

ESKAY MINING CORP.

**INTERIM MANAGEMENT'S DISCUSSION AND
ANALYSIS – QUARTERLY HIGHLIGHTS**

FOR THE THREE AND SIX MONTHS ENDED AUGUST 31, 2020

Prepared by:

ESKAY MINING CORP.

**The Canadian Venture Building,
82 Richmond Street East,
Toronto, Ontario, M5C 1P1**

Discussion dated October 23, 2020

Introduction

The following Interim Management's Discussion & Analysis ("Interim MD&A") of Eskay Mining Corp. ("Eskay" or the "Company") for the three and six months ended August 31, 2020 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the fiscal year ended February 29, 2020. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A. The primary office of Eskay is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual financial statements for the years ended February 29, 2020 and February 28, 2019, together with the notes thereto, and unaudited condensed interim financial statements for the three and six months ended August 31, 2020, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of October 23, 2020, unless otherwise indicated.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on Eskay's website at www.eskaymining.com or on SEDAR at www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this interim MD&A speak only as of the date of this interim MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this Interim MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

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Forward-looking statements	Assumptions	Risk factors
<p>Potential of the Company's properties to contain economic deposits of precious and base metals.</p>	<p>Financing will be available for future exploration and evaluation of the Company's properties; the actual results of the Company's exploration and evaluation activities will be favourable; operating, exploration and evaluation costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of precious and base metals and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties.</p>	<p>Precious and base metals price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and evaluation activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; ongoing uncertainties relating to the COVID-19 virus; the Company's ability to retain and attract skilled staff; availability of permits.</p>
<p>For fiscal 2021, the Company's operating expenses are estimated to be \$20,000 to \$30,000 per month for recurring administration costs.</p>	<p>The Company has anticipated all material costs; the operating and exploration activities of the Company for fiscal 2021 and the costs associated therewith, will be consistent with Eskay's current expectations.</p>	<p>Unforeseen costs to the Company will arise; any particular operating costs increase or decrease from the date of the estimation; changes in economic conditions.</p>
<p>The Company's cash position at August 31, 2020 is not anticipated to be sufficient to fund its operating expenses for the twelve months ending August 31, 2021. The Company expects to complete an equity financing. The Company anticipates it will defer amounts payable, to the extent possible, while the Company searches for financing.</p>	<p>Financing will be available for the Company's exploration and evaluation activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of gold and/or other applicable metals will be favourable to the Company; no title disputes exist with respect to the</p>	<p>Gold and other metals price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; ongoing uncertainties relating to the COVID-19 virus. the Company's ability to retain and attract skilled staff; availability of permits; market competition.</p>

	Company's properties.	
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Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

The Company was incorporated under the British Columbia Business Corporations Act and continued on November 2, 2010, under the Business Corporations Act of Ontario. Its common shares are listed on the TSX Venture Exchange ("TSXV") (symbol "ESK") and the Frankfurt Stock Exchange (symbol "WKN 878985"). On July 9, 2020, the Company's common shares were approved for and started trading on the OTCQB Venture Market in the United States under the symbol (OTCQB: ESKYF). The Company is a natural resource company engaged in the acquisition and exploration of mineral properties in British Columbia, Canada. To date, the Company has not generated significant revenues from operations.

The Company has no revenues, so its ability to ensure continuing operations is dependent on its completing the acquisition of its mineral property interests, the discovery of economically recoverable reserves, confirmation of its interest in the underlying mineral claims, and its ability to obtain necessary financing to complete the exploration activities, development, if they are proven successful, and future profitable production.

Eskay's goal is to deliver superior returns to shareholders by concentrating on the exploration of its existing properties and the acquisition of properties that have the potential to contain gold or silver. The Company currently plans to focus on its material properties, as set out below under "Mineral Property Interests".

The Company will continue to attempt to raise capital to meet its ongoing operating activities.

Outlook and Economic Conditions

The Company is a Canadian base and precious metal exploration company, focused on exploring its current property interests, and on acquisitions of other mineral exploration properties, should such acquisitions be consistent with its objectives and acquisition criteria. The Company currently has operations in the Province of British Columbia, Canada. The Company's financial success will be dependent upon the extent to which it can make discoveries and on the economic viability of any such discoveries. The development of such assets may take years to complete and the resulting income, if any, is difficult to determine with any certainty. To date, the Company has not produced any revenues.

The sales value of any minerals discovered by the Company is largely dependent upon factors beyond its control, such as the market value of the commodities produced.

There are significant uncertainties regarding the prices of base and precious metal and the availability of equity financing for the purposes of exploration and evaluation. The future performance of the Company is largely tied to the successful exploration, discovery and eventual development of its property interests, if they are proven successful, and other prospective business opportunities and the overall financial markets. Financial markets are likely to be volatile, reflecting ongoing concerns about the stability of the global economy. However, recently, equity markets in Canada have showed signs of improvement, with equities increasing significantly during this period. Strong equity markets are favourable conditions for completing a financing, public merger or acquisition transaction.

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Due to the worldwide COVID-19 outbreak, material uncertainties may come into existence that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Global gold prices;
- Demand for gold and the ability to explore for gold;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labour availability and supply lines;
- Availability of essential supplies, such as water and electricity;
- Purchasing power of the Canadian dollar; or
- Ability to obtain funding.

The Canadian government has not introduced measures which impede the activities of Eskay. Management believes the business will continue and accordingly, the current situation bears no impact on management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of Eskay in future periods. The impact on the financial results and condition of Eskay in future periods. Accordingly, in order to execute the Company's plans for the near term as outlined under the heading "Mineral Property Interests" and meet the Company's administrative overhead, it is required to complete a financing. See "Risks and Uncertainties".

Highlights

- On April 15, 2020, the Company announced that the new website, found at www.eskaymining.com, has been launched. The website includes a Presentation by Dr. John DeDecker discussing the exploration potential of the Company's SIB Property.
- On May 15, 2020, the Company announced an extension on the exercise date of 1,282,000 warrants currently exercisable until June 1, 2020 (as to 1,082,000) and June 7, 2020 (as to 200,000) at \$0.40 per share, issued pursuant to the private placement financing which closed in June of 2018, for a further year until June 1, 2021 and June 7, 2021 respectively. Each warrant entitles the holder to acquire one common share at a price of \$0.40 until the earlier of (i) June 1, 2021; and (ii) in the event that the closing price of the common shares on the TSXV is at least \$0.60 for ten (10) consecutive trading days, and the 10th trading day is at least four (4) months from June 1, 2018, the date which is thirty (30) days from the 10th trading day. Due to the modification of the warrants, an incremental fair value of \$161,704 was recognized using the Black-Scholes pricing model with the following

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assumptions: expected dividend yield of 0%; expected volatility of 126% based on the Company's historical volatility; share price of \$0.19; risk-free interest rate of 0.26% and an expected life of one year. On August 24, 2020, the Company announced that the extension of the remaining 1,142,000 warrants exercisable at \$0.40 per share has been accelerated as a result of the fact that the Company's common shares have closed at a price of at least \$0.60 for ten (10) consecutive trading days as of August 21, 2020. The remaining 2018 Warrants will expire if they are not exercised by September 23, 2020.

