

**September 30, 2020**

**Management Discussion and Analysis**  
**Third Quarter, 2020**

This Management's Discussion and Analysis ("MD&A") of Omineca Mining and Metals Ltd. ("Omineca", "OMM", or "Company") is dated November 27, 2020 and provides a discussion of the Company's consolidated financial and operating results for the quarter ended September 30, 2020 with comparisons to previous quarters. This MD&A should be read in conjunction with the quarterly condensed consolidated financial statements and accompanying notes and the most recently published annual audited consolidated financial statements and notes.

OMM. was incorporated on March 15, 2011, pursuant to the Alberta Business Corporation Act (Alberta), and is extra-provincially registered in the Yukon and British Columbia. As the Company has not commenced production on any of its mining properties the Company is an exploration stage company.

**Business Overview**

OMM. (OMM: TSX-V) is a junior resource company focused on its flagship Wingdam Gold Project, located in the prolific Barkerville gold camp in central British Columbia. The project was acquired in October 2013 and includes the underground paleo-placer Wingdam project and significant hard rock mineral tenures covering 51,000 contiguous hectares in the Cariboo gold district. The Wingdam paleo-project is currently permitted under a BC Ministry of Natural Resource Operations permit and a BC Ministry of Environment Effluent Discharge permit, and has been under care and maintenance since September 25, 2012.

In 2020, with the significant move in gold prices above CAD\$2,500 per ounce, the principal focus of the Company has been on exploring the hard rock tenures. Significant ground and airborne exploration programs have been completed in the first 6 months of 2020, which has been followed up with the launch of a large hard rock drilling program, which remains underway as at the time of this MD&A.

Subsequent to quarter-end, the Company closed a non-brokered private placement raising gross proceeds of \$5.5 million to continue with drilling and exploration work, along with some additional work on the underground paleo-placer project.

In April 2019 receiving proceeds of \$550,000 to be used to fund activities related to securing this project financing and for general working capital purposes. In addition, the Company raised an additional \$1,559,920 in April and May 2020 to explore for the source of the Wingdam gold.

Although the Wingdam paleo-placer gold project gives the Company exposure to potential near term gold production, the potential quantity and grade of the Wingdam Deep Lead Channel gravels are conceptual in nature, and there has been insufficient exploration to define a mineral resource. Although numerous attempts have been made to mine the Deep Lead Channel in the Wingdam area since the late 1880s, the first successful bulk mining test was carried out by CVG in 2012 using a combination of freeze technology and conventional mining. Results from the bulk mining indicate an average grade of 0.453 oz/tonne across the 23.5 meter channel width. Although Omineca has not been able to independently verify the methodology and results from the 2012 CVG Drift Sampling Program, the work was carried out under the supervision of Steve Kocsis, P.Geol who is considered a Qualified Person under NI 43-101. Omineca management believes that the work was carried out and documented in a professional manner and has no reason to doubt either the methodology or the accuracy of the results. Free gold occurs along the interface between the placer gravels and the bedrock, and can be very efficiently recovered using a simple underground wash plant. The project has excellent existing infrastructure including underground workings, ventilation and dewatering raises, settling ponds and other surface buildings, in addition to being bisected by a power line and paved highway.

Since acquiring control of the Wingdam project in late 2013, Omineca has focused on developing a viable mine plan to bring the Wingdam Project into production. This work has built upon the successful bulk sample completed by the previous owners, CVG Mining Ltd.

In 2014, the company systematically reviewed all historical work on the project available to it and submitted a Notice of Work to amend its mining permit to allow the Company to conduct additional drilling and geophysical work and test mine an initial 300m of the Wingdam paleo-channel. This amendment was granted in January 2015 (OMM NR January 23, 2015).

In the spring of 2015, the Company completed a field program of geotechnical drilling and seismic refraction geophysics (OMM NR April 20, 2015). A 3D model of the gold bearing channel has been developed from this drill data and seismic interpretation. The model shows a mineable channel area approximately 60 percent greater than indicated by the historical channel profiles and also indicates a series of depressions along the channel which are postulated to be potential natural traps for the placer gold during deposition of the gravels. During this program the Company also recovered representative core samples which were analyzed to determine frozen material characteristics, the results of which have now been incorporated into a detailed ground-freezing plan.

On August 23, 2016, the Company filed on SEDAR a Technical Report in accordance with National Instrument 43-101 ("NI 43-101") dated July 27, 2016 and titled Technical Report on the Wingdam Property.

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On August 3, 2018, the Company began its 2018 exploration program on both the Wingdam and Fraser Canyon properties, consisting principally of a comprehensive airborne MAG survey.

The Company has also thoroughly investigated other project challenges including power options, mining methods and equipment and ground water control strategies all culminating in the completion of a detailed mine plan together with a sophisticated financial model of the proposed operation.

Based on this work management is confident that the Wingdam project development has reached a stage of readiness with all permitting in place to explore an initial 300m of paleo-channel. Projected capital costs are approximately CDN\$20 million.

