



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the nine months ended September 30, 2020



INTRODUCTION

The information in this Management's Discussion and Analysis ("MD&A") is intended to assist the reader in the understanding and assessment of the trends and significant changes in the results of operations and financial conditions of Hanstone Gold Corp. (the "Company"), (formerly Hanstone Capital Corp.). This MD&A should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2019 and the unaudited condensed interim financial statements for the nine months ended September 30, 2020, and other information relating to the Company on file with the Canadian provincial securities regulatory authorities on SEDAR at www.sedar.com. The Company's annual financial statements and interim financial statements for the years ended December 31, 2019 and for the nine months ended September 30, 2020, respectively, have been prepared in accordance with International Financial Reporting Standards ("IFRS").

This MD&A contains forward-looking statements. Please refer to the cautionary language at the end of this document.

This MD&A has taken into account information available up to and including November 24, 2020.

The Company was incorporated under the Business Corporations Act (British Columbia) on October 11, 2018. Effective on August 19, 2020, the Company changed its name and its trading symbol on the TSX Venture Exchange is HANS. The Company is a reporting issuer in British Columbia and Alberta.

The principal business of the Company is the acquisition and exploration of mineral properties. The registered office of the Company is Suite 600-1090 West Georgia Street, Vancouver, BC V6E 3V7, while the head office and principal business address of the Company is 3479 Applewood Drive, Abbotsford, BC, V3G 3E1.

HIGHLIGHTS AND OUTLOOK

The Company was formed as a Capital Pool Company ("CPC") in October 2018 and completed a \$150,000 private placement. On April 29, 2019, the Company completed a \$300,000 initial public offering and was listed for trading on the TSX Venture Exchange on May 1, 2019. Since that time, the Company found and completed a qualifying transaction ("Qualifying Transaction", "QT") and a non-brokered financing for \$3,000,000.

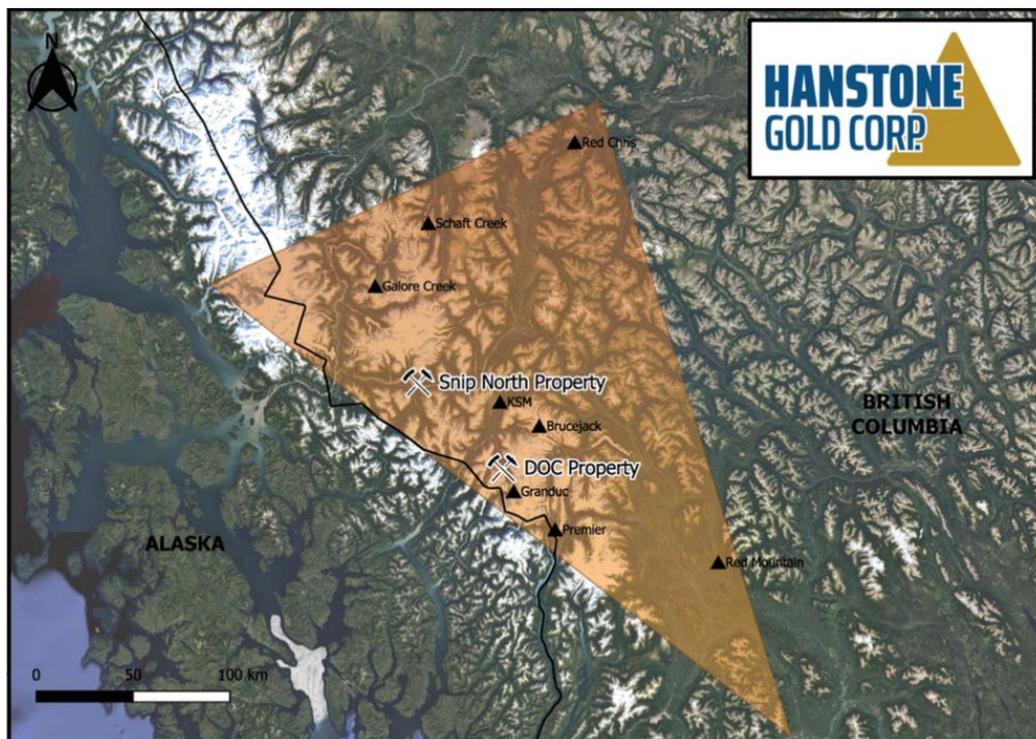
The Company is an exploration stage company and, to date, has no revenues. The recoverability of amounts shown for exploration assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary approval and financing to complete the development, and future profitable production from the properties or proceeds from disposition. The Company fully anticipates undertaking further private placements or public offerings in order to finance business opportunities as they may arise.

