



GLOBAL ENERGY METALS CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020 AND
2019**

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Management's Discussion and Analysis contains "forward-looking statements" within the meaning of Canadian securities legislation. These forward-looking statements are made as of the date of this Management's Discussion and Analysis.

In certain cases, forward-looking statements can be identified by the use of words such as "believe", "intend", "may", "will", "should", "plans", "anticipates", "believes", "potential", "intends", "expects" and other similar expressions. Forward-looking statements reflect our current expectations and assumptions and are subject to a number of known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements, the actual results of exploration activities, the estimation or realization of mineral reserves and resources, capital expenditures, costs and timing of the development of new mineral deposits, requirements for additional capital, future prices of precious and base metals, possible variations in ore grade or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes, road blocks and other risks of the mining industry, delays in obtaining governmental approvals, permits or financing or in the completion of development or construction activities, currency fluctuations, title disputes or claims limitations on insurance coverage and the timing and possible outcome of pending litigation and the timing or magnitude of such events are inherently risky and uncertain.

Key assumptions upon which the Company's forward-looking statements are based include the following:

- *the prices for based metals will not fall significantly;*
- *the Company will be able to secure new financing to continue its exploration, development and operational activities;*
- *there being no significant adverse changes in currency exchange rates;*
- *there being no significant changes in the ability of the Company to comply with environmental, safety and other regulatory requirements;*
- *the Company is able to obtain regulatory approvals (including licenses and permits) in a timely manner;*
- *the absence of any material adverse effects arising as a result of political instability, terrorism, sabotage, natural disasters, equipment failures or adverse changes in government legislation or the socio-economic conditions in the surrounding area to the Company's operations;*
- *the Company's ability to achieve its growth strategy;*
- *the Company's operating costs will not increase significantly; and*

These assumptions should be considered carefully by investors. Investors are cautioned not to place undue reliance on the forward-looking statements or the assumptions on which the Company's forward-looking statements are based.

Investors are advised to carefully review and consider the risk factors identified in this Management's Discussion and Analysis under the heading "Risk Factors" for a discussion of the factors that could cause the Company's actual results, performance and achievements to be materially different from

any anticipated future results, performance or achievements expressed or implied by the forward-looking statements. Investors are further cautioned that the foregoing list of assumptions is not exhaustive and it is recommended that prospective investors consult the more complete discussion of the Company's business, financial condition and prospects that is included in this Management's Discussion and Analysis. The forward-looking statements contained in this Management's Discussion and Analysis are made as of the date hereof and, accordingly, are subject to change after such date.

Although the Company believes that the assumptions on which the forward-looking statements are made are reasonable, based on the information available to the Company on the date such statements were made, no assurances can be given as to whether these assumptions will prove to be correct. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except as, and to the extent, required by applicable securities laws. The forward-looking statements contained in this Management's Discussion and Analysis are expressly qualified by this cautionary statement.

1.1 Date

The following management's discussion and analysis ("MD&A"), which is dated of November 26, 2020, provides a review of the activities, results of operations and financial condition of Global Energy Metals Corp ("Global Energy", "GEMC" or "Company") as at September 30, 2020 and for the three months ended September 30, 2020 as well as future prospects of the Company. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements as at and for the three months ended September 30, 2020 as well as with the audited consolidated financial statements as at and for the year ended June 30, 2020 (the "audited financial statements"). All dollar amounts in this MD&A are expressed in Canadian dollars unless otherwise specified (the Company's financial statements are prepared in Canadian dollars).

1.2 Overall Performance

1.2.1 General

The Company was incorporated under the provisions of the British Columbia Business Corporations Act on April 27, 2015.

The Company is a reporting issuer under the Securities Act (British Columbia) and thereunder is required to make filings on a continuous basis. All disclosure filings as required under applicable securities laws are available for review under the Company's SEDAR profile at www.sedar.com.

The Company's head office is located at Suite 1501-128 West Pender Street, Vancouver, British Columbia, V6B 1R8, and its registered and records office is located at suite 530-355 Burrard Street, Vancouver, BC. V6C 0B2.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2020.

1.2.2 Stated Business Objectives

The Company is engaged in project level investments in the resource sector, with a focus on late stage, near-development and in-production "world class" mining projects globally. The Company's strategy is to co-invest and pre-invest in metals and mining projects, alongside GEMC's select off-take and strategic partners, in long-term accretive projects. GEMC's investment focus is on robust projects, which have been significantly de-risked and are positioned in the lower half of their sector's cost curve, thus increasing the potential for strong capital gains throughout the commodity life cycle.

The company targets high quality metals and mining companies with an emphasis on those metals associated with the rechargeable battery market and energy storage sector. GEMC's strategy is to aggregate cobalt and other battery metals projects positioned to supply accelerating market demand for battery materials, within a diversified portfolio designed to hedge individual commodity and stand-alone project risk.

The Company's continuing operations, as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of or participation in an interest in properties, assets or businesses.

1.2.3 Recent Developments

On November 20, 2020 the Company announced the cancellation of 480,647 stock options including those held by directors, officers, advisors and consultants. In addition to the cancellation of these options and pursuant to its stock option plan, the Company has granted stock options to directors, officers, advisors and consultants of the Company, in the amount of 1,175,000 common shares, exercisable at \$0.275 per share for a period of five years vesting immediately.

Granting of the options is subject to TSX Venture Exchange approval.

Debt Settlement

The Company further announced that the board of directors has approved the settlement of up to \$76,180.45

of debt through the issuance of common shares of the Company (the "Debt Settlement"). Pursuant to the Debt Settlement, the Company would issue up to 277,020 common shares of the Company at a deemed price of \$0.275 per share to certain creditors of the Company, including certain of its directors, officers and consultants (the "Creditors").

The issuance of the shares to the creditors is subject to the approval of the TSX Venture Exchange. All securities issued will be subject to a four month hold period which will expire on the date that is four months and one day from the date of issue.

