -44.5 112.16 Intersected 3 mineralized intervals LH17-45 179.5 -64.5 71.32 Intersected 1 mineralized intervals. The objective of the 2017 drill and exploration program (see also News Release dated January 3, 2018) was to confirm high grade gold mineralization reported from both previous drilling and underground chip sampling by previous operators.

Previous work was interpreted to suggest potential for multiple high grade, gold-bearing mineralized zones associated with intervals having elevated sulphide, more specifically pyrrhotite ± arsenopyrite, content. At least three mineralized intervals are interpreted to be present within the interval drilled (on the basis of analytical results tabulated below) which are interpreted to be controlled by three dominant structures at 092°/80°, 271°/26° and 310°/58°. The dominant structure is at 092°/80°, and is therefore, oriented east-west and steeply south dipping. The dominant structure is interpreted to have been subsequently variably offset by the other later structures identified. All holes intersected anomalous, high grade (>1 g/t), gold mineralization. In contrast to the 2015 drill holes, the 2017 drill holes (with the exception of LH17-43) were drilled at a moderate to high angle to the dominant moderately south-dipping mineralized zone(s). Analytical results for the 2017 drill program are presented in the February 8, 2018 news release. The Company believes multiple, well defined mineralized intervals, comprising structurally controlled veins transitions into a more diffuse alteration zone at the western end of the magnetic linear. This linear is interpreted to extend at least 150 m along strike to the east, into the adjacent creek drainage basin where the 2017 magnetic survey was terminated (see News Release dated January 3, 2018). The Company believes the results of its 2017 program to be very significant and worthy of continued follow-up evaluation. The Company's planned 2018 program will undertake additional testing of high grade, gold-bearing mineralization in multiple horizons associated with the underground workings of the LH Mine. In addition to mineralization associated with the LH Underground workings, the Company has also identified anomalous mineralization: 1) on the "Ridge Zone" in its 2012 drill program (which was intended to reproduce anomalous drill intercepts by the previous operator); and 2) in high grade, gold-bearing grab samples reported by the previous operator in the Congo Creek drainage basin (next drainage basin west of Fingland Creek). As well, one (or more) magnetic anomalies were identified south of the 2017 magnetic survey limits, which may be associated with east-west oriented pyrrhotite mineralized structures parallel to subparallel to the mineralized structures (veins) associated with the LH Underground workings. The Company had intended to complete additional drill holes, however, the 2017 drill program was considerably hampered by a surprisingly long timeframe for receipt of an approved Mines Act permit (required to initiate drilling), and by the onset of winter conditions limiting helicopter-supported drilling. As a result, the drill pad utilized for the drill program was the westernmost of the approved pad locations (at the western end of a prominent magnetic linear interpreted to characterize goldbearing, pyrrhotite hosted mineralization associated with the LH Underground workings). The proposed 2018 drill program will utilize approved pad locations farther east, enabling the magnetic linear associated with the LH Underground workings to be tested at multiple locations along strike to the east. Qualitatively, the magnetic signature is associated with multiple high-grade, gold-bearing intercepts and the Company

believes that further drilling along strike is expected to return gold values similar to those reported in 2015 (see News Release dated August 18, 2015). Core from drill hole LH-17-41 was split in its entirety. Sampling in subsequent holes was restricted to mineralized intervals having approximately 2% sulphide content (predominantly pyrrhotite and/or subordinate arsenopyrite) over greater than 0.50 meter. Drill core was split at approximately 1.5 meter intervals, with one half sent to AGAT Laboratories Prep lab in Burnaby, BC for initial preparation. The remaining core was returned to the core box and stored, with the core from the preceding 2012, 2014 and 2015 programs, in Crescent Valley, BC. Samples were crushed to 75% passing 2 mm and a 250 gram subsample was riffle split then pulverized to 85% passing 75 microns. Each sample was subjected to Aqua Regia digestion and analyzed by Inductively Coupled Plasma – Optical Emission Spectrometry ("ICP-OES"). All samples were re-analyzed using Fire Assay on a 30 gram sample with an Atomic Absorption Spectrometry ("AAS") finish. Samples returning gold values in excess of 10 ppm were further analyzed using Fire Assay on a 30 gram sample with a Gravimetric Finish.

On May 28, 2018, the Company announced that it will shortly be commencing its 2018 exploration program on its "LH" gold exploration property (the "LH Property"). For the 2018 exploration program, the Company has proposed a two-phase program to further evaluate the LH Underground workings in the upper Fingland Creek basin. Phase I will include leveling and merging the ground geophysical data from the 2014 and 2017 magnetic surveys. These data will be used to refine the area of an airborne drone orthophoto and magnetic survey. In addition, two short drill holes will be completed from the pad constructed in 2017. Phase II comprises a diamond drill program to further evaluate sub-surface, high-grade gold mineralization previously identified, associated with the underground workings of the LH Mine (see the Company's news releases dated August 18, 2015 and February 8, 2018). Magnetic geophysical data from previous surveys was collected along essentially east-west survey lines, whereas the 2017 program was collected along essentially north-south lines. Leveling, then merging the data from these two surveys will allow: 1) further evaluation of the magnetic anomaly associated with the LH Underground workings along its currently known length, and 2) evaluation of a series of magnetic anomalies approximately 225 m south of the LH Underground workings, having strong similarities to anomalies delineated in the immediate vicinity of the LH Underground workings. Previous drill results have been interpreted to indicate strong magnetic anomalies are associated with pyrrhotite-hosted, high grade gold mineralization. The 2017 ground geophysical survey was also hindered by local, steep topography which precluded collecting data over the LH Underground workings in the middle of the survey area. An airborne drone survey is expected to provide magnetic data having comparable resolution to the previous ground surveys, but not be hindered by topographic considerations. The merged and leveled magnetic data will be used to determine the optimum orientation of the survey flight lines to best delineate the magnetic anomalies.

