



**SEGO RESOURCES INC.**

**MANAGEMENT DISCUSSION & ANALYSIS (“MD&A”)**

**For the three months ended September 30, 2021**

## INTRODUCTION

Sego Resources Inc. (“Sego” or “the Company”) was incorporated under the British Columbia Corporations Act on July 11, 2005. Sego is a mineral exploration company whose common shares are listed for trading on the TSX Venture Exchange under the symbol “SGZ”. The Company’s head office is located at Suite 310 - 744 West Hastings Street, Vancouver, British Columbia, V6C 1A5.

In June 2007, Sego entered into an option agreement to acquire a 100% interest in the Miner Mountain copper-gold porphyry property near Princeton, British Columbia, Canada. The property is located in the prolific Nicola belt that runs from Copper Mountain along the eastern belt of the Nicola group to Kamloops. The property is 15 kms north of the producing Copper Mountain Mine and is within the Traditional Territory of the Upper Similkameen Indian Band with whom the Company has signed a comprehensive Memorandum of Understanding. The property consists of 15 mineral claims totaling 2056.54 hectares. The Company acquired the claims in an arms-length transaction and has fulfilled all of the option payments and terms with the exception of the issuance of 300,000 common shares due upon the preparation of a positive feasibility study on the property. The property is subject to a 3% NSR on 12 of the claims of which 1.5% can be purchased for \$1,500,000.

This discussion and analysis of the financial position, results of operations and cash flows of Sego Resources Inc. for the three months ended September 30, 2021 includes information up to and including November 9, 2021 and should be read in conjunction with the Company’s unaudited condensed interim financial statements for the three months ended September 30, 2021 and the Company’s audited annual financial statements for the years ended June 30, 2021 and 2020. The Company’s financial statements were prepared using International Financial Reporting Standards. All dollar figures are in Canadian dollars unless otherwise stated.

The reader is encouraged to review the Company’s statutory filings on [www.sedar.com](http://www.sedar.com) and to review other information about the Company on its website at [www.segoresources.com](http://www.segoresources.com).

## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This MD&A includes certain forward-looking statements or information. All statements other than statements of historical fact included in this MD&A including statements relating to the potential mineralization or geological merits of the Company's mineral properties and the future plans, objectives or expectations of the Company are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include among other things, statements regarding future commodity pricing, estimation of mineral reserves and resources, timing and amounts of estimated exploration expenditures and capital expenditures, costs and timing of the exploration and development of new deposits, success of exploration activities, permitting time lines, future currency exchange rates, requirements for additional capital, government regulation of mining operations, environmental risks, anticipated reclamation expenses, timing and possible outcome of pending litigation, timing and expected completion of property acquisitions or dispositions, and title disputes. They may also include statements with respect to the Company's mineral discoveries, plans, out-look and business strategy. The words "may", "would", "could", "should", "will", "likely", "expect", "anticipate", "intend", "estimate", "plan", "forecast", "project" and "believe" or other similar words and phrases are intended to identify forward-looking information.

Forward-looking statements are predictions based upon current expectations and involve known and unknown risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to the actual results of exploration programs, fluctuating commodity prices, the possibility of equipment breakdowns and delays, the availability of necessary exploration equipment including drill rigs, exploration cost overruns, general economic or business conditions, regulatory changes, and the timeliness of government or regulatory approvals to conduct planned exploration work, political events, fluctuations in mineralization grade, geological, technical, mining or processing problems, future profitability on production, the ability to raise sufficient capital to fund exploration or production, litigation, legislative, environmental and other judicial, regulatory, political and competitive developments, inability to obtain permits, environmental liability for work programs, general volatility in the equity and debt markets, accidents and labor disputes and the availability of qualified personnel.

Although the Company has attempted to identify all of the factors that may affect our forward-looking statements or information, this list of the factors is not exhaustive. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks and uncertainties detailed throughout this MD&A.

## OVERALL PERFORMANCE

### Miner Mountain Property

In June 2007, the Company entered into an option agreement to acquire a 100% interest in 38 mineral claims (which were subsequently consolidated into 12 mineral claims) situated in the Similkameen Mining Division of British Columbia for cash payments and common share issuances as follows:

- (a) Cash payments to the optionors of \$165,000 as follows:
  - (a.i) \$30,000 within five business days from the day the agreement between both parties is approved by the TSX Venture Exchange (the "TSX-V") (approved July 2007) (paid);
  - (a.ii) \$60,000 on or before June 13, 2008 (paid); and
  - (a.iii) \$75,000 on or before June 13, 2009 (paid).
  
- (b) Issuance of 600,000 common shares to the optionors as follows:
  - (b.i) 50,000 common shares within five business days of the approval date by the TSX-V (approved July 2007) (issued);
  - (b.ii) 100,000 common shares on or before June 13, 2008 (issued);
  - (b.iii) 150,000 common shares on or before June 13, 2009 (issued); and
  - (b.iv) 300,000 common shares upon preparation of a positive feasibility study on the property.

As part of the agreement, the optionors retain a 3% net smelter return ("NSR") royalty on the claims. The Company has the right to buy back one-half of the NSR for the sum of \$1,500,000 at any time.

In June 2011, the Company acquired a 100% interest in 3 additional mineral claims at Miner Mountain for \$5,000 and the issuance of 50,000 common shares. There is no NSR on these claims.

The Miner Mountain property now consists of these 15 mineral claims which total 2056.54 hectares.

