



MANAGEMENT DISCUSSION & ANALYSIS

For the year ended August 31, 2021

This Management Discussion and Analysis ("MD&A") of Black Mountain Gold USA Corp. ("Black Mountain" or the "Company") has been prepared by management as of December 24, 2021 and should be read in conjunction with the Company's consolidated financial statements for the year ended August 31, 2021 and 2020 ("Financial Statements"). The Financial Statements and related notes have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information regarding the Company can be found on SEDAR at www.sedar.com. All of the following amounts are expressed in Canadian dollars unless otherwise stated.

This MD&A contains forward-looking statements. Statements regarding the adequacy of cash resources to carry out the Company's exploration programs or the need for future financing are forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language. Readers are advised to refer to the cautionary language when reading any forward-looking statements.

BUSINESS OVERVIEW

The Company was incorporated under the Canada Business Corporations Act on July 21, 2015.

In November 2020, the Company announced the completion of a Qualifying Transaction, as described below:

In June 2020, the Company entered into a letter of intent (the "Letter of Intent") with ML Nevada Corp. ("M3 Metals Nevada"), a wholly owned Nevada incorporated subsidiary of M3 Metals Corp., a company with which it had (and still has) a common officer, ("M3 Metals"), a TSX Venture Exchange listed company. Under the terms of the Letter of Intent, M3 Metals was, through M3 Metals Nevada, to grant to the Company an option (the "Option") under the terms of a mineral property option agreement (the "Definitive Option Agreement") to acquire up to a 90% interest in a mineral project which is the subject of a mineral property option and purchase agreement (the "Underlying Option Agreement") under which M3 Metals had the right and option (the "Underlying Option") to acquire up to a 100% right, title and interest in and to certain mineral properties (the "Mohave Gold Property") in Arizona.

In July 2020, the Definitive Option Agreement was executed by the Company, M3 Metals, M3 Metals Nevada and the Company's subsidiary, Mohave USA Gold Corp. See "Summary of Properties – Exploration and Evaluation Assets – Mohave Gold Property" below for further details.

In November 2020, the Company closed a non-brokered private placement (the "Concurrent Financing") with the issuance of 11,875,000 units at a price of \$0.08 per unit for gross proceeds of \$950,000. Each unit consisted of one common share of the Company and one share purchase warrant, with each whole warrant entitling the holder to acquire one additional common share of the Company at \$0.12 per share for one year from the date of issuance. The Definitive Option Agreement closed following its initial option payment of \$300,000, which was made concurrently with the closing of the Concurrent Financing. These transactions, collectively, comprised the Company's Qualifying Transaction.

Following the completion of the Qualifying Transaction and the Concurrent Financing, the Company's common shares were listed on the TSX Venture Exchange ("Exchange") as a Tier 2 mining issuer under the symbol "BMG.V".

In January 2021, the Company granted 1,295,000 stock options to various directors, officers, employees, and consultants of the Company at an exercise price of \$0.50 per share for a period of five years. The 1,295,000 stock options are not subject to vesting provisions. In addition, Robert Meister stepped down as director, Chief Financial Officer, and Corporate Secretary of the Company. The Company appointed Luke Norman as a director, Max Missiouk as Chief Financial Officer, and Brian Morrison as Corporate Secretary of the Company.



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In February 2021, the Company closed a private placement of 12,500,000 units at a price of \$0.40 per unit, for gross proceeds of \$5,000,000. Each unit will consist of one common share and one-half share purchase warrant, each whole share purchase warrant being exercisable for a period of two years at a price of \$0.60 per share. The warrants will also be subject to an accelerated expiry in the event the common shares of the company trade on the exchange at a price of \$1.00 or higher for 10 consecutive trading days.

In July 2021, the Company began trading on the OTCQB Venture Market under the ticker symbol “BMGCF”.

During the year ended August 31, 2021, the Company issued 4,762,500 common shares in connection with the exercise of 4,762,500 warrants with an exercise price of \$0.12 for total proceeds of \$571,500.

In September 2021, the Company granted 1,700,000 stock options to various directors, officers, and consultants of the Company at an exercise price of \$0.40 per share for a period of five years, vested immediately.

Subsequent to year ended August 31, 2021, the Company issued 7,112,500 common shares in connection with the exercise of 7,112,500 warrants with an exercise price of \$0.12 for total proceeds of \$853,500.

Summary of Properties

Exploration and Evaluation Assets

For the year ended August 31, 2021, the Company incurred acquisition and exploration expenditures of \$972,891 as compared to \$nil in the comparative year of 2020.

	Mohave Gold Property
	\$
Property acquisition costs	393,060
Exploration expenditures:	
Claim maintenance	34,774
Geological	545,057
For the year ended August 31, 2021	972,891

Mohave Gold Property

In July 2020, the Company entered into the Definitive Option Agreement to acquire, by way of option, up to 90% of certain mining claims in the Weaver mining district, Mohave County, Arizona, USA. Pursuant to the Definitive Option Agreement, the Company can earn up to a 90% interest in the Mohave Gold Property by making cash option payments and incurring exploration expenditures as follows:

	Cash Option payments (\$)	Expenditures (\$)
On or before November 5, 2020	(paid) 300,000	-
On or before May 4, 2022	400,000	-
On or before July 4, 2022	400,000	-
On or before July 4, 2023*	2,000,000	1,000,000
On or before July 4, 2024**	3,000,000	2,000,000
Total Requirement	6,100,000	3,000,000

*In lieu of paying the full \$2,000,000 in cash, the Company at its election may issue to M3 Metals, at then prevailing market prices for its common shares, that number of its common shares which would be equal in value to up to \$1,000,000.

**In lieu of paying the full \$3,000,000 in cash, the Company at its election may issue to M3 Metals, at then prevailing market prices for its common shares, that number of its common shares which would be equal in value to up to \$1,500,000.