In 2019 the Company signed an agreement with two third party companies to take the Wingdam paleo placer gold project into production, in exchange for a 50% interest in that project. The 50% interest is not earned until such time as the project is actively in the bulk sample phase. At the time of this MD&A, the bulk sample phase has not commenced, and the project remains 100% owned by the Company.

The continued exploration and development activities that were undertaken in the second quarter continue to bolster confidence in the prospectivity of both the Wingdam project and the Fraser Canyon project. More specifically, field program have been ongoing collecting rock samples and soil samples over areas of significant interest. Additionally, the Company made application to the Government of British Columbia to commence a 27 hole drilling program, targeting approximately 8,000 meters.

At Fraser Canyon, a 3D inversion of a magnetic survey was completed in the third quarter, with very compelling results. As was announced on November 14, 2019, the inversion program appeared to identify a number of paleo channels. Moving forward, the Company intends to complete drill tests on these anomalies.

**Selected Annual Information**

The Corporation's operating results for the nine months ended September 30, 2020 and the years ended December 31, 2019, and 2018 is stated below; with the subsequent table representing selected quarterly results for the eight most recently completed quarters.

	Nine Months ended September 30, 2020	Year ended December 30, 2019	Year ended December 30, 2018
Operating Revenues	\$ -	\$ -	\$ -
Profit (Loss) for the period	(629,163)	(580,210)	(1,327,405)
Profit (Loss) per share	(0.01)	(0.01)	(0.02)
Diluted profit (loss) per share	(0.01)	(0.01)	(0.02)
Total assets	10,103,778	8,204,737	7,265,632
Total long term liabilities	9,700,186	9,316,269	8,402,605

Profit (loss) for the period ended September 30, 2020 and the years ended December 31, 2019 and 2018 can be affected significantly by non-operating expenses such as depreciation, share-based payments, option proceeds in excess of carrying value, write down of exploration and evaluation assets, impairment of investments and gain or losses on sale of investments and sale of property and equipment. Following are material items that have had such an effect:

	2020	2019	2018
Share-based payments	\$ -	\$ 252,800	\$ 180,000
Write-down of exploration and evaluation assets	-	-	826,132

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**Summary of Quarterly Results**

The following is a summary of quarterly results as published:

Year	2020	2020	2020	2019	2019	2019	2019	2018
Quarter	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
Revenues	\$nil	\$nil	\$nil	\$nil	\$nil	\$nil	\$nil	\$nil
Investment income	\$nil	\$nil	\$nil	\$nil	\$nil	\$nil	\$nil	\$nil
Net income (loss)	\$(245,861)	\$(292,883)	\$(90,418)	\$(72,481)	\$(94,823)	\$(342,915)	\$(69,991)	\$(424,225)
Income (loss) per share	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.01)
Diluted income (loss) per share	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.01)
Total assets	\$10,103,778	\$9,619,118	\$8,378,730	\$8,204,737	\$8,005,881	\$7,911,541	\$7,564,732	\$7,265,632

**Net income (loss)**

Profit (loss) for the period can be affected significantly by non-operating expenses such as share-based payments, option proceeds in excess of carrying value, write down of exploration and evaluation assets, impairment of investments and gain or losses on sale of investments and sale of property and equipment:

Year	2020	2020	2020	2019	2019	2019	2019	2018
Quarter	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
E&E Asset write-downs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$307,934
Share-based pmts	\$ -	\$ -	\$ -	\$ -	\$ -	\$252,800	\$ -	\$ -

**Results for the nine months Ended September 30, 2020**

For the nine months ended September 30, 2020, the Company recorded net loss of \$629,163 (2019 – \$507,728). The most significant changes are as follows:

- Administration costs were \$210,620 (2019 - \$167,745). The increase is the result of increased business activities as the Company increased exploration activities.
- Trade shows, travel and promotion were \$370,517 (2019 - \$6,956). The increase is the result of the Company reengaging marketing and promotion activities as it increased its exploration activities and marketing of such activities.
- Share-based compensation was \$nil (2019 - \$252,800). No share-based compensation had been issued in 2020 compared to 2019.

**Income**

Investment income of \$nil (2019 - \$nil) is comprised of interest earned on deposits.

The Company has not sold securities in the nine months ended September 30, 2020 or 2019

**Expenditures**

Operating expenses (total expenses less depreciation, share-based payments and write-down of exploration and evaluation assets) for the nine month period were \$625,605 (2019 – \$224,475). These expenses were for office personnel, investor relations, professional fees and public company costs for the quarter. The Company has started advancing its projects again and has significantly increased its marketing and promotion of the Company and its projects.

The Company accrued \$609,926 (2019 - \$562,187) in interest and accretion expense on the debenture held with 49 North Resources Inc. which was capitalized to exploration and evaluation assets.

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### **Liquidity and Financial Resources**

At September 30, 2020, the Company had a working capital of \$337,569 (2019 – working capital deficiency of \$291,359). The increase is due to the Company completing private placements, exercise of stock options and warrants. At September 30, 2020, the Company held cash and cash equivalents of \$488,055 (December 31, 2019 - \$86,510).

The Company has accounts receivable of \$46,110 (December 31, 2019 - \$12,054) and prepaid expenses of \$222,022 (December 31, 2019 - \$nil).