- On June 4, 2020, the Company closed the first tranche of its non-brokered private placement with the sale of 1,000,000 FT Units of the Company at a price of \$0.255 per FT Units for \$255,000 and 550,000 WC Unit at a price of \$0.17 per WC Unit for \$93,500. A finder was paid a cash fee of \$1,275. The Company also announced that it plans to increase its flow-through offering by a further 2,050,000 FT Units to up to 8,950,000 FT Units of the Company at a price of \$0.255 per FT Unit for up to \$2,282,250 to fund its 2020 exploration.
- On June 22, 2020, the Company closed the final tranche of its non-brokered private placement with the sale of 7,950,000 FT Units of the Company at a price of \$0.255 per FT Units for \$2,027,250 and 2,452,941 WC Unit at a price of \$0.17 per WC Unit for \$417,000. The Company raised an aggregate of \$2,282,250 in flow-through funds and \$510,500 in working capital funds pursuant to the Offering. Proceeds from the Offering will be used to fund the Company's 2020 exploration program and for general working capital.
- On June 22, 2020, the Company announced the commencement of the 2020 exploration program. The program is designed to cover a broader extent of the Company's 526 square kilometer property in the heart of British Columbia's "Golden Triangle" and encompass a collection of fundamental geophysical targets and generate new, high quality drill targets.
- On June 23, 2020, the Company entered into an agreement to settle a debt of \$80,400 owed to Balkam Partners Ltd., a company controlled by the President and CEO of the Company, Hugh (Mac) Balkam, for management fees, and a debt of \$281,782 owed to Mac Balkam for management fees, as to \$250,000, and accrued interest on funds loaned to the Company by Mac Balkam, as to \$31,782, for an aggregate of \$362,122 of debt to be settled in consideration for the issuance of 2,130,129 common shares of the Company at a price of \$0.17 per share.
- On June 24, 2020, the Company announced the grant of an aggregate of 1,500,000 stock options to directors and consultants of the Company. The stock options are exercisable at \$0.24 per share for five years
- On July 9, 2020, the Company's common shares were approved for and started trading on the OTCQB Venture Market in the United States under the symbol (OTCQB: ESKYF).
- On July 10, 2020, the Company announced that Quinton Hennigh and Tom Weis will be presented as nominees for Directors of the Company at the upcoming Annual General and Special Meeting to be held on August 11, 2020.
- On July 14, 2020, the Company announced that its 2020 exploration program is advancing on schedule at its approximately 526 square kilometer property in the heart of British Columbia's Golden Triangle. Importantly, recent review of historic diamond drill core from holes drilled at numerous prospects within Eskay's land tenure indicates that these systems all display a volcanogenic massive sulphide ("VMS") affinity. VMS Deposits are sulphide rich accumulations that formed around black smokers associated with submarine hot springs. Such deposits usually occur in clusters on the sea floor thus resulting in mineral districts once uplifted onto continents. This new revelation implies that

the partially explored systems on Eskay Mining's property potentially collectively comprises a greater Eskay Creek VMS district.

- On July 21, 2020, the Company granted 350,000 stock options to a consultant of the Company. The stock options are exercisable at \$0.46 per share for five years.
- On July 28, 2020, the Company commenced a private placement offering of up to 3,500,000 FT Units of the Company at a price of \$0.645 per FT Units for up to \$2,257,500 and up to 4,500,000 WC Units at a price of \$0.45 per WC Unit for up to \$2,025,000 to fund its 2020 exploration.
- On July 28, 2020, the Company announced that it has secured a diamond drill through Driftwood Diamond Drilling Ltd to undertake a minimum 3,000 m drill program this exploration season. Drilling is expected to commence in a few weeks after the Company has reviewed incoming geophysical data designed to refine drill targeting at multiple precious metal rich volcanogenic massive sulphide targets.
- On August 19, 2020, the Company closed its non-brokered private placement with the sale of 3,500,000 FT Units of the Company at a price of \$0.645 per FT Units for \$2,257,500 and 2,559,444 WC Unit at a price of \$0.45 per WC Unit for \$1,151,750. The Company raised an aggregate of \$3,409,250 pursuant to the Offering.
- On September 22, 2020, the Company announced that it has encountered precious metal-bearing volcanogenic massive sulphide mineralization in its first diamond drilling at the TV target on joint venture ground held with Kirkland Lake Gold Ltd.
- On October 16, 2020, the Company announced that it has completed a highly successful diamond drill campaign encompassing 4,335.55m in 20 holes at its TV-Jeff precious metal-bearing volcanogenic massive sulphide target on joint venture ground held with Kirkland Lake Gold Ltd.

Trends

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Strong equity markets are favourable conditions for completing a public merger, financing or acquisition transaction. Apart from these and the risk factors noted under the heading "Risks and Uncertainties", and "Outlook and Economic Conditions", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Mineral Property Interests

Charles J. Greig, P. Geo., a member of the Company's Advisory Team, is a Qualified Person under the definition of National Instrument 43-101. Mr. Greig has approved the disclosure contained under the heading "Mineral Property Interests" and has verified the scientific and technical data contained herein.

The following table summarizes the Company's current exploration programs at the SIB Property and Corey Mineral Claims, and total estimated cost to complete each exploration program, and total expenditures incurred during the period presented. For more information about exploration expenditures incurred by category, please see "Additional Disclosure for Venture Issuers Without Significant Revenue" below.

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Summary of Completed Activities (Six Months Ended August 31, 2020)	(A) Spent (approx.)	Plans for the Project (Fiscal 2020)	(B) Planned Expenditures (approx.)
<p>Based on the Company's working capital surplus of \$3,054,849 at August 31, 2020 (February 29, 2020 – working capital deficit of \$497,021), the Company should have sufficient funds for its exploration work requirements. The major variables are expected to be the size, timing and results of the Company's exploration program and its ability to continue to access capital to fund its ongoing operations.</p> <p>Notes 1 and 2 below refer to work on the Corey claims (100% Eskay) and the "JV claims" (a joint venture between Eskay Mining and St. Andrew Goldfield).</p> <p>All the projects are in good standing until at least the end of 2021.</p>	\$2,201,000	<p>Diamond drilling this fall (2020) at the TV and Jeff occurrences (mainly on the "JV claims, see Note 2 below) will likely continue until the onset of winter conditions. Data collected during the 2020 field season will be compiled, evaluated and interpreted during the remainder of the year and into 2021, and plans will be formulated for exploration during the 2021 field season. Permitting has been completed for a large-scale deep drilling program at the SIB. The other areas discussed in Note 1 will also be the focus for work aimed at developing drill targets. On the North Mitchell block, the intention remains to undertake further geologic mapping to help target mineralizing systems on the block, which lies north of Brucejack and east of Fe Cap. On the southernmost Eskay tenures, the Company flew an airborne geophysical survey aimed at targeting Ni-Cu-Co mineralization akin to that intersected at Garibaldi's Nickel Mtn. occurrence on the adjacent property to the west. Follow-up reconnaissance prospecting, geochemical surveys, and mapping still need to be undertaken to better evaluate the potential for this style of mineralization, as well as for Eskay Creek-style mineralization in the Middle Jurassic felsic submarine volcanic stratigraphy farther south on the property. At the same time, copper porphyry style mineralization in the Big Red area will be further assessed for its depth potential.</p>	\$3,170,000
	\$2,201,000		\$3,170,000

The Company's tenures are in good standing until 2029.

Note 1

Corey Mineral Claims

In September 1990, the Company acquired a 100% interest in mineral tenures located in the Skeena Mining Division, Province of British Columbia for \$30,000 cash and a royalty of 5% of net profits from these claims to a maximum of \$250,000.

These mineral properties are located in northwestern British Columbia, 70 km northwest of Stewart. The Company holds a 100% interest in these mineral tenures subject to a 2% net smelter royalty.

Red Lightning

On the southernmost part of the Corey Property, the 2016 fieldwork and sampling strongly suggested that rocks similar in age, lithology, and alteration to those hosting the Eskay Creek deposit not only underlie parts of Eskay's 100% owned Corey block on the southwestern part of the property, as was previously known, but also underlie most of the area to the east and southeast of there, toward the Frank Mackie icefield, which has been regarded previously as being underlain by older rocks. Very encouraging results were returned by preliminary soil and rock geochemical sampling in that area, east of Ted Morris glacier, including two strings of soil geochemical samples across 400 to 500 meters which all yield anomalous precious metals values, along with very strongly anomalous "pathfinder" elements such as, Sb, Cu, Pb, Mo and Zn, which are characteristic of "Eskay-style" mineralization.

Immediately after the 2017 field season, highly-regarded geologist and magmatic Ni-Cu sulphide system expert Dr. Peter Lightfoot was contracted by the Company to carry out a review of previous work on Eskay's Red Lightning zone magmatic Ni-Cu-Co occurrence. Dr. Lightfoot, who was recently involved closely in Garibaldi Resources' recognition and exploration of the potential at the nearby E&L Ni-Cu-PGE-Au-Ag massive sulphide occurrence (20 km northwest), has confirmed that the mineralization at Red Lightning is indeed that of a magmatic nickel-copper sulphide system, and that this system intrudes the Eskay-equivalent rocks now recognized as common throughout the Corey Property. And while the grades intersected to date are sub-economic (20.4 m at 0.79% Cu, 0.42% Ni and 0.08% Co, including 10 m at 1.03% Cu, 0.55% Ni and 0.10% Co [estimated true thicknesses of 10.8 m and 5.3 m, respectively]), the Ni-Cu system remains prospective.