Ownership in mineral interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated ownership of its mineral interests and, to the best of its knowledge, such ownership interests are in good standing.

ASSETS OF THE CORPORATION

The Company's major asset is its investment in mineral properties. As at September 30, 2020, the Company's investment in mineral properties totaled \$896,000 as compared to \$nil at September 30, 2019.

The Company continues to focus on exploration of its properties, Doc and Snip North.



Doc Property

On August 18, 2020, pursuant to an asset purchase agreement (the "Milestone Agreement") between the Company and Milestone Infrastructure Inc. ("Milestone"), the Company acquired all of Milestone's right, title and interest in and to the Doc Property (the "Doc Property"), located in the Skeena Mining Division in northwest British Columbia, approximately 55 kilometers northwest of the community of Stewart BC. The Doc Property lies within a mineral-rich belt that extends over 200 km north from the town of Stewart, along the western part of the Stikine terrane, and is about 10 kilometres north of the past producing Granduc Cu-Au-Ag mine.

The Doc Property consists of 10 contiguous mineral claims totaling 1,704.23 ha. The owner of the Doc Property, John C. Bot entered into an option agreement ("the Option Agreement") with Milestone in July 2019 to purchase the Doc Property (the "Option"). On August 18, 2020, pursuant to the Milestone Agreement, the Company acquired all of Milestone's right, title and interest in and to the Option Agreement. The Option Agreement has a term of six years commencing July 3, 2019. Under the terms of the Option Agreement the Company shall be deemed to have exercised the Option and acquired 100% legal title to the Property upon paying to John C. Bot an aggregate of \$1,825,000 in cash. Additionally, John C. Bot shall retain a 1.5% Net Smelter Returns Royalty ("NSR") on the Doc Property. The Company may repurchase the NSR from John C. Bot by paying \$500,000 at any time. Until the Company has successfully exercised the Option, John C. Bot would receive a bulk sample royalty of 5%.

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As consideration for the acquisition of the Doc Property, the Company issued an aggregate of 4,500,000 common shares and paid an aggregate of \$150,000 in cash for pre-closing expenditures related to the Doc Property incurred or accrued by Milestone. As at September 30, 2020 the Company has incurred \$1,830,484 in exploration expenditures on the property, including the pre-closing expenditures.

Exploration Program

The Doc Property is an Au-Ag exploration project located within an area informally known as the “Golden Triangle”, one of the most important mineral districts in northwest British Columbia, Canada. The “Golden Triangle” encompasses the northwest Stikine terrane which follows an arc-like trend known as the Stikine Arch, and is an area which hosts prolific porphyry, volcanogenic massive sulphide, and highgrade vein deposits and mines, including the presently producing Red Chris and Brucejack mines, and the past-producing Eskay Creek, Snip, Granduc, Silbak-Premier and Scottie Gold mines. It also hosts large undeveloped deposits such as the Galore Creek, Schaft Creek, Kerr, Sulphurets, Mitchell, Snowfield and Iron Cap porphyry deposits, and exciting recent discoveries such as the Saddle North porphyry Cu-Au and Saddle South Au-Ag vein zones.