The Company has reclamation bonds on deposit with a government agency in the amounts of \$80,000 (December 31, 2019 - \$65,000).

The Company has a convertible debenture payable to 49 North Resources Ltd. but, under the terms of the convertible debenture, payments against principal and interest shall only be payable in the event ore sales are generated.

### **Financing**

On April 24, 2019, the Company closed a non-brokered private placement, selling 11,000,000 non-flow-through units at a price of \$0.05 per unit for gross proceeds of \$550,000. Each unit consisted of a non-flow-through common share and one non-flow-through common share purchase warrant, each whole warrant exercisable at \$0.10 for a 24 month period. A finder's fee of \$400 cash was paid to third party. In addition, the Company incurred other share issue costs of \$12,007.

In April 2020, the Company closed the 1st tranche of a non-brokered private placement financing and issued 5,216,665 non-flow through units at \$0.12 per unit for gross proceeds of \$625,600. Each unit consists of one common share and one warrant, with each warrant entitling the holder to acquire one common share of the Company at a price of \$0.20 for a period of 24 months following the closing of the offering.

In May 2020, the Company closed the 2nd tranche of a non-brokered private placement financing and issued 7,782,667 non-flow through units at \$0.12 per unit for gross proceeds of \$933,920. Each unit consists of one common share and one warrant, with each warrant entitling the holder to acquire one common share of the Company at a price of \$0.20 for a period of 24 months following the closing of the offering. A finder's fee of \$3,206 cash was paid to third parties. In addition, the Company incurred other share issue costs of \$27,514, in total.

### **Investments**

At September 30, 2020, the Company held investments comprised of publicly traded securities having a market value of \$4,241 (2019 - \$4,241). Market value is based on quoted closing bid prices for publicly traded shares and may not approximate trading prices at the time of disposition. Management regularly reviews the portfolio and makes decisions for trading based on current market trends and requirements of the Company.

Pursuant to certain mineral property option agreement, the Company received nil (2019 – 666,666) shares in the year with an attributed value of \$nil (2019 - \$nil).

The Company did not sell any securities in the period or prior period.

### **Exploration and Evaluation Assets**

The required detailed schedule of Exploration and Evaluation Assets for the period is included in the Company's condensed consolidated interim financial statements. During the period, the Company had acquisition and exploration expenditures of \$105,446 (2019 - \$66,305) and received option payments of \$nil (2019 - \$nil). Interest and accretion expenses of \$402,460 (2019 - \$370,962) were capitalized to exploration and evaluation assets. As a result of the foregoing, at June 30, 2020, exploration and evaluation assets total \$8,592,100 (December 31, 2019 - \$8,031,078). For details of option agreements on properties refer to Note 5 in the condensed consolidated interim financial statements.

### **BC Projects**

#### **Abo Project**

The 2,427 ha property, consisting of 11 claim units, is situated 5 kilometers north of Harrison Hot Springs, B.C. and has seen significant activity since 1975 including mapping, soil sampling ground based geophysics and a total of 13,856m (45,448ft) of diamond drilling. One claim, Hot 4, is subject to a 2% NSR. In addition, limited underground development work has been completed in two areas.

Property mineralization consists of a number of gold occurrences associated with a series of intrusive stocks. Accessory minerals include copper, silver, lead, zinc, molybdenum, tungsten and bismuth. The property is road-accessible year round, with hydro-electric power and rail-service located within 3 kilometers of property boundaries.

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On November 17, 2011, the Company completed an option agreement whereby Sierra Madre Developments Inc. (“Sierra”) can earn a 100% interest in the property by making exploration expenditures of \$3,000,000 and completing payments of 1,333,334 post-consolidated shares and \$1,000,000 cash over a five year period. The Property is subject to a 2% Net Smelter Return Royalty payable to the Company. Sierra Madre has the right to purchase 1% of the Royalty at any time for the sum of \$1,000,000 in cash.

On May 21, 2015, the Company and Sierra amended the option agreement agreeing to extend the share payment and expenditure due dates for a period of one year and to reduce the total expenditure requirements to \$2,000,000; and, by amending the terms of the cash payments such that \$400,000 may be made in shares of Sierra and the balance of \$500,000 paid in instalments by way of an Advanced Preferred Royalty. In consideration, Sierra agrees to issue an additional 1,500,000 shares. In the current economic climate, Sierra is not planning any exploration activity this season.

On February 20, 2017, the Company and Sierra amended the option agreement on the Abo property, changing the definition of “Triggering Event”, adding Bear Mountain Gold Mines Ltd. to the agreement as a third party and amending the option payments schedule. As consideration, Sierra agreed to issue an additional 500,000 shares to the Company.