## **Miner Mountain Property (cont'd)**

### **Memorandum of Understanding**

The Company has a Memorandum of Understanding (MOU) with the Upper Similkameen Indian Band (USIB) in whose territory the Miner Mountain project is located. The term of the agreement commenced on September 27, 2007 and will end at such time as Sego or its successor permanently ceases operations in the territory or otherwise through mutual agreement. Sego and the USIB will meet annually to review and evaluate progress on objectives outlined in the agreement and will amend the agreement if warranted. The MOU objectives are as follows:

- 1) To establish a clear, certain, and timely process for communication, information sharing, meaningful consultation and any agreed upon accommodation measures with respect to USIB aboriginal interests.
- 2) To define commitments, roles and approaches for consultation, accommodation and information sharing with regard to the operational activities of Sego.
- 3) To develop and foster a positive cooperative working relationship between the parties through jointly implementing the process described in the agreement.
- 4) To develop opportunities for employment, contracting, and related business development for the USIB.
- 5) To assist the USIB to develop its capacity to effectively participate in and benefit from any development activities associated with Sego mineral tenures in the USIB's territory.
- 6) To develop workable strategies, through discussions with the Ministry of Energy, Mines and Petroleum Resources and the Ministry of Aboriginal Relations and Reconciliation to address the USIB's interests in revenue-sharing and mineral sector economic development, including exploration of options for developing an equity position within the company, in the event that SEGO's activities result in the generation of revenues from mineral development.
- 7) To provide information to Sego to assist in developing awareness of USIB interests, capacity and operations to assist in meeting the objectives described in this section.
- 8) To continuously revisit these items with the intention of ensuring that commitments are satisfactorily implemented and additional items are identified that meet the intent of the agreement or may add to its effectiveness.

**Miner Mountain Property (cont'd)**

**2007**

In 2007, the Company acquired the Miner Mountain Property and began preliminary mapping and sampling of exposed outcrops. One of the first orders of business was to fill-in, grade and re-vegetate trenches and other disturbed ground left by previous operators of the Property. For this, the Company was awarded a Citation "In Recognition of Outstanding Reclamation Achievement" by the Technical and Research Committee on Reclamation, Mining Association of British Columbia, and Ministry of Energy, Mines and Petroleum Resources.

**2008**

A soil sampling program (99-line kilometres), a trenching program (5,306 metres) and a diamond drilling program (1,040 metres) were completed in 2008 with results available on the Company's website.

**2009**

A Titan 24 IP geophysical survey, field mapping, trenching and diamond drilling (496 metres) were completed in 2009 with results available on the Company's website.

**2010**

A terrain study, trenching and diamond drilling (759 metres) were completed in 2010 with results available on the Company's website.

**2011**

A percussion drill program (7,260 metres) was completed in 2011 with results available on the Company's website.

**2012**

A core drilling program (1,622 metres) was completed on the Cuba Zone in 2012 with results available on the Company's website.

## **Miner Mountain Property (cont'd)**

### **2013**

In May 2013, Sego contracted Precision GeoSurveys to fly a helicopter-borne high resolution aeromagnetic and radiometric survey over its Miner Mountain property. The survey consisted of 230 kilometres of 100m spacing covering the entire area of the project, and 63 kilometres of 50m spacing co-incident with the area of the 2009 Titan 24 IP survey and the 2008-2012 drilling.

Sego re-analysed and integrated the 2009 Titan 24 IP survey with the 2013 airborne geophysical survey and produced a report entitled "Titan 24 Re Processing, Heli Magnetics and Radiometrics Interpretation" which presented 8 separate target zones on the Miner Mountain property worthy of further investigation through drilling and/or further geophysics.

- Targets #1 & #2 respectively are the Cuba Zone for which IP strongly suggests extension to the WNW and ESE, and the yet untested Quintana Zone, located about 700 m NE of the Cuba Zone and consisting of a 500 m diameter IP response that coincides with a Mag low, as occurs over the Cuba Zone mineralization (100.39m of 0.946% Cu 0.55 g/t Au 3.473 g/t Ag in DDH 21, and 128.02m of 0.344% Cu 0.296 g/t Au 0.975 g/t Ag in DDH 24 in the Cuba Zone-NR March 12, 2012).
- Target #3 is immediately south and upslope of the Regal Zone which contains attractive copper grades and has been interpreted to be a post-glacial landslide deposit.
- Target #4 is in the approximately 1.5 km, and open, E-W IP high in the SW part of the survey area and is "located immediately north of strong magnetic anomalies, a situation not unlike that at Copper Mountain". As a start three holes are recommended for this target.
- Targets #5 & #6 are in the south-eastern part of the Titan 24 IP survey. Target #6 shows increasing chargeability at depth and to the east, with depth to the top of the deep chargeability indicated to be in the 100-200 m range on the easternmost line.
- Targets #7 & #8 are both in the northern part of the property, in excess of 1 km north of the Quintana Zone (Target #2) in an area not covered by the Titan 24 IP survey. Target #7 is a strong mag low. Target #8 is a sub-circular area about 1 km in diameter "...displaying unusually quiet mag with the center showing somewhat elevated mag and K/Th ratio, as one might expect for the central core of a porphyry system." IP coverage is recommended for both areas.

Sego located mineralization and/or alteration in Target areas 1 through 7 with surface exploration including trenching and soil geochemistry.

In September 2013, a percussion drill program (1,743 metres) was completed. The geophysical report and the percussion drill results are available on the Company's website.

## **Miner Mountain Property (cont'd)**

### **2014/2015/2016**

The Company's geologic understanding of the project area benefited from a two-year study completed by the British Columbia Geological Survey. Results and geologic maps of the Miner Mountain and Princeton areas were published in 2014 by the British Columbia Geological Survey and are available under GeoFile 2015-2 on the British Columbia Geological Survey website.

The Company completed an evaluation of new geological information in the area known as the Granby-Cuba-Regal zone. Sego engaged two geologists to re-log several drill holes in this zone, utilizing the information published by the British Columbia Geological Survey study on the Miner Mountain and the Princeton area.

### **2017**

In June 2017, Sego received a five-year area-based exploration permit with the support of local first nations and the landholder. The permit allows the Company to drill and trench at the Miner Mountain for five years without permitting delays.

Sego engaged More Core Drilling for the 2017 diamond drilling program. The drill sites were selected to extend the area of significant alteration and copper-gold mineralization outlined in 2012 in the Cuba zone, where hole DDH-12-21 encountered 100 metres of 0.95% copper and 0.55 g/t gold, and hole DDH-12-28 bottomed in three metres of 0.6% copper and 0.3 g/t gold. The drill program was designed to extend the above intersections laterally and at depth.

On October 17, 2017, the Company commenced drilling on the Cuba zone at Miner Mountain. Sego's geologists used hand-held XRF devices to gain real-time estimates of mineralization in the freshly returned drill core. Based on the XRF results, Sego extends the depths of any holes that continue to show mineralization down-hole.

