



**K9 GOLD CORP. (formerly GLOBAL VANADIUM CORP.)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020**

**GENERAL**

Dated: November 30, 2020

The purpose of this Management Discussion and Analysis ("MD&A") is to explain management's point of view regarding the past performance and future outlook of K9 Gold Corp.'s (formerly Global Vanadium Corp.) (the "Company") past performance and future outlook. This report also provides information to improve the reader's understanding of the financial statements and related notes as well as important trends and risks affecting the Company's financial performance, and should therefore be read in conjunction with the Company's audited financial statements and notes thereto for the years ended December 31, 2019 and 2018 and the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2020 and 2019 (the "Financial Statements"). Additional information on the Company is available on SEDAR. All information contained in this MD&A is current as of the date of this report unless otherwise stated.

All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

**FORWARD LOOKING STATEMENTS**

Certain sections of this MD&A may contain forward-looking statements.

All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Forward-looking statements may relate to the Company's future financial conditions, results of operations, plans, objectives, performance or business developments including, among other things, exploration and work programs, drilling plans and timing of drilling, plans for development and facilities construction and timing, method of funding and completion thereof, the performance characteristics of the Company's lithium and gold reserves, drilling results of various projects of the Company, commercial viability of exploration and development wells and producing mines, the existence of resources or reserves and the timing of development thereof, projections of market prices and costs, supply and demand for lithium and gold, expectations regarding the ability to raise capital and to acquire reserves through acquisitions and/or development, treatment under governmental regulatory and royalty regimes and tax laws, and capital expenditure programs and the timing and method of financing thereof.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of the Company contained in this MD&A, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and in the MD&A, or as otherwise expressly incorporated herein by reference as well as: (1) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment, adverse weather conditions or otherwise; (2) permitting, access, exploration, expansion and acquisitions at our projects (including, without limitation, land acquisitions for and permitting of exploration plans) being consistent with our current expectations; (3) prices for and availability of equipment, labor, natural gas, fuel oil, electricity, water and other key supplies remaining consistent with current levels; (4) labour and materials costs increasing on a basis consistent with the Company's current expectations; (5) the availability and timing of additional financing being consistent with the Company's current expectations. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not

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limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of lithium, gold, or certain other commodities (such as diesel fuel and electricity); changes in national and local government legislation and royalty regimes, taxation, controls, regulations and political or economic developments in the countries the Company operates in; business opportunities that may be presented to, or pursued by, us; our ability to successfully integrate acquisitions; operating or technical difficulties in connection with exploration or development activities; employee relations; the speculative nature of mineral resources exploration and development, including the risks of obtaining necessary licenses and permits; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, geological, technical, drilling and processing problems, fluctuations in foreign exchange or interest rates and stock market volatility, changes in income tax laws or changes in tax laws and incentive programs relating to the resource industry including, without limiting the generality of the foregoing, contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of mineral resources exploration and development including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and/or uncontrolled mineral resources releases (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks).

Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future.

All of the forward-looking statements made in this MD&A are expressly qualified by these cautionary statements and those made in our other filings with applicable securities regulators in Canada. These factors are not intended to represent a complete list of the factors that could affect the Company and readers should not place undue reliance on forward-looking statements in this MD&A. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

The forward looking statements contained herein are based on information available as of the date of this report.

### **OVERVIEW**

K9 Gold Corp. (formerly Global Vanadium Corp.) was incorporated under the Business Corporations Act (Alberta) on December 10, 2007 and continued into British Columbia under the Business Corporation Act (British Columbia) in March 2016. The Company completed its Qualifying Transaction and began trading on the TSX-V on April 18, 2011 as a Tier 2 Mining Issuer. In March 2015, the Company did not meet the continued listing requirements of a Tier 2 Mining Issuer. Therefore, as part of the resumption to trading, the Company's listing had been transferred to NEX and traded under the symbol, "GLV.H". On February 28, 2019, the Company met the requirements to be listed as a TSX-V Tier 2 Mining Company. Therefore, the Company's listing was transferred from NEX to TSX-V and currently trades under the symbol, "KNC".

In April 2020, the Company cancelled a total of 450,000 stock options held by former consultants.