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As part of the Definitive Option Agreement, the Company assumes the obligations under Underlying Option Agreement with DDS Resources LLC and Mohave Mine Partnership LLC (collectively, the “Vendors”). To meet these obligations, the Company must complete the following:

	Cash Option payments (US\$)	Expenditures (US\$)
On or before March 31, 2021	(paid) 75,000	(incurred) 50,000
On or before March 31, 2022	100,000	(incurred) 200,000
On or before March 31, 2023	150,000	300,000
On or before March 31, 2024	200,000	350,000
On or before March 31, 2025	3,000,000	400,000
Total Requirement	3,525,000	1,300,000

Upon the final payment of US\$3,000,000, the Vendors will be granted a net smelter royalty of 1.5% on the Mohave Gold Property.

Expenditures incurred to satisfy the expenditure requirements of the Definitive Option Agreement count towards expenditure to be made under the Underlying Option Agreement. Included in geological expenses for the year ended August 31, 2021 is \$208,521 paid to M3 Metals as reimbursement for expenditures incurred prior to entering into the Option Agreement which will count towards the minimum expenditure commitments.

The Mohave Gold Property, located in Mohave County, Arizona, consists of 149 lode claims and 11 mill site claims totaling about 1,177 ha. The area has seen small scale mining and exploration activity since the late 1800s and continued until 1995. No material exploration activity has been completed on the Property since 1995 with the exception of rock chip and soil sampling by McEwen Mining (2017-2018) and a surface sampling program completed by M3 Metals in 2020.

The Property area covers numerous historic gold mines in the Weaver Mining District, Mohave County, Arizona, USA. In addition to the historic gold mines on the Property, there is an approximate 5-kilometre gold-in-soil and gold-in-rock geochemical anomaly that extends across the entire length of the Property. Large areas of the anomalous gold geochemistry including several historic gold mines have not had any modern exploration or drilling. Precious metal mineralization occurs in zones of low-sulfidation epithermal veining, breccia and stockworks dominated by quartz and calcite, most of which are low angle structures, in the northern part of the property. The precious metal mineralization in the southern part of the Property occurs with larger, steeply dipping quartz carbonate vein systems.

There have been more than 600 historic drill holes totaling approximately 63,000 feet drilled on the Property primarily focusing on the development of historic non-compliant resources within limited areas on the Property. All the historic drilling has been done in the northern half of the property, and most of these holes were shallow, 35m foot-deep, air-track holes, many of which stopped in gold mineralization. Most of the work was done by private companies in the 1980s and 1990s with an investment estimated at US\$12,000,000 developing the historic resources in the northern part of the Property rather than exploring the potential for a much larger deposit.

Previous development work includes blasting of an initial bench at the Klondyke Mine representing the beginning of open-pit style operations. The blasted material remains stockpiled next to the primary jaw crusher located at the 350 tonne-per-hour crushing facility that remains on the Property’s mill-site claims where heap-leach infrastructure including a heap-leach pad, buildings, a jaw crusher, two cone crushers and a conveyor system were installed and remain in good condition.

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Significant potential for identifying and defining new mineralized areas is supported by widespread elevated gold-in-soil anomalies and mineralized rock outcrops occurring across the Property. Potential targets include expanding on historic drilled areas on the northern half of the Property and the large elevated geochemical untested/undrilled areas as well as historic small-scale underground mines that occur on the southern half.

The historically reported high-grade underground mines on the southern half of the property have not been exploited at a commercial scale. Current geological models indicate that there may be depth extensions or “feeder zones” beneath the well-mineralized areas on the property. Surface rock chip sampling by M3 in 2020 and Black Mountain Gold in 2021 identified the potential for stacked zones of low angle mineralization in the northern part of the Property

Exploration by the Company commenced in November 2020 with the compilation of historic data to support the development of a geologic model for precious metal mineralization on the property and the planning of airborne geophysical surveys to identify trends associated with known prospects. The compilation work and the geophysical surveys will provide important data to support the targeting of drill holes in the planned 2021 program.

In November 2020, the Company completed airborne magnetic (“MAG”) and radiometric (“RAD”) geophysical surveys on its Mohave Gold Property in Arizona. The survey was completed by Precision GeoSurveys Inc. utilizing helicopter-borne survey equipment over a grid covering the entire Mohave Gold Property (approx. 12 km²) with line spacings of 50m.

The geophysical survey consisted of 99 east-west survey lines spaced 50m with 7 north-south tie lines spaced 500m for a total survey coverage of 298 line km. Flight height was 30m above surface and a Scintrex CS-3 cesium vapour magnetometer sensor, with sensitivity better than 0.01 nT, in a nose-mounted stinger configuration was utilized. The radiometric survey was completed with a self-calibrating NaI(Tl) gamma radiation detection system with 256 channel output and a 1 Hz sampling rate.

The geophysical surveys provide a regional overview of the Property geology and a preliminary review of the data indicates several areas of potential gold mineralization which warrant further investigation by drilling. The preliminary Total Field MAG survey reveals a north-south trending high along the eastern margin of the property. This feature is interpreted as the main fault-bounded contact between the Precambrian gneiss to the east and the Tertiary volcanic package to the west which hosts the majority of the precious metal mineralization encountered to date on the property. In the centre east part of the block a strong oval MAG high, approx. 1km by 500m, within a general MAG high 3km by 3km, correlates with and expands the interpreted footprint of an intermediate intrusion with sericite alteration identified during mapping. This intrusion is interpreted as a potential heat source that drove the hydrothermal system that scavenged gold and silver from the Precambrian rocks to the east and fed the main fault and hangingwall structures that host the precious metal mineralization prior to extension and tilting on the Property. Several additional small MAG highs occur on the property and warrant further investigation.

The preliminary results of the RAD Total Count Survey identified an anomaly high coincident with the high MAG anomaly discussed above and likely represents the widespread sericite alteration identified by mapping and that is prevalent throughout the eastern part of the Property. Compilation and interpretation of the geophysics data is ongoing and final results which will be incorporated in the geological model in preparation for drillhole target definition.

