

AGUILA AMERICAN GOLD LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED APRIL 30, 2021

The following management discussion and analysis and financial review, prepared as at August 26, 2021, should be read in conjunction with the audited consolidated financial statements and related notes for the years ended April 30, 2021 and 2020 of Aguila American Gold Limited (“Aguila” or the “Company”). The following disclosure and associated financial statements are presented in accordance with International Financial Reporting Standards (“IFRS”). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis (“MD&A”) are quoted in Canadian dollars.

Forward-Looking Statements

This MD&A contains certain statements that may constitute “forward-looking statements”. Forward looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. Forward-looking statements are based upon the opinions and expectations of management of the Company as at the effective date of such statements and, in certain cases, information provided or disseminated by third parties. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, and that information obtained from third party sources is reliable, they can give no assurance that those expectations will prove to have been correct. Readers are cautioned not to place undue reliance on forward-looking statements.

These forward-looking statements are subject to a number of risks and uncertainties. Actual results may differ materially from results contemplated by the forward-looking statements. Accordingly, the actual events may differ materially from those projected in the forward-looking statements. When relying on forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and should not place undue reliance on such forward-looking statements.

All of the Company’s public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedar.com or the Company’s website at <https://aguila.gold/> and readers are urged to review these materials, including the technical report filed with respect to the Company’s mineral property.

COVID-19

The global outbreak of a novel coronavirus pandemic identified as “COVID-19”, has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put in place by Canada and other countries in which the Company may conduct future mineral interests or business acquisitions to fight the virus.

Company Overview

The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange (“TSXV”) under the symbol “AGL”, the OTCQB under the symbol “AGLAF” and the Frankfurt Stock Exchange under the symbol “AGP”. On December 16, 2020 the Company upgraded its listing from the OTCBB to the OTCQB under the same symbol “AGLAF”. The Company’s principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia. The Company is a junior mineral exploration company. On July 27, 2020 the Company entered into an agreement with Mawson Gold Limited (“Mawson”), a publicly traded company with a director in common, whereby Mawson granted the Company the right to earn up to an 80% indirect interest in the WUSA Gold Project. As of the date of this MD&A the Company has earned an initial 51% indirect interest (the “Initial Interest”) by funding US \$200,000 in exploration expenditures and making a payment of US \$25,000 to the landholder. The

Company can earn an additional 29% indirect interest by funding a further US \$1,000,000 in exploration expenditures by December 31, 2022. The Company has also agreed to make all the remaining option lease payments and exploration expenditures required under the WUSA Option Agreement. See “Exploration Project - WUSA Gold Project - Agreements”.

Officer and Directors

As of the date of this MD&A the officers and directors of the Company are as follows:

Mark Saxon	- Chief Executive Officer (“CEO”), President and Director
Nick DeMare	- Chief Financial Officer (“CFO”), Corporate Secretary and Director
Dusan Berka	- Director
Blair Way	- Director

Exploration Project - WUSA Gold Project

As of the date of this MD&A the Company has earned the Initial Interest in the WUSA Gold Project located in the state of Oregon, USA.

Agreements

Effective December 27, 2017, as amended, Mawson and its subsidiary, Mawson Resources USA Inc. (“Mawson USA”) (collectively “Mawson”), entered into an agreement (the “WUSA Option Agreement”) whereby it was granted the option to lease and to conduct exploration on mineral rights (the “WUSA Gold Project”) located in Oregon, USA. Pursuant to the agreement Mawson had agreed to pay an annual option to lease payments (adjusted for inflation) of:

Option Year 1 -	US \$100,000 (paid by Mawson);
Option Year 2 -	payments of US \$25,000 (the “August Payment”) on or before August 1, 2020 (paid) and US \$75,000 on or before February 1, 2021 (paid); and
Option Year 3 -	US \$25 per acre. The option lease payment will be determined by the acreage.

Mawson was also required to expend minimum annual exploration expenditures as follows:

Option Year 1 -	US \$500,000, which was met by Mawson as at November 30, 2018;
Option Year 2 -	US \$750,000, of which a minimum of US \$200,000 shall be completed on or before December 31, 2020, and the remaining US \$550,000 on or before December 31, 2021;
Option Year 3 -	US \$1,000,000; and
Option Year 4 -	US \$1,000,000.