In addition to collection of magnetic data, the airborne drone survey will also provide imagery with which to develop a high resolution, georeferenced orthophoto. The orthophoto will be extremely useful for the -2- purposes of programing the drone for the subsequent magnetic survey as well as providing an invaluable reference for planning future surface programs Initially two, relatively short, drill holes (totaling approximately 225 m) are proposed in Phase I from the same drill pad used for the fall 2017 program. The intent is to drill a vertical fan of two holes back toward the 2015 pad from which multiple intervals of high grade, gold-bearing intercepts were documented. The two short holes are expected to confirm the presence and true thickness of one, or more, mineralized intervals. The 2015 drill intercepts are interpreted to be located at a transition from, essentially, vein-style (i.e. structurally controlled) high grade mineralization to moderate grade, diffuse alteration halo-style mineralization. This transition is interpreted to be documented in the association of a narrow, high amplitude magnetic anomaly associated with high grade gold-bearing drill intercepts (from 2015 drill program) and broader, low to moderate amplitude magnetic anomalies associated with moderate grade gold-bearing intercepts (from 2017 drill program). The phase I program is expected to be initiated in mid- to late June, with flight lines expected to be oriented essentially north-south, straddling the surface projection of the LH Underground workings. Line spacing is expected to be approximately 25 m so as to provide high resolution definition of the vein system. The survey will extend east at least 300 m along strike. A series of magnetic anomalies identified by the 2014 survey are tentatively interpreted to be associated with an east-west structure, subparallel to the structure hosting mineralization in the LH Underground, delineated by data collected along essentially east-west survey lines. Phase II drilling is expected to follow Phase I (dependent upon geophysical and/or visual identification of high grade mineralization in the Phase I drill holes). Alternatively, Phase II drilling may be initiated in the fall subsequent to receipt of quantitative analytical results from Phase I drilling. Approximately 1,000 m of BTW drilling is proposed from a new drill pad constructed approximately 100 m east of the 2017 pad, on the north side of the LH mineralized structure. A series of relatively short holes (<100 – 150 m) will be drilled in a series of vertical fans and are anticipated to comprise preliminary delineation of the mineralized zone with which to prepare an initial resource estimate. Similar to the 2017 drill program, the proposed drill holes will be oriented at a high angle to the vein system, allowing more confident determination of the true width of mineralized intervals. The mineralized system is interpreted to strike essentially east-west and dip steeply to the north. Subsurface drill hole intercepts correlate well with historical mineralized samples reported from mineralization exposed in Level 1 and are interpreted to define a vein-style system which extends to depth just south of Level 3 (the lowest

level of development in the LH underground workings). The 2018 program is expected to better define the structurally controlled, mineralized system, both along strike and to depth.

On August 7, 2018, the Company announced the results from a magnetic survey (see News Release dated May 28, 2018) completed on its "LH" gold exploration property (the "LH Property"). As part of its 2018 Phase I exploration program, the Company completed an airborne magnetic survey by drone to further evaluate a pyrrhotite-enriched, gold-bearing system exposed in the LH Underground workings in the upper Fingland Creek basin. The survey comprised initial acquisition of an orthophoto to determine a digital surface model ("DSM") with which to plan and execute the subsequent magnetic survey. The previous 2017 ground magnetic survey was hindered by local, steep topography which prevented collection of critical data over the middle portion of the LH Underground workings, along Lines 7 and 8. In contrast, the airborne drone survey returned continuous magnetic data, with stations every 1.4 cm and a line spacing of 25 m, flown at a consistent elevation of 25 m above the DSM. In addition to collection of magnetic data, the airborne drone survey collected 378 digital images subsequently processed to provide a georeferenced orthophoto for the northern portion of the upper Fingland Creek basin. In addition to serving as a resource for planning and executing the magnetic survey, the resulting orthophoto is expected to prove invaluable in future programs for determining ground locations with more confidence and facilitating interpretations based on those locations. The drone magnetic survey was flown using a unique system collecting 1000 readings per second (1000hz) x 2 sensors, or 2000 readings per second, with 2 readings every 1.4 centimeters along grid lines (when flying at 50km/hr). This resulted in a high resolution magnetic survey, with continuous measurements along each flight line. A Second Vertical Derivative ("2 VD") map of the survey area clearly defines the magnetic anomaly associated with the LH Underground workings, interpreted to be sourced from a structurally controlled, pyrrhotite-enriched (and therefore magnetic), high grade gold-bearing system. East of Line 6 (on the 2017 Ground Survey) and the spatially associated Level 1 Portal, the system has a vein-style character, whereas to the west it is characterized by a diffuse, alteration halo-style signature. This transition was interpreted subsequent to the 2017 drill program, on the basis of both the differing nature of pyrrhotite in core and moderate grade quantitative gold results and confirmed by the 2018 survey results. This transition is clearly evident on the 2 VD map and is consistent with the results of the 2015 and 2017 drill programs. The magnetic anomaly defined by the drone survey extends from the Level 1 Portal east for approximately 180 m. Subtle variations in the intensity of the magnetic anomaly are interpreted to document small-scale, local faults resulting in minor off-sets and/or rotations (in plan view) between fault bounded segments. There is qualitative correlation interpreted between pyrrhotite content and gold grades, with pyrrhotite-rich intercepts correlated to high grade gold. Therefore, massive pyrrhotite is believed to be correlated with higher grade gold relative to semi-massive to web-style to disseminated pyrrhotite. Therefore, segments along the magnetic anomaly associated with the LH Underground workings having a high intensity magnetic signature are expected to return high-grade gold results.

By analogy, relatively lower intensity magnetic signatures are expected to have relatively lower grade gold results. For context, two segments of the magnetic anomaly have higher intensity signatures than that portion of the anomaly associated with the 2015 drill program. The entirety of the magnetic anomaly has a signature with greater magnetic intensity than that portion of the anomaly spatially associated with the 2017 drill program. Therefore, based on these qualitative observations, the Company anticipates very encouraging results from subsequent sub-surface drilling farther east along the magnetic anomaly. A diamond drill program is proposed in late August to early September to further evaluate sub-surface, high-grade gold mineralization previously identified, associated with the underground workings of the LH Mine (see the Company's news releases dated August 18, 2015 and February 8, 2018). Previous drill results have been interpreted to indicate strong magnetic anomalies are associated with pyrrhotite hosted, high grade, gold-bearing mineralization. The proposed drill program will consist of two relatively short diamond drill holes (totaling approximately 225 m) from the 2017 drill pad (the Company was unable to complete these key holes in 2017 due to late receipt of the required Mines Act permit and the onset of winter conditions). Specifically, the intent is to drill a vertical fan of two holes toward the 2015 drill pad from which multiple intervals of high grade, gold-bearing intercepts were documented. The holes are expected to confirm both the presence and true thickness of one, or more, mineralized intervals intersected in 2015, interpreted to be located at a transition from vein-style (i.e. structurally controlled), high grade, gold-bearing mineralization to moderate grade, diffuse alteration halo-style mineralization. Phase II drilling is intended to follow Phase I, dependent upon confirmation of high grade, gold-bearing mineralization in the Phase I drill holes. Approximately 1,000 m of BTW drilling is proposed from 1 or 2 new drill pads to be constructed approximately 40 m and 100 m east of the 2017 pad, on the north side of the LH mineralized structure. A series of relatively short holes (each between approximately 100 – 150 m) will be drilled in a series of vertical fans and are anticipated to comprise preliminary delineation of the mineralized zone with which to prepare an initial resource estimate. Similar to the 2017 drill program, the proposed drill holes will be oriented at a high angle to the vein system, allowing more confident determination of the true width of mineralized intervals. The mineralized system is interpreted to strike essentially east-west and dip steeply to the north. Subsurface drill hole intercepts correlate well with historical mineralized samples reported from mineralization exposed in Level 1 and are interpreted to define a vein-style system which extends to depth just

