

**GOLDBANK MINING CORPORATION**  
Management's Discussion and Analysis of Financial  
Condition and Results of Operations  
For the Year Ended December 31, 2020

**April 30, 2021**

This management's discussion and analysis ("MD&A") focuses on events and activities that affected Goldbank Mining Corporation ("Goldbank" or the "Company") during the year ended December 31, 2020 and to the date of this report. The MD&A supplements, but does not form part of the audited consolidated financial statements of the Company and the notes thereto for the year ended December 31, 2020. Consequently, the following discussion and analysis should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2020 and the notes thereto, which are prepared in accordance with International Financial Reporting Standards. All amounts presented in this MD&A are in Canadian dollars unless otherwise indicated.

This MD&A contains information up to and including April 30, 2021. Additional information related to the Company is available for view on SEDAR at [www.sedar.com](http://www.sedar.com).

## **FORWARD LOOKING STATEMENTS**

Except for historical information contained in this discussion and analysis, disclosure statements contained herein are forward-looking. Forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those in such forward-looking statements. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and Goldbank undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

## **OVERVIEW**

Goldbank is a resource property exploration and development company. Goldbank's shares are listed and called for trading on the TSX Venture Exchange under the trading symbol "GLB".

Goldbank's principal business is the exploration and development of resource properties in the Yukon including the Leota Gold project, a large block of hard rock mining claims of Gold properties in the Klondike region of the Yukon Territory, Canada, and the Hasenfuss quartz mineral claims.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not have any off-balance sheet arrangements.

## **RISKS AND UNCERTAINTIES**

The Company competes with other junior mineral exploration companies, some of which have greater financial resources and technical facilities. The business of mineral exploration and extraction involves a high degree of risks and few properties that are explored are ultimately developed into production. In addition to specific risks disclosed throughout this discussion, other risks facing the Company include competition, reliance on third parties, environmental and insurance risks, statutory and regulatory requirements, metal prices and foreign currency fluctuations, share price volatility and title risks.

Goldbank plans to continue to raise additional capital through the exercise of stock options and warrants, and issuing new share capital through equity financing. The Company's ability to raise additional capital will depend upon the progress of new acquisitions, subsequent development of resource properties and the strength of the resource equity markets, which are uncertain. There can be no assurance that additional capital will be available. The Company is in the process of developing plans to raise capital.

## **PROPOSED TRANSACTIONS**

There are no proposed transactions.

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**EXPLORATION AND EVALUATION ASSETS**

|                                       | Leota Gold<br>\$ |
|---------------------------------------|------------------|
| <i>Acquisition Costs:</i>             |                  |
| Balance, December 31, 2019 and 2020   | 2,144,505        |
| <i>Exploration Costs:</i>             |                  |
| Balance, December 31, 2019            | 2,874,692        |
| Assays                                | 4,480            |
| Depreciation                          | 1,726            |
| Equipment rental                      | 4,504            |
| Exploration administration            | 6,853            |
| Geological                            | 26,535           |
| Travel and accommodations             | 5,510            |
| Balance, December 31, 2020            | 2,924,301        |
| Net carrying value, December 31, 2020 | 5,068,806        |

|                                       | Leota Gold<br>\$ |
|---------------------------------------|------------------|
| <i>Acquisition Costs:</i>             |                  |
| Balance, December 31, 2018 and 2019   | 2,144,505        |
| <i>Exploration Costs:</i>             |                  |
| Balance, December 31, 2018            | 2,728,556        |
| Assays                                | 13,800           |
| Depreciation                          | 2,467            |
| Equipment rental                      | 5,530            |
| Exploration administration            | 5,953            |
| Geological                            | 95,355           |
| Travel and accommodations             | 23,031           |
| Balance, December 31, 2019            | 2,874,692        |
| Net carrying value, December 31, 2019 | 5,019,197        |

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*Leota Gold Project – Klondike, Yukon*

The Company holds a 100% interest in mining claims called the Leota Gold Property located in the Dawson Mining District, Klondike, Yukon Territory, Canada that it previously earned through an option agreement.

Upon the Company receiving a positive feasibility study confirming more than 4 million ounces of gold or gold equivalent reserve on the Leota Gold Property, or if the Company produces more than 4 million ounces of gold from the Leota Gold Property, then the Company will, after regulatory approval, be required to allot and issue a further 400,000 common shares to the vendors.

The optionors retain a 3% net smelter royalty ("NSR"), up to one-half of which may be bought out by the Company at any time for one or more payments of \$500,000 for each 0.5% of the NSR totalling \$1,500,000. The Company is the operator.

*Hasenfuss Gold Claims – Klondike, Yukon*

The Company holds a 100% interest in and to the Hasenfuss Quartz mineral claims which are contiguous to the Company's Leota Gold Project. The acquisition costs were included with Leota Gold Project. The claims are subject to a 2% NSR.