On July 27, 2020 Mawson entered into an agreement (the “WUSA LOI”) with the Company whereby it granted the Company the right to earn up to an 80% indirect interest in the WUSA Gold Project. The Company can earn an initial 51% indirect interest (the “Initial Interest”) by funding a minimum of US \$200,000 in exploration expenditures by December 31, 2020 and making the August Payment to the landholder. As at April 30, 2021 the Company has earned the Initial Interest.

The Company can earn an additional 29% indirect interest by funding a further US \$1,000,000 in exploration expenditures by December 31, 2022. The Company has also agreed to make all the remaining option lease payments and exploration expenditures required under the WUSA Option Agreement.

Technical Report Summary

Overview

Mr. John Rice, MSc, P.Geo., AIPG, consulting geologist, prepared a technical report as a National Instrument 43-101 (“NI 43-101”) Technical Report (the “Technical Report”) on the WUSA Gold Project with an effective date of September 4, 2020. The WUSA Gold Project is located in the State of Oregon, USA, about 60 km south of the city of Eugene and 130km south of the capital, Salem.

The Technical Report was prepared for the Company to provide an initial technical assessment and summary of the WUSA Gold Project and in support of the WUSA LOI. The Technical Report can be found on the Company's website www.aguila.gold or at www.sedar.com.

Property Description and Ownership

The WUSA Gold Project lies immediately east and south of the township of Cottage Grove within the Western Cascades, central-western Oregon, USA on the boundary of the Lane and Douglas Counties, and is accessible with a network of unpaved and forestry roads. Principal road networks originate from the Interstate 5 Freeway that marks the western boundary of the WUSA Gold Project, and the Row River Road that travels south from Cottage Grove towards Dorena.

The WUSA Gold Project is characterised by rugged vegetated mountains with deep incision by substantial watercourses. The area has a long history of forest harvesting, which has provided a robust gravel road network, even through areas of steep terrain.

The Company has gained future rights to the WUSA Gold Project through the WUSA LOI to form a Joint Venture with Mawson. Mawson's interest in the WUSA Gold Project is held by its wholly-owned Canadian subsidiary M2 Resources Corp, which is the 100% owner of Mawson USA, a US registered corporation. In February 2021 the Company advised Mawson that conditions have been met under the WUSA LOI for the Company to hold the Initial Interest.

The WUSA Gold Project is the subject of a pre-existing agreement between Mawson USA and a private landholder (the "Landholder"). In 2017, the Landholder invited Mawson USA to explore a defined area of their land, their Bureau of Land Management claims, and the public or private land that surrounds or lies within their landholding, subject to various conditions. Mawson USA received confidential data from the Landholder, gained access rights for surface sampling, and could select smaller priority areas for additional detailed work under the WUSA Option Agreement. Mawson completed regional exploration and data collection, and transferred a number of areas to the WUSA Option Agreement.

Through the Joint Venture with Mawson, the Company has gained rights to the priority areas, the confidential data, rights to explore the large forestry area, and rights to select additional smaller priority areas for detailed work. The Company must complete certain minimum exploration to ensure the Joint Venture with Mawson and the WUSA Option Agreement with the Landholder remain in good standing.

Exploration History

The WUSA Gold Project and surrounding region is very under-explored in comparison to similar North American cordilleran terranes. The mineral and land rights have been held as a contiguous parcel by one third party landholder for at least 50 years. The Landholder has not completed significant modern exploration prior to the agreement with Mawson and has not permitted exploration to be undertaken on their land.

Very limited exploration was undertaken by the Landholder across the WUSA Gold Project area to evaluate the potential for undiscovered mineralized systems. Sporadic geological mapping and low-level prospecting was completed across the WUSA Gold Project area during the late 1980's and early 1990's, culminating in the drilling of 10 percussion drillholes at the Walker Creek prospect.