south of Level 3 (the lowest level of development in the LH underground workings). The 2018 program is expected to better define the structurally controlled, mineralized system, both along strike and to depth. The 2018 survey also delineated several additional magnetic targets of interest. Three are in the vicinity of the LH Underground workings (and spatially associated magnetic anomaly) and comprise irregular high magnetic intensity anomalies interpreted to be structurally controlled. The composite anomalies are comprised of two preferred orientations, one oriented at approximately 075° and a second at approximately 025º. The fourth high intensity magnetic anomaly is located at the northern end of the Ridge Zone (see News Release dated January 12, 2015), and coincides with both magnetic and Induced Potential survey anomalies identified by the 2014 ground geophysical survey. Furthermore, the anomaly coincides with the northern end of an extensive alteration zone, the Ridge Zone, identified independently by a previous operator. These newly identified magnetic anomalies are of great interest to the Company and will be the focus of future exploration efforts. This news release has been reviewed and approved by Rick Walker, P. Geo., who is acting as the Company's Qualified Person for the LH Property project, in accordance with regulations under NI 43-101.

On December 5, 2018, the Company announced that a follow-up airborne magnetic survey (by drone) recently completed is expected to complement the survey completed on its "LH" gold exploration property (the "LH Property") earlier this year (see News Release dated August 7, 2018). Earlier this year, the Company completed an airborne magnetic survey by drone to further evaluate the pyrrhotite-enriched, gold-bearing system identified in the "LH Underground" workings in the upper Fingland Creek basin. The drone survey confirmed, and refined, the previous 2017 ground magnetic survey, which was hindered by local, steep topography. The earlier drone magnetic survey returned continuous magnetic data, with stations every 1.4 cm and a line spacing of 25 m, flown at a consistent elevation of 25 m above the Digital survey model (DSM), completely covering the high priority LH Underground workings. The survey also resulted in a high-resolution magnetic survey, with continuous measurements along each flight line. Subsequent processing of this data produced a Second Vertical Derivative ("2 VD") map of the survey area, which confirmed, and significantly refined, the magnetic signature spatially associated with the LH Underground workings. The resulting magnetic anomaly is interpreted to be sourced from a structurally controlled, pyrrhotite-enriched (and, therefore, magnetic), high grade gold-bearing system. There is a qualitative correlation interpreted between pyrrhotite content and gold grades, with pyrrhotiterich magnetic anomalies and/or sub-surface drill intercepts correlated to high grade gold. Therefore, massive pyrrhotite is believed to be correlated with higher grade gold relative to semi-massive to web style to disseminated pyrrhotite. The entirety of the magnetic anomaly delineated, spatially associated with the LH Underground workings, has a signature with greater magnetic intensity than that portion of the anomaly previously drill tested in the 2015 and, in particular, 2017 drill program. Therefore, based on these qualitative observations, the Company anticipates very encouraging, potentially high-grade gold results from subsequent sub-surface drilling farther east along the magnetic anomaly. In addition, the earlier 2018 drone survey delineated several other magnetic targets of considerable interest. Three are in the vicinity of the LH Underground workings (and its spatially associated magnetic anomaly) and comprise irregular high magnetic intensity anomalies interpreted to be similarly structurally controlled. A fourth, high intensity magnetic anomaly is located at the northern end of the Ridge Zone (see News Release dated January 12, 2015), and coincides with both magnetic and Induced Potential anomalies identified by the 2014 ground geophysical survey. Furthermore, the anomaly coincides with -2- the northern end of an extensive alteration zone, the Ridge Zone, identified independently by a previous operator. The current Phase II magnetic survey is being undertaken by the same geophysical company, with the same equipment, and therefore, is expected to return similar high-resolution data. The survey being flown extends south from the previously completed survey to the uppermost reaches of the Fingland Creek basin. The survey covers the southern portion of the Ridge Zone, completing magnetic coverage of this high priority exploration target. The survey supplements previous magnetic data and, in particular, Induced Potential (IP) data collected from the ground survey completed in 2014. Once integrated with the magnetic data from the earlier 2018 drone survey, the resulting magnetic database will comprise high resolution magnetic data for the entire Fingland Creek basin, extending from the LH Underground workings, where high grade, gold-bearing drill results coincide with pyrrhotite-rich intercepts spatially associated with prominent magnetic anomalies, to the Ridge Zone, where moderate grade gold-bearing intercepts have been correlated to a prominent IP anomaly interpreted to drape the western ridge of Fingland Creek in the near sub-surface. The combined IP and magnetic geophysical database is expected to facilitate confident targeting of near surface geophysical anomalies for subsequent drill testing, as well as facilitate subsequent modeling to assess potential for deeper, possibly larger, anomalies from which near surface anomalies have been sourced. This news release has been reviewed and approved by Rick Walker, P. Geo., who is acting as the Company's Qualified Person for the LH Property project, in accordance with regulations under NI 43-101.

On April 11, 2019, the Company announced that survey results have been received from two airborne magnetic surveys completed by drone on its "LH" gold exploration property (the "LH Property") in 2018 (see News Releases dated August 7 and December 5, 2018). The Company completed two contiguous airborne magnetic surveys by drone in the Upper Fingland Creek basin to further evaluate two mineralized areas identified through previous work, the "LH Underground" workings"

and the "Ridge Zone". The LH Underground workings are interpreted to have exposed a pyrrhotite-enriched, gold-bearing system subsequently confirmed by 16 diamond drill holes completed in 2015 and 2017 (see the Company's News Releases dated August 18, 2015 and February 8, 2018, respectively). The "Ridge Zone" is comprised of a series of alteration zones developed within pyroclastic host rocks of the Rossland Group.