### **Fraser Canyon/Wingdam Projects**

In March 2013, the Company completed geophysical surveys on the Wingdam/Lightning Creek and Fraser Canyon projects, located in the Cariboo Region of British Columbia near Quesnel. The geophysical survey was designed to provide additional information with respect to sub-surface topography in under-explored areas of the two properties. The survey had two components, IP/Resistivity and Magnetometer. The IP/Resistivity survey was conducted using an array of fixed electrodes with a spacing of 5 meters. This configuration was used specifically to give an accurate profile of the buried gold-bearing placer channels on the two properties, as well as having sufficient depth penetration to effectively test the bedrock beneath the placer gravels. A total of 2,425 meters of surveying was completed at Wingdam and 4,400 meters at Fraser Canyon. As a component of the data collection, Ground Truth completed detailed interpretation and modeling on the geophysical data.

An airborne LIDAR surface topographical survey was completed within both the Fraser Canyon and Wingdam project areas in Q2 of 2014. The 2014 exploration program consisted of an airborne LiDAR (“Light Detection and Ranging”) and Digital Photography survey flown by Eagle Mapping Ltd. of Vancouver. Coverage on the Fraser Canyon property was 22 square kilometers, with 79 square kilometers surveyed at the Wingdam. This data will aid in future exploration programs, with the intent of better defining gold-bearing paleochannels. In conjunction with this survey, a complete data compilation on the Fraser Canyon property was completed, encompassing all available historical data including diamond drilling, geophysical surveys and biogeochemical surveys. This work will ensure that a modern and complete dataset is available to help guide future work on the property.

#### About the Wingdam/Lightning Creek Project

The 2,876 ha Wingdam/Lightning Creek Project is located 35 km east of Quesnel, B.C., and provides a unique opportunity for Omineca to acquire near-term placer gold potential in a proven mining district. The property overlies both placer and hard-rock tenures along the Deep Lead Channel of Lightning Creek, where topographic conditions have created a deep overburden accumulation which effectively resulted in a large portion of the channel being excluded from conventional surface placer mining activity. On the Wingdam property, drilling and previous geophysical surveys indicate that the Deep Lead Channel may occur throughout the entire 2.4km length of the Wingdam placer tenures. Numerous attempts have been made to mine the Deep Lead Channel in the Wingdam area since the late 1880s, but all were hampered by an influx of water and unstable ground conditions related to the presence of Cariboo slum, and were ultimately abandoned.

In 2012, CVG successfully completed a crosscut drift 23.5m across the Deep Lead Channel along the bedrock/gravel interface, using the Australian deep-lead mining method combined with ground-freeze technology. This effort not only proved the applicability of the freeze method, but also provided a bulk sample whereby “the gold recovered from the 23.5-meter drift advance across the paleochannel true width amounted to 173.495 ounces of raw placer gold (900 fineness) from 140 bank cubic meters. The refined-equivalent gold grade across this width amounted to 34.55 g/m<sup>3</sup> or 0.453 oz/tonne. The grade across a central portion of the paleochannel totaling 14.8 m (3.8 to 18.6m) averaged 46.30 g/m<sup>3</sup> or 0.608 oz/tonne” (S. Kocsis technical report, Oct, 2012). Omineca management believes that the 2012 bulk sample program conducted by CVG Mining Ltd. verifies that the placer gold grades indicated by historical pre-1930’s churn drilling are accurate and also demonstrates that the use of the freeze mining technique pioneered by CVG is a viable approach to sampling under Lightning Creek. Although Omineca has not been able to independently verify the methodology and results from the 2012 CVG Drift Sampling Program, the work was carried out under the supervision of Steve Kocsis, P.Geo who is considered a Qualified Person under NI 43-101. Omineca management believes that the work was carried out and documented in a professional manner and has no reason to doubt either the methodology or the accuracy of the results. The potential quantity and grade of the Wingdam Deep Lead Channel gravels are conceptual in nature, and there has been insufficient exploration to define a mineral resource.

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The abundance and physical nature of the placer gold recovered during the 2012 test mining operation indicates that it is, in part, locally derived. Little or no systematic exploration work has been carried out on the property to test for the occurrence of lode gold, leaving good potential for the exploration and possible discovery of in-situ (hard-rock) gold mineralization in addition to the presence of a proven placer deposit.

The Wingdam project is currently permitted under a BC Ministry of Natural Resource Operations permit and a BC Ministry of Environment Effluent Discharge permit, and has been under care and maintenance since September 25, 2012. In December 2015 the Company received an amendment to its Wingdam Project Mines Act permit from the BC Ministry of Energy and Mines. Under the amendment, the Company's plan to bulk sample approximately 300m of ancient paleo-channel of Lighting Creek has been approved.

In the spring of 2015, the Company completed a field program of geotechnical drilling and seismic refraction geophysics (OMM NR April 20, 2015). A 3D model of the gold bearing channel has been developed from this drill data and seismic interpretation. The model shows a mineable channel area approximately 60 percent greater than indicated by the historical channel profiles and also indicates a series of depressions along the channel which are postulated to be potential natural traps for the placer gold during deposition of the gravels. During this program the Company also recovered representative core samples which were analyzed to determine frozen material characteristics, the results of which have now been incorporated into a detailed ground-freezing plan.

On August 23, 2016, the Company filed on SEDAR a Technical Report in accordance with National Instrument 43-101 ("NI 43-101") dated July 27, 2016 and titled Technical Report on the Wingdam Property.