Following the establishment of an agreement with the Landholder, Mawson undertook exploration during 2018 to test the broader WUSA Gold Project and follow up on priority prospect areas. Mawson undertook a variety of regional and prospect-based work programs including geochemistry and geophysics, with a focus on the Scorpion-Cinnabar and Huckleberry areas. Both prospects were drill tested, with the one hole at Scorpion-Cinnabar intersecting gold mineralization with widespread alteration and anomalous pathfinder metals indicative of potential for a low-sulphidation epithermal system.

Geology and Mineralization

The Western Cascades, where the WUSA Gold Project is located, lie between the High Cascade Range and Willamette Valley. Geologically the region is generally comprised of late Eocene to late Miocene andesites, basaltic andesites, pyro-volcaniclastic rocks and, to a lesser extent, of dacite, trachyte, and rhyolite.

The extensive development of pyroclastic rocks, widespread alteration and hydrous alteration phases in the Western Cascades evidences the hydrous magmatic setting and the formation in a subduction-related environment. The thickness of volcanic accumulation in the Western Cascades exceeds 6,000m. Interbedded sedimentary rocks unrelated to volcanism constitute a minor component of the Western Cascades, while small dioritic intrusions are widespread and commonly cluster in the larger mining districts.

Most base and precious metal occurrences in rocks of the Western Cascades are typically composed of economic sulphide minerals within quartz veins or shear zones, and contain gold with or without silver, lead, zinc, copper, and (or) antimony. Vein textures and alteration assemblages suggest classification as polymetallic vein deposits or epithermal based on the host rock, commodities present, and mineralogy.

While the WUSA Gold Project area remains poorly studied, the geological setting, hydrothermal alteration, styles of gold-silver mineralization, and close spatial and timing association with substantial hot-spring mercury deposits (Black Butte), suggests the region has potential for high level low-sulfidation and epithermal precious metal deposits.

A number of prospect areas have been defined within the WUSA Project area. The Walker Creek, Huckleberry and Scorpion-Cinnabar prospects are all associated with intense epithermal style mineralization, while Walker Creek and Scorpion-Cinnabar both demonstrate gold in drilling.

Conclusions and Recommendations of the Technical Report

Through the Joint Venture, the Company has gained access and prospective title to a large area of privately owned mineral rights within the Western United States. The work completed by the Landholder and Mawson, though sparse, has demonstrated bedrock gold mineralization in areas of intense epithermal hydrothermal style alteration.

Consistent surface exploration has never been completed suggesting the potential for discovery near surface and at relatively low cost. The volume of drilling is extremely low considering geological setting, accounted for by the limited past access granted by the Landholder.

Based on the historical information reviewed to date, the best opportunities for future exploration success and potential development toward mining, are the Scorpion-Cinnabar and Walker Creek prospects. Both sites encountered gold in bedrock drilling which has not been followed up.

Mr. John Rice, author of the Technical Report, recommended additional exploration expenditure on the WUSA Gold Project.

Recommendation for Phase 1 and 2 exploration across the WUSA Gold Project totals approximately \$1,250,000.

Exploration Activities Completed by the Company

On December 16, 2020 the Company announced that it had completed four diamond core holes for a total of 649 meters.

The Company's drill program tested the Scorpion-Cinnabar prospect, one of four prospects identified at the WUSA Gold Project to date. Scorpion-Cinnabar is defined by a 2.2 km long and up to 400-metre-wide gold and arsenic in soil geochemical anomaly that trends south of the historic Black Butte epithermal mercury mine. An association between mercury and epithermal gold mineralization is very common, where gold may lie at depth or along strike from the mercury enriched zone.

Drilling used existing forest road access and tested a strike length of 1.6 km along the gold-arsenic anomaly trend.

Table 1: Drillhole Collar co-ordinates (NAD27 / UTM zone 10N)

DRILL HOLE	EAST	NORTH	AZIMUTH	DIP	TOTAL DEPTH (M)
SDH-02-20	495319	4822677	293	-80	119.0
SDH-03-20	495502	4822583	275	-50	240.0
SDH-04-20	495371	4821361	278	-50	237.0
SDH-05-20	495236	4821025	268	-65	52.0

All holes intersected andesite volcanics and volcanoclastics with regular fault, breccia, altered and oxidized zones that correspond to hydrothermal fluid pathways and may be associated with gold-silver mineralization.