In August 2020, the Company closed an option agreement to acquire up to a 100% interest in the Stony Lake East Gold Project located in the Grand Falls – Bishops Falls area of the Province of Newfoundland from an arm's length party, District Copper Corp., ("Optionors"). The project is comprised of 8 mineral licenses covering a total of 13,625 hectares. See "Summary of Exploration Activities – Stony Lake East Gold Project, Canada" below for further details.

In August 2020, the Company issued 500,000 common shares of the Company at a fair value of \$220,000 in relation to the acquisition of the Stony Lake East Gold Project.

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In August 2020, the Company closed a non-brokered private placement financing of 10,000,000 units at a price of \$0.25 per unit for gross proceeds of \$2,500,000 (the “August 2020 Offering”). Each unit consists of one common share of the Company and one share purchase warrant. Each warrant shall entitle the holder to purchase an additional common share of the Company at a price of \$0.50 for a period, subject to acceleration, of 24 months following the closing of the August 2020 Offering. The company paid a total of \$87,360 in finders' fees. Proceeds from the private placement will be used for general working capital, a sampling program on the Desert Eagle Project, and initial fieldwork on the Stony Lake East Gold Project.

In September 2020, the Company appointed Mr. Jeff Poloni as Chief Executive Officer and Director of the Company. Concurrently, Mr. Tsoutsis resigned as Chief Executive Officer, but remained as a director of the Company.

In September 2020, the Company changed its name from Global Vanadium Corp. to K9 Gold Corp.

In September 2020, the Company granted 1,500,000 stock options to certain officers, directors, and consultants of the Company at an exercise price of \$0.55 per share for a period of five years and vest upon issuance.

In October 2020, the Company closed a non-brokered private placement financing of 3,295,500 units at a price of \$0.315 per unit for gross proceeds of \$1,038,083 (the “October 2020 Offering”). Each unit consists of one common share of the Company and one share purchase warrant. Each warrant shall entitle the holder to purchase an additional common share of the Company at a price of \$0.42 for a period of three years. The company paid a total of \$20,047 and issued 50,840 warrants in finders' fees. Proceeds from the private placement will be used for exploration on the Stony Lake East Gold Project.

In November 2020, the Company granted 300,000 stock options to certain officers, directors, consultants, and employees of the Company at an exercise price of \$0.45 per share for a period of five years and vest upon issuance.

#### SELECTED FINANCIAL INFORMATION

The Company has not recorded any revenues, and depends upon share issuances to fund its administrative expenses. The summary of results is as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Operations:</b>				
Revenues	-	-	-	-
Administrative expenses	(1,003,142)	(13,711)	(1,022,830)	(66,993)
Net and comprehensive loss	(1,003,142)	(13,711)	(1,022,830)	(66,993)
Basic and diluted loss per share	(0.04)	(0.00)	(0.05)	(0.00)
Total assets	3,868,296	1,619,482	3,868,296	1,619,482
Dividends per share	-	-	-	-

As at September 30, 2020, the Company had not yet achieved profitable operations and had an accumulated deficit of \$4,538,897 (December 31, 2019 - \$3,593,377). For the nine months ended September 30, 2020, the Company had a net and comprehensive loss of \$1,022,830 (September 30, 2019 – \$66,993) resulting in a basic and diluted net loss per share of \$0.05 (September 30, 2019 – \$0.00).

As at September 30, 2020, the Company has no continuing source of operating revenues. The Company has not paid any dividends on its common shares nor does it have any present intention of paying dividends on its common shares, as it anticipates that all available funds for the foreseeable planning horizon will be used to finance future business activities.

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**RESULTS OF OPERATIONS**

The Company has yet to generate any revenue since its inception from its planned operations and has, to date, incurred annual net losses from operating and administrative expenses.

The table below details the significant changes in administrative expenditures for the three months ended September 30, 2020 as compared to the corresponding period ended September 30, 2019:

Expenses	Increase / Decrease in Expenses	Explanation for Change
Consulting fees	Increase of \$80,258	Increased due to the Company engaging consultants for financial, strategic and corporate advisory services.
Management fees	Increase of \$30,000	Increased due to no management compensation in the prior period.
Marketing	Increase of \$162,394	Increased due to new marketing and social media campaigns engaged to increase investor awareness.
Share-based compensation	Increase of \$695,850	Increased due to no stock options granted in the prior period.