The prospectively evident at Red Lightning and nearby is also evident from a review of previous work in the belt by the Company. This work, which included stream sediment sampling and airborne geophysics, strongly suggests that Red Lightning should be viewed as just one small part of what is likely a much larger, 15 km long, relatively underexplored belt that likely includes other mafic-ultramafic bodies. The belt is outlined by anomalous Ni-Cu stream sediment geochemistry and airborne magnetic highs that may well run from the Red Lightning zone along a northwest trend toward Garibaldi's Ni-Cu prospects and the E&L Zone. It is clear from the figures and this data that the Red Lightning-E&L trend warrants follow-up exploration work focusing on Ni-Cu-PGE mineralization.

North Mitchell block

The Company's North Mitchell Block consists of six tenures comprising 1446 hectares that lies in "Elephant Country," less than 2 km east-southeast of Seabridge Gold's porphyry Au-Cu deposit, Iron Cap, and a similar distance across the Mitchell glacier from Pretium's Snowfield gold deposit. Recent mapping of the property has confirmed that the same stratigraphic units which host many of the occurrences on Pretium's Brucejack property track across and are preserved at North Mitchell. This is significant because many of the occurrences at Brucejack, which are aligned along a NNE trend that runs from south of the Valley of the Kings (Brucejack deposit) north at least as far as the Snowfield deposit, occur at, or near, a similar stratigraphic level within the Early Jurassic section. Along that trend, intrusive and host stratified rocks below that stratigraphic level are commonly much more altered than the rocks above. This is particularly so near discordant structures (faults) which cut the host rocks and appear to have acted as controls for mineralization and alteration along the trend, but commonly at high angles to it. As has been shown at Brucejack, these faults also appear to have acted as basin-bounding extensional structures during deposition of the Early Jurassic volcanic and associated clastic rocks. In the Sulphurets Camp, these discordant structures may also have been reactivated and locally inverted much later, during contractional deformation associated with development of Skeena fold belt in mid-Cretaceous time. Examples of such inverted structures in the Camp probably include the Sulphurets and Mitchell thrust faults, as well as folds at various scales, including the Valley of Kings syncline along the

Brucejack trend, and folds and faults running sub-parallel to the trends of the Sulphurets and Mitchell thrusts.

On the North Mitchell Block direct evidence for the presence of a mineralizing system is restricted to locally pervasive quartz-sericite-pyrite (qsp) alteration at lower stratigraphic levels and locally associated veining that to date has only returned anomalous gold grades. Our mapping, however, has revealed good evidence on the property for the existence of a possible inverted Early Jurassic structure, and this structure is coincident with the most intense alteration. The structure is manifest as a (faulted) mid-Cretaceous fold with a northeasterly trending axial plane across which a gently to moderately northerly-dipping sequence of relatively thin but distinctive volcanic strata on the northwest correlates well with similar but steeply southeasterly-dipping to slightly overturned strata on the east that appear to be part of a much thicker sequence than their correlatives to the west. The change in stratigraphic thickness of coeval strata across this strongly southeast-vergent structure may therefore mark the presence of an inverted syn-depositional Early Jurassic structure. Given its association with common qsp alteration of lower Hazelton Group rocks, and given its general spatial association with both the Brucejack trend and with the northeast trend marked by the Au-rich Cu porphyries at Kerr, Sulphurets, Mitchell, and Iron Cap on Seabridge's property (a trend which includes the emerging Au and Au-Cu systems still farther northeast on Tudor Gold's Treaty Creek property), this conceptual but blind target at North Mitchell is truly compelling.

The Company is considering a number of approaches to help refine targets for drilling at North Mitchell, including further geologic mapping, and a Magnetotelluric or deep-looking IP Survey.

During the 2020 field season, a property-wide BLEG (Bulk Leachable Extractable Gold) sampling program was undertaken across both the Corey and JV project areas. In addition, Induced Polarization surveys were run in the C10-Spearhead parts of the Corey property and across the TV-Jeff area, which in part spans the Corey-JV property boundary.

Note 2

St. Andrew Goldfield (SIB) - Eskay Project (JV Project)

Pursuant to an option agreement dated May 7, 2008 with St. Andrew Goldfields Ltd., the Company earned a 70% interest in the SIB Property. Pursuant to an amending option agreement with St. Andrew Goldfields Ltd. dated January 17, 2013, Eskay can earn a further 10% undivided interest in the SIB Property for a total 80% working interest. Eskay had expended an aggregate of \$3.98 million on exploration of the SIB Property and pursuant to the amending agreement between the parties, issued a further 265,000 common shares (issued on January 22, 2013) to St. Andrew Goldfields Ltd. to earn its 80% interest. The Company is required to assume and thereafter satisfy the bonding requirements imposed by the B.C. Ministry of Energy and Mines in respect of the SIB Property, estimated to be a sum of approximately \$60,000. The bond repayment obligation has been satisfied with a promissory note, however the 80% earn-in is subject to the settlement of this promissory note. Upon transfer of the 80% interest in the SIB Property to the Company, the parties will enter into a joint venture for the further exploration, evaluation and development of the SIB Property, if the SIB Property is proven successful.

On November 20, 2013, the Company entered into a second amending option agreement with St. Andrew Goldfields Ltd. Pursuant to the second amending option agreement, the lease payment obligation of \$19,752 and the \$60,000 bond repayment obligation are consolidated into a single fixed term loan due on April 1, 2015, bearing interest of 8% per annum calculated semi-annually from October 1, 2013 until payment. This fixed term loan is governed by a promissory note between Eskay and St. Andrew Goldfields Ltd.

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On June 2, 2015, the Company entered into a third amending option agreement with St. Andrew Goldfields Ltd. to extend the due date of the \$79,752 promissory note to April 1, 2016 on the same terms.

On January 26, 2016, Kirkland Lake Gold Inc. ("Kirkland Lake") announced it completed the acquisition of St. Andrew. St. Andrew is now a wholly-owned subsidiary of Kirkland Lake and continues to hold a 20% interest in the SIB Property.

On May 9, 2016, the Company repaid the promissory note together with accrued interest in the amount of \$97,421 and title to an 80% interest in the SIB Property has been transferred into the name of the Company.

On April 26, 2017, the Company announced that it has signed the Agreement with SSR Mining Inc. ("SSR Mining") pursuant to which SSR Mining may acquire up to a 60% undivided interest in part of Eskay's SIB Property, located in northwest British Columbia, Canada. SSR Mining formally abandon the option on January 30, 2019 without earning any interest in the SIB Property.

On July 7, 2017, the Company announced that the diamond drilling at its 4,400 hectare SIB property was underway. That drill campaign was the first part of a three year program in which SSR Mining committed to spend \$3.7 million in the first year.

On August 2, 2017, the Company announced that drilling at the SIB property was targeting a virtually unexplored part of the property beneath this fault, known as the Coulter Creek Thrust Fault ("CCFT"). The program's objectives were to locate the favorable host volcanic rocks beneath the CCFT, determine their lateral and vertical extent, and test for the presence of classic massive sulphide alteration and precious metal mineralization.

The 2017 drill campaign's relatively deep holes (average approximately 900 meters) targeted Eskay-style mineralization beneath the Lulu zone, which in previous and generally shallow drilling returned intercepts ranging up to 14.4 g/t gold and 1,060 g/t silver across 14.3 meters, and 10.8 g/t gold and 766 g/t silver across 24.8 meters ⁽¹⁾⁽²⁾. These high-grade intersections were of stratiform, Eskay-style sulphide-sulphosalt bearing mudstone occurring in close association with Eskay Creek rhyolite. Limited deep drilling by the Company in 2008 and 2010 indicated that similar volcanic and volcano-sedimentary host rocks, including the geochemically distinctive Eskay rhyolite, occur at depth beneath the Lulu zone, in the footwall of the Coulter Creek thrust fault, which truncates the Lulu zone at depth. Results from the Company's deep drilling conducted in 2008 included an intersection of 25.2 meters at a grade of 2.13 g/t gold, 4.0 g/t silver, 0.174% zinc and 0.124% lead ⁽³⁾ at 488 meters depth in the footwall to the thrust. The footwall stratigraphy, however, remained incompletely tested along what is a nearly 4 kilometer long trend, and this trend was the primary target of the program.