As certain insiders participated in the debt settlement, it is considered to be a "related party transaction" under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). All of the independent directors of the Company, acting in good faith, considered the transactions and have determined that the fair market value of the securities being issued to insiders and the consideration being paid is reasonable. The Company intends to rely on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(b) and 5.7(b) of MI 61-101.

On October 1, 2020, the Company formed a new, wholly-owned U.S. subsidiary – U.S. Battery Metals Corporation with the purposes of searching business opportunities in United States of America.

On September 28, 2020, the Company completed a private placement for 5,278,000 units at a price of \$0.125 per unit for a total of \$659,750. Each unit consisted of one common share and one transferable common share purchase warrant at an exercise price of \$0.15 for 3 years from the date of issuance. The Company paid finders' fees as follows: \$19,160 and 153,280 broker warrants, each

broker warrant at an exercise price of \$0.15 for 12 months from the date of issuance

On September 16, 2020, the Company issued 1,000,000 common shares to Primus Resources, L.C. and 750,000 common shares to Nevada Sunrise Corp. as part of the acquisition agreement dated April 7, 2020 (Note 6). The Shares issued to Primus and Nevada Sunrise will be subject to voluntary escrow provisions in addition to applicable statutory and Exchange imposed hold periods.

On August 20, 2020, the Company announced that effective on August 25, 2020, the implementation of share consolidation of all of the issued and outstanding share capital on a 10 old for 1 new basis.

The post-consolidation share capital of the Company at June 30, 2020 is described in the below table:

	Pre-Consolidation	Post-Consolidation
Common Shares	97,301,171	9,730,117
Options	4,806,482	480,648
Warrants	18,270,000	1,827,000

On July 23, 2020 the Company entered into a definitive purchase agreement to sell a portfolio of royalty interests to Electric Royalties Ltd. on the Millennium Cobalt Project, the Mt. Dorothy Cobalt Project and the Cobalt Ridge Project located in Queensland Australia.

Initial Royalty

Pursuant to the terms of the agreement announced on February 27, 2020, in consideration for a 0.5% gross metal royalty (the "Royalty") on Millennium and the Mount Isa Projects, Electric Royalties will issue to Global Energy Metals 1.15 million shares (the "Consideration Shares") in Electric Royalties and make a CAD \$150,000 cash payment. The Consideration shares will be escrowed and have a staged vesting period over eighteen months.

Additional Royalties Option

Electric Royalties, has also been granted a call option ("First Option"), exercisable at any time, for a period of two years from the Effective Date, to acquire a 0.5% royalty on the Net Smelter Returns from the Millennium Cobalt Project (the "Millennium NSR"), by paying C\$500,000 to Global, payable up to 25% in shares of ERL, at ERL's election.

Upon exercise of the First Option, ERL will have a call option, exercisable on the earlier of: (i) the third anniversary of the Closing Date and (ii) six months from the date that a preliminary economic analysis or similar study on the Millennium Project is provided to ERL, to increase the Millennium NSR by a further 1%, by paying C\$1,000,000 to Global, payable up to 25% in shares of ERL, at the election of ERL.

On April 7, 2020 the Company announced that it has successfully negotiated and entered into an agreement (the "Agreement") with Nevada Sunrise Gold Corp. ("Nevada Sunrise") and Primus Resources L.C. ("Primus") pursuant to which Global Energy Metals will accelerate and acquire an ownership interest in the Nevada-based Lovelock and Treasure Box battery minerals projects (the "Property"). This Agreement replaced and superseded the original option agreement made as of January 21, 2019 pursuant to which Nevada Sunrise granted to Global Energy Metals an option to purchase an undivided 85% interest in the Property. The Agreement provides Global Energy with a controlling interest over the Property earlier than planned in the previous earn-in agreement, empowering GEMC to explore and develop the asset in a timely and expedited manner but without the project expenditure outlay and strict timelines originally contemplated.

Main Terms of the Accelerated Ownership Agreement

Upon the satisfactory completion of certain closing conditions, the accelerated ownership Agreement provides, among other things, that Global Energy Metals will purchase an 85% interest in the

Property, with Nevada Sunrise retaining a 15% in the Property, subject to a 2% net smelter royalty in favour of Primus provided for in the underlying option agreement between Primus and Nevada Sunrise. A joint venture between Global and Nevada Sunrise will be formed to further explore and develop the Property.

In consideration for the entering into of this Agreement and for the accelerated transfer of the Property to as to an undivided 85% interest and Nevada Sunrise as to an undivided 15% interest, Global Energy Metals shall on Closing:

1. Pay to Primus the sum of USD \$35,000 (the "Cash Payment");
2. Issue to Primus 1,000,000 Common Shares of Global (after the share consolidation completed after the year end, Note 13), at the deemed price of CDN \$0.10 a share; and
3. Issue to Nevada Sunrise 750,000 Common Shares of Global (after the share consolidation completed after the year end, Note 13), at the deemed price of CDN \$0.10 a share and forego the originally contemplated exploration expenditures of USD \$1 million.

4. The Shares issued to Primus and Nevada Sunrise will be subject to voluntary escrow provisions in addition to applicable statutory and Exchange imposed hold periods.

Upon the earlier of 1 year or CDN \$1 million of project expenditures incurred by Global Energy Metals, both Global Energy Metals (85%) and Nevada Sunrise (15%) would fund joint venture expenditures pro rata to their joint venture interest or be diluted to a 1% Net Smelter Royalty ("NSR"). The NSR can be repurchased by either party for CDN \$1 million.

Primus will maintain its current NSR on the Nevada Projects being 2% with Global Energy Metals having the right, exercisable at any time, to purchase up to 50% of the Royalty granted to Primus by payment to Primus of \$1,500,000 subject to a protection hedge against inflation of the U.S. Dollar, using an agreed upon price of \$3.25 per pound copper. Upon payment of \$1,500,000 or the cash value of 462,000 (four hundred, sixty-two thousand) pounds of copper, whichever value is greater at the time of the purchase of half of the Royalty, the Royalty shall be reduced to 1% of Net Smelter Returns.