Drilling returned elevated pathfinder metals (As, Sb, Te, Cu) in all holes, while gold above 0.1 g/t was intersected in three holes across 1.6 km (see Table 1). Notable intersections included:

SDH-02-20: 6.1m @ 0.17 g/t Au, 1.1 g/t Te from 50.3m
 SDH-03-20: 1.5m @ 0.20 g/t Au from 184.4m; and
 2.7m @ 0.14 g/t Au from 213.4m
 SDH-04-20: 4.9m @ 0.5% As from 203.9m
 SDH-05-20: 1.2m @ 0.22 g/t Au, >1% As, 0.14% Sb

In March 2021, the Company announced completion of a detailed remote sensing study for the WUSA Gold Project. This work generated a structural, geological and exploration target map on a scale previously unavailable for the property. The study processed and interpreted various satellite datasets to provide direct targets based on alteration signatures, and indirect targets based on domal and structural positions (see Figure 1).

The remote sensing study integrated a range of regional datasets with the intent of prioritizing gold mineralization at the Walker Creek and Scorpion-Cinnabar prospects and identifying new prospective targets.

ASTER, Sentinel-2 super spectral, Lidar and NASA's STRM digital elevation data were processed to provide direct targets based on alteration signatures, and indirect targets based on domal and structural positions. While the WUSA Gold Project itself exceeds 70,000 Ha, an area more than four times this size was studied for context and to highlight regional opportunities. As the surface and mineral rights for the WUSA Gold Project have been held by a single landholder without significant exploration for more than 50 years, historic exploration data is very sparse, and this study provides a much needed regional understanding.

The study identified zones of mixed alteration potentially indicative of epithermal fluids, and zones of structural complexity that crosscut the volcanic/volcanoclastic pile. Domal features may suggest shallowly buried syn-volcanic intrusions that are commonly associated with epithermal gold mineralization. These areas will be integrated with existing geochemical data and form immediate targets for surface follow up

Exploration of prospect areas is being planned including stream sediment and soil sampling that has only been locally completed across the WUSA Gold Project area.