Wingdam is subject to a 1% net smelter royalty, which can be purchased at any time for an amount of \$1,000,000.

In February 2019, the Company entered into a Letter of Agreement whereby an arm's length private company (the "Partner") will earn a 50% interest in the Wingdam Project in exchange for incurring 100% of the preparatory costs required to commence an initial 300 meter bulk sample at the property. The Company and the Partner will enter into a definitive joint venture agreement in due course, which will be subject to regulatory acceptance.

The Company has also thoroughly investigated other project challenges including power options, mining methods and equipment and ground water control strategies all culminating in the completion of a detailed mine plan together with a sophisticated financial model of the proposed operation.

#### Fraser Canyon

The Fraser Canyon Property is located 12 kilometers north of the city of Quesnel. The property consists of 2,221 hectares of placer claims and leases and 1,221 hectares of mineral claims. The tenures are strategically located along 15.8-kilometers of deeply-buried gold-enriched Miocene fluvial conglomerates of the Fraser Bend Formation. The gold-enriched zone along the paleochannel floor averages 2.13 m thick and reaches up to 38 m wide.

The paleochannel was explored and partially mined underground at two locations on the north and south sides of the Fraser Canyon called the Tertiary (1907-1917) and Canyon (1986) mines. The two mines collectively produced 1,482 ounce of raw placer gold (892 fineness) or 1,322 refined ounces. There has been very little exploration and development work in the area since the Canyon Mine closed in 1986. Omineca has not been able to independently verify the methodology and results related to the historical production at the Tertiary and Canyon mines. However, management believes that the information is relevant.

In 2009, CVG dewatered the Canyon Mine and rehabilitated the underground workings. The workings consist of a 160-meter long decline and a 235-meter long exploration drift that follows the length of the paleochannel floor, and a series of 13 crosscuts. The development work was carried out by All Star Resources in 1986, who reported a total of 421.6 ounces of refined gold recovered from 5,625 m<sup>3</sup> of conglomerate and bedrock material extracted from the drift and crosscuts. Omineca has not been able to independently verify the methodology and results related to the historical All Star Resources sample. However, management believes that the information is relevant.

Fraser Canyon is subject to a 2.5% net smelter royalty, which can be purchased at any time for an amount of \$250,000.

#### **Mouse Mountain Project**

The Company, entered into an option agreement to acquire a 50% interest in the Mouse Mountain project, in the province of British Columbia. As part of the option agreement, The Company issued 300,000 common shares of the Company and is required to drill 2,000 meters of diamond drilling, within twelve months of receiving regulatory approval of the transaction.

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**Yukon Project**

**Kiwi**

Omineca has an unencumbered 100% interest in the Kiwi property located 70 km northeast of Ross River, in the central Yukon. The claims consist of 32 units (652 ha) located 25km west of the North Canal Road. 113 new claims were staked in the summer of 2011 to increase the property holdings.

The claims overlie high-grade gold occurrences associated with intrusive rocks and north-west trending structures. Past operators reported (43 -101 compliant) in-situ visible gold ("VG") with analytical values of up to 115 g/t gold and 32 g/t Ag reported from a grab sample at the VG Showing. Omineca has not been able to independently verify the methodology and results from historical work programs at the Kiwi. However, management believes that the historical work programs on the Kiwi have been conducted in a professional manner and the quality of data and information produced from them are relevant. A single drill hole (350m) was collared in the area of the VG Showing and intersected skarn-type alteration and brecciation including considerable sulphide mineralization, but failed to return significant gold values. Additional field work was completed on the property in late summer 2012 focused on detailed prospecting and geological mapping of newly acquired claims and of known mineralized zones.

On February 15, 2013, the Company entered into a letter of agreement whereby HFX Holding Corp. ("HFX") may earn a 100% interest in the Kiwi gold property. Under the terms of the agreement, HFX has the option to earn a 100% interest in the 2,981 ha property by making \$320,000 in cash payments and issuing 800,000 common shares to Omineca over 6 years. In July 2015 the Company and HFX agreed to amend the option agreement, deferring the \$40,000 cash payment and receiving 100,000 shares in lieu. On July 11, 2016, the Company and HFX further amended the option agreement agreeing to amend the terms of the cash payments such that in lieu of the \$50,000 due July 12, 2016, HFX will issue 100,000 shares due November 14, 2016 (received). On July 11, 2017, the Company and HFX further amended the agreement to change the payment schedule. Omineca will maintain a 2% Net Smelter Royalty on the claims, which may be reduced to 1% upon payment of \$1,000,000. In the current economic climate, HFX is not planning any exploration activity this season.

**Convertible Debenture**

The Company has a convertible debenture with 49 North Resources Inc. ("49 North"). The debenture was amended on September 19, 2016 extending the maturity by three years to October 1, 2021 (previously October 1, 2018). Under the Amended Debenture, 49 North can convert the principal amount into common shares of Omineca at a conversion price of \$0.20 per common share prior to October 1, 2017; \$0.50 per common share on or after October 1, 2017 but prior to October 1, 2018; and \$0.75 per common share on or after October 1, 2018 (previously \$1.25 after October 1, 2015). The debenture bears interest of 8% per annum, calculated and compounded monthly and is payable upon maturity at October 1, 2021. Accrued interest on the Amended Debenture is also convertible at a conversion price equal to the greater of the minimum price per common share permitted by the TSXV and the prevailing conversion price applicable to the principal amount at the time of conversion.