The table below details the significant changes in administrative expenditures for the nine months ended September 30, 2020 as compared to the corresponding period ended September 30, 2019:

Expenses	Increase / Decrease in Expenses	Explanation for Change
Consulting fees	Increase of \$75,258	Increased due to the Company engaging consultants for financial, strategic and corporate advisory services.
Management fees	Increase of \$30,000	Increased due to no management compensation in the prior period.
Marketing	Increase of \$155,733	Increased due to new marketing and social media campaigns engaged to increase investor awareness.
Share-based compensation	Increase of \$695,850	Increased due to no stock options granted in the prior period.

**SUMMARY OF QUARTERLY RESULTS**

Historical quarterly financial information derived from the Company's eight most recently completed quarters is as follows:

		Quarters Ended			
		September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Net and comprehensive loss	(\$)	(1,003,142)	(11,190)	(8,498)	(23,541)
Loss per share basic and diluted	(\$)	(0.04)	(0.00)	(0.00)	(0.00)
Weighted average number of shares outstanding – basic and diluted		22,439,488	18,156,879	18,156,879	18,156,879
		September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Net and comprehensive loss	(\$)	(13,711)	(17,360)	(35,922)	(413,085)
Loss per share basic and diluted	(\$)	(0.00)	(0.00)	(0.00)	(0.02)
Weighted average number of shares outstanding – basic and diluted		18,156,879	18,156,879	18,073,546	16,896,010

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The variations in the losses from quarter to quarter are mainly due to the level of administrative expenses incurred by the Company and are fairly consistent from quarter to quarter with the exception of the following:

- the quarter ended September 30, 2020 included increased consulting, management, and marketing fees;
- the quarters ended September 30, 2020 and December 31, 2018 included share-based compensation related to stock options granted; and
- the quarter ended December 31, 2018 included increased fees associated with locating a new project.

**SUMMARY OF EXPLORATION ACTIVITIES**

**Exploration and Evaluation Properties**

For the nine months ended September 30, 2020, the Company incurred exploration and evaluation expenditures of \$435,600 as compared to \$23,858 in the comparative period for 2019.

	<b>Desert Eagle</b>	<b>Stony Lake East Gold</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Acquisition:			
Common shares issued	-	220,000	220,000
Cash payment	-	75,000	75,000
Exploration:			
Consulting	-	15,000	15,000
Geological	-	103,472	103,472
Maintenance fees	22,128	-	22,128
<b>For the nine months ended September 30, 2020</b>	<b>22,128</b>	<b>413,472</b>	<b>435,600</b>

	<b>Desert Eagle</b>
	<b>\$</b>
Exploration:	
Geological	2,256
Maintenance fees	21,602
<b>For the nine months ended September 30, 2019</b>	<b>23,858</b>

The total cumulative acquisition and deferred exploration costs of the Company to September 30, 2020 are summarized as follows:

	<b>Desert Eagle</b>	<b>Stony Lake East Gold</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Acquisition:			
Common shares issued	1,260,000	220,000	1,480,000
Cash payments	80,000	75,000	155,000
Exploration:			
Consulting	-	15,000	15,000
Geological	7,402	103,472	110,874
Maintenance fees	43,730	-	43,730
<b>Balance as at September 30, 2020</b>	<b>1,391,132</b>	<b>413,472</b>	<b>1,804,604</b>

## Current Projects

### **Desert Eagle Project, USA**

In November 2018, the Company closed a Share Purchase and Sale Agreement (“SP&S Agreement”) with the shareholders (“Vendors”) of 1141717 B.C. Ltd. (“1141717 BC”) whereby the Company purchased 100% of the outstanding shares of 1141717 BC for \$80,000 (paid) and 7,000,000 common shares of the Company (issued) at a fair value of \$1,260,000. In conjunction with the closing of the SP&S Agreement, the Company incorporated Global Vanadium Nevada Corp. (“GVNC”) which is a wholly owned subsidiary of 1141717 BC. The acquisition of 1141717 BC has been determined to be an asset acquisition as 1141717 BC did not meet the definition of a business under IFRS 3 – Business Combinations. As a result, the acquisition of 1141717 BC was accounted for as an asset acquisition whereby the sole asset acquired being exploration and evaluation assets is assigned the entire purchase price. In connection with the acquisition of 1141717 BC, the title to the Desert Eagle Project was transferred to GVNC.