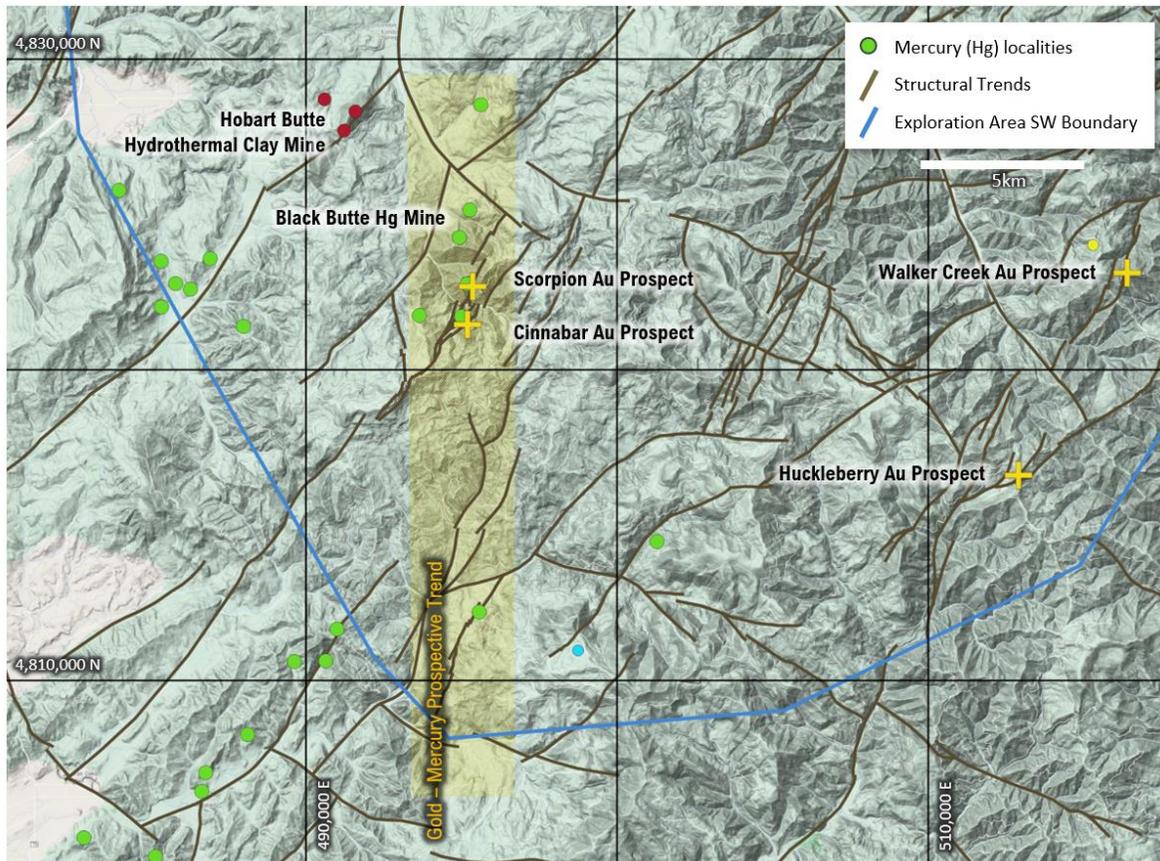


Figure 1: Regional Setting of the Scorpion and Cinnabar Prospects, Western Oregon. The prospects lie along a north-south shear and breccia zone within an interpreted north-south domain characterised by mercury occurrences suggesting a high-level epithermal setting. The largest mercury occurrence is the Black Butte Mine. (NAD27 / UTM zone 10N)

Exploration Project - Cora Copper Project

On July 15, 2021, the Company announced it had acquired 100% ownership through staking, the Cora copper project, located in Pinal County, Arizona. The project was identified during an extensive project generation program targeting copper deposits within North America.

The Cora project lies 75km NNE of Tucson, within the heart of the southern Arizona copper belt. The project is 100% owned by the Company, secured by 46 granted BLM lode mining claims covering a total of 3.84 sq km. Many of North America's largest copper mines and development projects lie within 100 km of the Cora project, including Ray, Miami, Resolution, Florence and Silver Bell.

Original exploration company records held by the Geological Survey of Arizona indicate past drilling at the Cora project intersected oxide copper mineralization over widths in excess of 100 m, beneath shallow alluvial cover, over an area of at least 1km by 1km. Intervals include:

- DH5: 99.7m (327ft) @ 0.28% Cu, below 10.7m of alluvial cover (California Steel Co., 1950s)
- DH4: 39.6m (130ft) @ 0.38% Cu, below 47.2m of alluvial cover (California Steel Co., 1950s)
- DH1*: 225.5m (740ft) @ 0.29% Cu, below 42.7m of alluvial cover (California Steel Co., 1950s)

* The location of DH1 is inconsistently recorded, placing it within or immediately adjacent to Aguila claims. Results therefore should not be relied upon and should only be considered an indication of the mineral potential of the project.

Drilling results are historical in nature and have not been verified by a “qualified person” as defined by National Instrument 43-101. Drill locations are determined from maps with local grid coordinates of the day which cannot be converted to modern coordinates with a high degree of accuracy. Results therefore should not be relied upon and should only be considered an indication of the mineral potential of the project.

Geological logs from holes drilled by Magma Copper Co. immediately west of the Cora project, indicate copper mineralization may be associated with highly altered, possible Laramide aged intrusions, consistent with a potential porphyry copper setting and analogous to many large copper deposits in Arizona.

The claims held by the Company cover the flat lying pediment to the east of and adjoining the historic North Star copper mine. Widely spaced scout drilling during the 1950’s within the area secured by the Company is reported to have intersected significant widths of oxide copper mineralization beneath shallow cover (11m to 70m). Mineralization was encountered across an area of approximately 1km by 1km.

Past exploration has focused on the fault-hosted North Star copper mine. Drilling identified a significant zone of structurally controlled copper oxide mineralization that extends below cover into the ground held by the Company. Early explorers interpreted mineralization to be associated within detachment faults, however, a review of all available historical data by the Company indicates a possible porphyry copper-molybdenum association.