Late in 2020 the final results of the airborne surveys were received.

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The MAG survey data, predominantly Total Magnetic Intensity (TMI) and Reduced to the Pole (RTP), suggest two domains, north and south, of variable magnetic signature. In the northern half of the Property the MAG data outlines several discrete circular MAG-high anomalies which correlate well with mapped diorite bodies associated with areas of precious metal mineralization as well as several additional zones with little to no exploration history. In addition, the MAG data reveals several prominent areas of northeast-trending faulting and zones of intersecting faults that correlate with relatively flat-lying gold-bearing quartz-calcite veining which warrant additional geological mapping and sampling.

In the southern portion of the property the MAG data indicates the area is dominated by north-south trending faults which intersect a MAG-low corridor. Historic mining and sampling in the southern portion of the Property indicates gold mineralization is hosted primarily by steeply dipping quartz-carbonate veins. The MAG data suggests some of the quartz veining in the area correlates to the intersection of north-south trending structures and the northwest trending MAG-low corridor. This area has not been explored extensively or drilled and presents interesting targets for follow-up exploration.

The results of the RAD surveys also provided interesting general data. A large Potassium anomaly, approx. 2 km by 1.5 km, is centred over several of the northern prospects, possibly generated by the widespread sericite-alteration identified during geological mapping. A Thorium anomaly is associated with the diorite intrusions and smaller anomalies in areas of limited exposure indicate the potential for buried exploration targets.

The 2021 exploration program at Mohave Gold Property includes ongoing data compilation and development of a geological model for the property and for the controls on gold mineralization. A mechanical rock chip channel sampling program of prospective areas delineated by last year's surface sampling program which returned significant gold values, including 78.1 g/t Au over 1.5m, (see M3 Metals press release dated May 5, 2020) was completed during the quarter. Sampling was undertaken using a portable mechanical rock saw with diamond blades via cutting two continuous parallel lines approx. 5 cm deep and then chiseling out the rock sample. One hundred samples, including standards and blanks, were submitted to American Assay Laboratories in Sparks, Nevada and results were included in the Company press release dated June 9, 2021 and in the table below. Channel sampling was focused on the northern half of the Project with the prospects Klondyke, Apex, Jim & Jerry and Scout. Results of composited channel samples are presented in the table below and indicate that gold grades vary from 0.31 g/t Au to 53.8 g/t Au and composited widths vary from 1m to 24.75m. Sampling focused on areas of low sulfidation epithermal gold mineralization hosted by quartz-calcite veins, stockwork zones and breccias associated with low angle structures. Zones of gold mineralization varied from quartz-calcite veins and breccia returning 53.8 g/t Au and 92.4 g/t Ag over 2.8m to large zones of stockwork veining dominated by quartz-calcite in altered andesite which yielded up to 24.75m of 0.71 g/t Au and 4.2 g/t Ag.