The Desert Eagle Project is comprised of a total of 2,004 acres located in the Trachyte district situated to the east of the Henry Mountains, 95 miles south of Green River, Utah. The project is considered prospective for the development of vanadium due to high historic grades (up to 28% Vanadium Pentoxide) and high ratios of vanadium over uranium present on the claims. Mineralization occurs within sandstone of the Salt Wash member of the Jurassic Morrison formation, a rock unit synonymous with vanadium and uranium production across the Colorado Plateau. The historic grades referenced above have not independently been confirmed by the Company and should not be relied upon. In January 2019, the Company completed a NI 43-101 technical report on the project.

### **Stony Lake East Gold Project, Canada**

In August 2020, the Company closed an option agreement with District Copper Corp. (“District”) to acquire up to a 100% interest in the Stony Lake East Gold Project (“Stony Lake Project”) located in the Grand Falls – Bishops Falls area of the Province of Newfoundland. The Stony Lake Project is comprised of 8 mineral licenses covering a total of 13,625 hectares.

In order to exercise the option up to a 75% interest, the Company must make option payments to District as follows:

<b>Date</b>	<b>Cash \$</b>	<b>Number of Shares</b>	<b>Exploration Expenditures</b>
Within 15 business days following the date of TSXV conditional acceptance (“Approval Date”)	(paid) 75,000	(issued) 500,000	-
On or before the fifteen month anniversary of the Approval Date	125,000	1,200,000	150,000
On or before the second anniversary of the Approval Date	150,000	1,600,000	250,000
<b>Total</b>	<b>350,000</b>	<b>3,300,000</b>	<b>400,000</b>

In order to exercise a further 25% interest, for a total interest of 100%, the Company must make option payments to District as follows:

<b>Date</b>	<b>Cash \$</b>	<b>Number of Shares</b>	<b>Exploration Expenditures</b>
On or before the third anniversary of the Approval Date	500,000	2,000,000	-

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The Stony Lake project lies within the Cape Ray/Valentine Lake structural trend in Central Newfoundland, lying parallel to that of New Found Gold's Queensway project, along the prolific Dog Bay Line. The project covers 13,625 ha and 27 kilometers of favorable trend between Sokoman's Moosehead discovery to the northeast and Marathon's Valentine Lake deposit to the southwest.

At Stony Lake, large areas of significant gold mineralization occur primarily in altered Botwood sediments and quartz-feldspar porphyry intrusives associated with intense silicification, sericite-chlorite-carbonate alteration and a strong pyrite-arsenopyrite mineralogical association. These features indicate epizonal/mesozonal temperatures for the hydrothermal fluids and support the exploration model of hydrothermal fluids leaking upwards into the Botwood sediments from a deeper igneous intrusive source. This area is now referred to as the Exploits Subzone gold district which essentially covers the Silurian-age clastic sediments surrounding the Mount Peyton intrusive.

Prior to the 2020 field season, airborne geophysical coverage, with follow-up ground prospecting and sampling, has led to the identification of eight areas of highly anomalous to high grade gold mineralization. The gold mineralization is hosted in a variety of environments, including quartz-feldspar porphyries, reduced sandstones, quartz stockworks and quartz veins. The property hosts both widespread low grade mineralization (up to 4.0 g/t Au) within the Botwood Formation and high grade veins (>4.0 g/t Au) in the basement rocks below the Botwood, similar to the nearby New Found Gold Queensway project, and the immediately adjacent Sokoman Minerals Moosehead discovery.