On October 19, 2017, the Company announced the completion of the first year's 9,336 m, 12 hole diamond drill program on its SIB property. As mentioned, the drill program was designed to test for precious metals enriched massive sulphide mineralization and prospective lithologies beneath the CCTF, immediately south-southwest along strike from Barrick's past-producing Eskay Creek mine. The CCTF is a north-south trending, east dipping structure that separates Eskay rhyolite and interbedded sedimentary rocks of the Salmon River Formation to the east, from Bowser Lake Group sedimentary rocks to the west. Ten drill holes targeted CCTF footwall rocks, while two holes targeted a potential northern extension of known mineralization in the CCTF hanging wall (LULU Zone).

Footnotes:

¹. McGuigan, P. J. (2002) *Technical Report on the Eskay Properties of Heritage Explorations Ltd. And Glenfred Holdings Inc.*

2. *Rebagliati, C. M. et al (1991) Diamond Drill Report on the Sib 1-16, 20-39 and Polo 1-13 Claims.*
3. *McKinley, S. D. (2008) 2008 Exploration on the Eskay Property.*

Holes testing the CCTF footwall were drilled on 100-250 m centers over a strike length of approximately 1 km on a north-south trend. Hanging wall holes were drilled off a single pad approximately 150m to the northeast of the LULU Zone. Bore-Hole-Transient-Electro-Magnetic (BHTEM), IP, magnetic and optical televiwer surveys were performed upon the completion of drill holes.

All of the 2017 drillholes targeting the CCTF footwall intersected alteration consistent with footwall alteration in a volcanogenic massive sulphide (VMS) setting (variably intense chlorite-sericite alteration); local sulphide-bearing veins were also intersected in a number of holes. Assays from the 2017 drilling were suggestive of the presence of two styles of mineralization: 1) disseminated sulphides hosting anomalous pathfinder elements within carbonaceous mudstone; and 2) polymetallic sulphide veins, locally up to 10 cm thick, consisting of pyrite, pyrrhotite, sphalerite, galena, +/- chalcopyrite and arsenopyrite. The former style occurs in mudstone stratigraphically overlying rocks correlative with the Eskay Creek Mine footwall rhyolite, and it has a similar geochemical signature to mineralization observed along the fringes of stratiform ore bodies at the mine. The polymetallic veins are hosted within the Eskay-type footwall rhyolite. A list of drillhole highlights from the 2017 drill program is given in Table 1.

Table 1: 2017 Drillhole Highlights

Hole	From (m)	To (m)	Length (m)	Au (g/t)	Ag (g/t)	Zn (%)	Pb (%)	As (ppm)	Sb (ppm)	Hg (ppm)
EK17-142	891.30	894.30	3.00	0.47	0.5	-	-	61	13	-
EK17-145	622.00	623.00	1.00	0.03	1.0	-	-	1980	241	3.58
EK17-146	221.00	223.00	2.00	0.30	1.5	0.02	-	352	57	-
EK17-147	337.63	339.19	1.56	0.02	0.3	0.04	0.01	972	89	-
EK17-148	132.30	135.30	3.00	0.02	5.2	0.04	-	3040	61	-
EK17-149	321.30	324.30	3.00	0.01	2.8	0.08	-	581	171	1.2
EK17-149	390.38	396.38	6.00	0.01	3.7	0.20	0.04	202	5	N/A
Incl.	395.38	396.38	1.00	0.03	11.6	0.44	0.11	667	7	N/A

N/A – Not analyzed

Preliminary BHTEM interpretation from the program has outlined a number of weak off-hole conductors, all located to the west of the drill holes by 25-100 metres. These are likely hosted by prospective rhyolitic or basaltic rocks of the Salmon River Formation.

Exploration – focused review of historical data

In late 2017, the Company also initiated a detailed review of all historical data collected from its extensive land package, which includes occurrences such as Red Lightning. This review, which differs from previous compilations in its more detailed scope, is intended to help focus field-based follow-up that will generate specific drill targets. That fieldwork will build on fieldwork undertaken in 2016 (See October 17, 2016 news release) and will likely consist of geological mapping, prospecting, geochemical sampling and local ground geophysical surveying, with drilling to follow, either later on in the 2018 field season, or in 2019. The compilation was undertaken by geologists Andrew Mitchell, Neil Prowse, and Arron Albano, under the supervision of Charlie Greig of C.J. Greig & Associates Ltd., all of whom are familiar with the area and who were closely involved in the 2017 SIB property exploration program that was funded by SSR Mining.

On July 11, 2018, the Company announced the second part of the three year program in which SSR Mining committed to spend \$4.0 million in the second season. The second part of the drill program is expected to reach 7,000 to 9,000 meters.

On the 2017-18 programs, SSR Mining was responsible for all deposits with the B.C Ministry of Energy and Mines in order to permit SSR Mining to conduct exploration and evaluation activities on Eskay's SIB Property. As a result, the B.C. Ministry of Energy and Mines refunded \$60,000 to the Company on August 7, 2018. On September 24, 2019, the Company entered into an agreement with SSR Mining and is now obligated to pay the sum of \$70,000 plus interest from January 30, 2019 at the prime rate of the Royal Bank of Canada plus 2% until the date of payment as reimbursement for the cash deposits made by SSR Mining.

The SIB property drilling targeted highly prospective precious metals-enriched VMS-style mineralization south along trend from Barrick's Eskay Creek mine, which was the world's richest volcanogenic massive sulphide (VMS) deposit in terms of precious metals grades - it produced 3.3 million ounces of gold and 159 million ounces of silver from 2.18 million tonnes of ore between 1994 and 2008, as previously reported by Barrick Gold Corporation ("Barrick").⁽⁴⁾ The mineralization and resources previously reported for the Eskay Creek Mine are not necessarily indicative of the mineralization, if any, hosted on the Company's property.

In 2018, Eskay and SSR Mining continued to systematically drill-test the prospective volcanic package beneath the Coulter Creek fault with widely-spaced, deeper holes from surface. This work was supported by airborne geophysical surveys, by down-hole geophysics to help detect proximal mineralization to drillholes, and by lithochemical sampling to map the distinctive alteration patterns common to VMS deposits.

2018 Exploration

The 2018 work focused on the westernmost part of the Corey property, in a largely unexplored belt adjacent to Garibaldi Resources' E & L nickel discovery (see attached figure). At its southern end, this belt encompasses the Company's Red Lightning prospect, in which drilling has returned up to 0.55% Ni over 10 m from magmatic sulphides hosted by mafic intrusive rocks.

In the same area, a belt of quartz-sericite-pyrite altered volcanic rocks is coincident with an extensive Au-in-soil geochemical anomaly and a number of encouraging broad and locally high- grade drill intercepts (e.g. 99.4 g/t Au over 1.5 m) and chip samples of up to 51.9 g/t gold. This is the partially-explored gold-rich C10-GFJ trend, within which a portion of the trend, bracketed by some of the most encouraging drill and surface sampling results, remains untested.

On September 18, 2018, the Company released the results of an extensive (136 km²) VTEM survey on its Corey property, along its boundary with properties to the west held by Garibaldi Resources and Metallis Resources as well as Red Lightning Ni-Cu trend in the same area Three distinct VTEM anomalies deemed worthy of immediate follow-up were identified. The "White Whale anomaly" occurs along strike of Garibaldi Resources' E&L occurrence and VTEM Anomaly A. The "Cascade anomaly" is adjacent to Metallis Resources' Thunder North zone, which is coincident with a series of easterly trending gossans that continue onto the Company's ground. The Sweet Virginia anomaly occurs along the Red Lightning Ni-Cu trend, within the Company's 100% owned ground.