In 2019, a two-phase exploration program was conducted by C.J. Greig & Associates Ltd. on behalf of Milestone in early August and early September. Phase 1 comprised a geological reconnaissance and rock geochemical sampling program over the Doc, BGS, Galena Ridge, Q19, Quinn Eskay and Glacier zones, together with ground-based magnetometer surveys over the Doc, BGS, Galena Ridge and Quinn Eskay zones. A total of 154 rock samples were collected and 30.5-line kilometres of magnetometer surveys were completed during the exploration campaign. Phase 2 consisted of channel sampling (37 samples) at the BGS, Galena Ridge, Q19 and Quinn Eskay zones, as well as limited prospecting at the Florence zone. The Doc Property has been shown to host numerous high-grade gold veins and to have the potential to host replacement style skarn and volcanogenic-massive sulphide mineralization. Areas of known quartz veining with associated galena will be the primary focus of exploration on the Doc Property.

Due to the shortened 2020 drilling season, the 2020 drill program consisted of shallow drill holes where only 2 of 21 drill holes exceeded 200 meters in depth. The first 12 drill holes totaling 1,473 meters focused on investigating historically reported surface and drill-indicated gold mineralization to verify results and expand the footprint of the known zones along strike and at depth. The remaining 9 drill holes totalling 1,251 meters are still awaiting finalized assay results and QA/QC validation. The remaining drill holes were targeted primarily based on the geological information gained in the earlier holes of the drilling campaign combined with known historical information and previous drilling results.

Drilling results of gold intersection highlights from this initial batch of 12 drill holes include:

Table 1: DOC Gold Intersection Highlights

| Drill Hole | Interval (m) | Grade Au (g/t) |
|-------------------|---------------------|-----------------------|
| Q19-20-04 | 2.25 | 6.18 |
| Q26-20-01 | 1.97 | 5.10 |
| Q26-20-03 | 6.00 | 2.20 |
| <i>including</i> | 0.80 | 10.80 |
| DC-20-01 | 6.00 | 1.58 |
| <i>including</i> | 2.90 | 2.92 |
| <i>and</i> | 0.50 | 7.41 |
| DC-20-03 | 7.02 | 2.27 |

All significant intervals of mineralization from the current batch of 12 drill holes are shown in Table 2 below. The 2020 drill program results included numerous other intersections ranging from 0.50 to 0.99 g/t

Au which are not shown in Table 2. Complete assays of all mineralized sections will be posted on the [Company's website](#) including low grade intervals within the reported higher grade mineralized intercepts as soon as the data is available.

Table 2: DOC Drilling Intersections - Average Assay Grades

| Drill Hole | Azimuth | Dip | Avg Grade Au (g/t) | Avg Grade Ag (g/t) | From Depth (m) | To Depth (m) | Interval (m) | |
|------------------|---------|------|--------------------|--------------------|----------------|--------------|--------------|------|
| DC-20-01 | 020° | -50° | 1.39 | - | 155.15 | 156.55 | 1.40 | |
| | | | 1.88 | - | 175.00 | 180.00 | 5.00 | |
| | | | <i>including</i> | 2.92 | - | 176.00 | 178.90 | 2.90 |
| | | | <i>and</i> | 7.41 | - | 176.94 | 177.44 | 0.50 |
| DC-20-02 | 186° | -45° | 1.39 | - | 28.00 | 30.40 | 2.40 | |
| | | | 4.36 | 96.50 | 59.20 | 59.40 | 0.20 | |
| DC-20-03 | 191° | -45° | 2.27 | - | 82.18 | 89.20 | 7.02 | |
| GR-20-04 | 198° | -45° | 1.33 | 12.20 | 15.67 | 16.09 | 0.42 | |
| Q19-20-03 | 225° | -45° | 1.21 | - | 8.17 | 9.24 | 1.07 | |
| Q19-20-04 | 175° | -45° | 6.18 | 47.78 | 6.80 | 9.05 | 2.25 | |
| Q26-20-01 | 178° | -45° | 5.10 | - | 42.83 | 44.80 | 1.97 | |
| Q26-20-03 | 178° | -80° | 2.20 | - | 72.00 | 78.00 | 6.00 | |
| | | | <i>including</i> | 10.80 | - | 74.00 | 74.80 | 0.80 |
| Q28-20-01 | 200° | -45° | 1.73 | - | 15.00 | 16.00 | 1.00 | |

The planned 2021 drill program will include deeper holes to further evaluate the full depth of mineralization while continuing to expand the strike extent of the current zones and to outline additional prospective target areas on the Doc Property.