The change in terms of the debt resulted in less than a 10% change in cash flows, therefore it is considered a modification of the original debt, rather than an extinguishment of the old debt and the recognition of a new debt.

During the period ended September 30, 2020 the Company accrued \$547,745 (2019 - \$505,766) in interest expense and \$62,181 (2019 - \$56,421) in accretion expense. These amounts have been capitalized as part of exploration and evaluation assets.

**Transactions with Related Parties**

The Company was involved in the following related party transactions during the period and prior period:

- (a) The Company has a convertible debenture with accrued interest with 49 North Resources Inc. During the period ended September 30, 2020 the Company accrued \$547,745 (2019 - \$505,766) in interest expense and \$62,181 (2019 - \$56,421) in accretion expense and \$21,000 (2019 - \$nil) in rent expense. The interest and accretion expense amounts have been capitalized as part of exploration and evaluation assets.

Compensation to key management personnel in the period and prior period:

	2020	2019
Consulting and management fees	\$ 90,000	\$ 90,000
Share-based compensation	-	118,500
	\$ 90,000	\$ 208,500

- (b) At September 30, 2020, \$27,698 (2019 - \$253,707) is included in accounts payable and accrued liabilities to a company with a common parent company.

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- (c) Included in administration costs is \$45,000 (2019 - \$45,000) paid or accrued for consulting fees to a director and officer of the Company. At September 30, 2020, \$5,250 was receivable (2019, \$32,750 was payable).
- (d) Included in administration costs is \$45,000 (2019 - \$45,000) paid or accrued for consulting fees to a director and officer of the Company. At September 30, 2020, \$4,750 (2019, \$42,750) is included in accounts payable and accrued liabilities.
- (e) During the year ended December 31, 2019 the Company repaid the short term loans received from directors and a former officer totaling \$10,000. The loans were non-interest bearing, unsecured, and had no specific terms of repayment. As at December 31, 2019 the total director loans payable outstanding was \$nil.

All related party transactions in the normal course of business have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties.

#### **Disclosure of Management Compensation**

The Corporation has standard compensation agreements to pay its officers \$5,000 (2019 - \$5,000) per month as compensation for services as an officer of the Corporation. Payments totalling 90,000 (2019 - \$90,000) were paid out or accrued in the period.

The Corporation has a standard compensation agreement to pay all directors an annual retainer fee of \$5,000 and a stipend of \$250 per board or committee meeting attended as compensation for services rendered as directors. No payments were made in the period to directors. The policy has been suspended until further notice.

The Corporation has a Stock Option Plan (the "Plan") to provide an incentive for directors and officers of the Corporation to directly participate in the Corporation's growth and development by providing them with the opportunity through options to purchase common shares to acquire an increased financial interest in the Corporation. At the discretion of the Corporate Governance and Compensation Committee ("CGCC") options are granted to individuals taking into account the Corporation's long-range objectives, comparing and matching in most cases option grants and holdings for similar positions in the comparator group, and previous grants to such individuals.

#### **Disclosure of Outstanding Share Data**

The Company has an unlimited number of common and preferred shares without nominal or par value authorized for issuance.

At November 27, 2020, the Company has 121,873,234 common shares issued and outstanding. There are no other classes of shares outstanding.

At November 27, 2020, the Company has 7,275,000 stock options outstanding with expiry dates of June 15, 2021, May 3, 2024 and May 15, 2028.

At November 27, 2020, the Company has 31,274,401 warrants outstanding, which includes 1,204,873 agent options.

A detailed schedule of Share Capital is included the Statements of Changes in Shareholders' Equity and details are provided in Note 7 of the Company's consolidated financial statements.

#### **Financial Instruments**

The Company carries various financial instruments and it is management's opinion that the Company is not exposed to significant risks arising from these financial instruments. Substantially all of the Company's cash is held at two recognized Canadian National financial institutions. As a result, the Company is exposed to all of the risks associated with these institutions. Refer to Note 3(c) in the annual audited consolidated financial statements for disclosure of financial instrument classification.

#### **Off-Balance Sheet Arrangements**

The Company has not entered into any off-balance sheet transactions.

#### **Critical Accounting Estimates**

Estimates relevant to the Company include the capitalization of certain exploration expenditures, and the expensing of the "fair value" of share-based compensation, such as stock option grants.

The Company reviews capitalized costs on its property interests on a quarterly basis and will recognize impairment in value based upon current exploration results and upon management's assessment of the future viability of the properties.