Preliminary fieldwork has been carried out at all VTEM conductors. The area surrounding the White Whale anomaly is steep and partially covered with ice, but samples of talus fines returned highly anomalous Cu values ranging from 291 to 571 ppm, and a grab sample from an argillite horizon containing disseminated pyrite and chalcopyrite returned 0.55% Cu. Prospecting and stream sediment sampling along creeks draining the Cascade anomaly returned values of up to 351 ppm nickel, and a sample of float collected

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from a large boulder from within the most consistently anomalous drainage returned 817 ppm copper and 270 ppm Ni.

Footnotes:

4. BC Geological Survey MINFILE Database (<http://minfile.gov.bc.ca/Summary.aspx?minfilno=104B++008>).

The boulder appears to have fallen from the bluffs above, which could not be accessed from the drainage. Soil geochemical sampling at the Sweet Virginia anomaly outlined a northwest trending geochemical anomaly which yielded gold and silver values ranging up to 182 ppb and 7.4 ppm, respectively, with copper and zinc support.

On December 7, 2018, the Company reported the latest assay results and preliminary interpretations from the 2018 SIB property drill campaign. One highlight is that broad intervals of encouraging Volcanogenic Massive Sulphide (VMS) feeder-style mineralization were intercepted in two holes collared in the hangingwall of the Coulter Creek Thrust Fault (CCTF; figs 1-4). One of the holes, EK18-160, intersected 61.9 g/t gold and 8.9 g/t silver over 1.0 m within a 109.25 m interval grading 0.24 g/t gold, 3.6 g/t silver, 0.15% lead and 0.18% zinc, excluding the above-mentioned high-grade zone. Another hole, EK18-158, located 2.5 km south of EK18-160, cut several zones of gold mineralization, including an 11.93 m interval of elevated precious and base metals that included a 1.0 m interval of 2.81 g/t gold, 2.7 g/t silver, 0.10% lead and 0.11% zinc, and a 73.4 m interval grading 0.34 g/t gold.

Within the footwall of the CCTF, hole EK18-157 intersected sporadic gold mineralization over a 48 m wide zone (not fully sampled) which yielded anomalous gold geochemistry where sampled, and which graded up to 0.61 g/t Au. In this hole, the gold mineralization is hosted within rhyolite that is indistinguishable texturally and geochemically from that at the Eskay Creek mine, only 6 km distant to the north. Also of note is that hole EK18-157 represents the southwestern-most extent of drilling in the CCTF footwall. This suggests to the Company that exploration potential beneath Bowser Lake Group cover rocks in the footwall of the fault does indeed exist in this area, where favourable Eskay Rift stratigraphy remains untested, open to the south, and is well within reach of diamond drills. See Table 1 for drill highlights.

Table 1: 2018 SIB Property Drilling Highlights

Hole	Depth From (m)	Depth To (m)	Length (m)	Au g/t	Ag g/t	Zn ppm	Pb ppm
EK18-160	142.40	251.65	109.25	0.80	3.6	1833	1490
<i>including</i>	169.06	170.32	1.26	0.14	49.2	48800	36800
	201.97	203.10	1.13	1.85	20.0	28400	16650
	203.10	204.10	1.00	61.90	8.5	122	89
EK18-158	78.92	90.85	11.93	0.57	1.0	346	157
<i>including</i>	80.92	81.92	1.00	2.81	2.7	1125	1045
EK18-158	425.40	499.00	73.60	0.34	1.0	209	108
EK18-157	614.20	617.20	3.00	0.15	<0.5	90	16
EK18-157	619.20	620.20	1.00	0.61	<0.5	122	19

The 2018 drill campaign, fully funded by SSR Mining Inc. ("SSR Mining"), was designed to test for precious metals enriched VMS mineralization primarily in the footwall of the CCTF. The 2018 drill program consisted of 11 holes, including extensions of EK17-150 and -151 drilled in 2017 (See Table 2). Drilling reaffirmed our assertion that potential remains in the both hangingwall and footwall of the CCTF, and it expanded our understanding of the geometry of Eskay Creek-equivalent stratigraphy in the CCTF footwall. (See Figure 1). The Company is thankful to SSR Mining for its participation in exploration at SIB, and it looks forward to continuing that exploration by leveraging the knowledge and understanding gained in the programs funded by SSR Mining. Eskay is grateful to be able to maintain its 80 percent ownership share in the property along with minority partner Kirkland Lake Gold.

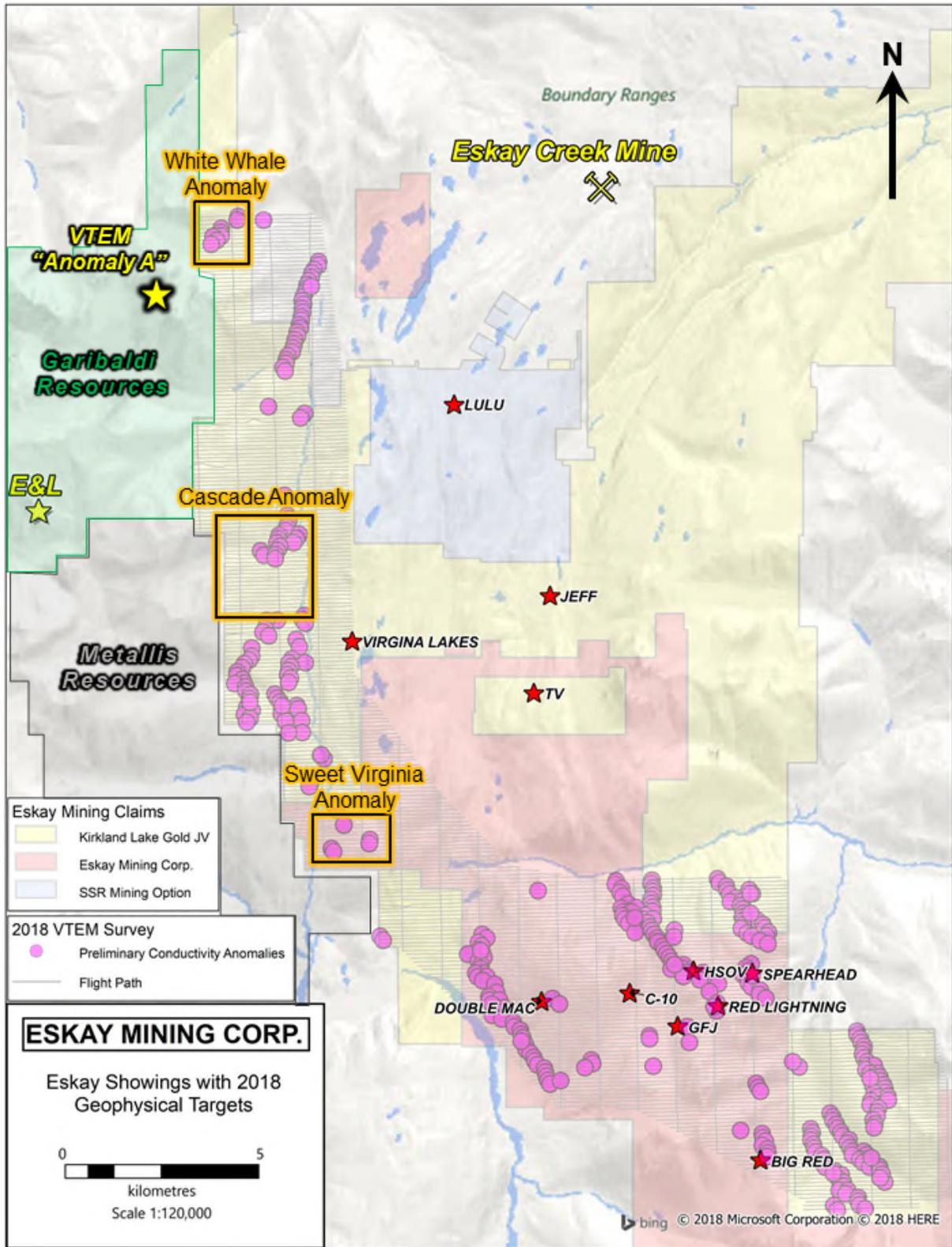


Table 2: 2018 Drill Collar Details

Hole Name	UTM NAD83 Easting	UTM NAD83 Northing	Elevation (m)	Length (m)	Azimuth	Dip
EK18-150X*	407563	6274156	960.98	452.30	100	-80
EK18-153*	408130	6274353	1139.06	592.05	293	-65
EK18-151X*	407420	6274024	954.59	375.00	110	-70
EK18-155*	407190	6274071	1005.70	1037.49	113	-53
EK18-154*	408424	6274903	1143.87	696.30	293	-70
EK18-156*	407545	6270945	795.00	1084.20	100	-75
EK18-157	407065	6273338	970.00	677.20	95	-54
EK18-158	408021	6273462	1103.00	939.55	264	-68
EK18-159*	407065	6273338	970.00	1266.30	95	-88
EK18-160	409232	6275687	1173.00	939.00	305	-54
EK18-161*	407065	6273338	970.00	1068.30	95	-70

*No significant results to report

2018 Details Of Drilling: Hangingwall Of The Coulter Creek Thrust Fault

Four holes were collared and drilled east to west in the hangingwall block of the CCTF (Figure 1). Two of the holes (EK18-158 and EK18-160), located 2.5 km apart, intersected broad zones of semi-massive pyrite, chalcopyrite, galena and sphalerite veins within silicified volcanic rocks of the Betty Creek formation (See Figures 2 and 3 for cross-sections, and Table 1 above for results).