Management believes that the Doc Property has considerable merit, offers strong mineral resource discovery potential, and that further work, including detailed mapping (surface and underground), geochemical and geophysical surveys and diamond drilling are justified. The following are general property-scale and target specific recommendations for exploration from the property's recent NI 43-101 Technical Report. They are accompanied by and referred to in Figures 18.1-18.4 of the Technical Report filed on SEDAR.

- Detailed airborne magnetic survey: An airborne magnetic survey should be completed over the entire Doc Property to provide a magnetic framework that will aid in delineation of host lithologic units during geologic mapping and to help identify key geological structures, particularly those which may host or offset high-grade gold veins.
- Induced Polarization (IP) geophysical survey: A program of ground-based IP is recommended as a targeting tool for the Doc, BGS, Galena Ridge, Q19 and Quinn Eskay zones. Lines should initially be spaced at 200 metres, with in-fill lines to spacings as close as 50 metres over areas showing strong chargeability and low to high resistivity responses (these responses might be expected given the known physical properties of the gold-bearing veins on the Doc Property; one thought is that an elevated chargeability response associated with elevated resistivity may reflect a zone of sulphide mineralization associated with a silicified stockwork zone, heretofore unrecognized on the property but possibly occurring at depth and in areas of overburden cover).
- Geochemical sampling: Soil grids should be established over the Doc, BGS, Galena Ridge, Quinn Eskay, Q19, Glacier and Florence trends. Soil lines, spaced 200 m apart should also be done downhill, across the known trends of veins, along the entire northeast-facing slope in the



northeastern half of the Doc Property.

- Diamond drilling: Approximately 20 drill holes should be completed at the Doc, Galena Ridge and Q19 zones.

Snip North Property

On August 18, 2020, the Company acquired a 100% interest in and to the Snip North property (the “Snip North Property”), comprised of five mineral claims located in British Columbia, approximately 50 kilometers north of the Doc Property. As consideration for the acquisition of the Snip North Property, the Company issued an aggregate of 200,000 common shares.

RESULTS OF OPERATIONS

The Company has no material revenues and is dependent upon both satisfactory results from exploration and access to capital on reasonable terms in order to advance its projects.

As a CPC with no operating activities or sources of income, the Company incurred nominal losses until the current period as a result of the administrative and regulatory requirements of maintaining a publicly traded CPC and completing a Qualifying Transaction.

On August 18, 2020, the Company closed a private placement financing for gross proceeds of \$3,000,000. The Company raised \$2,268,588 in gross proceeds through the issuance of 12,603,266 subscription receipts (each, a “Subscription Receipt”) at a price of \$0.18 per Subscription Receipt. On closing of the Qualifying Transaction, each Subscription Receipt converted into one common share and one common share purchase warrant (each warrant exercisable for an additional common share at an exercise price of \$0.25 for two years from the date of issuance).

The remaining gross proceeds of \$731,412 were raised through the issuance of 2,925,648 “flow-through” units (each, a “FT Unit”) at a price of \$0.25 per FT Unit, with each FT Unit comprised of one “flow-through” common share and one common share purchase warrant (each warrant exercisable for an additional common share at an exercise price of \$0.35 for two years from the date of issuance). The common shares and warrants issued as part of the FT Units are subject to a four month hold period which expires December 20, 2020.

Under the private placement, the Company paid aggregate cash finder’s fees of \$11,070, issued an aggregate of 12,500 finder’s warrants exercisable for one common share for two years at a price of \$0.25 per share, and issued an aggregate of 1,600 finder’s warrants exercisable for one common share for two years at a price of \$0.35 per share.