In November 2017, the Company announced the completion of a 600-metre, two-hole diamond drill program on the Cuba zone at Miner Mountain. Sego's exploration team confirmed both diamond drill holes intersected copper mineralization.

Sego's Chief Executive Officer, Paul Stevenson, commented: "Sego's recent drilling at the Cuba zone of Miner Mountain has returned copper, gold and silver grades that indicate the continuation of mineralization in this project area. We are excited by the new drill results because they show strong copper and gold mineralization was intersected in multiple zones at depth. The results also indicate a new area of alteration, including potassic alteration, which we will explore further in 2018."

**Miner Mountain Property (cont'd)**

**2017 – (cont'd)**

The assay results from the two diamond drill holes at the Cuba Zone returned copper and gold grades comparable with grades encountered in prior drill testing.

The first diamond drill hole logged as DD hole 17-29 (azimuth 333, dip negative 45, UTM 5484281N, 683909E) successfully intersected:

- 21 m of 1.17% copper, 0.30 g/t gold and four g/t silver from 14 m depth to 35 m depth;
- 21 m of 0.16% copper, 0.51 g/t gold and 1.71 g/t silver from 77 m depth to 98 m depth.

DD hole 17-29 was specifically drilled to establish width with respect to the prior successful vertical diamond drill hole 21-12 which intersected 100.4 m of 0.95% copper, 0.55 g/t gold and 3.48 g/t silver, and to explore to the northwest.

The second diamond drill hole logged as DD hole 17-30 (azimuth 180, dip negative 65, UTM 5484309N, 683996E) successfully intersected:

- 18 m of 0.29% copper, 0.36 g/t gold, 3.0 g/t silver from 113 m depth to 131 m depth;
- 105 m of 0.31% copper, 0.08 g/t gold and 2.29 g/t silver from 164 m depth to 269 m depth, including:
  - 18 m of 0.50% copper, 0.28 g/t gold, 3.17 g/t silver from 167 m to 185 m;
  - 21 m of 0.60% copper, 0.03 g/t gold, 1.6 g/t silver from 248 m to 269 m.

DD hole 17-30 was positioned 150 m to the east of DDH-17-29 and targeted to the south of previous drilling in order to test for copper-gold porphyry mineralization in this area.

## **Miner Mountain Property (cont'd)**

### **2018**

In September 2018, SeGo released drill results from its 2018 Phase 1 diamond drilling program completed in the summer of 2018 at Miner Mountain.

The purpose of the 2018 program was to determine the continuity, extent and direction of previously understood mineralized fault systems, which are assumed to run in an east-west direction. An east-west line of diamond drill holes was drilled to determine mineralized fault directions and to locate the south edge of the Cuba zone induced polarization chargeability anomaly. A hand-held X-ray fluorescence gun was used to guide the drilling team. Samples were assayed and double-checked by fire assay.

Summer 2018 drill results showed the presence of copper mineralization continuing all the way to the south edge of the induced polarization chargeability high. Of particular and significant interest is the presence of meaningfully elevated gold values within the induced polarization chargeability zone. In addition, copper and gold mineralization was confirmed to be controlled by numerous geological faults. Of great interest, gold mineralization occurred right near surface, which was positive, but also occurred deeper within the chargeability zone in DDH-MM-18-32.

For example, DDH-MM-18-32 revealed 0.53 g/t gold from zero to 26 m, and also revealed 0.45 g/t gold from 35 to 50 m. There were also copper and silver values associated with these intervals. In addition, at and below a core depth of 107 m (approximately 60 m below surface), copper assays yielded six m of 0.40% copper with gold and silver, and also three m of 0.865% copper with gold and silver values.

DDH-MM-18-34 also showed the extension of the mineralized faults. Pointing to this, at a core depth of 206 m to 263 m, (approximately 100 m to 140 m below surface), copper grades of 0.26%, including 21 m of 0.38%, were discovered along with gold and silver values. Also, at a core depth of 278 m to 296 m, (approximately 150 m to 200 m below surface), copper grades of 0.56%, including three m of 0.77%, were discovered along with gold and silver values.

**Miner Mountain Property (cont'd)**

**2018 – (cont'd)**

Results of the 2018 Phase 1 Drilling Program are shown in the table below:

<b>DDH #</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Length (m)</b>	<b>Cu %</b>	<b>Au g/t</b>	<b>Ag g/t</b>
DDH-MM-18-31	69	81	12 metres	N/A	0.21	N/A
And	144	159	15 metres	0.14	0.09	0.50
And	195	204	9 metres	0.31	0.08	1.67
DDH-MM-18-32	0	26	26 metres	0.15	0.53	0.67
And	35	50	15 metres	0.15	0.45	0.60
And	56	71	15 metres	0.18	0.14	0.90
And	107	113	6 metres	0.40	0.13	1.00
And	125	134	9 metres	0.27	0.16	0.50
And	170	200	30 metres	0.19	0.06	1.25
Including	194	197	3 metres	0.865	0.198	3.00
DDH-MM-18-33	125	170	45 metres	0.23	0.05	1.33
Including	125	140	15 metres	0.32	0.05	1.90
DDH-MM-18-34	71	95	24 metres	0.16	0.18	0.81
And	206	263	57 metres	0.26	0.03	0.79
Including	224	245	21 metres	0.38	0.03	0.71
And	278	317	39 metres	0.29	0.05	0.85
Including	278	296	18 metres	0.56	0.06	1.30
Including	284	287	3 metres	0.77	0.03	2.00

Paul Stevenson, Chief Executive Officer of Sego commented: "The drilling in 2018 Phase 1, combined with previous exploration and drilling data, has unquestionably shown a very large and extensive mineralized volcanic, volcanoclastic and sedimentary package, which is typical of the Nicola belt copper-gold porphyries where the Miner Mountain project is situated. The alteration found in the 2018 drill holes, as well as in the Cuba zone's previous drilling, consisting of feldspar, albite, calcite and anhydrite, is typical of that of Nicola belt copper-gold porphyries in British Columbia. The intensity of the alteration indicates we are within the system, but still distal from the all-important mineralizing intrusive, which would be expected to yield much higher grades of copper and gold, and much better economic values."