Alteration intensity gradually increases from east to west, beyond the ridge crest to the west. The approximately north-south trending ridge is cored by pervasively silicified volcanics over a wide central zone. Accompanying the zone of pervasive silicification is elevated sulphide content associated with anomalous gold values documented in rock and soil samples. The Company believes that the previous drilling of the Ridge Zone in 1987 (conducted by Goldpac Investments Ltd.) and in 2012 (conducted by International Bethlehem Mining Corp.), confirmed a second style of gold mineralization occurring as a stockwork zone of silicified, calc-silicate altered and hornfelsed volcanics. This mineralization is characterized predominantly by pyrrhotite with highly subordinate arsenopyrite ± pyrite ± minor chalcopyrite (for additional information on the historical drilling and results see International Bethlehem Mining Corp. News Release dated February 4, 2013). The recently completed drone surveys included the area of the previous 2017 ground magnetic survey (see News Release dated October 26, 2017), which was hindered by local, steep topography. The surveys returned continuous magnetic data, with stations every 1.4 cm and a line spacing of 25 m, flown at a consistent elevation of 25 m above the Digital survey model (DSM), completely covering the upper Fingland Creek basin, including the high priority LH Underground workings and the majority of the Ridge Zone. The surveys returned high-resolution magnetic data, providing continuous measurements along each flight line, which were leveled and merged. Subsequent processing of this data produced a Second Vertical Derivative ("2 VD") map of the survey area, which confirmed, and significantly improved, the magnetic signature spatially associated with the LH Underground workings. The Company believes that there is a qualitative correlation interpreted between pyrrhotite content and gold grades, with pyrrhotite-rich magnetic anomalies and/or sub-surface drill intercepts correlated to high grade gold. The prominent magnetic anomaly associated with the LH Underground workings is interpreted to be sourced from a structurally controlled, pyrrhotite-enriched (i.e. magnetic), high grade gold-bearing system. The intensity of the magnetic response is dependent upon the amount of pyrrhotite, with massive pyrrhotite correlated to the strongest magnetic response and, potentially, having higher grade gold relative to a progressively decreasing magnetic response associated with semi-massive to web-style to disseminated pyrrhotite. The high-resolution magnetic data supplements previously acquired Induced Potential (IP) results collected within the Fingland Creek basin in 2014 (see the Company's News Release dated September 12, 2014). The available geophysical data were modeled on a limited basis, comprising Lines 100N, 200N, 800N and 900N, utilizing both IP and magnetic data. The modeling results are interpreted to indicate strong potential to identify additional mineralization associated with the LH Underground mineralized system to both the east (as previously interpreted) and west.

Furthermore, the modeling results also indicate strong potential underlying the Ridge Zone. Previous drilling returned high, but spotty, gold results, however, the results of geophysical modeling are interpreted to indicate those drill holes were poorly oriented with respect to the sub-surface target now identified. Additional drilling can be completed from the existing pads remaining on-site at the Ridge Zone. The combined IP and magnetic geophysical database has provided strong, relatively near surface geophysical anomalies for subsequent drill testing. Furthermore, modeling results have provided a better understanding of why previous drilling did not intersect the mineralized intercepts anticipated. Numerous geophysical targets have been identified for further work, including subsequent drill testing. This news release has been reviewed and approved by Rick Walker, P. Geo., who is acting as the Company's Qualified Person for the LH Property project, in accordance with regulations under NI 43-101.

On November 25, 2019, the Company announced encouraging analytical results from the Company's helicopter-supported drill program recently completed on its gold exploration property (the "LH Property"). The LH Property consists of 19 contiguous crown granted claims, seven mineral claims and a mineral lease located approximately 7 km south of Silverton, British Columbia, on the east side of Slocan Lake. Access to the LH Property is via Highway 6 for 8 km south of Silverton and then via Red Mountain Road for 2 km and a four-wheel drive road along Fingland Creek for 5 km.

The Company completed the helicopter supported drill program (see News Release dated September 12, 2019) to confirm high grade gold mineralization reported from both the Company's previous drilling (see News Releases dated August 18,

2015 and February 8, 2018) and underground chip sampling by previous operators. Previous work was interpreted to suggest gold-bearing mineralized zones associated with intervals having elevated pyrrhotite (a magnetic sulphide mineral) and/or arsenopyrite.

A total of 4 short diamond drill holes were completed from a single pad for a total of 250 metres. The holes were drilled in a vertical fan to target high grade gold mineralization previously identified in the 2015 drill program, underlying the "LH Underground Workings" (see News Release dated August 18, 2015).

Collar information for the holes are as follows:

Drill Hole	Azimuth	Inclination	Depth (m)
LH19-46	150°	-45°	61.87
LH19-47	150°	-55°	46.33
LH19-48	150°	-65°	68.27
LH19-48	150°	-75°	74.06

As previously reported, at least two moderately to steeply north dipping mineralized intervals are interpreted, strongly associated with pyrrhotite ± arsenopyrite-bearing mineralization. The intervals are interpreted to have a strong structural control, associated with up to three separate and distinct fault orientations.

All holes intersected intervals of highly anomalous, high grade, gold mineralization, with LH19-46 to 48 documenting composite thicknesses of gold-bearing mineralization similar to those reported in 2015. Furthermore, the estimated true thickness for these intervals compares very well with those estimated from the 2015 and 2017 programs.

Analytical results for the 2019 drill holes are presented in the following table:

	Interval[1]				**Ag**	**Gold (Au)**	
Drill Hole	**From (meters)**	**To (meters)**	**Thickness (meters)**	**Estimated True Thickness (m)**	**(g/t)**	**ICP (g/t)**	**Gravimetric (g/t)**
LH19-46							
	24.53	**33.16**	**8.63**	**6.90**	**0.441**	**0.986**	**1.370**
Including	**24.53**	**27.10**	**2.57**	**2.01**	**0.585**	**1.950**	**2.633**
	50.30	51.00	0.70	0.56	0.370	0.489	
LH19-47							
	10.49	**14.97**	**4.48**	**3.58**	**0.380**	**1.113**	**1.311**
Including	**10.49**	**13.93**	**3.44**	**2.75**	**0.437**	**1.374**	**1.632**
Including	10.49	10.72	0.23	0.18	1.600	6.12	7.31
Including	12.27	13.01	0.74	0.59	0.400	2.92	3.63
Including	13.41	13.93	0.52	0.42	0.84	1.86	2.03
	28.65	**39.57**	**10.92**	**8.74**	**0.389**	**1.861**	**2.012**
Including	28.65	29.24	0.59	0.47	1.29	18.3	18.4
Including	36.26	37.08	0.82	0.66	0.780	4.89	6.07
LH19-48							
	13.53	13.61	0.08	0.07	1.54	22.9	26.3
	29.28	**35.62**	**6.34**	**5.58**	**0.680**	**4.068**	**5.150**
Including	29.28	29.64	0.36	0.32	3.34	13.5	20.5
Including	33.00	33.93	0.93	0.82	0.72	10.3	11.7
Including	33.93	34.24	0.31	0.27	1.99	22.8	31.5
Including	**34.24**	**35.62**	**1.38**	**1.21**	**0.63**	**2.06**	**2.06**