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The Company accounts for stock based compensation using the “fair value” method and must be expensed for income statement purposes. In addition, agents warrants issued as stock-based compensation to brokers must be similarly accounted for and recorded as a share issue cost. The determination of the fair value of options and warrants for this purpose is done using the “Black Scholes” formula. Some of the parameters used in this formula are highly subjective, in particular the assumption of future share price volatility, and therefore the amounts expensed are highly subjective and may not be reflective of the true cost of the options and warrants granted. If none of the options and agents’ warrants are exercised, the amounts previously expensed are not adjusted and the increases in the Company’s Statement of Financial Position Deficit account and Share Capital account remain.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original classification (measurement) IAS 39	New classification and measurement IFRS 9
Cash and cash equivalents	FVTPL	FVTPL
Accounts receivable	Loans and receivables (amortized cost)	Amortized cost
Current investments	Available for sale	FVTPL
Reclamation bonds	Loans and receivables (amortized cost)	Amortized cost
Accounts payable and accrued liabilities, long term liabilities and debenture payable	Other financial liabilities (amortized cost)	Amortized cost

The Company did not restate prior periods as it recognized the effects of retrospective application to shareholders’ equity at the beginning of the 2018 annual reporting period, which also includes the date of initial application. The adoption of IFRS 9 resulted in a reclassification from accumulated other comprehensive income to deficit in the amount of \$28,863 on January 1, 2018.

**Accounting Policies**

The unaudited condensed consolidated interim financial statements have been prepared in conformity with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, and do not include all the information required for full annual financial statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Refer to Note 2 to the condensed consolidated financial statements for information pertaining to accounting changes effective January 1, 2020 and future accounting changes not mandatory for the December 31, 2020 reporting period.

**Risks Factors**

**Exploration and Development**

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production.

The Company’s properties are in the exploration stage. There is no assurance that the Company’s mineral exploration and development activities will result in any discoveries of commercial bodies of minerals. The long-term profitability of the Company’s operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Development of the Company’s properties will only be potentially pursued if favourable exploration results are obtained that demonstrate that economic extraction of minerals is justified.

The business of exploration for minerals and mining involves a high degree of risk. Whether a mineral deposit can be commercially viable depends upon a number of factors, including the particular attributes of the deposit, including size, grade and proximity to infrastructure; metal prices, which can be highly variable; and government regulations, including environmental and reclamation obligations. Few properties that are explored are ultimately developed into producing mines.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that funds required for any proposed development of the Company’s properties can be obtained on a timely basis.

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The marketability of any minerals acquired or discovered by the Company in the future may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which may result in the Company not receiving an adequate return on investment capital.

There is no assurance that the TSX-V or any regulatory authority having jurisdiction will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise.

#### **Financial Capability and Additional Financing**

The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for further exploration and development of its projects. Although the Company has been successful in the past in financing its activities through the sale of equity securities, there can be no assurance that it will be able to obtain sufficient financing in the future to carry out exploration and development work on its properties. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of the Company.

#### **Mining Titles**

There is no guarantee that the Company's title to or interests in the Company's property interests will not be challenged or impugned. The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to the area of mineral properties may be disputed. There is no guarantee of title to any of the Company's properties. The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. With the exception of certain Crown Granted Mineral Claims and legacy tenures, the Company has not surveyed the boundaries of its properties and consequently the boundaries may be disputed.

There can be no assurance that the Company's rights will not be challenged by third parties claiming an interest in the properties.

#### **Management**

The success of the Company is currently largely dependent on the performance of its officers. The loss of the services of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

#### **Conflicts of Interest**

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to the applicable corporate and securities legislation, regulation, rules and policies.

#### **Dilution**

There are a number of outstanding options and warrants pursuant to which additional common shares of the Company may be issued in the future. Exercise of such options and warrants may result in dilution to the Company's shareholders. In addition, if the Company raises additional funds through the sale of equity securities, shareholders may have their investment further diluted.

#### **History of Losses and No Assurance of Profitable Operations**

The Company has incurred a loss since inception. There can be no assurance that the Company will be able to operate profitably during future periods. If the Company is unable to operate profitably during future periods, and is not successful in obtaining additional financing, the Company could be forced to cease its exploration and development plans as a result of lacking sufficient cash resources. The Company has not paid dividends in the past and has no plans to pay dividends for the foreseeable future.

#### **Uninsurable Risks**

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions may occur. These unexpected or unusual conditions may include rock bursts, cave-ins, fires, flooding and earthquakes. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

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### **Environmental and Safety Regulations and Risks**

Environmental laws and regulations may adversely affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Furthermore, the permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations.

### **Fluctuating Mineral Prices**

The Company's revenues, if any, are expected to be in large part derived from the sale of gold, copper, and possibly other metals. The prices of gold, copper, and other commodities have fluctuated widely in recent years and are affected by factors beyond the control of the Company including, but not limited to, economic and political trends, currency exchange fluctuations, economic inflation and expectations for the level of economic inflation in the consuming economies, interest rates, global and local economic health and trends, speculative activities and changes in the supply of gold and copper due to new mine developments, mine closures, and advances in various production and technological uses for gold and copper. All of these factors will have impacts on the viability of the Company's exploration projects that are impossible to predict with certainty.