With the knowledge gained from the Phase 1 2018 drilling program, Sego completed a detailed mapping program to better understand the opportunities of the Miner Mountain system within the Nicola volcanic environment. This detailed mapping program consisted of new mapping by Dr. Ron Britten, PhD, PEng, who collected over 150 rock samples, which he slabbed and personally examined in the field.

In addition to the fieldwork, 11 samples were further examined utilizing a potassium feldspar staining method and a microscopic thin section study, which revealed local strong albite and potassium feldspar pervasive alteration, microdiorite intrusive rock and quartz feldspar porphyry intrusive rock on the property. The recognized albite-chalcopyrite-bornite and potassium feldspar-chalcopyrite-bornite samples were taken from 2018 Phase 1 diamond hole No. 34 at 234.8 and 285.6 metres depth, respectively. The new mapping and laboratory work show that the Cuba zone mineralization previously encountered at Miner Mountain may be interpreted as an apophysis of a larger alkalic porphyry system.

## **Miner Mountain Property (cont'd)**

### **2018 – (cont'd)**

The results from these studies identified both: (i) a microdiorite intrusive rock; and (ii) a quartz feldspar porphyry intrusive in the area of Sego's 2018 Phase 2 drilling program.

The mineralization in the Cuba zone extends southeast toward the new 2018 Phase 2 target area. The 2018 Phase 2 target area encloses the shoulder of a broad chargeability high and the porphyritic intrusions on the edges of that target area which is approximately 750 metres by 300 metres. The extrapolation of structures from the 2018 Phase 1 program to the 2018 Phase 2 target area, along with the indications of intrusions, could be interpreted to be the peripheral signature of a porphyry system that is covered by overburden.

Sego began the Phase 2 2018 diamond drilling and trenching program in November 2018 and completed it in December 2018.

In the Phase 2 2018 exploration program, Sego completed 1,100 metres of diamond drilling over five drill holes. Split core samples have been sent to the laboratory for analysis. The drilling portion of the program was designed to extend and define the Cuba Zone.

In addition to the diamond drilling, Sego excavated 100 metres of trenching during the program and exposed a new important zone approximately 500 metres west of the known Cuba Zone. This new zone was originally defined by combined soil and geophysical anomalies. The trenches exposed approximately 40 metres of copper mineralization, including malachite, azurite, and chalcopyrite, with 26 metres of particularly elevated grade.

The elevated grades including the two above-detection level were fire assayed by MSA Labs of Langley, BC. The two highest assays were 1.63% copper and 0.24 g/t gold and 2.28% copper and 0.8 g/t gold.

The Phase 2 2018 drilling and trenching program was developed as the beginning of a much larger scale exploration program designed to expand and enhance mineralization at the Miner Mountain Project. The results of the trenching are being utilized by comparing geochemical and geophysical anomalies and alteration strengths on the newly discovered zone to determine future targets property-wide. As a result of this data, several of Sego's known targets have been upgraded to a much higher priority.

A mapping study by Ron Britten, PhD., P.Eng., has indicated that all of Sego's target areas are a confluence of multiple overlapping features consistent with copper-gold alkaline porphyry in British Columbia.

**Miner Mountain Property (cont'd)**

**2018 – (cont'd)**

Assays results for Trench 103 - Contiguous Samples Taken Over Two-Metre Intervals are shown below:

Sample #	Cu %	Au g/t	Ag g/t
A0024089	0.69%	0.18	3.07
A0024090	0.95%	0.20	4.21
A0024091	1.63%	0.24	7.93
A0024092	0.70%	0.21	3.04
A0024093	0.59%	0.28	1.64
A0024094	0.03%	0.02	0.15
A0024095	0.99%	0.54	4.04
A0024098	2.28%	0.80	9.19
A0024099	0.80%	0.30	3.19
A0024100	0.18%	0.08	0.72
A0024351	0.02%	0.01	0.19
A0024352	0.22%	0.02	0.48
A0024353	0.12%	0.03	0.56

In February 2019, Sego released assay results from its Phase 2 2018 drilling program:

In DDH-37, Sego drilled 11.2 metres of 0.60% copper with 0.12 g/t gold, including 4.4 metres of 1.20% copper with 0.24 g/t gold. This interval's grades range from 0.30% to 1.73% copper.

DDH-37 was collared to the southwest of the Cuba zone to test an approximately 200-metre interval between holes DDH-33 and DDH-34. Relatively weakly altered red-maroon volcanics and minor sediments were intersected at the top of the hole and were intercalated with green volcanics and massive andesites to 212-metre depth. At this point, the drill hole penetrated a narrow fault and entered a strong variable pervasive, patchy to brecciated potassium-feldspar-chlorite-calcite alteration of andesitic volcanoclastic and associated disseminated pyrite and chalcopyrite and local fillings of magnetite-chalcopyrite-pyrite to the end of the hole at 233 metres.

DDH-37 bottomed in 0.26% copper. The end of DDH-37 appears to have intersected the southwest margin of the Cuba zone. Petrographic examination of several samples from DDH-37 will aid future trench and deep drilling in this portion of the Cuba zone.

DDH-38 and DDH-39 were drilled to the south to check the western edge of the Shisler IP (induced polarization) target but did not pierce the overlying maroon volcanics.

DDH-40 drilled near the eastern end of the Cuba zone encountered anomalous copper (0.1% to 0.24% copper) over 27 metres.

## **Miner Mountain Property (cont'd)**

### **2019**

After a comprehensive review of all existing data on the Miner Mountain project, SeGo identified several new drill-ready zones/targets.

#### *Empress Zone*

Drilling by SeGo in recent years has defined mineralization at the Cuba and Granby Zones, hosted in volcanic rocks, but a porphyry source has not been identified. The area contains potassic and argillic alteration with locally high-grade, structurally controlled mineralization, including the following previously reported holes:

- Cuba Zone - DDH 12-21: 100 metres grading 0.95% copper and 0.55 g/t gold from 10 m;
- Granby Zone - DDH 08-4: 52.5 metres grading 0.41% copper and 0.12 g/t gold from 18 m.

Immediately to the northwest is an approximately 500-metre-by-600-metre copper and gold soil anomaly with supporting elevated molybdenum, silver, zinc, manganese and iron. This signature is typical of alkalic porphyries in Southern British Columbia. Further, the zone has a complex magnetic signature with a central magnetic low and two bull's-eye magnetic highs, and occurs on the margin of a chargeability high. The relationship of magnetite alteration with copper mineralization at Granby makes the proximal magnetic high an attractive target.