### Significant Results:

- Eight areas of highly anomalous to high grade gold mineralization have been identified.
- The gold mineralization is hosted in quartz feldspar porphyry, pyrite, and arsenopyrite bearing reduced sandstone, quartz stockwork, and quartz veins.
- The gold mineralization exhibits arsenic-antimony-molybdenum geochemical associations with a high gold to silver ratio.
- The gold mineralization is characterized by sericite, silica, ankerite, carbonate, and chlorite alteration typically as pervasive alteration and envelopes around quartz stockwork and quartz veins.
- Pyrite and arsenopyrite (1-3% total sulphide) are common to the gold mineralization in all samples containing greater than 50 parts per billion ("ppb") gold.

The 2019 airborne survey and subsequent interpretation clearly show that the structural trend of the Sokoman discovery crosses onto the Stony Lake East property, angling across the northern part of the property. This appears to be a primary basement structure, with multiple splays off it. This defines a high priority exploration target in the basement below the Botwood Group.

In addition, the interpretations indicate that the main concentration of zones of gold mineralization discovered in the Botwood sediments in 2019 is along a NNE structural trend in the Botwood. Although this is a different trend to that discussed above, the exploration model is the same, i.e. a major structure with gold bearing fluids emanating from a basement structure depositing low grade gold mineralization in the Botwood sediments.

In the Fall of 2020, additional field work was carried out. This comprised an airborne geophysical survey (VTEM), a LiDAR and orthophotography survey, a program of till sampling covering 76 sites, and two weeks of mapping, sampling and prospecting with four geologists. Results from these surveys are pending.

### **Quality Control and Quality Assurance**

The scientific and technical content and interpretation contained in this MD&A have been reviewed, verified and approved by Chris M. Healey, P. Geo., a Qualified Person as defined by NI 43-101, Standards of Disclosure for Mineral Projects.

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**LIQUIDITY, FINANCIAL POSITION, AND CAPITAL RESOURCES**

The Company has financed its operations to date through the issuance of common shares and the exercise of options and warrants. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The Company's liquidity and capital resources as at the following dates are as follows:

	<b>September 30, 2020</b>	<b>December 31, 2019</b>
	<b>\$</b>	<b>\$</b>
Cash	1,613,617	211,477
Receivables	41,971	248
Prepays	408,088	1,589
Total current assets	2,063,676	213,314
Accounts payable and accrued liabilities	14,110	20,563
Total current liabilities	14,110	20,563
Working capital	2,049,566	192,751

As at September 30, 2020, the Company had cash of \$1,613,617 (December 31, 2019 – \$211,477) and working capital of \$2,049,566 (December 31, 2019 – \$192,751).

During the quarter ended September 30, 2020, the Company experienced an increase in cash of \$1,414,702 versus a decrease of \$15,998 in the comparative period ended September 30, 2019. In the current period, the Company's increase in cash is mostly due to closing a private placement for proceeds of \$2,500,000, which was offset by paying shares issuance costs of \$100,610, incurring exploration and evaluation asset expenditures of \$215,600, and funds used for administrative costs. In the comparative period, The Company received proceeds from the exercise of warrants of \$60,000, which was offset by repaying \$150,000 of refundable deposits, incurring exploration and evaluation asset expenditures of \$23,858, and funds for administrative costs.

The Company's continuation as a going concern is dependent upon its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. See "Risks and Uncertainties".

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off balance sheet arrangements.

**RELATED PARTY TRANSACTIONS**

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive and non-executive) of the Company.

	<b>For the nine months ended September 30,</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Management fees	30,000	-
Share-based compensation	278,341	-
	308,341	-

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All related party transactions are recorded at the amount agreed to by the Company and the related party. During the nine months ended September 30, 2020, the Company entered into the following transactions with key management personnel:

- (a) Paid or accrued management fees of \$15,000 (September 30, 2019 – \$nil) to Brian Morrison, CFO and director of the Company. As at September 30, 2020, \$nil (December 31, 2019 - \$136) was included in accounts payable and accrued liabilities owing to Brian Morrison for reimbursement of expenses. In addition, \$nil (December 31, 2019 - \$781) was included in receivables for overpayment of reimbursed expenses.
- (b) Paid or accrued management fees of \$15,000 (September 30, 2019 – \$nil) to Kosta Tsoutsis, a director of the Company.

### **RISKS & UNCERTAINTIES**

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the 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 Company is currently unaware or which it considers to 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.