The Closing and the obligations of the parties to complete the purchase and sale of the property is subject to the following conditions precedent being met on or before June 30, 2020:

1. Global completing a consolidation of its common shares on the basis of ten existing common shares for one post-consolidation share;
2. Global completing a financing by way of a non-brokered private placement of its common shares for a minimum of \$200,000 on terms and conditions satisfactory to Global;
3. All consents required from any Government or Regulatory Authority to the transactions contemplated by this Agreement being obtained;
4. Nevada Sunrise receiving all approvals required from its board of directors;
5. Global receiving all approvals required from its board of directors; and Primus receiving all approvals required from its President, to whom such authority is delegated by the board of members.

On April 6, the Company announced that exceptional cobalt, copper and gold recovery results have been received from its Millennium Project metallurgical test-work cooperative initiative completed by Cobalt Blue Holdings (ASX:COB) using its processing technology.

Highlights of the test work:

- High grade separate copper and cobalt concentrate can be readily floated from samples from the Millennium deposit.
- Excellent float recoveries of 93% cobalt (Co), 93% copper (Cu), and 80% gold (Au) into concentrates.
- Cobalt Blue Process successfully treated the cobalt concentrate for extraction of 90% Co, 95% Cu with 90% of the Au extracted in two steps.
- 10% in Cobalt Blue Process followed by 80% in cyanide leach of the Cobalt Blue Process residue.
- Cobalt Blue recommends that a Preliminary Economic Assessment be completed, to evaluate the

total project costs and determine if the project should be advanced to a Pre-Feasibility Study (“PFS”).

On February 27, 2020 the Company announced entered into a letter of intent (“LOI”) with Electric Royalties Ltd. (“Electric Royalties”) for the sale of royalties on Global Energy’s 100% owned Millennium Cobalt Project, the Mt. Dorothy Cobalt Project and the Cobalt Ridge Project (the “Royalty Portfolio”) located in Queensland, Australia (the “NSR Sale”).

Initial Royalty

Pursuant to the terms of the LOI, in consideration for a 0.5% gross metal royalty (the “Royalty”) on Millennium and the Mount Isa Projects, Electric Royalties will issue to Global Energy Metals 1.15 million shares (the “Consideration Shares”) in Electric Royalties and make a CAD \$150,000 cash payment on the date of completion of the Transaction as mutually agreed to by the parties (the “Closing Date”). The Consideration shares will be escrowed and have a staged vesting period over eighteen months.

Additional Royalties Option

ERL, will also be granted a call option (“First Option”), exercisable at any time, for a period of two years from the Effective Date, to acquire a 0.5% royalty on the Net Smelter Returns from the Millennium Cobalt Project (the “Millennium NSR”), by paying C\$500,000 to Global, payable up to 25% in shares of ERL, at ERL’s election.

Upon exercise of the First Option, ERL will have a call option, exercisable on the earlier of: (i) the third anniversary of the Closing Date and (ii) six months from the date that a preliminary economic analysis or similar study on the Millennium Project is provided to ERL, to increase the Millennium NSR by a further 1%, by paying C\$1,000,000 to Global, payable up to 25% in shares of ERL, at the election of ERL.

Completion of the NSR Sale is subject to the satisfaction of certain closing conditions.

1.2.4 Property Holdings

At September 30, 2020, and the date of this report the Company’s interests in exploration and evaluation assets are located in Canada, the United States and in Australia.

Werner Lake Cobalt Project

On January 19, 2016, the Company acquired exploration and evaluation assets in the Werner Lake mineral belt in the Kenora Mining Division, Ontario, Canada from Global Cobalt Corp. (“GCO”) with a fair value of \$2,953,185. From 2008 to 2010, GCO acquired certain claims in the Werner Lake mineral belt from three optionors: Benton Resources Corp. (“Benton”), Commerce Capital Inc. (“Commerce”), and Teck Resources Ltd. (“Teck”), together the Werner Lake Project (“Werner Lake”). Pursuant to an agreement between Puget Ventures Inc. (“Puget”, later known as GCO) and Commerce, Puget acquired all of Commerce interest in the property. Commerce received a payment of \$1 million and the claims acquired from Commerce are subject to a 2% net smelter return (“NSR”) on all ores, minerals or concentrates produced from the property. Puget retained the right to acquire 50% of the NSR for a price of \$2 million. The Company has assumed this right.

On November 17, 2017, the Company entered into an option agreement with Marquee Resources Ltd. (“Marquee”) for the right to acquire up to a 70% interest in the Werner Lake Project.

On February 28, 2018, all conditions precedent were met in the Werner Lake transaction with Marquee. As consideration for Marquee’s option to earn either a 30% or a 70% interest in Werner Lake, the Company received a cash payment totalling \$196,848 (AUD200,000) and common shares in Marquee valued at \$97,972 (AUD100,000). The shares were revalued at June 30, 2019 to

\$31,363 (2018: \$90,881) and the Company recorded a loss of \$59,518 (2018: \$7,090) during the year ended June 30, 2019.

In order to maintain and enforce the option granted, Marquee must incur expenditures of AUD1,000,000 to earn a 30% interest in Werner Lake within year one and a further AUD1,500,000 (for a total of AUD2,500,000) to earn a 70% interest in Werner Lake by year two.

The parties will enter into a customary joint venture agreement once Marquee exercises its option to acquire either a 30% or 70% interest in Werner Lake. In addition, upon obtaining a pre-feasibility study according to a commercially reasonable standard, Marquee will pay the Company AUD150,000.

During the year ended June 30, 2018, the Company provided access to road and mining lands to an arm's length party until December 31, 2022 for total consideration of \$150,000. The proceeds are recorded as other income in the statement of comprehensive loss for the year ended June 30, 2018.

On November 5, 2018, Marquee announced that stage one expenditure commitment of AUD1,000,000 had been reached and gave notice to the Company of its intention to earn the 70% Interest in the project by incurring the second stage of expenditure (AUD1,500,000) on the project.