	43.89	**45.20**	**1.31**	**1.15**	**0.64**		**1.13**
LH19-49							
	21.92	22.43	0.51	0.45	0.66	3.08	3.63
	42.42	43.01	0.59	0.52	0.85	4.81	5.62
	56.15	56.31	0.16	0.14	3.32		42.7

Notes: 1 – Highlighted intervals are those greater than 1.0 m having in excess of 1.0 g/t gold (Au).

The Company considers the results of its 2019 program to be very significant, particularly with respect to high grade results reported from the 2015 program (see News Release dated August 18, 2015) and results from underground sampling reported by a previous operator (Noranda Exploration Ltd, internal report dated 1985). The results of the Company's drilling to date document multiple high grade, gold-bearing intervals, at least two of which have thicknesses in excess of 1 metre and up to at least 8.75 m. Sections document the currently identified horizons extending to at least 100 m below surface along a line of section between the 2015 and 2018 drill pads. In contrast, drill hole LH96-06 (drilled previously by Noranda Exploration Ltd, internal report dated 1986) documents two mineralized intervals, the first grading 1.46 g/t over 10.65 m and the second grading 1.46 g/t over 13.20 m, with the second estimated to be 150 m below surface at the eastern end of the surface projection of the LH Underground Workings.

Calculation of correlation coefficients from the 2015, 2017 and 2018 analytical results confirm a strong correlation between gold and iron, interpreted to confirm the close association proposed between gold and pyrrhotite. Given that pyrrhotite is magnetic and there is an anomalous magnetic anomaly spatially associated with the surface projection of the LH Underground Workings, the presence of strong, prominent magnetic anomalies is interpreted to represented strong indirect evidence for the presence of gold-bearing, pyrrhotitic mineralized horizons.

Drilling to date by the Company has been limited to the western end of the magnetic anomaly defined by the drone survey completed in late 2018 (see News Releases dated April 11 and May 7, 2019). The magnetic anomaly associated with the LH Underground Workings extends approximately 225 m east of the 2015, 2017 and 2019 drill holes completed by the Company. Underground sampling confirms that variable, moderate to high grade Au (≤154.08 g/t), has been documented throughout Levels 1 and 2, from east to west (approximately 100 m) and north to south (approximately 40 m). Drilling by the Company documents high grade gold-bearing mineralization to a depth of approximately 100 m below surface (at least 110 m down-dip), while previous drill-hole LH86-06 (drilled previously by Noranda Exploration Ltd, internal report dated 1985) documented mineralization at a depth of approximately 150 m below surface. Taken together, these data are interpreted to indicate strong potential to delineate a possible mineral resource spatially associated with the LH Underground Workings.

The Company submitted a Notice of Work in order to allow sufficient time to receive an approved Mines Act permit for a further two years to facilitate initial delineation drilling required to outline and to potentially define a mineralized volume for calculation of a mineral resource estimate. Further drilling in the immediate area of the LH Underground Workings will target the magnetic anomaly defined by the high-resolution drone data acquired by the Company, interpreted to be sourced from multiple high-grade gold-bearing, pyrrhotite ± arsenopyrite mineralized horizons.

Further confirmation of a strong correlation between gold and pyrrhotite will provide strong incentive to initiate drill testing and further evaluation of numerous other prominent magnetite anomalies delineated within the Fingland Creek basin, including the Ridge Zone.

In addition, high grade gold documented by the previous operator in Congo Creek, the next drainage west of Fingland Creek, is interpreted to suggest potential to extend the Company's exploration program west. A logical Phase I program for Congo Creek is proposed to comprise a high-resolution drone survey of the basin with which to identify and delineate magnetic anomalies.

Core for analysis was restricted to mineralized intervals having approximately 2% sulphide content (predominantly pyrrhotite and/or arsenopyrite) over greater than 1 meter. Several shorter intervals having a higher proportion of sulfides (i.e. semi-massive to massive sulfides) were also sampled. Drill core was split at approximately 1-meter intervals, with one half sent to AGAT Laboratories in Burnaby, BC for initial preparation. The remaining core was returned to the core box and stored, together with core from the 2012, 2014, 2015 and 2017 programs, in Crescent Valley, BC. Samples were crushed to 75% passing 2 mm and a 250-gram sub-sample was riffle split, then pulverized to 85% passing 75 microns. Each sample was

subjected to Aqua Regia digestion and analyzed by Inductively Coupled Plasma – Optical Emission Spectrometry ("ICP-OES"). Samples returning gold values in excess of 0.5 ppm were re-analyzed using Fire Assay on a 30-gram sample with an

Atomic Absorption Spectrometry ("AAS") finish. Samples returning gold values in excess of 10 ppm were further analyzed using Fire Assay on a 30-gram sample with a Gravimetric Finish.

Current status:

In June 2022, the Company initiated a diamond drill program to further explore its LH Property, more specifically, the area immediately surrounding the LH Underground Workings and a prominent magnetic anomaly slightly to the south.

The holes completed in 2022 continue to document multiple, pyrrhotite mineralized, variably gold-bearing zones, including high-grade, gold-bearing intervals, consistent with previous programs. Very high-grade intercepts, arbitrarily defined as those above 10 g/t Au, are comparatively small, however, they are contained within much larger mineralized intervals and, when composited over the width of those intervals, return respectable average grades over encouraging widths. Furthermore, the strong correlation between prominent magnetic anomalies and well mineralized, gold-bearing intervals has been extended to both depth and farther south, beyond immediate proximity to the LH Underground workings. More specifically, shallow intercepts in both holes LH22-55 and 56 are located approximately 160 m south of the surface trace of the underground workings.