The Company is engaged in the acquisition, exploration and development of mineral properties. Given the nature of the resource business, the limited extent of the Company's assets, and the present stage of exploration, the following risks factors, among others, should be considered.

### **COVID-19 Pandemic**

In March 2020, there was a global outbreak of coronavirus (COVID-19). The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, among others, could have a significant impact on the Company's operations.

In response to the global outbreak of COVID-19, on March 17, 2020, the governor of Nevada ordered the closure of all non-essential businesses in the state of Nevada to help prevent the spread of the virus. On April 1, 2020, the governor of Nevada issued a "stay at home" order, which was updated on April 8, 2020. The order restricted non-essential activities, travel and business operations, subject to certain exceptions for necessary activities through April 30, 2020, which was subsequently extended to May 15, 2020. On April 30, 2020, the governor of Nevada announced Nevada's "Roadmap to Recovery Plan", which outlined certain criteria and milestones that had to be met in order to safely restart Nevada's economy. Phase 1 and Phase 2 of the Nevada reopening plan commenced on May 9, 2020 and May 29, 2020, respectively, allowing certain non-essential businesses to voluntarily reopen under strict restrictions. The Company's development activities, including infill drilling as well as exploration drilling are considered an "essential business" in Nevada and are permitted to continue, so long as these activities are conducted in a safe manner, in groups of ten or less, and social distancing measures are maintained.

On August 1, 2020, the Company's office resumed normal business, with multiple COVID-19 precautionary measures in place. The Company continues to operate in a safe manner with social distancing measures and daily health checks. The Company has taken actions to minimize the risks of COVID-19 for both consultants and persons interacting with the Company's programs and activities with the adoption of a policy that mandates social distancing, a safety champion, and frequent office cleaning/wipe down, self-health checks, and work from home protocol if exposure to COVID-19 is suspected or known.

To ensure a safe workplace environment in Canada that protects the health and safety of employees and contractors, K9 Gold follows all federally and provincially mandated and recommended guidelines regarding COVID-19.

### **Competition**

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources, manufacturing and marketing experience. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, and results of operations of the Company.

### **Exploration, Development and Operating Risks**

The Company is in the process of exploration and development of its properties and has not yet generated any revenues from production. The recovery of expenditures on mineral properties and the related exploration and evaluation expenditures are dependent on the existence of economically recoverable mineralization, the ability of the Company to obtain financing necessary to complete the exploration and development of its Desert Eagle Project and Stony Lake East Gold Project, and upon future profitable production, or alternatively, on the sufficiency of proceeds from disposition. Resource exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that the Company's efforts will be successful and will result in commercial production or profitability.

### **Fluctuating Resource Prices**

The economics of resource exploration and development are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the quantity and quality of resources and fluctuations in the market price of those resources. Depending on the price of resources, the Company may determine that it is impractical to continue a resource exploration operation or to develop one. Resource prices are prone to fluctuations and the marketability of resources are affected by government regulation relating to price, royalties, allowable production and the importing and exporting of resources, the effect of which cannot be accurately predicted.

### **Reliance on Management and Dependence on Key Personnel**

The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

### **Financing Risks and Dilution to Shareholders**

In order to execute the current business objectives, the Company will require additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit the Company's growth and may have a material adverse effect upon future profitability.

If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. Any debt financing secured in the future could involve restrictive covenants relating to the capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

### **Title to Properties**

Acquisition of title to mineral properties can be a very detailed and time-consuming process. Title to, and the area of, properties could be disputed. The Company cannot give a certain assurance that title to its properties will not be challenged or impugned. A successful claim that the Company does not have title to its properties could cause the Company to lose any rights to explore, develop and mine any resources or minerals on its properties without compensation for its prior expenditures relating to its properties.

### **Environmental Risks**

The Company's exploration and development programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the resource business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

### **Litigation**

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

### **Regulatory, Permit and License Requirements**

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations concerning exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for facilities and the conduct of exploration and development operations on the properties will be obtainable on reasonable terms, or that such laws and regulations will not have an adverse effect on any exploration or development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of resource companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

### **Currency Risks**

The Company's financial results are reported in Canadian dollars. The Company's exploration properties are located in the United States and Canada, and the Company incurs some of its expenditures in United States dollars. Any appreciation in the currency of the United States against the Canadian dollar will increase the Company's costs of carrying out operations and its ability to continue to finance its operations. Such fluctuations could have a material adverse effect on the Company's financial results.