The Company’s review noted:

- (i) Diamond drill logs from Magma Copper Co. describe altered intrusive rocks (monzonite, diorite, latite porphyry) throughout several drill holes, with alteration described as argillic in nature, more consistent with a porphyry copper setting.
- (ii) The lack of reported specular hematite associated with mineralization is inconsistent with a detachment fault model as this is a very common accessory mineral in detachment fault hosted deposits in Arizona and Nevada.
- (iii) The local presence of Laramide aged intrusions, which are associated with all major porphyry copper deposits in Arizona.
- (iv) The structural association with local porphyry deposits and intrusions.

Porphyry copper systems within Arizona are often subjected to significant post-mineral faulting and dismembering with characteristic re-mobilization of copper fluids along post-mineral faults. In this context, the structurally controlled North Star mine adjacent to the widespread copper oxide mineralization and altered intrusive rocks of the Cora project are suggestive of a shallow buried porphyry copper target.

Qualified Person

The qualified person for the Company’s projects, Mr. Mark Saxon, the Company’s CEO, a Fellow of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists, has reviewed and verified the contents of this document.

Selected Financial Data

The following selected financial information is derived from the audited annual financial statements of the Company.

	Years Ended April 30,		
	2021	2020	2019
	\$	\$	\$
Operations:			
Revenues	Nil	Nil	Nil
Expenses	(845,343)	(124,310)	(106,533)
Other items	(8,224)	(3,488)	225,015
Net (loss) income	(853,567)	(127,798)	118,482
Basic and diluted (loss) income per share	(0.06)	(0.04)	0.05
Dividends per share	Nil	Nil	Nil

	Years Ended April 30,		
	2021 \$	2020 \$	2019 \$
Balance Sheet:			
Working capital (deficiency)	1,809,152	(332,601)	(342,643)
Total assets	2,465,784	32,105	27,993
Total long-term liabilities	Nil	Nil	Nil

The following selected financial information is derived from the unaudited condensed interim financial statements of the Company.

	Fiscal 2021				Fiscal 2020			
	Apr. 30 2021 \$	Jan. 31 2021 \$	Oct. 31 2020 \$	Jul. 31 2020 \$	Apr. 30 2020 \$	Jan. 31 2020 \$	Oct. 31 2019 \$	Jul. 31 2019 \$
Operations:								
Revenues	Nil							
Expenses	(331,087)	(160,209)	(319,201)	(34,846)	(20,408)	(17,581)	(29,339)	(56,982)
Other items	(10,510)	(958)	4,523	(1,279)	(3,310)	(310)	90	42
Net loss	(341,597)	(161,167)	(314,678)	(36,125)	(23,718)	(17,891)	(29,249)	(56,940)
Basic and diluted loss per share	(0.02)	(0.01)	(0.02)	(0.01)	(0.00)	(0.01)	(0.01)	(0.02)
Dividends per share	Nil							
Balance Sheet:								
Working capital (deficiency)	1,809,152	2,010,890	2,567,943	94,301	(332,601)	(308,883)	(304,792)	(275,543)
Total assets	2,465,784	2,590,263	2,756,053	309,120	32,105	43,345	23,190	36,299
Total long-term liabilities	Nil							

Results of Operations

Corporate activities had been constrained until June 2020 when the Company completed a private placement financing and, in July 2020, entered into the WUSA LOI.

Three Months Ended April 30, 2021 Compared to Three Months Ended January 31, 2021

During the three months ended April 30, 2021 (“Q4”) the Company incurred a net loss of \$341,597 compared to a net loss of \$161,167 for the three months ended January 31, 2021 (“Q3”), an increase in loss of \$180,430, primarily due to recognition of share-based compensation of \$174,400 in Q4 compared to \$nil in Q3.