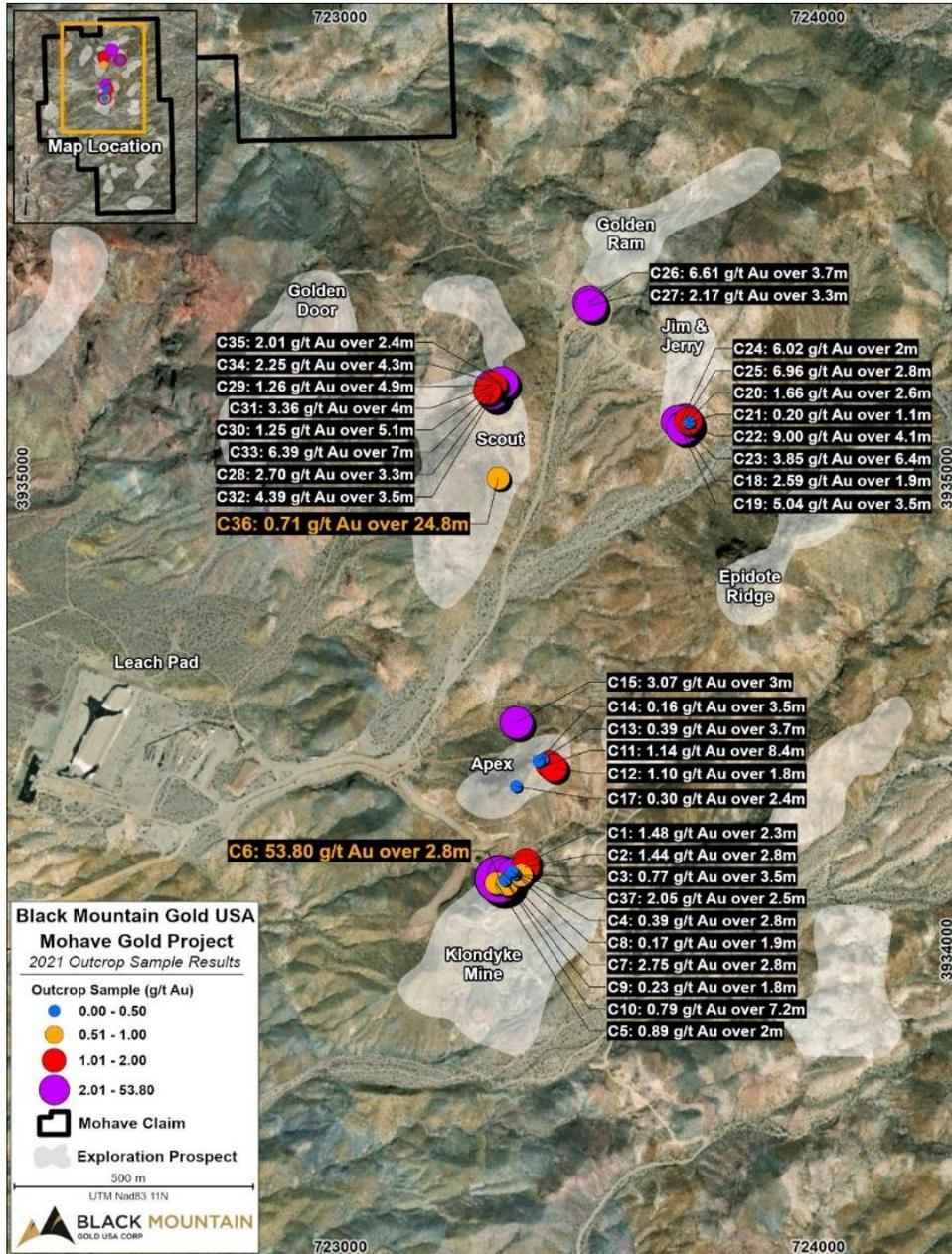
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CHANNEL #	PROSPECT	TYPE	SAMPLED LENGTH (m)	AU GRADE (G/T)	AG GRADE (G/T)
C1	Klondyke	Outcrop	2.30	1.48	1.30
C2	Klondyke	Outcrop	2.80	1.44	1.70
C3	Klondyke	Outcrop	3.50	0.77	1.20
C4	Klondyke	Outcrop	2.80	0.39	1.80
C5	Klondyke	Outcrop	2.00	0.89	3.10
C6	Klondyke	Outcrop	2.80	53.80	94.20
C7	Klondyke	Outcrop	2.80	2.75	5.50
C8	Klondyke	Outcrop	1.90	0.17	2.10
C9	Klondyke	Outcrop	1.80	0.23	1.10
C10	Klondyke	Outcrop	7.15	0.79	2.40
C37	Klondyke	Outcrop	2.50	2.05	4.50
C11	Apex	Outcrop	8.40	1.14	3.40
C12	Apex	Outcrop	1.80	1.10	3.60
C13	Apex	Outcrop	3.70	0.39	4.50
C14	Apex	Outcrop	3.50	0.16	2.10
C15	Apex	Outcrop	3.00	3.07	7.40
C16	Apex	Stope	2.25	1.20	0.90
C17	Apex	Outcrop	2.40	0.30	0.10
C18	Jim & Jerry	Outcrop	1.90	2.59	7.10
C19	Jim & Jerry	Outcrop	3.50	5.04	13.50
C20	Jim & Jerry	Outcrop	2.60	1.66	5.70
C21	Jim & Jerry	Outcrop	1.10	0.20	2.40
C22	Jim & Jerry	Outcrop	4.10	9.00	11.80
C23	Jim & Jerry	Outcrop	6.40	3.85	12.20
C24	Jim & Jerry	Outcrop	2.05	6.02	17.40
C25	Jim & Jerry	Outcrop	2.80	6.96	19.90
C26	Jim & Jerry/GR	Outcrop	3.70	6.61	25.60
C27	Jim & Jerry/GR	Outcrop	3.30	2.17	4.40
C28	Scout	Outcrop	3.30	2.70	4.50
C29	Scout	Outcrop	4.90	1.26	1.70
C30	Scout	Outcrop	5.10	1.25	3.20
C31	Scout	Outcrop	4.00	3.36	0.90
C32	Scout	Outcrop	3.50	4.39	5.70
C33	Scout	Outcrop	7.00	6.39	8.40
C34	Scout	Outcrop	4.30	2.25	4.50
C35	Scout	Outcrop	2.35	2.01	3.70
C36	Scout	Outcrop	24.75	0.71	4.20

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Results from the channel sampling program confirm the widespread nature of the gold mineralization in the northern half of the Project identified in the 2020 program completed by M3 Metals. Numerous zones of relatively high grade gold mineralization over short widths, as seen in the table and in the figure below, suggest potential for high grade feeder structures to the epithermal system and warrant further exploration. In addition wider zones of lower gold grades such as at the Jim & Jerry prospect where channel sampling over a quartz-calcite stockwork zone approx. 24.75m wide returned 0.71 g/t Au and 4.2 g/t Ag indicating potential for a near surface open-pittable target.