**RESULTS OF OPERATIONS**

For the three months ended December 31, 2020, the net loss was \$401,071 compared to the net loss of \$502,577 in the three months ended December 31, 2019. The variance of \$101,506 was primarily due to the following expenses:

- depreciation of \$nil (2019: \$1,938);
- interest expense of \$360,731 (2019: \$275,760) due to interest charged on unpaid balances;
- investor relations of \$4,000 (2019: \$5,000);
- management fees of \$18,000 (2019: \$18,000);
- office and miscellaneous of \$(28,778) (2019: \$12,707);
- write-off on accounts payables of \$nil (2019: \$38,768);
- transfer agent and regulatory fees of \$1,118 (2019: \$16,150) and;
- property investigation costs for \$1,200 (2019: \$1,200).

**SUMMARY OF QUARTERLY RESULTS**

The following table presents unaudited selected financial information under for each of the last eight quarters:

|                                     | 2020<br>Q4<br>\$ | 2020<br>Q3<br>\$ | 2020<br>Q2<br>\$ | 2020<br>Q1<br>\$ | 2019<br>Q4<br>\$ | 2019<br>Q3<br>\$ | 2019<br>Q2<br>\$ | 2019<br>Q1<br>\$ |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Revenue                             | -                | -                | -                | -                | -                | -                | -                | -                |
| Net loss                            | (370,703)        | (401,428)        | (54,499)         | (412,834)        | (607,577)        | (102,727)        | 38,684           | (62,889)         |
| Basic and diluted<br>loss per share | (0.00)           | (0.01)           | (0.00)           | (0.01)           | (0.01)           | (0.00)           | (0.00)           | (0.00)           |

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The Company has no seasonality effect and its general trend is quite stable. The losses over the eight quarters are primarily due to office and miscellaneous, interest expense, professional fees, and consulting fees. Overall in 2020, the losses are increased due to interest charges on unpaid accounts payable balances.

## **LIQUIDITY AND CAPITAL RESOURCES**

As at December 31, 2020, the Company had current assets of \$888,367 (2019 - \$401,471) and liabilities totaling \$10,017,814 (2019 - \$8,734,548). As a result, the working capital deficiency is \$9,129,447 (2019 – \$8,333,077).

In the long term, the Company plans to undertake a series of ongoing private placement equity offerings and exercise of warrants to regularly fund ongoing operations and its planned program of property exploration and development, acquisitions of property interests, and planned working capital requirements for business operations, and sell or option interests in its exploration projects to fund its activities.

Management anticipates the raising of additional funding through sale of its securities to enable the Company to fund ongoing operations. The accompanying financial statements have been prepared on the basis of International Financial Reporting Standards applicable to a going concern. The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations, and the ability to raise additional capital. Specifically, the recovery of the Company's investment in resource properties and related deferred costs is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain necessary financing to develop the properties and establish future profitable production from the properties or from the proceeds of their disposition. If the Company was unable to continue as a going concern it is likely that assets would be realized at amounts significantly lower than the carrying value and the Company may not be able to satisfy all its obligations.

## **SELECTED ANNUAL INFORMATION**

The following table presents selected audited financial information for the years ended December 31, 2020, 2019, and 2018:

|                                  | 2020        | 2019      | 2018        |
|----------------------------------|-------------|-----------|-------------|
|                                  | \$          | \$        | \$          |
| Net loss                         | (1,239,464) | (734,509) | (2,132,094) |
| Basic and diluted loss per share | (0.02)      | (0.01)    | (0.03)      |
| Total assets                     | 5,965,487   | 5,431,185 | 5,161,516   |

## **RESULTS OF OPERATIONS**

For the year ended December 31, 2020, the net loss was \$1,239,464 compared to a net loss of \$734,509 in the year ended December 31, 2019. The variance of \$504,955 was primarily due to the following expenses:

- interest and bank charges of \$1,286,627 (2019: \$348,430) due to discontinued interest charged on unpaid principal and unpaid prior interest;
- investor relations of \$13,000 (2019: \$32,000);
- transfer agent and regulatory fees of \$10,904 (2019: \$28,002);
- unrealized gain on investments of \$261,254 (2019 unrealized loss: \$193,882);

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- corporate administration of \$29,741 (2019: \$28,577);
- write-off accounts payable of \$nil (2019: \$68,493);
- office and miscellaneous of \$35,270 (2019: \$37,582); and
- travel of \$nil (2019: \$2,521).

For the year ended December 31, 2019, the net loss was \$734,509 compared to the net loss of \$2,132,094 in the year ended December 31, 2018. The variance of \$1,397,585 was primarily due to the following expenses:

- interest and bank charges of \$348,430 (2018: \$1,738,572) due to discontinued interest charged on unpaid principal and unpaid prior interest;
- investor relations of \$32,000 (2018: \$50,423);
- transfer agent and regulatory fees of \$28,002 (2018: \$11,113);
- unrealized loss on investments of \$193,882 (2018: \$75,000);
- corporate administration of \$28,577 (2018: \$27,310);
- write-off accounts payable of \$68,493 (2018: \$nil);
- office and miscellaneous of \$37,582 (2018: \$81,164); and
- travel of \$2,521 (2017: \$20,707).