Three Months Ended September 30, 2020

The Company incurred a net loss of \$2,213,745 for the three months ended September 30, 2020 (2019 - \$849), during which time it worked towards the completion of its Qualifying Transaction.

Significant items from operations: exploration expenditures of \$1,830,484 (2019 - \$nil), legal fees of \$117,940 (2019 - \$232), management fees of \$33,000 (2019 - \$nil), insurance expense of \$10,500 (2019 - \$nil), stock-based compensation of \$198,240 (2019 - \$nil) and transfer agent fees of \$6,478 (2019 - \$nil).



Nine months ended September 30, 2020

The Company incurred a net loss of \$2,235,397 for the nine months ended September 30, 2020 (2019 - \$46,368).

SUMMARY OF QUARTERLY RESULTS

The following is a summary of certain consolidated financial information of the Company since its inception:

| | September 30, 2020 | June 30, 2020 | March 31, 2020 | December 31, 2019 |
|-------------------------------------|-------------------------------|--------------------------|---------------------------|------------------------------|
| Revenue ⁽¹⁾ | \$ - | \$ - | \$ - | \$ - |
| Net loss | (2,213,745) | (11,951) | (9,310) | (10,200) |
| Total assets | 2,442,833 | 1,879,349 | 341,659 | 350,972 |
| Basic and diluted loss per share | \$ (0.14) | \$ (0.00) | \$ (0.00) | \$ (0.00) |

| | September 30, 2019 | June 30, 2019 | March 31, 2019 | October 11, 2018 to December 31, 2018⁽²⁾ |
|-------------------------------------|-------------------------------|--------------------------|---------------------------|--|
| Revenue ⁽¹⁾ | \$ - | \$ - | \$ - | \$ - |
| Net loss | (849) | (40,065) | (5,454) | (27,770) |
| Total assets | 351,046 | 351,895 | 143,453 | 147,930 |
| Basic and diluted loss per share | \$ (0.00) | \$ (0.00) | \$ (0.01) | \$ (0.01) |

Explanatory Notes:

- (1) The Company has no sales revenues.
- (2) From the date of incorporation on October 11, 2018 to December 31, 2018.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2020, the Company had current assets of \$1,546,833 (December 31, 2019: \$350,972) and working capital of \$1,273,085 (December 31, 2019: \$340,846).

The Company had a cash balance of \$1,500,927 at September 30, 2020. During the nine months ended September 30, 2020, the Company's net cash flow increased by \$1,149,955 (2019: inflow of \$252,770), primarily due to the private placement.

The Company's future capital requirements will depend on many factors, including, among others, its ability to earn cash flow from operations. Should the Company wish to pursue current and future business opportunities, additional funding will be required. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's common stock. No assurance can be given that additional financing will be available, or that it can be



obtained on terms acceptable to the Company and its shareholders. If adequate funds are not available, the Company may not be able to meet its contractual requirements.

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

FINANCIAL INSTRUMENTS

Classification of financial instruments

| | Ref. | September 30, 2020 | December 31, 2019 |
|---|------|-----------------------|----------------------|
| | | \$ | \$ |
| Fair value through profit or loss financial asset | (a) | 1,546,833 | 350,972 |
| Other financial liabilities | (b) | 273,745 | 10,126 |

(a) Comprised of cash and GST receivable at September 30, 2020 and December 31, 2019.

(b) Comprised of accounts payable at September 30, 2020 and December 31, 2019.

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Management of Financial Risk

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

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash that is invested in asset backed commercial paper.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at September 30, 2020, the Company had a cash balance of \$1,500,927 and current liabilities of \$273,745. The Company currently has sufficient funding to meet its short-term requirements, but will require additional financing to meet its long-term cash requirements.

Foreign exchange risk

Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has no assets or liabilities and has no revenue or expenses denominated in a foreign currency, so it is not exposed to foreign currency risk.

Interest rate risk

Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company currently has no interest-bearing financial instruments other than cash, so its exposure to interest rate risk is insignificant.