### **Competitive Conditions**

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical facilities. Competition in the precious metals mining industry is primarily for mineral rich properties which can be developed and produced economically; the technical expertise to find, develop, and produce such properties; the labour to operate the properties; and the capital for the purpose of financing development of such properties. Many competitors not only explore for and mine precious metals, but conduct refining and marketing operations on a world-wide basis and some of these companies have much greater financial and technical resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these mineral deposits could have a material adverse effect on the Company's results.

### **Price Volatility of Publicly Traded Securities**

In recent years, the securities markets in the United States and Canada have experienced high levels of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

### **Inadequate Infrastructure May Affect the Company's Operations**

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

### **Subsequent Events**

On November 24, 2020, the Company closed a brokered private placement financing and issued 10,171,673 non-flow through units at \$0.28 per unit for gross proceeds of \$2,848,068 and 8,826,511 flow through units at \$0.30 per unit for gross proceeds of \$2,647,953. Each unit consists of one common share and one half of one warrant, with each whole warrant entitling the holder to acquire one common share of the Company at a price of \$0.35 for a period of 24 months following the closing of the offering. A finder's fee of \$349,722 cash was paid to third parties, and 1,204,873 agent options and incurred other share issue costs of \$60,781, in total. Each agent option is exercisable for 1 unit at a price of \$0.28 per unit for a period of 2 years. Each unit is comprised of one common share and one half of one warrant.

### **Other MD & A Requirements**

Additional information relating to the Company is available on the SEDAR website: [www.sedar.com](http://www.sedar.com) under "Company Profiles" and "Omineca".

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### **Forward Looking Statements**

All statements other than those of a historical nature are 'forward-looking statements' that may involve a number of unknown risks, uncertainties and other factors. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements.

### **Outlook**

The primary asset held by OMM through its 100% ownership of CVG is the Wingdam gold project, consisting of both mineral "hard-rock" and placer tenures within the Lightning Creek area of the Cariboo gold district. Management remains focussed on advancing the Wingdam project and continues to make solid progress in the planning and design of the project. Key engineering and consulting firms have been retained to assist in the design work. In Q1 2015, final permits were issued by the B.C. Government, clearing the way for advanced engineering required to bulk sample the Deep Lead Channel. OMM's management is actively engaged in seeking the necessary financing to proceed with equipment procurement and infrastructure requirements to test the Deep Lead Channel over a 300 meter length. Current global economic conditions including a relatively strong gold price measured in Canadian dollars and low fuel costs (one of the largest expenses projected at Wingdam), result in favorable tailwinds for the project.

In Q2 2015, Omineca completed a field program at the Wingdam. Surface drilling and surface and downhole seismic geophysical surveys were used to accurately define the location and shape of the gold-bearing Deep Lead Channel over a length of approximately 300 meters.

Interpretation of the results of the field program indicates that the favorable Deep Lead channel gravels may be wider than originally thought. In addition, the seismic imaging shows a series of depressions in the bedrock underlying the pay gravels, which may have created a natural trap for the gold during the deposition of the placer gravels.

During the fourth quarter 2015, Omineca assessed the impact of this potentially larger volume of pay gravels in the current exploration plan and the estimated capital expenditures required to test the permitted 300 meters of the Deep Lead Channel. As part of the 2015 field program, samples of Cariboo slum were collected and sent to Weir-Jones Engineering for geotechnical analyses. The final results and reporting from this work were received in Q2 2016, and were integrated with other data and results to form the basis for an updated technical report in accordance with National Instrument 43-101, which was completed in the third quarter, and subsequently filed on SEDAR.

During the third quarter 2016, the Company filed on SEDAR a Technical Report in accordance with National Instrument 43-101 ("NI 43-101") dated July 27, 2016 and titled Technical Report on the Wingdam Property.

During the third quarter 2018, the Company started a MAG survey on both the Wingdam and Fraser Canyon properties.

During the first quarter 2019, the Company signed a Letter agreement and is working finalization of the option agreement and joint venture. In addition, The Company announced that it had signed a Mining services agreement with HCC Mining and Demolition Inc, to perform all mining services associated with a 300 meter bulk-sample program. It is anticipated that dewatering will begin in the second quarter of 2019, and the bulk-sampling, thereafter.

Wingdam has a colorful history and innovative mining techniques employed by CVG in 2012 suggest that the Deep Lead Channel gravels beneath Lightning Creek gravels may be bulk sampled using freeze-mining techniques. The potential quantity and grade of the Wingdam Deep Lead Channel gravels are conceptual in nature, and there has been insufficient exploration to define a mineral resource. The successful implementation of these techniques by CVG has, in the opinion of OMM's management, de-risked the project substantially and paved the way to complete a bulk sample test. The proposed methods of extraction and processing of the gold bearing gravels will not significantly alter the current minimal environmental footprint of the project over the proposed mine life.

Omineca management appreciates the ongoing support of our shareholders during the protracted downturn in the capital markets. We remain confident that by continuing to systematically add value to the Wingdam project, Omineca will be poised to rapidly move the Wingdam to production. Management is continuing to source financing to advance the project to the next stage.

### **On behalf of the Board of Directors**

***"Tom MacNeill"***

Tom MacNeill  
President