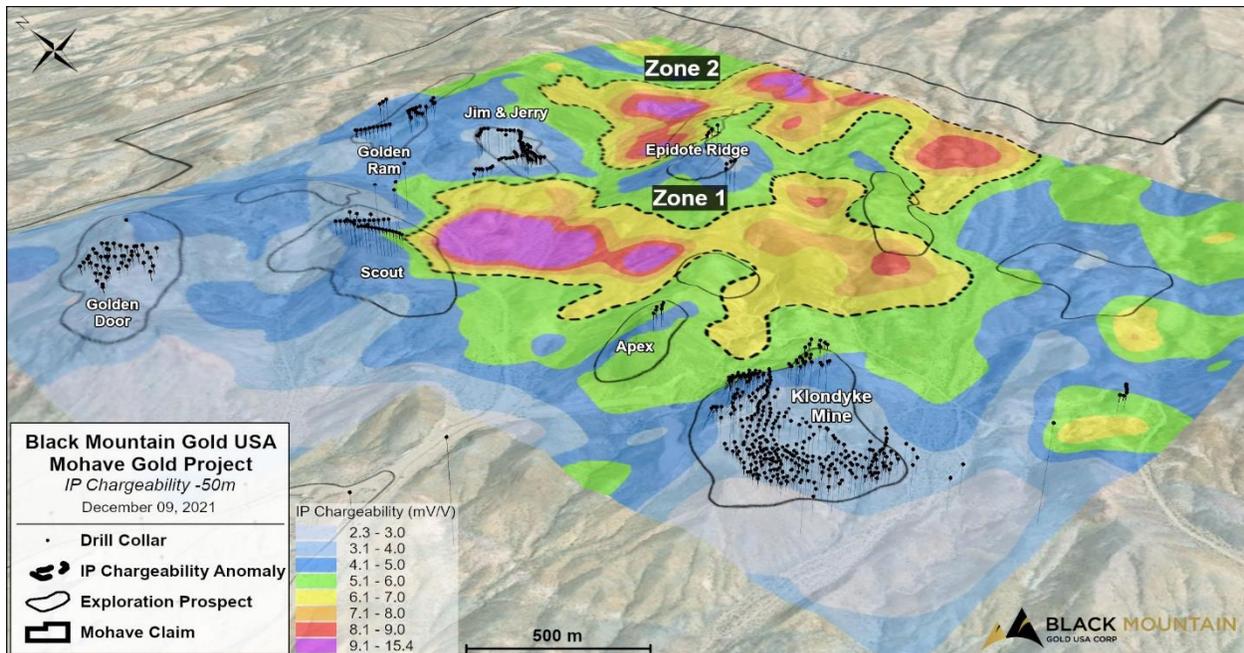


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In late Q3 2021 an Induced Polarization (IP) survey was initiated on the northern half of the project area covering the main gold prospects. The survey was undertaken by Geofisica TMC S.A. de C.V., was completed in Q4, 2021 and consisted of approximately 38 line kilometres across 19 north-south lines covering an area of 3.7 km². The IP program was designed to test for extensions of areas of known gold mineralization at surface to depth and to test for the potential for blind gold zones under alluvial cover.

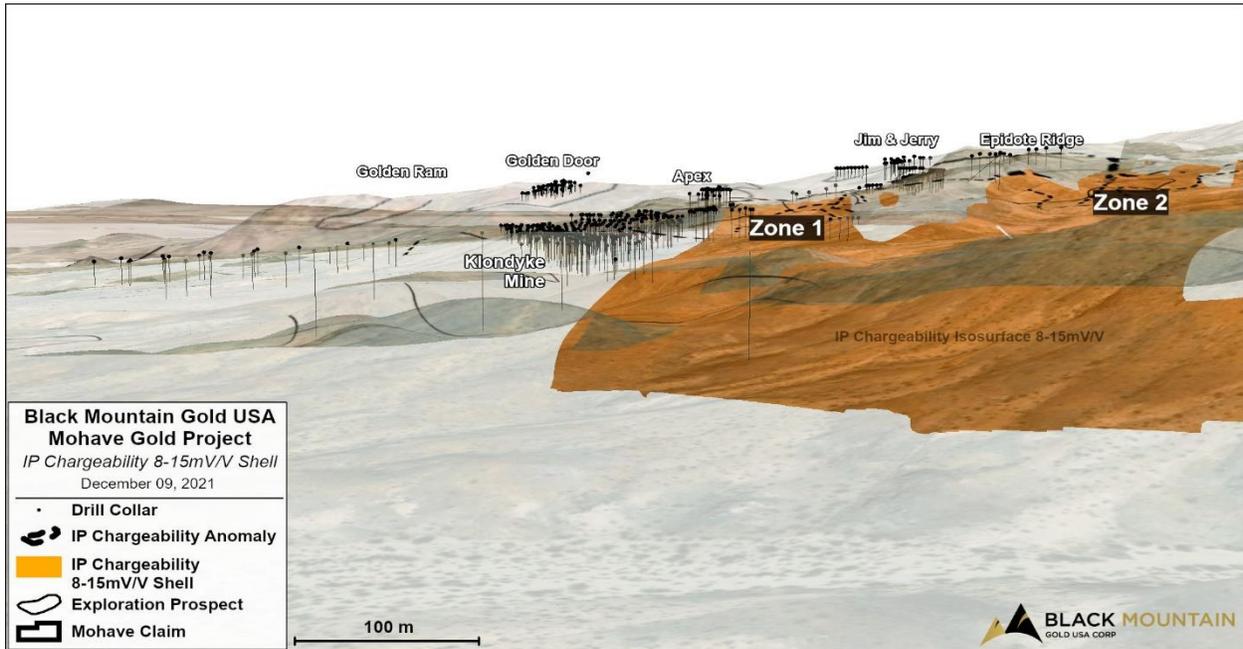
The IP survey was situated where historical drilling, soil surveys and historic and recent rock chip sampling programmes have outlined large areas of low-sulfidation epithermal gold mineralization in mostly flat lying structural zones of quartz-calcite veins, stockworks and breccias. The IP survey was designed to detect chargeability and resistivity anomalies to a depth of approximately 250m. In general chargeability results reflect the amount of sulphide mineralization in the rock units and at 50m below surface two large chargeability anomalies or zones of moderate strength were delineated. Zone 1 is oriented northwest-southeast and is 1,100m by 500m and Zone 2, also oriented northwest-southeast, is 1,000m by 600m (see Figure below). At a depth of 250m the anomalies appear to merge creating a coherent zone approx. 2,400m by 1,400m. Modelling of the historical drilling and the chargeability anomaly at a depth of 100m below surface, shown in the Figure below, indicates that this drilling was mainly shallow and did not test the deeper part of chargeability anomalies.

The resistivity data at 50m below surface outlines a ring-shaped resistivity low approximately 2,000m across with a modest-high resistivity core (see Figure below) although in places it appears to extend beyond the survey boundaries. At depth the ring shape erodes below 100m and an area 1800m long by 800m wide of moderate-high resistivity dominates. Known gold prospects are associated with both resistivity lows (Klondyke, Apex, Jim & Jerry) and small resistivity highs (Scout, Epidote Ridge, and Golden Door) at the 50m depth.