Equity price risk

Equity price risk arises from market fluctuations in equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk is limited to declines in the values and volumes including those of its own shares, which could impede its ability to raise additional funds when required.

Capital management

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

The Board of Directors manages the capital structure and makes adjustments to its plan, based on economic and market conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, issue debt and may acquire or dispose of assets.

In order to facilitate the management of capital, the Company prepares expenditure budgets that are updated as necessary depending on factors determined by the Board of Directors.

The Company is not subject to any external capital restrictions. The Company does not expect to pay out dividends in the foreseeable future. The Company's investment policy is to keep its cash on deposit in an interest bearing major Canadian chartered bank account.

The Company is not subject to any externally imposed capital requirements. There were no changes to the Company's approach to capital management during the nine months ended September 30, 2020.

CHANGES IN ACCOUNTING POLICIES

New Accounting Pronouncements

Effective for annual periods beginning on or after January 1, 2019:

IFRS 16, Leases:

Under IFRS 16, the Company is required to review all its contracts to determine if they contain leases or lease-type arrangements. Virtually all leases are required to be accounted for as finance leases rather than operating leases, where the required lease payments are disclosed as a commitment in the notes to the financial statements. As a result, the Company will be required to recognize leased assets ("right-of-use" assets) and the related lease liability on the statement of financial position.

IFRS 16 is applicable to the Company's annual period beginning on January 1, 2019. Management has assessed that IFRS 16 did not have any effect on the Company's current financial statements, but could have an impact in the future.



OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements and no long-term debt obligations.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that this consists of corporate officers, executive and non-executive members of the Corporation's Board of Directors.

During this period ended September 30, 2020, key management personnel charged the Company \$29,000 for management fees, and \$508,243 in exploration expenditures. In addition, 1,000,000 stock options were issued to directors and officers of the Company with a value of \$177,000.

During the period ended September 30, 2019, there were no fees or payments incurred or paid to any key management personnel.

OUTSTANDING SHARE DATA

The following table shows the Company's share capital data as at September 30, 2020:

| | September 30, 2020 |
|---|-------------------------------|
| Common shares issued (at \$0.05 per share) | 3,000,000 |
| Common shares issued (at \$0.10 per share) | 3,000,000 |
| Common shares issued (at \$0.18 per share) | 12,603,266 |
| Common shares issued (at \$0.25 per share) | 2,925,648 |
| Common shares issued for Qualifying Transaction | 4,500,000 |
| Common shares issued for Snip Property | 200,000 |
| Common shares issued on exercise of agent options | 300,000 |
| Common shares issued on stock option exercise | 100,000 |
| Total common shares issued | 26,628,914 |

As at September 30, 2020 and as at the date hereof the Company has 26,628,914 common shares issued and outstanding. On a fully diluted basis the Company has 42,671,928 common shares.

Escrow shares

As at September 30, 2020, a total of 3,000,000 common shares were subject to a CPC Escrow Agreement and a further 4,586,910 common shares were subject to a Tier 2 Exchange Escrow Agreement. Under both the CPC Escrow and Tier 2 Exchange Agreements, 10% of the escrowed common shares were released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates 6, 12, 18, 24, 30 and 36 months following the Initial Release.

Stock options

A summary of the Company's stock option plan as at September 30, 2020 and 2019:

| | September 30, 2020 | | September 30, 2019 | |
|----------------------------------|--------------------|---------------------------------|--------------------|---------------------------------|
| | Number of options | Weighted Average Exercise Price | Number of Options | Weighted Average Exercise Price |
| Outstanding, beginning of period | 900,000 | \$0.10 | 600,000 | \$0.10 |
| Granted | 1,120,000 | \$0.20 | 300,000 | \$0.10 |
| Exercised | (400,000) | - | - | \$0.00 |
| Outstanding, end of period | 1,620,000 | \$0.17 | 900,000 | \$0.10 |
| Exercisable, end of period | 1,620,000 | \$0.17 | 900,000 | \$0.10 |

As at September 30, 2020 and the date hereof, 500,000 stock options are exercisable and outstanding, expiring on December 4, 2028 and a further 1,120,000 stock options are exercisable and outstanding, expiring on August 19, 2030.