EK18-160, in the Northern SIB enclave block, returned the highest gold grades of discordant, VMS “feeder-style” mineralization ever drilled on the SIB property. Areas up-stratigraphy have been explored by wide-spaced shallow drilling but remain untested for up to 200 m up-dip, and for approximately 850 m along strike (total length of the enclave claim block); this represents an area that is open for further exploration drilling.

EK18-158 encountered several broad zones of anomalous gold mineralization in the hangingwall of the CCTF, including a 73.6 m wide intercept within silicified intermediate to felsic volcanic rocks that returned 0.34 g/t gold. EK08-134, located about 150 m north of EK18-158, encountered similar alteration and mineralization at the same stratigraphic level and returned 2.19 g/t gold over 20.20 m. We interpret these mineralized zones to represent VMS feeder systems, which remain largely untested in areas up-stratigraphy and along strike; it represents another highly prospective target.

2018 Details Of Drilling: Footwall Of The Coulter Creek Thrust Fault—A New Geologic Interpretation Yielding Exciting Drill Targets In Eskay-Equivalent Salmon River Formation Stratigraphy

Six drill holes were collared in the footwall of the CCTF in 2018, and similar to the 10 holes drilled in the same area in the 2017 SIB program, typically drilled blind through as much as 450 meters of Bowser Lake Group cover rocks. In the geology beneath the cover, the holes revealed complex relationships among basaltic pillowed flows and rhyolite flows and flow-domes of the Salmon River

formation. These relationships are in part manifest as abrupt along-strike thickness changes (e.g., cross-section shown in Figure 4) that are interpreted to represent significant syn-volcanic tectonism coincident with active subsea volcanism. Such apparently active extensional faulting and microbasin development in a sea-floor environment is considered essential to the formation and preservation of massive sulfide deposits. This is particularly significant given that the host rocks are essentially indistinguishable geochemically and lithologically from the distinctive rocks which host the orebodies at the Eskay Creek mine. Importantly, given our new understanding of the geology, the steeply easterly dipping lithological contact between basalt and rhyolite, which hosts the orebodies at the Eskay Creek deposit, remains untested to the south.

The southernmost hole drilled during the 2018 SIB program (EK18-157) intersected a 48 m wide zone (between 614.2 and 662.2 m) of intermittent intervals containing elevated gold within silicified tuffaceous and flow-banded rhyolite. It is the Company's view that significant exploration potential remains in the CCTF footwall, particularly southward from the area drilled in 2017 and 2018, from which it is now inferred that the prospective rhyolite package appears to be thickening. The favourable Eskay stratigraphy remains open and untested to the south, well within reach of diamond drilling.

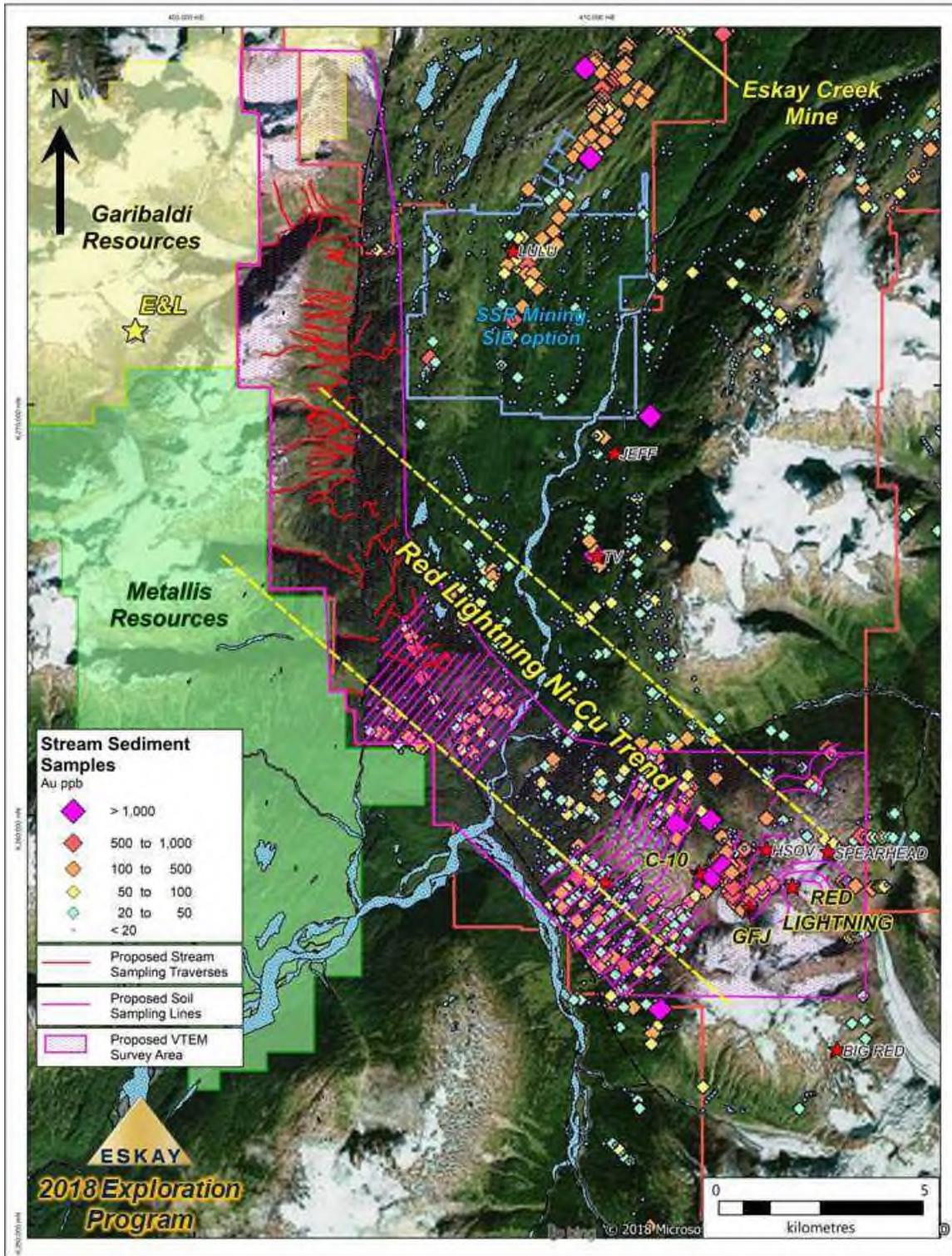
In summary, the 2018 drilling season at SIB was a success. It confirmed that the highly prospective conceptual stratigraphic target existed within the footwall of the CCTF, was reachable with the diamond drill and was mineralized. In addition, in discovering new gold mineralization within the hangingwall of the CCTF, the Company has shown that even the northern part of the SIB property retains its excellent exploration potential.