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

A number of new standards, and amendments to standards and interpretations, are not yet effective for the current financial year end, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

#### **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

##### *Fair Values*

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at December 31, 2020 as follows:

|             | Fair Value Measurements Using                                                         |                                                                 |                                                          |                                        |
|-------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------|----------------------------------------|
|             | Quoted prices in<br>active markets<br>for identical<br>instruments<br>(Level 1)<br>\$ | Significant<br>other<br>observable<br>inputs<br>(Level 2)<br>\$ | Significant<br>unobservable<br>inputs<br>(Level 3)<br>\$ | Balance,<br>December 31,<br>2020<br>\$ |
| Investments | 396,511                                                                               | —                                                               | —                                                        | 396,511                                |

The fair values of other financial instruments, which include cash, accounts payable and accrued liabilities, loans payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

##### *Credit Risk*

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

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#### *Foreign Exchange Rate Risk*

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company has investments in gold bullion in which the spot price is denominated in U.S. dollars.

#### *Interest Rate Risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as it does not have any liabilities with variable rates.

#### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

#### *Price Risk*

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities. The Company also has exposure to price risk from its investments in gold bullion and common shares of public companies.

### **MANAGEMENT OF CAPITAL**

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged.

### **TRANSACTIONS WITH RELATED PARTIES**

- (a) As at December 31, 2020, the amount of \$287,643 (2019 - \$213,068) was owed to the President of the Company and a company controlled by the President of the Company. Of this amount, \$283,500 (2019 - \$208,924) which is included in accounts payable and accrued liabilities. The amounts due are non-interest bearing, unsecured, and due on demand.
- (b) As at December 31, 2020, the amount of \$1,364,513 (2019 - \$1,443,876) was owed to a significant shareholder of the Company and companies controlled by the significant shareholder of the Company, which is included in accounts payable and accrued liabilities. Of this amount, \$1,197,944 (2019 - \$1,277,307) is non-interest bearing, is unsecured, and is due on demand. In addition, \$166,569 (2019 - \$166,569) of this amount bears interest at 10% per annum, is unsecured, and is due on demand.

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- (c) As at December 31, 2020, the amount of \$650,248 (2019 - \$650,248) was owed to a company controlled by the spouse of a director of the Company, which is included in accounts payable and accrued liabilities. The amount due is non-interest bearing, unsecured, and due on demand.
- (d) During the year ended December 31, 2020, the Company incurred management fees of \$72,000 (2019 - \$72,000) to a company controlled by the President of the Company.

**ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

An analysis of material components of the Company's general and administrative expenses is disclosed in the audited financial statements for the year ended December 31, 2020 to which this MD&A relates.

**OUTSTANDING SHARE DATA**

As at December 31, 2020 and as at the date of this report, outstanding share data for the Company is follows:

**Common shares:** Authorized capital: unlimited common shares without par value  
Issued capital: 89,922,655 common shares

**Stock Options:** Nil

**Warrants:** 4,030,000

**MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

In accordance with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Audited Filings), the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issuer Basic Certification includes a 'Note to Reader' stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

**CAUTION REGARDING FORWARD LOOKING STATEMENTS**

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of metals; the estimation of mineral reserves and resources, the realization of mineral reserve estimates; the timing and amount of estimated future production, costs of production, and capital expenditures; costs and timing of the development of new deposits; success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any

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future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks related to the integration of acquisitions; risks related to operations; risks related to joint venture operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the sections entitled "Risks and Uncertainties" in this MD&A. Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this MD&A speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events.

Forward-looking statements and other information contained herein concerning the mining industry and general expectations concerning the mining industry are based on estimates prepared by the Company using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

## **RISK FACTORS**

In these turbulent financial markets, development- stage mineral exploration companies, such as ours, face a variety of risk and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible.

Few exploration projects successfully achieve development due to factors that cannot be predicted or anticipated, and even on such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those factors that could impact them, and employs experienced consulting to assist in its risk management and to make timely adequate decisions.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The price of the commodities being explored is also a significant risk factor, as a substantial decline in their price could result in a decision to abandon a specific project.

Environmental laws and regulation could also impact the viability of a project. The Company has ensured that it has complied with these regulations, but there can be changes in legislation outside the Company's control that could also add a risk factor to a project.

The Company has significant debts. The Company ability to continue as a going concern is dependent on its ability to generate equity and/or debt financing and to roll over existing financial obligations.

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**COVID-19 Virus**

The ongoing impact of the novel COVID-19 virus is changing daily and on March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. While the Company continues its business operations at the corporate office, it is unknown whether the Company will be able to continue operating on such levels for any extended quarantine period. The Company has taken precautionary measures on all the employees who are working; however, it is unknown whether any additional measures will need to be implemented based upon recommendations from local, national, and international agencies. The Company will continue to monitor developments related to the situation and will revise its response plans accordingly.