#### *Southern Gold Zone*

Toward the south of the property, another large zone with a gold-rich footprint is evident in the soil sampling. This area has been the focus of trenching in the past, with gold and copper mineralization returning:

- Trench 42 -- 10 metres grading 1.18% copper;
- Trench 32 -- 32 metres grading 0.29% copper and one g/t gold;
- Trench 88 -- one metre grading 31.47 g/t gold and 27.2 g/t silver.

Six drill holes (four completed in 1969 and two by SeGo) are drilled in the vicinity, but not into the consistent gold, copper and molybdenum soil anomaly. These holes do not explain the source of the anomaly, and the target remains to be effectively tested.

"Compiling the extensive dataset that SeGo has collected over the last few years has revealed compelling new drill targets. The Empress zone is a large copper-gold anomaly that could be the source of the high-grade mineralization at the adjacent Granby and Cuba Zones. Trenching on the edge of the anomaly in 2018 sampled 18 metres grading 0.96% copper and 0.31 g/t gold," commented Chief Executive Officer J. Paul Stevenson. "Drilling this target along with the gold-rich porphyry target to the south will be a priority of the Company in the coming year."

## **Miner Mountain Property (cont'd)**

### **2020**

#### Spring 2020

In July 2020, SeGo announced that it had discovered a large zone of gold mineralization during its 2020 trenching program completed in May at the Southern Gold Zone at Miner Mountain.

Highlights included:

- 62 metres grading 0.65 g/t gold from 60.5 m in trench MM20TR105, including:
  - 30 m grading 1.02 g/t gold from 84.5 m;
  - 2 m grading 8.76 g/t gold from 112.5 m;
- 40 m grading 0.31 g/t gold from 31.6 m in trench MM20TR109; the interval included 8.7 m of unsampled overburden that was assigned a grade of zero g/t for compositing. The interval is open to the south.

Chief Executive Officer J. Paul Stevenson commented: "The Southern Gold Zone expansion is an exciting development at Miner Mountain where mechanical trenching has defined a 150 by 200 m zone of mineralization that remains wide open to the northeast and southwest. The Company will complete additional trenching to define the full extent of the Southern gold zone prior to drilling."

The Southern Gold Zone is a significant geochemical anomaly identified in soil sampling and historical trench results that indicated potential for a broader zone of gold mineralization. The zone is almost entirely covered by a thin veneer of till cover and recent mechanical trenching was designed to cross the apparent northeast trend of the mineralization evident in sparse mapping and sampling. The results of five trenches are summarized below.

Trenches in 2020 have exposed a 150 by 200 m zone of mineralization that contains multiple 10-to-125.5-metre-long intervals of 0.19 to 1.02 g/t gold. The zone is open to the northeast and southwest.

Gold mineralization is associated with a broad band of pervasive chlorite-calcite-sericite assemblages, lesser potassium feldspar, epidote and albite alteration with finely disseminated pyrite and traces of chalcopyrite with rare oxidized intervals. The mineralization is mainly hosted in fine-grained diorite and andesitic volcanoclastic rocks in fault contact with sediments to the south. This fault truncates mineralization to the southeast.

## **Miner Mountain Property (cont'd)**

**2020 – (cont'd)**

### Summer 2020

In August 2020, SeGo announced that it had completed four diamond drill holes totalling 1,213 metres in June and July, testing targets in the Granby-Cuba area (diamond drill hole 42), Empress Zone (43 and 44) and the Upper Regal (45).

Hole 42, collared in the Granby-Cuba areas, intersected variable microdiorite, volcanoclastics and lesser monzonite to penetrate a major fault zone at 438 metres where it encountered unmineralized steeply dipping hematitic volcanoclastics to the end of the hole at 664 m. Assay results indicate two intervals, one of 20.88 m and the other of 24.51 m in hole 42 that average 0.15% copper and between 0.043 to 0.205 g/t gold. These intervals are likely related to the Granby mineralized system located 80 m to the east and are associated with fine-grained disseminated chalcopyrite, chlorite and K-feldspar alteration. The anticipated Cuba mineralization was not intersected in the deeper portion of the drill hole and postmineral faults have offset the mineralization, from the north, of uncertain distance. Structural history of Miner Mountain is complex and further interpretation of recent drill results is required to facilitate future deep drilling.

Hole 45 was drilled below percussion drill hole 109, which intersected 0.33% copper and 0.16 g/t gold over 26 m in the Upper Regal Zone. Results of 0.16% and 0.4% copper and 0.054 and 0.421 g/t gold were recorded in hole 45 over two intervals of 7.55 m and 2.85 m, respectively. The higher-grade values are associated with fault breccia fragments of mineralized monzonite in the lower intersection indicating a nearby mineralized intrusion. Future drilling of this target is planned.

Holes 43 (ended at approximately 310 m) and 44 (91 m) were targeted on results of percussion hole 136 that returned 0.23% copper and 0.1 g/t gold over a 56 m interval as well as trench results of 0.63% copper and 0.3 g/t gold over a 13 m length in the Empress Zone. These holes did not intersect significant results, although sporadic 0.1% copper values were noted at various depths. The near-surface mineralization occurs in a slump block, the source of which has not been located, and does not extend to depth.

### Fall 2020

Sego completed a fall 2020 exploration program at the Southern Gold Zone at Miner Mountain. The program involved outcrop chip sampling and mapping. Rock channel samples on leached or oxidized, normally hard outcrop within and near the southern gold zone were taken. Channel samples were taken along southeast (RL10) or northwest (RL11) trends and returned 0.2 to 0.36 g/t gold over 13 to 47 metres. Samples were taken over one metre continuous channels using a hand sledgehammer and chisel with chips bagged for analysis.

Chief Executive Officer J. Paul Stevenson commented: "The Southern Gold Zone expansion is an exciting development at Miner Mountain, where mechanical trenching has defined at least a 150 metre by 200 metre zone of mineralization that extends to the northwest and is confirmed in chip sampling of surrounding outcrops."