After meeting the expenditure commitment of AUD1,000,000, Marquee now owns 30% of the property and the Company retains the remaining 70%.

The Werner Lake property is located in north western Ontario, near the Ontario-Manitoba border in the Kenora Mining District. The project area covers favourable horizons in the Werner Lake Geological Belt that hosts numerous cobalt-copper and base metal showings, deposits and past producing mines. The two largest cobalt deposits defined to date are the Werner Lake Minesite Deposit and the West Cobalt Deposit, both controlled by GEMC. The area has seen extensive exploration and development work since the original discovery of cobalt in 1921. Limited production of cobalt ore occurred between 1932 and 1944. During World War II, Werner Lake was mined to a vertical depth of 10 metres; 65.1 tonnes of cobalt was produced from 2,955 tonnes of ore (average grade 2.2% Co).

The most significant work was undertaken by Canmine Resource Corporation ("Canmine") between 1995 and 2002. During this time Canmine carried out extensive drilling and exploration work leading to the discovery of additional mineralized lenses beneath the old workings, now referred to as the Minesite Deposit (or "Old Mine Site"). The West Cobalt Deposit is located about 500 metres west of the Minesite Deposit and was also discovered during the exploration program. Subsequent metallurgical testing, underground rehabilitation and development work, and engineering studies culminated in a feasibility study that indicated a small scale (300 tpd) underground mining operation was possible.

The historical estimate was based on 217 diamond drill holes totalling 27,894 metres of coring and underground exploration that advanced 258 metres of ramp, drifts and raises to better explore and define the West Cobalt Deposit. A Pre-feasibility Study was commissioned and completed in 1999. Based on that work a historical estimate base containing 7,435,865 pounds of cobalt was established. Canmine continued with extensive engineering work until 2002 when the company filed for bankruptcy. Canmine initiated a Feasibility study, but work was terminated due to lack of funds.

The total identified historic estimate in the proven, probable, indicated and inferred categories was delineated as follows by Canmine:

Werner Lake Mineral Belt Resource Estimate

Category ¹	Mining Area	Tonnes	Co %	Co Lbs	Cu %	Co lbs	Au opt	Au oz
Proven	Lense 1 & 2	17,145	0.46	173,872	0.14	52,918	0.022	377
	Lens 3	34,476	0.72	547,247	0.30	228,020	0.005	172
	West Cobalt	82,210	0.37	670,595	0.27	489,353	0.006	493
	Stockpile	6,200	0.50	68,343	0.30	41,006	0.009	56
	Sub-total	140,031	0.47	1,460,058	0.26	811,297	0.008	1,099
Probable	West Cobalt	40,829	0.25	225,031	0.43	387,054	0.030	1,225
Indicated	West Cobalt	51,456	0.13	147,473	0.20	226,882	0.003	154
Inferred	West Cobalt	383,647	0.37	3,129,448	0.27	2,283,651	0.006	2,302
	West Cobalt	430,663	0.18	1,709,009	0.29	2,753,403	0.015	6,460
	Minesite	55,068	0.63	764,846	0.24	291,370	0.011	606
	Sub-total	869,378	0.29	5,603,303	0.28	5,328,425	0.011	9,368

¹ Terminology for mineral resource calculations conforms with nomenclature recommendations by the CIM Ad Hoc Committee on Mineral Resource Classification tabled March 1997 as presented in an internal Canmine technical report dated October 1998. The historical resource estimates at Werner Lake are not being treated as a mineral reserve or mineral resource. Key assumptions, parameters, and methods used to prepare the historical estimates are not known. A qualified person has not done sufficient work to classify the historical estimate as a mineral resource or mineral reserve. Additional drilling and testing is required to determine a current classification as a mineral resource or mineral reserve. The Company is not treating the historical information as a current mineral resource or mineral reserve and the reader is cautioned to not rely upon this data. Please refer to the "Werner Lake Mineral Belt Properties Technical Report" by Gerald Harper, Ph.D., P.Geo. (On), dated March 22, 2011 and revised June 23, 2011 and May 26, 2015.

Global Cobalt Corp ("GCO") (previously Puget Ventures) acquired the key patented claims in 2008 and staked or acquired a significant package of land within the Werner Lake Belt at the same time. Additional diamond drilling by GCO in 2009-2010 (7,565 metres in 33 drill holes) has added to the resource database and suggests the deposit remains open for exploration. The targeted completion of NI 43-101 compliant resource was not finalized, though the database is intact. GEMC completed this document and published the results of the study September 6, 2017. At a cut-off 0.25% Co, the model returned a total of 57,900 indicated tonnes grading 0.51% Co, containing 653,000 lbs of cobalt and 6,300 inferred tonnes grading 0.48% Co, containing 67,000 lbs of cobalt.

A number of key recommendations in the report, including additional diamond drilling designed to further define the known deposit at depth and bring some Inferred Resources to Indicated category. Dewatering of the underground workings and resampling of the workings and metallurgical testwork was also recommended by AGP Mining Consultants Inc. The deposit remains open to depth and along strike.

AGP NI 43-101 Mineral Resources for the Werner Lake, September 2017¹

Classification	Tonnage (‘000 t)	Co (%)	Cu (%)	Au (gpt)	Contained Co (‘000 lbs)	Contained Cu (‘000 lbs)
Indicated	57.9	0.51	0.25	0.22	653	319
Inferred	6.3	0.48	0.14	0.24	67	19

¹ Deposit at a 0.25%Co cut-off grade, cobalt price of \$US15.60/lb, metallurgical recovery of 85% was assumed.

Excellent opportunities exist for the definition of additional high-grade cobalt mineralised zones at these two deposits and at other locations throughout the Werner Lake Geological Belt.

Geology

The Werner Lake Geological Belt is part of the Archean English River sub province of the Superior Province in Ontario and is defined by a deep-seated fault that is believed to have ruptured the Superior Geological Province or craton. The fault zone is up to 500 metres wide and dips near vertical. The entire area of the fault has been termed the Cu-Ni-PGE zone. At Werner Lake, the fault zone is marked at surface by a prominent 25 to 50-metre-wide U-shaped valley.