Share Purchase Warrants

A summary of the Company's share purchase warrants as at September 30, 2020 and 2019:

| | September 30, 2020 | | September 30, 2019 | |
|----------------------------------|--------------------|---------------------------------|--------------------|---------------------------------|
| | Number of Warrants | Weighted Average Exercise Price | Number of Warrants | Weighted Average Exercise Price |
| Outstanding, beginning of period | - | \$0.00 | - | \$0.00 |
| Issued | 15,543,014 | \$0.27 | - | \$0.00 |
| Exercised | - | \$0.00 | - | \$0.00 |
| Outstanding, end of period | 15,543,014 | \$0.27 | - | \$0.00 |

As at September 30, 2020 and the date hereof, 15,528,914 share purchase warrants are exercisable and outstanding, expiring on August 18, 2022 and 14,100 finder's share purchase warrants are exercisable and outstanding, expiring on August 18, 2022.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates that, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

RISKS AND UNCERTAINTIES

Companies operating in the mining industry face many and varied kind of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical. Following are the risk factors most applicable to the Company.

Financial

The Company has not generated any revenue since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The continuation and long-term viability of the Company remains dependent upon its ability to obtain necessary equity financing to continue operations and to determine the existence, discovery and successful exploitation of economically recoverable reserves in its resource properties, confirmation of the Company's interests in the underlying properties, and the attainment of profitable operations.

Going Concern

The ability of the Company to continue as a going concern and meet its commitments as they become due, including completion of the acquisition, exploration and development of its mineral property interests, is dependent on the Company's ability to obtain the necessary financing. The Company will require additional capital to finance future operations and growth. If the Company is unable to obtain additional financing, the Company would be unable to continue. There can be no assurance that management's plans will be successful.

The business of mineral exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead, pay its liabilities and maintain its mineral interests. The recoverability of amounts shown for exploration and evaluation properties is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of these exploration and evaluation properties, and establish future profitable production, or realize proceeds from the disposition of exploration and evaluation properties. The carrying value of the Company's exploration and evaluation properties does not reflect current or future values.

These matters indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Industry

Exploring and developing mineral resource projects bears a high potential for all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted such that it is not feasible or practical to proceed. The Company monitors its risk based activities and periodically employs experienced consulting, engineering, insurance and legal advisors to assist in its risk management reviews.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Metal Prices

The principal activity of the Company is the exploration and development of precious metal resource properties. The feasible development of such properties is highly dependent upon the price of gold and silver. A sustained and substantial decline in precious metal commodity prices could result in the write-down, termination of exploration and development work or loss of its interests in identified resource properties. Although such prices cannot be forecasted with certainty, the Company carefully monitors factors which could affect precious metal and base metal commodity prices in order to assess the feasibility of its resource projects.

Political Risk

The resource properties on which the Company is actively pursuing its exploration and development activities are located in British Columbia, Canada. While the political climate in British Columbia is considered by the Company to be stable, there can be no assurances that this will continue indefinitely. To alleviate such risk, the Company funds its operations on an as-needed basis. The Company does not presently maintain political risk insurance.

Environmental

Exploration and development projects are subject to the environmental laws and regulations of the Province of British Columbia and of the Government of Canada. As such laws are subject to change, the Company monitors proposed and potential changes and management believes the Company remains in compliance with current environmental regulations in the relevant jurisdictions.

Operational

Exploration development projects require third party contractors for the execution of certain activities. The availability and cost of third party contractors is subject to a competitive environment for their use, which is beyond the control of the Company.

Cyber Security Risk

Cyber security risk is the risk of negative impact on the operations and financial affairs of the Company due to cyber-attacks, destruction or corruption of data, and breaches of its electronic systems. Management believes that it has taken reasonable and adequate steps to mitigate the risk of potential damage to the Company from such risks. The Company also relies on third-party service providers for the storage and processing of various data. A cyber security incident against the Company or its service providers could result in the loss of business sensitive, confidential or personal information as well as violation of privacy and security laws, litigation and regulatory enforcement and costs. The Company has not experienced any material losses relating to cyber-attacks or other information security breaches, however there can be no assurance that it will not incur such losses in the future.