Cumulatively, results to date document multiple high-grade, gold-bearing intervals, varying in thickness from at least 1 metre to in excess of 8.75 m thick. Sections document mineralized zones extending to at least 100 m below surface and approximately 160 m south of the underground workings. In addition, drill hole LH86-06 (drilled previously by Noranda Exploration Ltd, internal report dated 1986) documents two mineralized intervals, the first grading 1.46 g/t over 10.65 m and the second grading 1.46 g/t over 13.20 m, with the second located 150 m below surface at the eastern end of the surface projection of the LH Underground Workings.

Underground sampling confirms that variable, moderate to high-grade gold (≤154.08 g/t) has been documented throughout Levels 1 and 2, from east to west (approximately 100 m) and north to south (approximately 40 m). Drilling by the Company continues to document high-grade, gold-bearing mineralization, extending to a depth of at least 100 m below surface, with previous drill-hole LH86-06 documenting mineralization extending to a depth of at least 150 m below surface at the east end of the underground workings. Taken together, these data are interpreted to indicate strong potential to delineate a mineral resource spatially associated with the LH Underground Workings.

Previously tested pyrrhotite-bearing mineralized zones are spatially associated with prominent magnetic signatures in the immediate vicinity of the underground workings. Gold-bearing intercepts documented from within, and adjacent to, the underground workings are strongly correlated with pyrrhotite mineralization, with the intensity of pyrrhotite mineralization strongly correlated with gold content. Therefore, high intensity magnetic anomalies are interpreted to represent potential high-grade gold-bearing zones within the mineralized system and comprised the targets for the 2022 drill program. Furthermore, additional prominent, high intensity magnetic anomalies evident in the Fingland Creek drainage are interpreted to be similarly correlated with gold-bearing pyrrhotite mineralization.

A total of 7 diamond drill holes, totaling 1,248 m, were completed from 2 pads, one 47 m north of the underground workings, intended to test the down-dip extension of the mineralized system with depth, and the second 160 m south of the underground workings, intended to test a prominent magnetic lobe extending from a larger magnetic anomaly northwest toward the underground workings. The following table provides details of the orientations of the drill holes from each pad.

Hole	Pad	Azimuth	Inclination	Depth (m)
LH 22-50	1	170°	-47°	120.3
LH 22-51	1	170°	-70°	90.3
LH 22-52	1	140°	-47°	90.8
LH 22-53	2	330°	-55°	251
LH 22-54	2	334°	-51°	215.4
LH 22-55	2	338°	-48°	250
LH 22-56	2	170°	-45°	230.4

Visually defined high-grade pyrrhotite mineralized intervals were selected for initial analysis. The holes also include numerous low to moderate grade pyrrhotite mineralized intervals which may be analyzed at a future date. Select analytical results from the 2022 drill program are presented in the following table:

Drill Hole	From (m)	To (m)	Width (m)	Au (g/t)	Ag (g/t)
LH-22-53	34.57	41.40	6.83	1.60	0.43
includes	40.50	41.40	0.90	5.35	1.19
LH22-55	12.59	14.16	1.57	15.92	1.93
	26.84	27.88	1.04	2.38	0.64
	230.31	244.10	13.79	0.67	0.30
includes	230.31	231.40	1.09	3.23	0.62
includes	234.95	236.00	1.05	1.05	0.38
LH22-56	11.28	14.75	3.47	13.90	1.53
includes	11.66	13.26	1.60	19.31	2.27
	20.40	21.83	1.43	2.81	0.93
includes	20.76	21.07	0.31	10.60	3.57
	27.28	28.95	1.67	3.01	0.47
	215.50	224.80	9.30	4.51	0.72
includes	215.50	216.13	0.63	1.87	1.18
includes	222.22	223.36	1.14	32.00	3.54

Core submitted for analysis was limited to visually identified mineralized intervals having at least 2% sulphide content (comprising pyrrhotite and/or arsenopyrite), generally over intervals greater than 1 metre. Several shorter intervals, having a higher proportion of sulphides (i.e. semi-massive to massive sulphides), were also sampled. Drill core was split at approximately 1 metre intervals, with one half sent to the ALS Chemex lab in Kamloops, BC for initial preparation. The remaining core was returned to the core box and stored, together with core from previous programs, in Crescent Valley, BC.

Samples were crushed to 70% passing 2 mm and a 250 gram sub-sample then pulverized to 85% passing 75 microns. Samples were initially analyzed using the ME-MS61 package (four acid digestion followed by Inductively Coupled Plasma – Mass Spectrometry (ICP-MS) analysis). Arsenic over-limits were analyzed using the ME-OG62 package (four acid digestion followed by Inductively Coupled Plasma Atomic Emission Spectroscopy (ICP-AES)). Gold was analyzed using the AuAA23 package (Fire Assay on a 30 g separate and analyzed using Atomic Absorption). Gold over-limits were analyzed using the Au-GRA21 package (Fire Assay on a 30 g separate with a Gravimetric finish).

Results are consistent with previous interpretation of multiple, structurally controlled, gold-bearing, pyrrhotite mineralized zones. These zones are interpreted to be moderately to steeply north dipping, with gold content correlated to the tenor of pyrrhotite ± arsenopyrite-bearing mineralization.

All holes intersected intervals of pyrrhotite mineralization, with only two holes LH22-51 and 54 having low-grade mineralized intervals considered too low (i.e. weakly to moderately disseminated pyrrhotite), based on visual examination, to justify sampling. The remainder of the holes contain multiple pyrrhotite mineralized intervals, with those having significant semi-massive to massive pyrrhotite mineralization submitted for quantitative analysis at this time. Intervals having low to moderate grade mineralization will be considered for analysis at a future time to provide potentially valuable information regarding the full extent of mineralized intervals in each hole. Similar weakly to moderately mineralized intervals are

interpreted to have coalesced into well mineralized, high-grade gold-bearing intervals over relatively short distances between previous holes. The true thickness of the mineralized intercepts documented in the 2022 program is unknown at this time.

PERFORMANCE SUMMARY

The following is a summary of the significant events and transactions that occurred during the period ended August 31, 2022 and for the subsequent period to the report date:

a) On August 16, 2022, the Company announced that analytical results from the Company's recently completed helicopter-supported drill program on its gold exploration property, located near Silverton, British Columbia. The LH Property consists of 19 contiguous crown granted claims, seven mineral claims and a mineral lease located approximately 6 km south of Silverton, east of Slocan Lake

The Company considers the results of the 2022 program to be very significant. The holes completed continue to document multiple mineralized, variable gold-bearing intervals, including high-grade gold-bearing intervals defined as those above 10 g/t Au, consistent with previous programs. The Company completed the drill program to continue evaluation of multiple high-grade, gold-bearing, pyrrhotite mineralized zones spatially associated with the LH underground workings.