At Werner Lake, high-grade cobalt-copper mineralisation occurs in stacked lenses of sulphide mineralisation that occupy tensional structures intruded by gabbroic pegmatites to produce skarnoid assemblages. Mineralization is located within or adjacent to rock masses ranging in composition from ultramafic to mafic units and their metamorphosed equivalents, primarily as disseminated bodies but locally with sulphide concentrations reaching massive texture. The deposits tend to be elongated in the down plunge direction that varies between 30 degrees plunge and near vertical in attitude.

The Werner Lake project is underlain by a relatively complex sequence of east-west striking, steeply dipping, highly metamorphosed migmatites, ultramafics, altered mafic volcanic rocks, lesser metasedimentary sequences, plus diverse granitoid intrusive rocks. The ultramafic sequence represents deformed, dislocated lenses that originally formed a (semi)-continuous, thicker mafic-ultramafic igneous sill, possibly with a shallow emplaced volcanic component. Local metamorphism is to granulite phase with retrograde to amphibolite-greenschist locally.

Structure appears to have had the greatest control on mineralization, with the ultramafic magma intruded along the fault from deep in the crust.

The cobalt deposits are believed to have formed in the middle-depth area of the fault zone as distal skarn deposits derived from a gabbroic pegmatite. The gabbroic pegmatite, probably derived from the ultramafic intrusion, is believed to have moved tens of kilometres along the various faults until it encountered a calcium-bearing amphibolite that acted as a reductant with the deposition of the cobalt, copper and gold. Chalcopyrite, pyrrhotite, pyrite and cobaltite occur in gabbroic pegmatite and altered amphibolite skarn assemblage (garnet-biotite-magnetite). Others ascribe a syngenetic exhalative or diagenetic origin to the Werner Lake mineralization. Gold occurs erratically and is found predominantly in the high cobalt and/or copper alteration shells.

The West Cobalt Deposit has a drill-indicated strike length of 379 metres and dips near vertically. The horizontal thickness of the deposit ranges from 1.0 to 9.58 metres. The deposit is open down-dip to the east (Figure 4). Chalcopyrite, pyrrhotite, pyrite and cobaltite occur in gabbroic pegmatite and garnet-biotite-amphibole-magnetite gneiss in the West Cobalt Deposit.

Exploration drilling by Canmine in the late 1990's indicated "excellent additional reserve development potential" exist as the deposits are open at depth. More recent work by GCO (2009-2010) appears to support this conclusion, noting that significance should be paid to structural controls on mineralisation at the deposit.

It is apparent that mineralised widths, certainly for cobalt, are relatively narrow, in the order of <1-3 metres. Cobalt rich zones consist of various combinations of pyrite, pyrrhotite, chalcopyrite, cobaltian pyrite, cobaltite, pentlandite, and arsenopyrite. Sulphide habit is typically disseminated, stringer/veinlet, with concentrations up to 40% (rare) over 10 to 30-centimetre widths of remobilised and replacement material.

Canmine also recognized the potential for very high-grade (up to 20% Co) lenses of limited size within mineralised zones. These high-grade sections that were assayed at up to 20% cobalt were intersected by both surface drilling and underground drifting and could represent significant upside to the project's cobalt output. The potential economic impact of these lenses is important and a

thorough understanding of the structure of the deposit is critical to future work.

Engineering Work (Canmine)

Detailed engineering studies were undertaken by SNC-Lavalin ("SNC") to prepare a development plan and determine the most cost-effective mining techniques to be employed at Werner Lake. Due to the variability of the mineralised zones, SNC recommended shrinkage mining at the West Cobalt Zone and Lens 1 and 2 at the Old Mine Site, opting for long-hole open-stope mining being employed at Lens 3. Details including fleet requirements, ventilation, ground support, a development plan and other mining details were laid out in a 2002 report authored by SNC. Detailed cost estimations included: shrinkage costs of \$12.32 per tonne, long-hole costs of \$9.47 per tonne, ramp development costs of \$1,121.72 per metre, raise development costs of \$945.07 per metre and haul drift, draw point and other access costs of \$1,067.31 per metre. A 300-tonne production rate per day over a 5-day week was assumed. From 1997 to 1998 extensive exploration was undertaken through the decline and also through a sub-drift that was driven 107 metres within the ore zone to obtain a 4,094 tonne bulk sample.

Metallurgical studies have shown that excellent cobalt recoveries can be yielded from a standard flotation mill process followed by a low-pressure oxidative hydrometallurgical leach (net recovery 88%), to produce a cobalt carbonate end product. At the time of this work Canmine received written offers or indicative term sheets from companies around the world for the purchase of the cobalt carbonate product, which reportedly averaged 27% cobalt and 6% copper content.

Lovelock and Treasure Box Project, Nevada, USA.

On January 21, 2019 ("the "Effective Date"), the Company entered into a Definite Agreement with Nevada Sunrise Gold Corporation ("Nevada Sunrise") to acquire an 85% interest in the Lovelock Cobalt Mine and the Treasure Box Project, located in Nevada. In order to exercise the option, the Company is required to complete the following terms:

A) Issue to Nevada Sunrise such number of common shares of the Company (the "Payment Shares") as is equal to USD \$200,000 at a price per share equal to the greater of:

(a) \$0.15; and

(b) the volume weighted average of the closing price of the Company's shares for the 20 trading days immediately prior to the execution of the Definitive Agreement, as herein defined. On January 22, 2019 the Company issued 1,728,133 common shares to Nevada Sunrise for a fair value of \$86,484 (Note 9).

B) Assume all future cash payments to the underlying vendor payable as scheduled below subject to an existing 2.0% net smelter royalty (the "Existing Royalty"):

- March 22, 2019: USD \$20,000 in cash (Paid);
- December 22, 2019: USD \$25,000 in cash; and
- December 22, 2020: USD \$30,000 in cash.