**Miner Mountain Property (cont'd)**

**2021**

The Southern Gold Zone is a significant geochemical anomaly identified in soil and trench sampling that indicated potential for a broader zone of gold and perhaps copper mineralization at depth. The zone is almost entirely covered by a thin veneer of till cover. Gold mineralization is associated with a broad band of pervasive chlorite-calcite-sericite assemblages, lesser potassium feldspar, epidote and albite alteration with finely disseminated pyrite and traces of chalcopyrite with rare oxidized intervals. The mineralization is mainly hosted in fine-grained diorite and andesitic volcanoclastic rocks in fault contact with sediments to the south. This fault truncates mineralization to the southeast. The Southern Gold Zone primarily hosted in diorite is located on the margin of a magnetic high anomaly that extends approximately 250 metres southeast beneath the sediments to the south.

On May 27, 2021, Sego released results from two diamond drill holes in the Southern Gold Zone. Shallow (DDH 46) and deeper (DDH 47) drill holes were located on a central 160-degree-trending section with collars separated 78 metres apart inclined 50 degrees south. Both intersected greater than 1.0 gram per tonne gold over 59 and 88 metres from surface and include 2.94 grams per tonne gold over 15.2 metres and 2.44 grams per tonne gold over 19.8 metres (see table below).

Table 1. Gold results in diamond drill hole collared in the Southern Gold Zone

Drill Hole	From (m)	To (m)	Interval (m)	Au (gpt)	Cu (ppm)	Ag (ppm)
ddh 46	3.04	62.15	59.11	1.03	183	0.47
including	22.30	37.50	15.20	2.94	339	0.78
including	28.85	31.50	2.65	9.59	433	1.65
ddh 47	12.19	100.30	88.11	1.08	314	0.76
including	71.70	91.50	19.80	2.44	512	2.01
including	73.10	74.47	1.37	8.39	2829	7.50

Below approximately five-metre to 10-metre depths, both holes DDH 46 and DDH 47 contain 1% to 2% pyrite. An approximately two-millimetre filigree grain of electrum occurs in a massive very fine-grained potassium-feldspar vein in hole DDH 46 at approximately 29.0 metres; otherwise, gold is not visible in the remaining portions of the holes. Potassium feldspar also occurs as irregular patches or fillings, selvages, veins or dikelets surrounded by pervasive chlorite alteration, where both assemblages normally contain disseminated pyrite or blebs or are cut by pyrite fractures. In the higher-grade zone (greater than two grams per tonne gold), better grades are associated with common potassium-feldspar/pyrite alteration, whereas chlorite-dominant alteration ranges from greater than 0.1 gram per tonne gold to one gram per tonne gold. Blebs of chalcopyrite occur sporadically in the elevated gold zone, particularly in the deeper hole DDH 47 and may indicate deeper, more typical porphyry copper-gold mineralization.

The style of the Southern Gold Zone is a distal gold mineralization most likely associated with a deeper or lateral alkali distal porphyry copper-gold system. The zone overlaps the north margin of an approximately 500-metre-diameter magnetic high thought to reflect a subjacent intrusion. Magnetite content was very low or non-existent in both drill holes.

**Miner Mountain Property (cont'd)**

**2021 – (cont'd)**

On August 11, 2021, Sego released results from four additional diamond drill holes in the Southern Gold Zone.

**Table 1. Significant gold results in diamond drill holes collared in the Southern Gold Zone**

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)
DDH 48	<b>139.5</b>	<b>152.23</b>	<b>12.73</b>	<b>0.18</b>
and	172.00	174.00	2	<b>0.82</b>
DDH 49	<b>19.00</b>	<b>84.12</b>	<b>65.12</b>	<b>0.60</b>
Including	28.76	54.45	25.69	<b>0.95</b>
DDH 50	<b>11.28</b>	<b>105.48</b>	<b>94.20</b>	<b>0.86</b>
Including	38.3	56.90	18.6	<b>1.73</b>
Including	72.35	97.20	24.85	<b>1.05</b>

DDH49 and DDH50 were collared 52 metres and 46 metres to the east and west, respectively, from the DDH46 and 47 section on the same fence as DDH47. Holes were oriented minus-50 at 160 azimuth similar to DDH46 and DDH47. Both holes intersected significant gold mineralization to the bottom of the hole and both warrant deepening below 84.12 metres in DDH49 and 104.48 metres in DDH50. DDH48 was collared 72 metres to the northwest located on section DDH48-47, and intersected 0.18 grams per tonne gold between 141 to 152 metres and 0.85 grams per tonne gold between 172 to 174 metres. The results indicate a close proximity to deeper portions of the Southern Gold Zone mineralization. DDH51 was collared 28 metres north-northwest of DDH48 and was stopped at 108.5 metres due to the fire ban, and did not intersect any elevated gold results.

**Bench Scale Metallurgical Testing of the gold from the Southern Gold Zone**

An initial bench scale 32.9-kilogram representative sample from DDH46 and DDH47 core (April drill program) was submitted to Met-Solve Laboratories to investigate recovery gravity and leaching CN tests. The work concluded 9.8% of the gold reports to gravity concentration, and 59.3% recovered in one hour and 72.6% after three hours using a cyanide leaching process. An impressive 95.8% of the gold recovered tests the composite sample with little further testing. The complete metallurgical test work report can be found at the Company's website.

On October 12, 2021, Sego announced that it is planning a fall/winter stepout diamond drill program of up to 1,000 metres at the Southern Gold Zone.

***Selina Tribe, PhD, PGeo., and a director of the Company is the Company's qualified person within the meaning of NI 43-101 and has reviewed and approved the technical information contained in this MD&A for the Miner Mountain Property.***

## SELECTED ANNUAL INFORMATION

The following table sets out selected annual financial information for the Company for the years ended:

	June 30 2021 \$	June 30 2020 \$	June 30 2019 \$
Revenues	Nil	Nil	Nil
Net and comprehensive loss	(248,396)	(369,249)	(559,595)
Basic and diluted loss per share	(0.002)	(0.003)	(0.005)
Total assets	6,078,964	5,743,442	4,750,556
Non-current financial liabilities	23,022	43,028	Nil
Dividends	Nil	Nil	Nil

## DISCUSSION OF OPERATIONS

The Company recorded a net loss and comprehensive loss of \$61,380 for the three months ended September 30, 2021 compared to \$53,886 for the three months ended September 30, 2020.