The holes completed in 2022 continue to document multiple, pyrrhotite mineralized, variably gold-bearing zones, including high-grade, gold-bearing intervals, consistent with previous programs. Very high-grade intercepts, arbitrarily defined as those above 10 g/t Au, are comparatively small, however, they are contained within much larger mineralized intervals and, when composited over the width of those intervals, return respectable average grades over encouraging widths. Furthermore, the strong correlation between prominent magnetic anomalies and well mineralized, gold-bearing intervals has been extended to both depth and farther south, beyond immediate proximity to the LH Underground workings. More specifically, shallow intercepts in both holes LH22-55 and 56 are located approximately 160 m south of the surface trace of the underground workings.

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b) On June 1, 2022, the Company announced that in accordance with the terms of the Company's stock option plan, the Company granted 200,000 incentive stock options to certain directors, officers, employees and consultants, at an exercise price of $0.05 per share for a term of one year

SELECTED ANNUAL INFORMATION

	Year Ended May 31, 2022	Year Ended May 31, 2021	Year Ended May 31, 2020
Total assets	$ 3,723,809	$ 3,098,850	$ 3,112,108
Total liabilities	165,796	394,836	366,705
Total shareholders' equity	3,558,013	2,704,014	2,745,403
Other items	(19,708)	(5,131)	(148,771)
Expenses	317,583	102,666	232,072
Total comprehensive loss	297,875	97,535	83,301
Weighted average number of shares outstanding	27,399,611	15,049,709	9,860,956
Basic and diluted loss per share	0.01	0.01	0.01

SUMMARY OF QUARTERLY RESULTS

	August 31, 2022	May 31, 2022	February 28, 2022	November 30, 2021
Total assets	$ 3,588,565	$ 3,723,809	$ 3,512,013	$ 3,556,216
Total liabilities	37,248	165,796	33,887	21,494
Total shareholders' equity	3,551,317	3,558,013	3,487,126	3,534,722
Other income (expense) items	29,493	19,604	87	9
Expenses	41,887	168,701	47,683	71,573
Total comprehensive income (loss)	(12,394)	(149,097)	(47,596)	(71,564)
Weighted average number of shares outstanding	36,619,583	34,663,061	33,619,583	19,912,477
Basic and diluted income (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)

	August 31, 2021	May 31, 2021	February 28, 2021	November 30, 2020
Total assets	$ 3,203,235	$ 3,098,850	$ 3,100,592	$ 3,112,045
Total liabilities	363,939	394,836	374,568	372,832
Total shareholders' equity	2,839,296	2,704,014	2,726,024	2,739,213
Other income (expense) items	8	9	10	(1)
Expenses	29,626	22,019	13,199	43,768
Total comprehensive income (loss)	(29,618)	(22,010)	(13,189)	(43,769)
Weighted average number of shares outstanding	15,276,250	15,276,250	15,276,250	15,276,250
Basic and diluted income (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)

Results of Operations

The following discussion addresses the operating results and financial condition of the Company for the three-months ended August 31, 2022. The Management Discussion and Analysis should be read in conjunction with the Company's audited financial statements and the accompanying notes for the period ended August 31, 2022.

For the three-month period ended August 31, 2022:

Operating expenses and net loss for the period

The Company had net loss for the three-months ended August 31, 2022 of $12,394 (2021 – net loss of $29,618). The net increase in the net loss of $17,224 from the three-months ended August 31, 2022 compared to the same period in 2021 was

primarily due to an increase in general and administration expenses of $12,261 as detailed below, and an increase in other income of $29,485.

General and administration expenses of $41,887 (2021 - $29,626) are primarily comprised of office expenses, professional fees, rent, interest, consulting fees, regulatory and transfer agent fees, and wages and benefits. The increase of $12,261 from the same period in 2021 was due largely to the following:

In comparison to the three-month period ended August 31, 2021:

- Consulting fees of $14,125 (2021 - $8,250) increased by $5,875 mainly due to consulting services required for the period relating to the LH Property.
- Directors' fees of $2,000 (2021 - $2,000) relate to accrued directors fees.
- Interest of $54 (2021 - $4,130) decreased by $4,076 mainly due to interest at a rate 1% per month (12% per annum) on loans agreements and the repayment of certain loans.
- Office and miscellaneous expenses of $2,728 (2021 - $1,082) increased by $1,646 mainly due to office expenses required for the period
- Professional fees of $5,219 (2021 – ($4,193) increased by $1,026 due to an adjustment on audit costs.
- Regulatory and transfer agent fees of $2,328 (2021 - $2,071) increased by $257 mainly due to costs of the Company's services required during the period.
- Rent of $6,962 (2021 - $6,675) increased by $287 mainly due to costs of the Company's rent expenses required during the period.
- Share-based compensation $5,698 (2021 - $nil) changed by $5,698 due to the timing of the option issuances in each period when and if such options are available.
- Wages and benefits of $1,528 (2021 - $1,225) increased by $303 due to a reduction in health care benefits claimed.

LIQUIDITY AND CAPITAL RESOURCES

The Company's mineral exploration activities have been funded 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 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 investors; and financial market conditions. 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 of August 31, 2022, the Company had net working capital deficit of $9,463 (May 31, 2022 - net working capital of $261,362).

As of August 31, 2022, the Company had cash of $7,023 compared to cash of $412,708 as at May 31, 2022. The net decrease of $405,685 in cash during the period was primarily related to the change in non-cash items and cash used in operating activities offset by cash provided by financing activities.

Net cash used in operating activities for the period ended August 31, 2022 was $141,556 compared to $17,492 during the period ended August 31, 2021.

Net cash used in investing activities for the period ended August 31, 2022 was $264,129 compared to cash of $11,418 provided by investing activities during the period ended August 31, 2021 consisting of exploration and evaluation assets expenditures.

Net cash provided by financing activities for the period ended August 31, 2022 was $nil compared to $122,475 during the period ended August 31, 2021 consisting of loan proceeds for the period ended August 31, 2022 of $nil (2021 - loan proceeds of $42,425) and proceeds on subscription received of $nil (2021 - $164,900).

The Company's deficit as of August 31, 2022 was $1,844,071 as compared to a deficit of 1,831,677 as of May 31, 2022.

At present, the Company's operations generate little cash flow, and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. Management believes the Company will be successful at securing additional funding so that its capital resources will be sufficient to carry its operations through the next twelve months and intends to continue the exploration of its mineral properties.