C) Reimburse Nevada Sunrise for the issue by Nevada Sunrise of Nevada Sunrise common shares to the underlying vendor, with common shares of the Company, payable as scheduled below:

- March 22, 2019: such number of shares as is equal in value to 200,000 shares of Nevada Sunrise on the day prior to their issuance (Note 9).
- December 22, 2019: such number of shares as is equal in value to 250,000 shares of Nevada

Sunrise on the day prior to their issuance; and

- *December 22, 2020: such number of shares as is equal in value to 300,000 shares of Nevada Sunrise on the day prior to their issuance.*

- *Reimburse Nevada Sunrise for the USD\$5,000 (Paid) payment made by Nevada Sunrise to Primus Resources Ltd. ("Primus") of USD\$5,000 by issuing to Nevada Sunrise, as fully paid and non-assessable, common shares of the Company.*

During the year ended June 30, 2019, the Company issued additional 384,627 common shares at fair value of \$23,001 and paid \$27,018 in cash to Nevada Sunrise in connection with this agreement.

During the year ended June 30, 2020, the Company issued 539,155 common shares to Nevada Sunrise in connection to this agreement (Note 9).

D) In order to maintain in force the Option granted to it, and to exercise the Option, the Company must also incur expenditures totaling USD\$1,000,000 by the third anniversary of the Effective Date.

Millennium Project, Australia.

On September 25, 2017, the Company acquired an option from Hammer Metals Ltd. ("Hammer") for the Millennium Cobalt-Copper Project ("Millennium") located in the Mt. Isa mining region of Queensland, Australia. Additionally, the Company holds a right of first refusal to acquire any additional interest in the Millennium project, which Hammer may wish to sell. The option agreement outlines the principal terms and conditions to earn up to 75% interest in the Millennium project upon making project related expenditures to further advance the Millennium project. Total consideration for the option is \$2,700,000. Before the third-year anniversary of signing the option agreement, the Company must expend a minimum of \$2,500,000 in project exploration and development work on the Millennium project as follows:

- *\$500,000 within 6 months for 25% interest;*
- *\$1,000,000 within 18 months for 65% cumulative interest; and*
- *\$1,000,000 within 36 months for cumulative 75% interest.*

During the year ended June 30, 2018, the Company paid to Hammer a total of \$200,000 in cash in two equal payments of \$100,000 as part of the option agreement.

On March 14, 2018 the Company entered into a letter of intent (the "LOI") with Hammer setting the terms for the strategic acquisition of the Mount Dorothy Cobalt Project and the Cobalt Ridge Project, collectively the "Mt. Isa Projects".

Upon completing its due diligence and upon meeting the conditions set in the LOI, the Company entered into a Definitive Agreement with Hammer for the exclusive right to acquire a 100% interest in the Mt. Isa Projects, which was completed on June 27, 2019.

On March 22, 2018 the Company complied with its obligations under its agreement with Hammer in order to earn a 25% interest in Millennium. Having incurred exploration expenditures of at least \$500,000 the Company gave notice that it intends to move forward with the next phase of its earn-in for a 65% interest in the project. In order to earn a 65% interest, the Company must incur additional exploration expenditures of at least \$1,000,000 within 18 months of the effective date.

Upon completing its due diligence and upon meeting the conditions set in the LOI, should the Company elect to enter into a Definitive Agreement with Hammer, the Company would have the exclusive right to acquire a 100% interest in the Mt. Isa Projects

On June 26, 2018, the Company entered into a binding agreement with Hammer to acquire the

balance of the interest in the Millennium Cobalt Project as well as the Mt. Dorothy Cobalt Project and the Cobalt Ridge Project such that it will hold 100% of both the Millennium Property and the Mt. Isa Projects.

On June 27, 2019, the Company completed the acquisition of the 100% interest of Millennium and Mount Isa projects (collectively "Millennium Project") via the 100% acquisition of Element Minerals Australia Pty Ltd. ("Element") (holder of said properties), an Australian private company, a wholly owned subsidiary of Hammer which holds 100% ownership on Millennium and Mount Isa projects. Pursuant to the terms of the Millennium Acquisition Agreement, the Company issued to Hammer 19,255,641 common shares of the Company with a fair value of \$1,155,338 (Note 7).

The Company determined that Element did not have the inputs and process capable of producing outputs that are necessary to meet the definition of a business as defined by IFRS 3. The acquisition was accounted for as a share-based payment, whereby the Company acquired the net assets and liabilities of Element.

The breakdown of the acquisition is as follow:

	\$
Purchase Price Allocation	
Common shares	1,155,338
Purchase Price	1,155,338
Tangible net assets	
Cash	14
Exploration and evaluation asset	1,155,324
Total	1,155,338

History

Recent drilling in 2016 from Hammer's 23 RC drill hole program (Hammer ASX releases, 13/09/2016 and 14/10/2016) included peak cobalt results with 8 metres at 0.35% Co in MIRC023 and 4 metres at 0.51% Co in MIRC013.

Other intercepts included:

- 19 m at 0.38% Co, 1.27% Cu, 0.70 g/t Au, (4.12% CuEq) in Q-012;
- 24 m at 0.15% Co, 0.23% Cu and 0.09 g/t Au (1.17% CuEq) in MIRC013;
- including 4 m at 0.51% Co, 0.46% Cu and 0.16 g/t Au (3.64% CuEq),
- 12 m at 0.19% Co, 0.57% Cu and 0.19 g/t Au (1.85% CuEq) in MIRC014;
- including 4 m at 0.30% Co, 0.44% Cu and 0.14 g/t Au (2.33% CuEq),
- 40 m at 0.07% Co, 0.32% Cu and 0.13 g/t Au (0.82% CuEq) in MIRC017;
- including 5 m at 0.15% Co, 0.82% Cu and 0.21 g/t Au (1.90% CuEq); and
- 33 m at 0.16% Co, 0.66% Cu and 0.34 g/t Au (2.11% CuEq) in MIRC023;
- including 8 m at 0.35% Co, 0.08% Cu (2.19% CuEq).