Investor relations for the three months ended September 30, 2021 increased to \$20,500 compared to \$18,000 for the three months ended September 30, 2020. Sego has retained MarketSmart Communications Inc. (“MarketSmart”) for investor relations services. MarketSmart is working to develop and implement a strategic corporate communications program to increase visibility and exposure for Sego amongst industry stakeholders and investors. MarketSmart was awarded an investor relations contract beginning beginning July 2021 at a rate of \$6,833 per month.

Share-based payments for the three months ended September 30, 2021 decreased to \$3,928 compared to \$7,162 for the three months ended September 30, 2020. Stock options vest 25% on grant and 25% every six months thereafter. The Company accrues share-based payments over the vesting term of the options.

Exploration and evaluation expenditures incurred on the Miner Mountain project were \$58,326 for the three months ended September 30, 2021 compared to \$216,463 for the three months ended September 30, 2020.

The Company recorded a BC Mining Exploration Tax Credit receivable of \$17,498 for the three months ended September 30, 2021 compared to \$64,939 for the three months ended September 30, 2020.

### SUMMARY OF QUARTERLY RESULTS

The figures for the quarters ended June 30, 2021 and 2020 are derived from the Company's audited annual financial statements. All other quarterly figures are derived from the Company's unaudited condensed interim financial statements.

	September 30 2021 \$	June 30 2021 \$	March 31 2021 \$	December 31 2020 \$
Revenues	Nil	Nil	Nil	Nil
Net loss and comprehensive loss	(61,380)	(49,332)	(60,247)	(84,931)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

	September 30 2020 \$	June 30 2020 \$	March 31 2020 \$	December 31 2019 \$
Revenues	Nil	Nil	Nil	Nil
Net loss and comprehensive loss	(53,886)	(164,275)	(52,432)	(93,287)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

## LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations and mineral property exploration and evaluation programs to date primarily through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity, joint venture arrangements and loans from its directors.

The Company's financial statements are prepared on a going concern basis which assumes that it will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not generated revenue from operations and has not determined whether its mineral properties contain economically recoverable reserves. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its ongoing commitments and further its exploration programs. Uncertainty in the capital markets, especially as it relates to the speculative junior mining industry may make it difficult to raise capital through the private placement of shares. The Company will have to raise funds to continue operations and although the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with any financing ventures.

At September 30, 2021, the Company had working capital of \$75,879.

The Company estimates that its administrative expenses will cost in the order of \$240,000 for the year ended June 30, 2022.

### Financing Activities – During the Three Months Ended September 30, 2021

The Company issued 1,522,625 common shares pursuant to the exercise of 1,522,625 share purchase warrants for proceeds of \$146,263. At June 30, 2021, the Company had received share subscriptions of \$263 included in the above.

### Financing Activities – During the Year Ended June 30, 2021

On February 12, 2021, the Company issued 7,200,000 units pursuant to a private placement at \$0.035 per unit for gross proceeds of \$252,000. Each unit consisted of one common share and one share purchase warrant. Each warrant entitled the holder to purchase an additional common share at \$0.06 until February 12, 2023. Finder's fees of \$4,851 and filing fees of \$2,010 were paid with respect to the private placement.

In addition, the Company granted 138,600 agent options. Each agent option entitled the holder to purchase one unit with the same terms as the units to which the options relate at \$0.035 until February 12, 2023.

The Company issued 5,235,935 common shares pursuant to the exercise of 4,825,000 share purchase warrants and 410,935 agent's options for proceeds of \$484,748.

## PROPOSED TRANSACTION

On October 26, 2021, the Company announced a non-brokered private placement of up to 4,500,000 flow-through shares at \$0.09 per share for proceeds of up to \$405,000.

Finder's fees may be payable on all or a portion of the private placement and will consist of 7% cash and 7% agent's options, where applicable. The agent's options will entitle the agent to purchase one common share for each option held at \$0.09 per share for two years from the closing date of the private placement.

The private placement is subject to receipt of approval of the TSX Venture Exchange.

## COMMITMENTS

### J Paul Stevenson and Associates

The Company has entered into a year-to-year agreement with a company controlled by the Chief Executive Officer of the Company. The agreement provides for management fees at \$3,000 per month and telephone services at \$660 per month. The agreement also provides for additional geological consulting services on an as-needed basis.

### Core Shack Rental

The Company has entered into a month-to-month rental agreement for its core shack storage space at Miner Mountain at a rate of \$927 per month.

### Office Premises Rental

The Company has entered into a lease agreement for office premises that commenced February 1, 2020 and expires January 31, 2023. The Company's remaining lease payments for office premises (including operating expenses) are as follows:

Year ended June 30, 2022	\$	21,745
Year ended June 30, 2023		17,234
Total	\$	38,979

## OFF BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements to report.

## TRANSACTIONS BETWEEN RELATED PARTIES

### *Directors and Officers*

At November 9, 2021, the directors of the Company are J Paul Stevenson, Allan Hilton, Shelley Hallock, Kenneth Willington, Selina Tribe, Jean-Pierre Colin and David Speck. The officers of the Company are J. Paul Stevenson, Chief Executive Officer and Selina Tribe, Chief Financial Officer.

On August 26, 2021, Brent Petterson resigned as director and CFO of the Company and Selina Tribe was appointed CFO of the Company. Brent Petterson charges accounting fees of \$3,000 per month through his private company, MBP Management Ltd.

Allan Hilton charges fees for consulting services on an as needed basis.

Selina Tribe charges fees of \$1,000 per month in her role as the Company's CFO, and fees for geological consulting on an as needed basis, through her private company, Carta Exploration Ltd.

The Company incurred the following charges by directors of the Company or by companies with directors in common with the Company during the three months ended September 30, 2021 and 2020:

	2021	2020
Deferred exploration costs – engineering & geological (JPS/Tribe)	\$ 2,700	\$ 6,900
Deferred exploration costs – equipment rental (JPS)	240	540
Accounting (Petterson)	6,000	9,000
Consulting fees (Hilton)	1,800	1,800
Management fees (JPS)	10,000	9,000
Telephone (JPS)	1,980	1,980
	\$ 22,720	\$ 29,220

At September 30, 2021, due to related parties includes \$363,176 for cash advances, fees and expenses (June 30, 2021: \$375,764) due to directors of the Company and to companies with directors in common with the Company.