Coronavirus Global Pandemic Risk

In March 2020, the World Health Organization declared a global pandemic related to the virus known as Covid-19. The expected impacts on global commerce are anticipated to be far reaching. To date there have been significant declines in the equity markets, and the movement of people and goods has become restricted.

The Company's ability to fund ongoing operations and exploration is affected by the availability of financing. Due to market uncertainty the Company may be restricted in its ability to raise additional funding.

The impact of these factors on the Company is not yet determinable; however, they may have a material impact on the company's financial position, results of operations and cash flows in future periods. In particular, there may be heightened risk of mineral property impairment and going concern uncertainty.

Uninsured Risks

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include key person insurance as the Company heavily relies on the Company officers.

Conflicts of Interest

Certain directors of the Company also serve as directors and/or officers of other companies involved in other business ventures. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Negative Operating Cash Flows

As the Company is at the early start-up stage it may continue to have negative operating cash flows. Without the injection of further capital and the development of revenue streams from its business, the Company may continue to have negative operating cash flows until it can be sufficiently developed to commercialize.

Risks Related as a Going Concern

The ability of the Company to continue as a going concern is uncertain and dependent upon its ability to achieve profitable operations, obtain additional capital and receive continued support from its shareholders. Management of the Company will have to raise capital through private placements or debt financing and proposes to continue to do so through future private placements and offerings. The outcome of these matters cannot be predicted at this time. However, management believes that the Company has adequate funding to continue operations for the next 12 months.

Reliance on Key Personnel and Advisors

The Company relies heavily on its officers. The loss of their services may have a material adverse effect on the business of the Company. There can be no assurance that one or all of the employees of, and contractors engaged by, the Company will continue in the employ of, or in a consulting capacity to, the Company or that they will not set up competing businesses or accept positions with competitors. There is no guarantee



that certain employees of, and contractors to, the Company who have access to confidential information will not disclose the confidential information.

Operating History and Expected Losses

The Company expects to make significant investments in the near future on its acquired assets. As a result, start-up operating losses are expected and such losses may be greater than anticipated, which could have a significant effect on the long-term viability of the Company.

Growth of Management

In executing the Company's business plan for the future, there will be significant pressure on management, operations and technical resources. The Company anticipates that its operating and personnel costs will increase in the future. In order to manage its growth, the Company will have to increase the number of its technical and operational employees and efficiently manage its employees, while at the same time efficiently maintaining a large number of relationships with third parties.

Regulatory Risks

The Company is subject to a number of technological challenges and requirements, and can be subject to the regulations and standards imposed by applicable regulatory agencies. There can be no assurance that the Company will be able to comply with all regulations concerning its businesses.

CORPORATE GOVERNANCE

The Company's Board and its committees follow the recommended corporate governance guidelines for public companies tailored to its size and operations to ensure transparency and accountability to shareholders. The current Board is comprised of five individuals, three of whom are executive officers of the Company. The Audit Committee is comprised of three members, two of whom are independent directors and one who is a director and Vice President of the Company.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that may constitute "forward looking statements". Forward looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

This MD&A includes, but is not limited to, forward-looking statements regarding the Company's plans and the Company's ability to meet its working capital needs for the next fiscal year.



Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

During the nine months ended September 30, 2020, there has been no significant change in the Company's internal control over financial reporting.

The management of the Company is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. Management is also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's financial statements for the nine months ended September 30, 2020 (together the "Interim Filings").

The management of the Company has filed the Venture Issuer Basic Certificate with the Annual Filings on SEDAR at www.sedar.com.

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 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. 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.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

ADDITIONAL INFORMATION

Additional information pertaining to the Company is available on the SEDAR website at www.sedar.com.