All intercepts reported represent core lengths; true width will vary depending on the intersection angle with the targeted zone. Hole are generally planned to intersect mineralised zones as close to perpendicular as possible. Copper equivalent (CuEq) calculation is as follows: $CuEq\% = Cu\% + (Co\% \times 5.9) + (Au \text{ ppm} \times 0.9) + (Ag \text{ ppm} \times 0.01)$.

Hammer Resources published a JORC (2012) resource report on the project in November 2016 based on 40 reverse circulation drill holes (6,240m) completed between 2013 and 2016. At the time, Hammer used a copper equivalent (CuEq) to calculate the resource base, however, cobalt is the dominant economic metal in the deposit based on current metal prices.

Historical Estimate - Hammer Resources: Millennium November 2016 Mineral Resource*

Classification ¹	Tonnes	CuEq (%)	Cu (%)	Co (%)	Au (ppm)
Inferred	3,070,000	1.29	0.35	0.14	0.12

¹ Cut-off of 1.0% CuEq has been applied for reporting of Mineral Resources; metal prices used were, Cu US\$ 4,600/t, Co US\$ 27,000/t, Au US \$1,330/oz, Ag US\$20/oz (October1, 2016); metallurgical recoveries were not assumed.

* There are no more recent estimates or data available. To upgrade this work from an historical estimate to a current mineral resource, the Company will review the data set and complete additional drilling and modelling work to verify the historic estimate as a current mineral resource or mineral reserve. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or reserves, and the issuer is not treating the historical estimate as current mineral resources or reserves.

The deposit remains has been defined along a 1.5-kilometre strike length and remains open to depth and along strike both to the south and north of current drilling limits. Similar geological units and evidence of copper and cobalt mineralisation have been mapped over a 1.5-kilometre zone to the north of the current drill area and the opportunity to discover additional mineralisation is excellent.

1.2.5 Selected Annual Financial Information

The following table presents selected financial information for the three most recent fiscal years; the results are presented in accordance with IFRS.

	Fiscal year ended June 30, 2020	Fiscal year ended June 30, 2019
	-\$-	-\$-
Revenue	-	-
Loss and comprehensive loss	(625,155)	(1,020,610)
Basic and diluted loss per share	(0.06)	(0.02)
Total assets	6,119,271	6,415,514
Total long-term financial liabilities	80,100	-

1.2.6 Results of Operations

For the three months ended June September 30, 2020 the Company reported a net loss of 54,780 or (\$0.01) per share (2019 – \$1235,570 or \$0.02 per share). During this period, significant changes in expenses occurred in the expense categories described below.

Operating expenses totaled \$60,044 for the three months ended September 30, 2020 (2019 - \$223,070) as a result of the Company's efforts to reduce expenses, market its assets, seek additional financing and research new acquisitions. Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The

Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2020.

The details for the general and administrative expenses for the three months ended September 30, 2020 and 2019 are as follows:

	Three months ended September 30,	
	2020	2019
	- \$ -	- \$ -
Expenses		
General administrative and office	11,814	15,985
Depreciation expense	11,375	10,427
Consulting fees	15,000	22,500
Management fees	9,000	27,000
Marketing and advertising	-	29,679
Investor Relations	-	33,333
Corporate development	-	47,234
Professional fees	3,652	16,160
Filing fees	9,181	4,166
Travel	21	21,654
Loss from operations	(60,044)	(228,138)

G&A expenses recorded in the statement of operations reflect the normal corporate business cycle. The Company strives to provide efficient and cost-effective administrative support to management's ongoing efforts to monitor expenditures and costs, and to increase shareholder value.

1.2.7 Summary of Quarterly Results

The following table sets out certain financial information of the Company for each of the last 8 quarters, beginning with the second quarter of fiscal 2019. This financial information has been prepared in accordance with IFRS issued by the International Accounting Standard Board ("IASB").

	Q1, 2021	Q4 2020	Q3 2020	Q2, 2020
	\$	\$	\$	\$
Net revenues	-	-	-	-
Loss and comprehensive loss (gain)	62,311	152,014	99,872	150,199
Loss per share	(0.01)	0.00	0.00	(0.01)

	Q1, 2020	Q4, 2019	Q3, 2019	Q2, 2019
	\$	\$	\$	\$
Net revenues	-	-	-	-
Loss and comprehensive loss (gain)	223,070	425,367	192,050	206,844
Loss per share	(0.02)	(0.01)	(0.01)	(0.01)

Quarterly results are highly variable for exploration companies depending on whether the company has abandoned any properties, write off the deferred expenses or granted any stock options.

1.2.8 Liquidity

The Company is a mining exploration and development company with no producing resource properties, and consequently does not generate operating income or cash flow. To date, the Company has relied upon the sale of equity securities to provide working capital for capital acquisitions, exploration and development activities, and to fund the administration of the Company. Since the Company does not expect to generate any revenues in the near future, it will continue to

rely upon equity and debt financing to raise capital. There can be no assurance that financing will be available to the Company when required, or on terms satisfactory to the Company.

At September 30 ,2020, the Company had \$378,175 in cash (June 30, 2020 – \$314).

1.2.9 Capital Resources

The Company at September 30, 2020 had a working capital d of \$197,657 (June 30, 2020 – working capital deficiency of \$330,463).

1.2.10 Fourth Quarter

N/A.

1.2.12 Critical Accounting Estimates

The Company's significant accounting policies are contained in Note 3 to the Audited Financial Statements for the year ended June 30, 2020. The preparation of the Audited Financial Statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates and underlying assumptions are reviewed on an ongoing basis. Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Audited Financial Statements included the following:

Provisions and contingencies

The amount recognized as provision, including legal, contractual and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore, assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. The Company assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements.

1.2.13 Changes in Accounting Policies including Initial Adoption of IFRS

The Company adopted IFRS 16 as at July 1, 2019.