2019 Exploration

Some of the work which had been planned for 2018 was, in the end, deferred, and it was hoped that it could be run in 2019. In the end, due to weak markets and funding issues, no ground-based exploration was undertaken by the Company in 2019. Some of planned 2018-19 fieldwork is worthy of mention, however. It was to focus largely on the westernmost part of the Corey property, on the underexplored belt adjacent to Garibaldi Resources' E & L nickel discovery (see figure). At its southern end, this belt encompassed the Company's Red Lightning prospect, in which drilling has returned up to 0.55% Ni over 10 m from magmatic sulphides hosted by mafic intrusive rocks.

In the same area, a belt of quartz-sericite-pyrite altered volcanic rocks is coincident with an extensive Au-in-soil geochemical anomaly and a number of encouraging broad and locally high-grade drill intercepts (e.g. 99.4 g/t Au over 1.5 m) and chip samples of up to 51.9 g/t gold. This is the partially-explored gold-rich C10-GFJ trend, within which a portion of the trend, bracketed by some of the most encouraging drill and surface sampling results, remains untested.

The planned ground-based exploration was to focus on follow-up to a deep-imaging VTEM airborne geophysical survey that was flown in 2018 and that had been employed to good effect by Garibaldi Resources. The survey was flown over the length of the prospective belt, encompassing the virtually unexplored western border of the Company's landholdings next to those of Garibaldi Resources and Metallis Resources, and it extended southeast over the length of the Red Lightning Ni-Cu Trend (see figure). An extensive ground-based field program was to follow, consisting of prospecting, rock, soil, and stream sediment sampling, along with reconnaissance mapping. The work on the ground was to help identify drill targets, and while it was never undertaken, it remains a priority of the Company and will be considered in future plans.



2020 Exploration

In 2020, the Company focused on a number of areas of both the JV and Corey properties. Central to this was a review and resampling of previously drilled core that was mainly stored at the Corey Camp, near the confluence of Sulphurets Creek with the Unuk River. Observations on core from a number of prospects strongly suggests that these systems display features common to volcanogenic massive sulphide (“VMS”) systems, which are sulphide-rich acculations formed around sea-floor “black smokers” associated with submarine hot springs. Such deposits typically occur in clusters on the sea floor, and once the sea-floor rocks have been uplifted and exposed in a continental or island landmass, they may form a mineral district, such as the Noranda district in Quebec, Flin-Flon in Manitoba, or Buchans in Newfoundland. Our new work suggests that the partially explored systems on the JV and Corey properties may potentially comprise a greater Eskay Creek VMS district.

Highlights from the 2020 Exploration Program:

Recent review of historic diamond drill core from holes drilled at numerous prospects within Eskay's land tenure indicates that these systems all display a volcanogenic massive sulphide (“VMS”) affinity.

- **Cumberland Prospect:** Precious and base metal bearing core from this prospect displays textural and mineralogical characteristics typical of footwall feeder style VMS mineralization. Interestingly, the host rock to this mineralization appears to be rhyolite, quite possibly the same rhyolite that comprises the footwall of the Eskay Creek deposit located approximately 20 km to the north. Given that there has been no prior recognition of this important unit in this area, this is a potentially important discovery and may suggest that the Cumberland VMS system formed during the same time period and at the same stratigraphic position as Eskay Creek. In terms of exploration potential, Eskay Mining thinks there is now good potential to find more VMS mineralization in the vicinity of Cumberland.
- Like core from Cumberland, precious and base metal bearing core from the Red Lightning Prospect appears to be footwall feeder style VMS mineralization hosted by rhyolite. Given that Red Lightning is approximately 7 km southeast of Cumberland, this opens up the further possibility that significant extensions of the Eskay Creek VMS camp are present in this region, nearly 25 km south of the Eskay Creek deposit.
- Precious metal rich core from the C10 Prospect situated between Red Lightning and Cumberland appears to contain abundant sulphate minerals including anhydrite and possibly barite in addition to sulphide minerals. This mineralogy suggests a possible “white smoker” origin. White smokers, like black smokers, form from sea floor hot springs, but result in accumulations of sulphate rather than sulfide minerals.
- Core from both the TV and Jeff Prospects displays accumulations of precious and base metal bearing sulphides hosted in mudstone that is interbedded with basalt flows. This mudstone may be the same as that which hosts mineralization at the Eskay Creek deposit approximately 13 km to the north. If so, then this is the most southerly documented occurrence of Eskay Creek mudstone in the region. Interestingly, none of the holes at TV and Jeff encountered footwall rhyolite, the rock unit typically encountered immediately beneath high grade mineralization at Eskay Creek. This strongly suggests that further and deeper drilling is warranted in the area of the TV and Jeff prospects.
- Core from the SIB and Lulu Prospects, situated approximately 7 km south-southwest of the Eskay Creek deposit, appears to be precious and base metal bearing footwall feeder style VMS mineralization hosted by rhyolite. This implies that exploration for mudstone hosted Eskay Creek style VMS mineralization is warranted in this area. Although mudstone is recognized nearby, this unit has not been adequately tested by historic drilling.

During the 2020 field season, Eskay Mining conducted several geophysical surveys over number of parts of the property to help evaluate the geological prospects discussed above. This work had a particular focus on generating priority drill targets for diamond drill testing, either this season (please refer to the Company's news releases dated June 22, 2020 and July 28, 2020 for more details) or next. The

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Company contracted an airborne Skytem electromagnetic survey, and ran ground based induced polarization and magnetotelluric surveys in the TV-Jeff and Spearhead-C10-Tet prospect areas. As the data is fully processed and interpreted, it will be presented to the market along with further proposed drill targets.

The Company also undertook a property-wide BLEG (Bulk Leachable Extractable Gold) sampling program across both the Corey and JV project areas, with approximately 125 samples collected that will help characterize and prioritize further work in individual drainage basins.

Deposits and Exploration Advances

As at August 31, 2020, the Company had \$72,870 (February 29, 2020 - \$72,870) of deposits and exploration advances held by the provincial government of British Columbia. Such deposits were required by the B.C Ministry of Energy and Mines in order to permit the Company to conduct exploration and evaluation activities in that province.

Financial Highlights

Financial Performance

Three Months Ended August 31, 2020, Compared with Three Months Ended August 31, 2019

Eskay's net loss totaled \$2,199,493, for the three months ended August 31, 2020, with basic and diluted loss per share of \$0.02. This compares with a net loss of \$134,990 with basic and diluted loss per share of \$0.00 for the three months ended August 31, 2019. The increase of \$2,064,503 was principally because:

- During the three months ended August 31, 2020, exploration and evaluation expenditures increased by \$2,051,019 compared to the three months ended August 31, 2019. See "Mineral Properties Interest" section above for a description of activities.
- The increase in share-based payments of \$453,575 for the three months ended August 31, 2020, compared to the three months ended August 31, 2019, was due to 1,850,000 stock options issued in the 2020 period while nil options were issued in the 2019 period. Share-based payments will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.
- The increase in flow-through share liability recovery of \$652,041 for the three months ended August 31, 2020, compared to \$nil for the three months ended August 31, 2019. This is due to the issuance of flow through shares during the three months ended August 31, 2020.
- During the three months ended August 31, 2020, management and consulting fees decreased by \$67,500 compared to the three months ended August 31, 2019 due to the accrual of \$75,000 of directors fees covering the prior periods during the three months ended August 31, 2019.
- During the three months ended August 31, 2020, professional fees increased by \$41,179 compared to the three months ended August 31, 2019 due to the increased legal fees related to the closing of the private placements and the annual meeting which occurred during the three months ended August 31, 2020.
- All other expenses related to general working capital purposes.