Three Months Ended April 30, 2021 Compared to Three Months Ended April 30, 2020

During the three months ended April 30, 2021 (“Q4/2021”) the Company reported a net loss of \$341,567, compared to a net loss of \$23,718 for the three months ended April 30, 2020 (“Q4/2020”). Activities in Q4/2021 reflected increases in director and officer compensation, investor relations activities, professional fees due to increased corporate, whereas the Company was financially constrained in Q4/2020.

Year Ended April 30, 2021 Compared to Year Ended April 30, 2020

During the year ended April 30, 2021 (“fiscal 2021”), the Company reported a loss of \$853,567, compared to a loss of \$127,798 reported during the year ended April 30, 2020 (“fiscal 2020”), an increase in loss of \$725,769. Specific general and administrative expenses of variance between fiscal 2021 and 2020 are noted below. During fiscal 2021 the Company:

- (i) incurred \$90,146 for corporate development compared to \$nil during fiscal 2020. During fiscal 2021 the Company engaged several firms to conduct market awareness programs to assist in the Company’s financing campaigns;
- (ii) incurred \$36,605 for legal services provided with respect to the drafting of the WUSA LOI, regulatory filings, incorporation of a U.S. subsidiary and other various corporate services. No legal services were incurred during fiscal 2020;
- (iii) incurred \$25,567 (2020 - \$nil) for professional fees provided by advisors to assist with corporate services;

- (iv) incurred \$112,580 for director and officer compensation compared to \$48,000 during fiscal 2020. Effective July 23, 2020 the Company engaged Mr. Mark Saxon, as its CEO and President at a current remuneration of \$7,000 per month. Mr. Saxon was compensated \$64,580 during fiscal 2021. See also “Transactions with Related Parties”;
- (v) recognized share-based compensation of \$356,590 (2020 - \$38,220) on the granting of 1,904,000 (2020 - 294,000) share options;
- (vi) incurred \$40,850 (2020 - \$15,800) for accounting and administrative services required for the increase in corporate activities and property acquisition; and
- (vii) incurred \$125,825 (2020 - \$nil) for investor relations services. Effective November 1, 2020 the Company engaged Swiss Resources Capital AG (“SRC”) to provide investor relations and communication services in Europe at a monthly fee of €13,400.

The Company holds its cash in interest bearing accounts in major financial institutions. During fiscal 2021 the Company recorded interest income of \$9,993 compared to \$331 during fiscal 2020. During fiscal 2021 the Company had significantly higher levels of cash on deposit.

Investing Activities

In July 2020 the Company entered into the WUSA LOI and was granted the right to earn up to an 80% interest in the WUSA Gold Property. See “Exploration Project - WUSA Gold Project”. During fiscal 2021 the Company made \$129,178 (US \$100,000) in option lease payments and incurred a further \$385,981 for exploration activities.

Financings

Fiscal 2021

During fiscal 2021 the Company completed financings totalling \$3,179,225 as follows:

- (i) on June 11, 2020 a non-brokered private placement of 3,000,000 units for proceeds of \$300,000;
- (ii) on June 25, 2020 a non-brokered private placement of 1,905,000 units for proceeds of \$200,025; and
- (iii) on September 25, 2020 a non-brokered private placement of 11,907,556 units for proceeds of \$2,679,200.

The net proceeds are being used for exploration and development activities on the WUSU Gold Project and general working capital purposes.

During fiscal 2021 the Company also issued 175,000 common shares on the exercise of warrants for proceeds of \$23,650.

Fiscal 2020

No financings were conducted during fiscal 2020. During fiscal 2020 the Company issued a total of 494,000 common shares on the exercise of warrants and share options for proceeds of \$99,620.

Advances

Advances had been previously provided from private companies controlled or affiliated with the Company’s CFO to provide working capital to the Company. During fiscal 2021 the Company repaid \$120,229, representing the \$115,000 of principal and \$5,229 of accrued interest. No amounts remained outstanding as at April 30, 2021.

Financial Condition / Capital Resources

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the option lease payments and exploration of mineral properties. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As at April 30, 2021 the Company had working capital of \$1,809,152 and considers that it has adequate resources to maintain anticipated levels of corporate administration and budgeted exploration activities on the WUSA Gold Project

for the next twelve months. The Company's operations are typically funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future. See also "COVID-19".