Future Accounting Pronouncements

A number of other new standards and issued amendments to standards and interpretations are not yet effective for the year ending June 30, 2020 and have not been applied when preparing the Company's financial statements. Management does not currently expect the implementation of these new standards and amendments will have a significant effect on the financial statements of the Company.

Financial Instruments and Other Instruments

Financial liabilities included in the statement of financial position are as follows:

	September 30, 2020 -\$-	June 30, 2020 -\$-
Accounts payable	196,747	256,779
Accrued liabilities	22,575	22,575
	219,322	279,354

Financial Instruments

Financial instruments are agreements between two parties that result in promises to pay or receive cash or financial instruments. The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL. Receivables, accounts payable, and convertible debenture are classified at amortized cost. Cash is classified as FVTPL and marketable securities at FVTOCI.

Fair value hierarchy

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

- Level 1 Quoted prices in active markets for identical assets or liabilities;*
- Level 2 Inputs, other than quoted prices in Level 1, that are observable for the asset or liability either directly or indirectly; and*
- Level 3 Unobservable inputs that are not based on observable market data.*

At September 30, 2020, the fair values of cash and marketable securities have been determined using level 1 inputs. The carrying value of receivables, accounts payable, and convertible debentures approximates their fair value due to their short term maturity.

Financial Risk and Capital Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash, receivables and deposits. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed as low.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate as they are denominated in currencies that differ from the respective functional currency. The Company's functional currency is the Canadian dollar, limited current assets are in Australian dollars and in US dollars and the Company is therefore exposed to foreign currency risk on those assets.

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's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company assessed its liquidity risk as high.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at September 30, 2020:

	Due on demand -\$-	Within one year -\$-	Between one and five years -\$-	More than five years -\$-
Accounts payable and accrued liabilities	219,322	-	-	-
Convertible debenture	7,843	-	-	-
	227,166	-	-	-

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's convertible debentures bear fixed interest rate and therefore does not expose to interest rate risk.

There were no changes in the Company's approach to risk management during the reporting period.

Capital Management

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

The Company is dependent upon external financing or the sale of assets to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The approach to capital management has not changed since the prior year, and the Company is not subject to externally imposed capital requirements.

1.2.14 Other MD&A Requirements

Disclosure of Outstanding Share Data

On August 20, 2020, the Company announced that effective on August 25, 2020, the implementation of share consolidation of all of the issued and outstanding share capital on a 10 old for 1 new basis.

The post-consolidation share capital of the Company at September 30, 2020 is described in the below table:

	Pre-Consolidation	Post-Consolidation
<i>At June 30, 2020:</i>		
Common Shares	97,301,171	9,730,109
Options	4,806,482	480,648
Warrants	18,270,000	1,827,000
<i>At September 30, 2020:</i>		
Common Shares	-	16,758,109
Options	-	480,648
Warrants	-	7,258,280

At September 30, 2020 and at the date of this report there are 16,758,109 common shares outstanding (June 30, 2020 – 9,730,109) and 7,258,280 share purchase warrants outstanding (June 30, 2020 – 1,827,000). At September 30, 2020 there are 480,648 stock options outstanding (June 30, 2020 – 480,648). On November 20, 2020, the Company cancelled 480,648 stock options and at the day of this report has a balance of Nil stock options outstanding.

On September 16, 2020, the Company issued 1,000,000 common shares to Primus Resources, L.C. and 750,000 common shares to Nevada Sunrise Corp. as part of the acquisition agreement dated April 7, 2020 (Note 6). The Shares issued to Primus and Nevada Sunrise will be subject to voluntary escrow provisions in addition to applicable statutory and Exchange imposed hold periods.

On September 28, 2020, the Company completed a private placement for 5,278,000 units at a price of \$0.125 per unit for a total of \$659,750. Each unit consisted of one common share and one transferable common share purchase warrant at an exercise price of \$0.15 for 3 years from the date of issuance. The Company paid finders' fees as follows: \$19,160 and 153,280 broker warrants, each broker warrant at an exercise price of \$0.15 for 12 months from the date of issuance.

59,915 common shares were issued in relation to the acquisition agreement with Nevada Sunrise Gold Corp. for the acquisition of the Lovelock Cobalt Mine and the Treasure Box project.

368,518 share purchase warrants valued at \$0.15 expired on November 25, 2019.

260,319 share purchase warrants valued at \$0.15 expired on November 27, 2019.

938,213 share purchase warrants valued at \$0.20 expired on June 15, 2020.

Risks and uncertainties

The Company is in the business of acquiring, exploring and, if warranted, developing mineral properties, which is a highly speculative endeavour, and the Company's future performance may be affected by events, risks or uncertainties that are outside of the Company's control.

The Company's management consider the risks set out below to be the most significant to potential investors of the Company, but not all risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider

not be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected.

In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

Limited Operating History

The Company is still in an early stage of development. The Company is engaged in the business of acquiring, exploring and, if warranted, developing mineral properties in the hope of locating economic deposits of minerals. The Company's mineral interests are in the early stages of exploration and are without a known deposit of commercial ore. The Company has no history of earnings. There is no guarantee that economic quantities of mineral reserves will be discovered on the Company's property.

Management

The success of the Company is currently dependant on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance that the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. At this date there are no indications that any change in management cannot be maintained at the current structure.

Conflicts of Interest

Various of the Company's directors, officers and other members of management may in the future, serve as directors, officers, promoters and members of management of other companies involved in the acquisition, exploration and development of mineral resource properties and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of the Company's management team and their duties as a director, officer, promoter or member of management of such other companies. The Company's directors and officers are aware of the laws governing accountability of directors and officers for corporate opportunity and the requirement of directors to disclose conflicts of interest. The Corporation will rely upon these laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

Additional Funding Requirements

From time to time, the Company will require additional financing in order to carry out its acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If the Company's cash flow from operations is not sufficient to satisfy its capital or resource expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or be available on favourable terms.

Price Volatility and Lack of Active Market

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Any quoted market for the Company's securities may be subject to such market trends and that the value of such securities may be affected accordingly.