### **Local Resident Concerns**

Apart from ordinary environmental issues, the exploration and development the Company's projects could be subject to resistance from local residents that could either prevent or delay exploration and development of its properties.

### **No Operating History**

The Company and has not commenced commercial operations since incorporation to date. The Company has no history of earnings or paid any cash dividends, and it is unlikely to produce earnings or pay dividends in the immediate or foreseeable future.

### **Political Risks**

The Company's operations may be adversely affected by changes in governmental policies or other economic developments which are not within the control of the Company including a change in taxation policies, economic sanctions, and currency control. The Company is subject to various laws governing exploration, development, production, taxes, labour standards and occupational health, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner, which could increase the cost of operations.

### **Conflicts of Interest**

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers may become subject to conflicts of interest. The BCBCA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to an issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA and applicable internal corporate governance or board policies where and when applicable.

### **Uninsurable Risks**

Exploration, development and production operations on resource properties involve numerous risks, including unexpected or unusual geological and/or operating conditions, fires, floods, earthquakes and other environmental occurrences, any of which could result in damage to, or destruction of, producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company's shares.

## **CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the valuation of share-based compensation and the recognition of deferred tax amounts.

### Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Critical judgments exercised in apply accounting policies that have the most significant effects on the amounts recognized in the financial statements are as follows:

- i) Determination of categories of financial assets and financial liabilities; and
- ii) Assessment of the going concern assumption.

## FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The fair value of the Company's receivables and accounts payable and accrued liabilities approximates their carrying values. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

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:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts and its receivables. The Company has deposited its cash with a large Canadian financial institution and its receivables mostly consist of amounts due from the Canadian government. Management believes the risk of loss is low.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient working capital to meet liabilities when due. As at September 30, 2020, the Company had a cash balance of \$1,613,617 to settle current liabilities of \$14,110.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(d) Currency risk

The Company's operations and financing activities are conducted in Canadian dollars and as a result, the Company is not subject to significant exposure to market risks from changes in foreign currency rates.

(e) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not subject to interest rate risk.

## CAPITAL DISCLOSURE AND MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to meet its exploration commitments. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure.

The Company considers its capital structure to include shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms and approved by the TSX-V. 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 Company's overall strategy remains unchanged from 2019. The Company is not subject to any externally imposed capital requirements.

MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

**DISCLOSURE DATA FOR OUTSTANDING COMMON SHARES, OPTIONS AND WARRANTS**

The Company has one class of common shares. Below is a summary of the outstanding capital of the Company as at September 30, 2020 and the date of this report:

	As at September 30, 2020	Date of this report
Common shares	28,656,879	31,952,379
Stock options	2,800,000	2,800,000
Warrants	10,000,000	13,346,340

**Stock Options**

As of the date of this report, there was two tranches of stock options outstanding as shown below.

Stock Options Issue Date	Number of Stock Options Outstanding	Exercise Price	Expiry Date
October 15, 2018	1,300,000	\$ 0.165	October 15, 2023
September 28, 2020	1,500,000	0.55	September 28, 2025
	2,800,000		

**Warrants**

As of the date of this report, there was two tranches of warrants outstanding as shown below.

Warrants Issue Date	Number of Warrants Outstanding	Exercise Price	Expiry Date
August 25, 2020	10,000,000	\$ 0.50	August 25, 2022
October 30, 2020	3,346,340	0.42	October 30, 2023
	13,346,340		

**OTHER MD&A REQUIREMENTS**

Additional information relating to the Company may be found on or in:

- SEDAR at [www.sedar.com](http://www.sedar.com);
- the Company's condensed interim consolidated financial statements for the three and nine months ended September 30, 2020 and 2019.
- the Company's audited financial statements for the years ended December 31, 2019 and 2018.

This MD&A was approved by the Board of Directors of K9 Gold Corp.