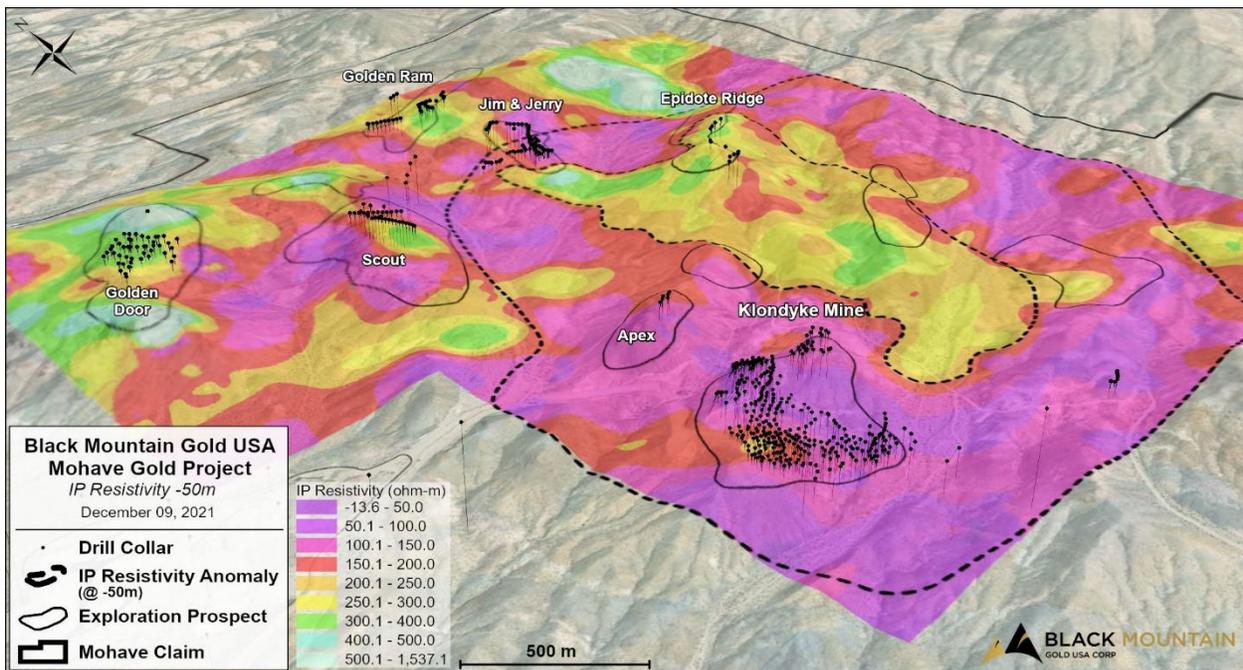


Chargeability plan at -50m showing the two chargeability zones main prospects situated at the anomaly edges, and the historic drillholes

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Chargeability plan: 3D model showing a 8-15mV moderate chargeability anomaly shell east of Klondyke from -50m to -100m and historic drillholes



Resistivity plan at -50m showing ring-shaped low resistivity anomaly

Detailed interpretation of the IP data is ongoing and TMC recommended four areas for drilling, all within chargeability Zones 1 and 2. BMG will incorporate these recommendations into its 2022 drill program planning as it continues to optimize and delineate drillhole locations designed to expand known prospects and to test buried targets outlined by the IP survey



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The Company is progressing with its Exploration Plan of Operation (“EPO”) in preparation for a 5,000m drill program. The Bureau of Land Management (BLM) has deemed the EPO complete and approved the additional environmental baseline studies conducted by the Company allowing BMG to proceed to the Environmental Assessment (EA) stage of permitting for the EPO. The EA is in progress and the Company’s consultants are working closely with BLM to expedite completion of the report. To negate the need for a revised EPO with each stage of exploration, the current EPO document allows for up to 600 drill sites and associated infrastructure.

Quality Control and Quality Assurance

The scientific and technical content and interpretation contained in this MD&A have been reviewed, verified and approved by Peter J. MacLean, Ph.D., P. Geo, Director of the Company and a Qualified Person as defined by NI 43-101, Standards of Disclosure for Mineral Projects.

Selected Annual Information

The following financial information is derived from the Company’s financial statements for the years ended August 31, 2021 and 2020, has been prepared in accordance with IFRS and is presented in Canadian dollars, unless otherwise indicated:

	For the years ended August 31,		
	2021	2020	2019
	\$	\$	\$
Revenues	-	-	-
General and administrative expenses	(2,126,719)	(108,245)	(61,024)
Net and comprehensive loss	(2,126,719)	(108,245)	(61,024)
Basic and diluted loss per common share	(0.11)	(0.05)	(0.03)
Working capital	3,846,170	35,393	143,638
Total assets	4,914,436	798,658	156,806
Total liabilities	95,375	763,265	13,168

As at August 31, 2021, the Company had not yet achieved profitable operations and has accumulated losses of \$2,526,089 (2020 - \$399,370) since inception. The basic and diluted loss per share for the years ended August 31, 2021 and 2020 was \$0.11 and \$0.05, respectively.

The Company’s future financial success will be dependent upon the ability to obtain necessary financing to complete the development of reserves or the discovery and development of a body of commercial ore. Such discovery and development may take years, if at all, to complete and the amount of resulting income, if any, is impossible to determine.

Overall Performance

Operating expenses for the year ended August 31, 2021 were \$2,126,719 versus \$108,245 in the comparative year ended August 31, 2020. The higher operating expenses in the current period is partly the result of finalizing the Qualifying Transaction which led to higher operating expenses in professional fees, share-based compensation for granting stock options, management fees, and consulting fees.

The total net increase in cash during the year ended August 31, 2021 was \$2,961,303 compared to an increase of \$642,876 in the comparative year ended August 31, 2020. The Company experienced an increase in cash as the result of proceeds from share issuance of \$5,239,293 and proceeds from exercised warrants of \$571,500, which was offset by cash outflows from operating activities of \$1,737,022, exploration and evaluation expenditures of \$957,843, and share issuance costs of \$154,625. The increase in cash in the prior year was the result of subscriptions received of \$710,707, but was offset by cash outflows from operating activities of \$67,831.