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

The preparation of financial statements in conformity IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include the determination of mineralized reserves, plant and equipment lives, estimating the fair values of financial instruments, impairment of long-lived assets, reclamation and rehabilitation provisions, valuation allowances for future income tax assets and assumptions used for share-based compensation. Actual results may differ from those estimates.

A detailed summary of all the Company's critical accounting estimates and sources of estimation is included in Note 3 to the April 30, 2021 audited annual financial statements.

Changes in Accounting Policies

A detailed summary of all the Company's significant accounting policies and accounting standards and interpretations issued but not yet effective, is included in Note 3 to the April 30, 2021 audited annual financial statements.

Transactions with Related Parties

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) Transactions with Key Management Personnel

During fiscal 2021 and 2020 the following compensation was incurred with respect to the Company's executive officers:

	2021 \$	2020 \$
Mr. Saxon - professional fees ⁽¹⁾	64,580	-
Mr. DeMare - professional fees ⁽²⁾	<u>36,000</u>	<u>36,000</u>
	<u>100,580</u>	<u>36,000</u>

(1) Effective July 23, 2020 Mr. Saxon was appointed CEO and President, with a current compensation of \$7,000 per month.

(2) Effective July 23, 2020 Mr. DeMare resigned as interim CEO but remains as CFO.

As at April 30, 2021, \$89,630 (2020 - \$170,100) was outstanding for past fees.

In addition, the Company incurred share-based compensation for key management personnel as follows:

	2021 \$	2020 \$
Mr. Saxon - share-based compensation	100,000	-
Mr. DeMare - share-based compensation	<u>22,710</u>	<u>14,820</u>
	<u>122,710</u>	<u>14,820</u>

(b) *Transactions with Other Related Parties*

- (i) During fiscal 2021 and 2020 the following compensation was incurred with respect to non-executive directors of the Company:

	2021 \$	2020 \$
Mr. Way - professional fees	6,000	6,000
Mr. Berka - professional fees	<u>6,000</u>	<u>6,000</u>
	<u>12,000</u>	<u>12,000</u>

As at April 30, 2021 \$36,963 (2020 - \$75,482) was outstanding for past fees.

In addition, the Company incurred stock-based compensation with respect to non-executive directors as follows:

	2021 \$	2020 \$
Mr. Way - share-based compensation	27,750	7,800
Mr. Berka - share-based compensation	<u>27,750</u>	<u>7,800</u>
	<u>55,500</u>	<u>15,600</u>

- (ii) During fiscal 2021 the Company incurred \$40,850 (2020 - \$15,800) for accounting and administration services provided by Chase Management Ltd. (“Chase”), a private company owned by Mr. DeMare. As at April 30, 2021 \$3,800 (2020 - \$nil) remained unpaid.

During fiscal 2021 the Company also recorded \$3,780 (2020 - \$7,800) share-based compensation for share options granted to Chase.

- (iii) The Company has received ongoing advances from private corporations controlled or affiliated with Mr. DeMare. During fiscal 2020 the Company received further advances of \$48,500 and repaid \$47,000. Effective January 20, 2020 the Company agreed to commence accruing interest at the rate of 12% per annum. During fiscal 2021 the Company recorded \$1,373 (2020 - \$3,856) interest expense and repaid \$120,229, representing the \$115,000 principal and \$5,229 of accrued interest.

- (iv) On June 11, 2020 directors and officers purchased a total of 1,205,000 units of a 3,000,000 unit private placement completed at \$0.10 per unit. On June 25, 2020 directors and officers purchased a total of 1,260,000 units of a 1,905,000 unit private placement completed at \$0.105 per unit. On September 25 2020 directors and officers of the Company and close family members purchased a total of 434,000 units of a 11,907,556 unit private placement completed at \$0.225 per unit.

Outstanding Share Data

The Company’s authorized share capital is unlimited common shares without par value. As at August 26, 2021, there were 20,226,541 issued and outstanding common shares, 8,231,278 warrants outstanding with a exercise prices ranging from \$0.13 to \$0.45 per share and 2,054,000 share options outstanding with exercise prices ranging between \$0.22 to \$0.40 per share.