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales and from the exercise of convertible securities. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activities. Management believes it will be able to raise equity capital as required in the long term but recognizes there will be risks involved that may be beyond their control.

OFF BALANCE SHEET ARRANGEMENTS

The Company is not a party to any off-balance sheet arrangements or transactions.

PROPOSED TRANSACTIONS

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

TRANSACTIONS WITH RELATED PARTIES

Included in accounts payable and accrued liabilities as August 31, 2022 is $6,766 (May 31, 2021 - $10,598) owing to companies controlled by directors, or companies having directors in common:

Name of Company or Director	Directors/Officers		August 31, 2022		May 31, 2022
Andrzej Kowalski	A director, namely, Andrzej Kowalski	$	500	$	-
Beachfront Enterprises LP	A limited partnership, a majority interest of which is owned by a director, namely, Douglas L. Mason	$	4,766	$	840
Waterfront Capital Partners Inc. (formerly Criterion Capital Corporation)	A company controlled by a director, namely, Douglas L. Mason	$	-	$	9,758
Douglas L. Mason	A CEO and Director, namely, Douglas L. Mason	$	500	$	-
David H. Evans	A director, namely, David H. Evans	$	500	$	-
Daniel B. Evans	A director, namely, Daniel B. Evans	$	500	$	-
		$	6,766	$	10,598

During the period ended August 31, 2022, the Company entered the following transactions with companies controlled by directors, or companies having common directors:

Name of Company or Director	Directors/Officers		August 31, 2022		August 31, 2021
Expenses:					
Andrzej Kowalski (Director fees)	A director, namely, Andrzej Kowalski	$	500	$	500
Beachfront Enterprises LP (Rent)	A limited partnership, a majority interest of which is owned by a director, namely, Douglas L. Mason	$	6,962	$	6,675
(Interest)		$	2,757		2,341
Douglas L. Mason (Director fees)	A director, namely, Douglas L. Mason	$	500	$	500
Waterfront Capital Partners Inc. (formerly Criterion Capital Corporation) (Interest)	A company controlled by a director, namely, Douglas L. Mason	$	-	$	2,115
The Kennedy Hill Financial Group Inc. (Consulting fees)	A company controlled by a director,	$	-	$	-
(Interest)	namely, Daniel B. Evans	$	-	$	756
Daniel B. Evans (Director fees)	A director, namely, Daniel B. Evans	$	500	$	500
Hamzagic Holdings Inc. (Interest)	A company controlled by a former director, namely, Sead Hamzagic	$	-	$	138
David H. Evans (Director fees)	A director, namely, David H. Evans	$	-	$	500
(Interest)		$	-	$	756

The Company reimbursed Beachfront Enterprise Limited (a company with certain directors in common) on a cost basis, to cover shared administrative and payroll costs in the amount of $1,292 (2021 - $ 1,226) and shared expenses in the amount of $8,425 (2021 - $7,737).

These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the parties. Amounts due to (from) related parties are unsecured and have no stated terms of repayment and/or interest unless otherwise stated.

COMMITMENTS

The Company has previously entered into two 5-year term renewable agreements with companies controlled by two directors for the provision of consulting services at a cost of $2,500 per month ($30,000 per annum) for each of the two agreements. Beginning January 1, 2020, payments under the two above mentioned agreements were voluntarily reduced to $Nil per month and were not paid or accrued. If either of such agreements are terminated without cause or if there is a change in control of the Company, the Company is required to pay an amount equal to three times the annual fee payable under the agreements.

CAPITAL MANAGEMENT

The Company's shareholders' equity comprises its capital 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

exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable level of 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 on-going development efforts, the Company does not pay out 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.

There have been no changes to the Company's approach to capital management during the period ended May 31, 2022. The Company is not subject to externally imposed capital requirements.

FINANCIAL INSTRUMENTS

Fair value

The Company classifies its cash, accounts receivable, reclamation deposit, accounts payable and accrued liabilities and loans payable as at amortized cost.

The carrying values of cash, accounts receivable, 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 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 accounts receivable.

The Company's credit risk is primarily attributable to cash. Management believes that the credit risk concentration with respect to cash is remote as it maintains accounts with highly rated financial institutions.

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

	August 31, 2022	May 31, 2022
Cash	$ 7,023	$ 412,708
Accounts receivable	17,034	7,165
	$ 24,057	$ 419,873

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. The Company will need to raise additional money through share issuance. At August 31, 2022, the Company had accounts payable and accrued liabilities of $124,043 (May 31, 2021 - $256,711) and loans payable of $nil (May 31, 2021 - $138,125).

The amounts listed below are the remaining contractual maturities for financial liabilities held by the Company:

	0 to 90 days	91 to 365 days	Total
August 31, 2022			
Accounts payable and accrued liabilities	$ 37,248	$ -	$ 37,248
May 31, 2021			
Accounts payable and accrued liabilities	$ 124,043	$ -	$ 124,043
Loans payable	$ -	$ -	$ -

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to 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's cash consists of cash held in bank accounts and a reclamation deposit of $30,792 (May 31, 2022 - $30,792,000) at the prime rate minus 2.40% (May 31, 2022 - 2.10%) held as per instructions on the Safekeeping Agreement from the Ministry of Energy and Mines. Due to the short-term nature of the Company's financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values.

Future cash flows from interest income on cash will not be affected by interest rate fluctuations. Given the balance of the cash, any fluctuations in the interest rate would lead to an immaterial change in the profit or loss. Interest rate risk from the Company's loans payable is not significant because the loans payable are at fixed interest rates.

(ii) Foreign currency risk

The Company is not exposed to 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 significant other price risk.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, 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 judgements and have been properly reflected in the financial statements.

OUTSTANDING SHARE DATA as of October 11, 2022:

a) Authorized:
Unlimited number of common shares, without par value

b) Issued and outstanding:
36,619,583 common shares

c) Outstanding incentive stock options:

Number of Options	Exercise Price	Expiry Date
200,000	$ 0.05	June 1, 2023
3,200,000	$ 0.05	April 7, 2027
3,400,000		

d) Outstanding warrants:

Number of Warrants	Exercise Price	Expiry Date
12,260,000	$ 0.10	October 7, 2026
3,000,000	$ 0.10	May 3, 2027
15,260,000		

e) Shares in escrow pooling agreements:
None

OFFICERS AND DIRECTORS

Douglas L. Mason, President, CEO and Director (Chairman)
Daniel B. Evans, CFO and Director
David H. Evans, Director
Andrzej Kowalski, Director