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Results of Operations

The following table sets forth selected financial information from the Financial Statements for the years ended August 31, 2021 and 2020:

Expenses	For the years ended August 31,	
	2021	2020
	\$	\$
Advertising and promotion	115,606	-
Consulting fees	1,084,416	-
Foreign exchange gain	(84)	-
General and administrative	6,597	5,374
Insurance	5,417	-
Management fees	182,000	-
Professional fees	101,693	71,036
Property investigation costs	39,252	-
Rent	9,075	8,663
Share-based compensation	543,512	-
Transfer agent and filing fees	39,235	23,172
	<u>2,126,719</u>	<u>108,245</u>

As an exploration company, the Company has yet to generate any revenue from its planned operations and has, to date, incurred annual net losses from operating and administrative expenses.

The Company's project is at the exploration stage and, to date, the Company has not generated any revenues.

The table below details the changes in major expenditures for the year ended August 31, 2021 as compared to the corresponding year ended August 31, 2020.

Expenses	Increase / Decrease in Expenses	Explanation for Change
Advertising and promotion	Increase of \$115,606	Increased due to fees incurred for new marketing campaigns to promote market awareness.
Consulting fees	Increase of \$1,084,416	Increased due to engaging new consultants during the current period.
Management fees	Increase of \$182,000	Increased due to incurring management compensation during the current period.
Share-based compensation	Increase of \$543,512	Increased due to stock options granted in the current period.

The table below details the changes in major expenditures for the year ended August 31, 2020 as compared to the corresponding year ended August 31, 2019.

Expenses	Increase / Decrease in Expenses	Explanation for Change
Professional fees	Increase of \$52,911	Increased due to professional fees incurred to complete the Company's Qualifying Transaction during the period.



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Fourth quarter

During the fourth quarter ended August 31, 2021, the Company recorded net loss of \$1,111,735 or \$0.04 per share compared with net loss of \$63,570 or \$0.03 per share in the fourth quarter of 2020. During the fourth quarter of 2021, the Company recorded the following significant expenses: advertising and promotion of \$60,746, consulting fees of \$767,233, management fees of \$182,000, property investigations costs of \$39,252, and professional fees of \$36,043. During the fourth quarter of 2020, the Company recorded the following significant expenses: professional fees of \$49,965 and transfer agent and filing fees of \$11,795. During the fourth quarter ended August 31, 2021, consulting and management fees increased due to engaging new consultants and incurring management compensation during the current period.

Summary of Quarterly Results

	Three Months Ended			
	Aug 31, 2021	May 31, 2021	Feb 28, 2021	Nov 30, 2020
	\$	\$	\$	\$
Revenue	-	-	-	-
Loss and comprehensive loss	(1,111,735)	(242,391)	(723,025)	(49,568)
Basic and diluted loss per share	(0.04)	(0.01)	(0.04)	(0.01)

	Three Months Ended			
	Aug 31, 2020	May 31, 2020	Feb 29, 2020	Nov 30, 2019
	\$	\$	\$	\$
Revenue	-	-	-	-
Loss and comprehensive loss	(63,570)	(17,178)	(18,480)	(9,017)
Basic and diluted loss per share	(0.03)	(0.02)	(0.01)	(0.00)

Variations quarter over quarters can be explained as follows:

- During the quarter ended August 31, 2021, the Company incurred advertising and promotion of \$60,746, consulting fees of \$767,233, management fees of \$182,000, property investigations costs of \$39,252, and professional fees of \$36,043.
- During the quarter ended May 31, 2021, the Company incurred advertising and promotion fees of \$40,628 and consulting fees of \$187,693.
- During the quarter ended February 28, 2021, the Company recorded share-based compensation of \$543,512 and incurred consulting fees of \$129,490.
- During the quarters ended November 30, 2020 and August 31, 2020, the Company was finalizing its Qualifying Transaction and incurred professional fees of \$40,613 and \$49,964, respectively.



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Liquidity and Capital Resources

The Company is not in commercial production on any of its properties and accordingly, the Company does not generate cash from operations. The Company finances its exploration activities by raising capital from equity markets from time to time. The Company's liquidity and capital resources at the following dates are as follows:

	August 31, 2021	August 31, 2020
	\$	\$
Cash	3,759,961	798,658
Amounts receivable	10,372	-
Prepaid expenses	171,212	-
Total current assets	3,941,545	798,658
Accounts payables and accrued liabilities	95,375	52,558
Subscriptions received	-	710,707
Working capital	3,846,170	35,393

The Company has financed its operations to date through the issuance of common shares. The Company seeks to raise capital through various means including the issuance of equity and/or debt.

As at August 31, 2021, the Company had a working capital of \$3,846,170 (2020 – \$35,393) and a cash position of \$3,759,961 (2020 – \$798,658). During the year ended August 31, 2021, the Company's working capital position increased by \$3,810,777 due to closing of two private placements with gross proceeds of \$5,950,000.

The Company does not currently have any revenue generating assets or operations. The Company will require additional financial resources to explore, quantify and develop its exploration and evaluation assets. The continued operations of the Company and the recoverability of the amounts reported for resource property interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete exploration and development programs, and upon future profitable production.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Transactions with Related Parties

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

During the year ended August 31, 2021, the Company entered into the following transactions with related parties, not disclosed elsewhere in the Financial Statements:

- i. Paid management fees of \$70,000 (2020 - \$nil) to a company controlled by Graham Harris, an officer and director of the Company.
- ii. Paid management fees of \$70,000 (2020 - \$nil) to a company controlled by Farhad Abasov, a director of the Company.
- iii. Paid consulting fees of \$35,000 (2020 - \$nil) that was recorded as capitalized exploration and evaluation property expenditures to a company controlled by Peter MacLean, a director of the Company. Included in accounts payable and accrued liabilities at August 31, 2021 is \$34,912 (2020 - \$nil) for unpaid reimbursement of expenses.