Details of amounts due to related parties are as follows:

	September 30, 2021	June 30, 2021
J Paul Stevenson – advances	\$ 43,175	\$ 43,175
J Paul Stevenson & Associates – fees and expenses	294,884	305,972
Brent Petterson – fees	-	3,150
Selina Tribe – fees	-	630
Allan Hilton – fees and expenses	25,117	22,837
	\$ 363,176	\$ 375,764

## **USE OF ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities as at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Key judgments and estimates made by management with respect to those areas noted previously have been disclosed in the notes to the financial statements, as appropriate.

### *Significant accounting judgments*

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

- The recoverability of the carrying value of exploration and evaluation assets.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company. If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the Company carries out an impairment test at the cash-generating unit ("CGU"), or group of CGUs, level in the year the new information becomes available. If indicators of impairment exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment.

- Recoverability of deferred tax assets.

In assessing the probability of realizing income tax assets, management makes judgment related to expectations 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.

## **USE OF ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)**

### *Significant accounting judgments – (cont'd)*

- The going concern assumption.

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

### *Significant accounting estimates and assumptions*

- Right of use asset

The Company applies judgement in determining whether the contract contains an identified asset, whether they have the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative that can create an economic incentive to exercise renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option

The key estimates applied in the preparation of these financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- Assumptions used in the calculation of the fair value assigned to share-based payments.

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions, including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's equity reserves.

- Amount of mining exploration tax credit receivable.

The Company is entitled to refundable tax credits on qualified resource expenditures incurred in British Columbia. Management's judgment and estimates are applied in determining whether the resource expenditures are eligible for claiming such credits.

## **CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

The Company's significant accounting policies are disclosed in Note 3 to its unaudited condensed interim financial statements for the three months ended September 30, 2021.

There were no changes in the Company's significant accounting policies during the three months ended September 30, 2021 and 2020 that had a material effect on the Company's condensed interim financial statements.

## **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

The fair values of the Company's accounts payable and amounts due to related parties approximate their carrying values due to the short-term nature of these instruments. The carrying amount of the reclamation deposits approximates its fair value. The Company's cash is classified at Level 1 of the fair value hierarchy. The Company has no financial instruments at Levels 2 or 3.

The Company has exposure to the following risks from its use of financial instruments:

### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is held in a Canadian financial institution. The Company has minimal credit risk.

### *Liquidity risk*

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of September 30, 2021 are \$412,991 (June 30, 2021 - \$511,422). All of the contractual financial liabilities are current liabilities due in less than 90 days, and there are insufficient current assets to meet current obligations. Management will need to raise funds to meet its financial obligations.

### *Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity price risk and interest rates, 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 on capital.

Reclamation deposits are subject to floating interest rates whose fluctuation would not have a material effect on the value of these financial assets.

At September 30, 2021 and June 30, 2021, the Company is not exposed to any significant market risk.

## **RISKS AND UNCERTAINTIES**

In addition to the risks and uncertainties outlined earlier in this management discussion, the Company is also subject to other risks and uncertainties including the following:

### ***COVID-19***

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and the related adverse public health developments have adversely affected workforces, economies, and financial markets, leading to a global economic downturn. Management has implemented the safeguards and protocols recommended by the relevant health authorities to protect its workers and continues to monitor the situation.

### ***General Risk Associated with the Mining Industry***

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that claims and are in good standing and obtaining permits for drilling and other exploration activities. The market prices for gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

Exploration and development activities involve risks which careful evaluation, experience and knowledge may not, in some cases eliminate. The commercial viability of any mineral deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure, government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit.

### ***Title to Mineral Properties***

Although the Company has taken steps to verify the title to the 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.

The Company has entered into agreements to acquire and explore certain mineral properties located in British Columbia, Canada. Several Aboriginal groups are claiming inextinguishable Aboriginal title to the lands and resources in various regions of British Columbia, Canada, which may include one or more of the mineral claims beneficially owned by the Company. The extent to which any successful Aboriginal claim would materially affect the ability of the Company to exploit the mineral properties is not determinable at this time.

## **RISKS AND UNCERTAINTIES (cont'd)**

### ***Realization of Assets***

The investment in and expenditures on mineral properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

The amounts shown for exploration and evaluation assets (property acquisition costs and deferred exploration costs) represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims allowed to lapse.

### ***Dependence on Key Personnel***

Loss of certain members of the executive team or key operational leaders of the Company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition is intense. The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

### ***Environmental***

The Company is subject to the laws and regulations relating to environmental matters in the jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and evaluation on its mineral properties, the potential for production on the property may be diminished or negated.

The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

## OUTSTANDING SHARE DATA

### *Common Shares*

Number of issued and outstanding common shares at November 9, 2021 137,157,387

### *Options*

At November 9, 2021, there were 8,535,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number of Options Outstanding	Exercise Price	Expiry Date
7,535,000	\$0.10	April 16, 2023
650,000	\$0.08	May 28, 2025
350,000	\$0.08	February 9, 2026
<u>8,535,000</u>		

### *Warrants*

At November 9, 2021, there were 37,148,500 share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held as follows:

Number of Warrants Outstanding	Exercise Price	Expiry Date
1,004,000	\$0.10	December 30, 2021
1,963,000	\$0.15	December 30, 2021
11,368,500	\$0.10	February 5, 2022
533,000	\$0.15	February 5, 2022
8,390,200	\$0.10	June 15, 2022
3,050,000	\$0.10	August 15, 2022
4,239,800	\$0.10	August 31, 2022
6,600,000	\$0.06	February 12, 2023
<u>37,148,500</u>		

### *Agent's Options*

At November 9, 2021, there were 614,215 agent options outstanding entitling the holders thereof the right to purchase one unit for each agent's option held as follows:

Number of Agent's Options Outstanding	Exercise Price	Expiry Date
7,000	\$0.05	December 30, 2021
91,910	\$0.06	December 30, 2021
353,395	\$0.05	February 5, 2022
23,310	\$0.06	February 5, 2022
138,600	\$0.035	February 12, 2023
<u>614,215</u>		