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Six Months Ended August 31, 2020, Compared with Six Months Ended August 31, 2019

Eskay's net loss totaled \$2,595,776, for the six months ended August 31, 2020, with basic and diluted loss per share of \$0.02. This compares with a net loss of \$379,811 with basic and diluted loss per share of \$0.00 for the six months ended August 31, 2019. The increase of \$2,215,965 was principally because:

- During the six months ended August 31, 2020, exploration and evaluation expenditures increased by \$2,359,353 compared to the six months ended August 31, 2019 of \$3,856. See "Mineral Properties Interest" section above for a description of activities.
- The increase in share-based payments of \$276,075 for the six months ended August 31, 2020, compared to the six months ended August 31, 2019, was due to 1,850,000 stock options issued with a weighted average exercise price of \$0.28 in the 2020 period while 2,500,000 stock options with a weighted average exercise price of \$0.08 were issued in the 2019 period. Share-based payments will vary from period to period depending upon the number of options granted and vested during a period and the fair value of the options calculated as at the grant date.
- The increase in flow-through share liability recovery of \$652,041 for the six months ended August 31, 2020, compared to \$nil for the six months ended August 31, 2019. This is due to the issuance of flow through shares during the six months ended August 31, 2020.
- During the six months ended August 31, 2020, management and consulting fees decreased by \$60,000 compared to the three months ended August 31, 2019 due to the accrual of \$75,000 of directors fees covering the prior periods which occurred during the three months ended August 31, 2019.
- During the six months ended August 31, 2020, professional fees increased by \$62,463 compared to the six months ended August 31, 2019 due to the increased legal fees related to the closing of the private placements and the annual meeting which occurred during the six months ended August 31, 2020.
- All other expenses related to general working capital purposes.

Cash Flow

At August 31, 2020, the Company had cash of \$4,343,125 compared to \$177,307 at February 29, 2020. The increase in cash of \$4,165,818 was as a result of cash inflow in financing activities of \$6,612,375 which was due to proceeds from private placements of \$6,202,000, proceeds from the exercise of stock options of \$117,150 and proceeds from the exercise of warrants of \$306,000, and offset by share issuance costs of \$12,775.

Operating activities were affected by net loss of \$2,595,776, non-cash adjustments of \$35,642, and non-cash working capital items of \$184,861. Non-cash adjustments consisted of share-based payments of \$453,575, accretion of \$1,120, warrant modification expense of \$161,704, and was offset by flow through share recovery liability of 652,041. Non-cash working capital balances consisted of an increase in amounts receivable of \$140,626, an increase in prepaid expenses of \$14,728, an increase in accounts payable and accrued liabilities of \$400,164 and a decrease in amounts due to related parties of \$59,949.

Liquidity and Financial Position

The activities of the Company, principally the acquisition, exploration and evaluation of mineral properties, are financed through equity offerings and the exercise of warrants or options. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The Company has no operating revenues and therefore must utilize its current cash reserves and other financing transactions to maintain its capacity to meet ongoing discretionary and committed exploration and operating activities.

At August 31, 2020, the Company had a working capital surplus of \$3,054,849 (February 29, 2020 – working capital deficiency \$497,021).

As at August 31, 2020, the Company has no debt. Its credit and interest rate risk is minimal and amounts payable and other liabilities are short term and non-interest bearing.

The Company has traditionally supplemented equity financing from time to time by obtaining loans from related parties. These are used to provide interim, short-term financing to meet day-to-day cash flow needs on occasion, and are not intended to be a long-term source of capital.

The Company's use of cash at present occurs, and in the future will occur, principally in two areas, namely, funding of its general and administrative expenditures and funding of its investment activities. Those investing activities include the cash components of the cost of acquiring and exploring its mineral claims. For fiscal 2021, the Company's expected operating expenses are estimated to be \$20,000 to \$30,000 per month for recurring operating costs. The Company will continue to evaluate its exploration projects and is currently estimates its exploration budget to be \$3,170,000.

The Company is anticipated to have sufficient cash to fund its operating expenses and exploring its mineral claims for the twelve months ended August 31, 2021. The Company has sufficient funds both exploration work and working capital requirements. The major variables are expected to be the size, timing and results of the Company's exploration program and its ability to continue to access capital to fund its ongoing operations.

Flow-through commitment

The Company is obligated to spend \$4,539,750 by December 31, 2022. As at August 31, 2020, the Company had spent \$2,051,000 of funding as part of the flow-through funding agreement for shares issued in June to August 2020. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments.

Related Party Transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Eskay was a party to the following transactions with related parties:

Eskay Mining Corp.
Interim Management's Discussion & Analysis – Quarterly Highlights
Three and Six Months Ended August 31, 2020
Discussion dated: October 23, 2020

	Three Months Ended August 31, 2020 \$	Three Months Ended August 31, 2019 \$	Six Months Ended August 31, 2020 \$	Six Months Ended August 31, 2019 \$
Professional Fees				
Marrelli Support Services Inc. ⁽⁵⁾	6,375	6,537	12,605	12,955
Gardiner Roberts LLP. ⁽⁶⁾	58,658	0	76,078	0
Total	65,033	6,537	88,683	12,955

	Three Months Ended August 31, 2020 \$	Three Months Ended August 31, 2019 \$	Six Months Ended August 31, 2020 \$	Six Months Ended August 31, 2019 \$
Management and Consulting Fees				
Hugh M. Balkam ⁽¹⁾	9,000	9,000	18,000	18,000
Balkam Partners Ltd. ⁽²⁾	27,000	27,000	54,000	54,000
Marrelli Support Services Inc. ⁽³⁾	5,610	5,610	11,220	11,220
Robert Myhill ⁽⁴⁾	3,750	37,500	7,500	37,500
Gordon McMehen ⁽⁴⁾	3,750	37,500	7,500	37,500
Total	49,110	116,610	98,220	158,220

⁽¹⁾ Fees for performing the function of Chief Executive Officer.

⁽²⁾ Management fees charged by Balkam Partners Ltd., a company controlled by Hugh M. Balkam, an officer of the Company. As at August 31, 2020, Balkam Partners Ltd. and Hugh M. Balkam were owed \$9,637, (February 29, 2020 - \$362,132) and these amounts were included in amounts due to related parties.

⁽³⁾ Fees for performing the function of Chief Financial Officer ("CFO") charged by Marrelli Support Services Inc., a company controlled by Carmelo Marrelli, CFO of the Company.

⁽⁴⁾ Professional fees charged by Marrelli Support Services Inc., a company controlled by Carmelo Marrelli, CFO of the Company. As at August 31, 2020, the Company owed Marrelli Support Services Inc. \$4,530 (February 29, 2020 - \$24,915).

⁽⁵⁾ As at August 31, 2020, Hugh M. Balkam, an officer of the Company, was owed \$nil (February 29, 2020 - \$31,782) which pertained to interest accrued on a loan advanced to the Company during the year ended February 29, 2012.

⁽⁶⁾ As at August 31, 2020, the Company owed certain officers, directors and parties related to officers and directors \$68,116 (February 29, 2020 - \$458,407), excluding interest disclosed in (5) above, in relation to the transactions described above. These balances are unsecured, non-interest bearing and due on demand.

⁽⁷⁾ During the three and six months ended August 31, 2020, the Company paid professional fees and disbursements of \$58,658 and \$76,078, respectively (three and six months ended August 31, 2019 - \$5,818 and \$6,982, respectively) to Gardiner Roberts LLP ("Gardiner"), a law firm of which William R. Johnstone, Corporate Secretary of the Company, is a partner. These services were incurred in the normal course of operations for general corporate matters. As at August 31, 2020, Gardiner is owed \$48,779 (February 29, 2020 - \$13,257) and this amount is included in amounts due to related parties. These balances are unsecured, non-interest bearing, and due on demand.

During the six months ended August 31, 2020, an insider of the Company subscribed for 2,452,941 WC Units for \$417,000, in connection to the June 22, 2020 private placement.

During the six months ended August 31, 2020, the Company granted 1,500,000 stock options to directors and consultants at \$0.24 per share for five years expiring June 24, 2025. These options vested immediately and have a grant date fair value of \$308,850, estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 146% based on the Company's historical volatility; share price of \$0.23; risk-free interest rate of 0.38% and an expected life of five years.

To the knowledge of the Company, as at August 31, 2020, Hugh Balkman, a director of the Company owns 16,683,345 common shares of the Company carrying approximately 14.10% of the voting rights attached to all common shares of the Company. As at August 31, 2020, directors and officers of the Company control an aggregate of 30,308,431 common shares of the Company or approximately 25.62% of the shares outstanding.

The Company is currently not aware of any arrangements that may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

Environmental Contingency

The Company's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. As of August 31, 2020, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

Subsequent events

No significant transactions after August 31, 2020.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risks and Uncertainties" in the Company's Annual MD&A for the fiscal year ended February 29, 2020, available on SEDAR at www.sedar.com.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed interim financial statements; and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited condensed interim financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.