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- iv. Paid management fees of \$21,000 (2020 - \$nil) to a company for which Max Missiouk, the CFO of the Company, serves as a director.
- v. Paid management fees of \$21,000 (2020 - \$nil) to Brian Morrison, an officer of the Company.
- vi. Paid or incurred rent fees of \$9,075 (2020 - \$nil) to Millennial Lithium Corp., a company related by way of common officers and directors. Included in accounts payable and accrued liabilities at August 31, 2021 is \$1,575 (2020 - \$nil) for unpaid rent.
- vii. Paid or incurred rent fees of \$nil (2020 - \$8,663) to NW Capital Corp., a company related by way of common officers.
- viii. Paid or incurred exploration and evaluation expenditures of \$300,000 (2020 - \$nil) to M3 Metals Corp., a company related by way of a common officer.

Summary of key management personnel compensation:

	For the years ended August 31,	
	2021	2020
	\$	\$
Exploration and evaluation property expenditures	35,000	-
Consulting fees	182,000	-
Share-based compensation	526,726	-
	743,726	-

In addition, the following amounts were incurred with respect to companies related by common officers and directors:

	For the years ended August 31,	
	2021	2020
	\$	\$
Exploration and evaluation property expenditures	300,000	-
Rent	9,075	8,663
	309,075	8,663

Proposed Transactions

None.

Critical Accounting Estimates

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant areas requiring the use of estimates include the fair value of stock-based compensation, and the recognition of deferred income tax assets. Actual results may differ from these estimates. Significant areas requiring the use of judgment in applying the Company's accounting policies include the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty

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For the year ended August 31, 2021

New Accounting Policies Adopted by the Company

Exploration and evaluation assets

Exploration and evaluation assets include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are expensed.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property when received.

Exploration and evaluation assets are assessed for impairment if indicators of impairment are present. Examples of indicators of impairment include:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities; and
- sufficient data exist to indicate that, although development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment. Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Unit offerings

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in private placements is determined to be the more easily measurable component as they are valued at their fair value which is determined by the closing price on the issuance date. The remaining balance, if any, is allocated to the attached warrants. Any value attributed to the warrants is recorded to reserves. Upon exercise or expiry, the value attributed to the warrants is transferred to share capital.

Financial Instruments and Financial Risk Management

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

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

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- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, amount receivable, and accounts payable and accrued liabilities. The fair value of these financial instruments, other than cash, approximates their carrying values due to the short-term nature of these instruments. Cash is measured at fair value using level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price risk.

(a) Foreign exchange risk

The Company conducts the majority of its exploration and evaluation activities in the United States. As such, it is subject to risk due to fluctuations in the exchange rates of the Canadian and US dollars. As at August 31, 2021, the Company had a foreign currency net monetary liability position of approximately US\$2,312. Each 10% change in the US dollar relative to the Canadian dollar will result in a foreign exchange gain/loss of approximately \$300.

(b) Interest rate

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 interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash on hand to meet its financial obligations.

(d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is on its cash held in bank accounts. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

(e) Commodity price risk

The ability of the Company to explore and evaluate its exploration and evaluation assets and the future profitability of the Company are directly related to the price of gold. The Company monitors gold prices to determine the appropriate course of action to be taken.

Commitments

On February 1, 2021, the Company entered into seven consulting agreements with officers, directors, and consultants of the Company. The agreements require monthly payments of \$34,000 for an indefinite term. Included in the agreement is a provision for a one-year payout in the event of termination without cause and a two-year payout including bonuses paid in the previous two year period in the event of change of control.

OUTLOOK

The Company may require additional funding for its exploration and evaluation expenditures and corporate and overhead expenses in the immediate future, as any increase in corporate activity or material acquisition will require additional financing. Many factors influence the Company's ability to raise funds, including the health of the capital market and the Company's track record. There is no guarantee that the Company will be able to secure additional financings in the future at terms that are favourable, or at all.

Risks and Uncertainties

The Company's business remains mineral property acquisition, exploration and development business and as a result it may be exposed to a number of operational, financial, regulatory and other risks and uncertainties that are typical in the natural resource industry and common to other companies in the exploration and development stage. These risks may not be the only risks faced by the Company. Additional risks and uncertainties not presently known by the Company or which are presently considered immaterial could adversely impact the Company's business, results of operations, and financial performance in future periods.

COVID-19 Pandemic

The Company's business, operations, and financial condition, and the market price of the Common Shares could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the outbreak of COVID-19. To date, there have been a large number of temporary business closures, quarantines, and a general reduction in consumer activity in a number of countries. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Such public health crises can result in volatility and disruptions in the supply and demand for precious and base metals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk, share prices and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations, and financial condition and the market price of the Common Shares.

Need for Additional Funding

Further funding may be required by the Company to continue as a going concern. There is no guarantee that the Company will be able to raise sufficient funds. In addition, any future financing may be dilutive to existing shareholders of the Company. Many factors influence the Company's ability to raise funds, including the health of the capital markets, the climate for mineral exploration investment and the Company's track record. Actual funding requirements may vary from those planned due to a number of factors, including the acquisition of new projects. Management is continually assessing the Company's cash needs and potential sources of financing but recognizes there may be some difficulty obtaining such financing due to the current market conditions. There is no guarantee that the Company will be able to secure additional financing in the future at terms that are favourable, or at all.

Metal Price Risk

The Company is exposed to commodity price risk. Declines in the market price of gold, base metals and other minerals may adversely affect the Company's ability to raise capital in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of any its mineral property interests to a third party.

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No Known Mineral Reserves or Mineral Resources

There are no known bodies of commercial minerals on the Company's mineral properties. The exploration programs undertaken and proposed constitute an exploratory search for mineral resources and mineral reserves or programs to qualify identified mineralization as mineral reserves. There is no assurance that the Company will be successful in its search for mineral resources and mineral reserves.

Exploration Stage Risks

Exploration for mineral resources involves a high degree of risk, the cost of conducting programs may be substantial and the likelihood of success is difficult to assess.

Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, but not limited to, 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. Few exploration projects successfully achieve development due to factors that cannot be predicted or anticipated, and even one 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 negatively impact it and employs experienced consultants and key management to assist in its risk management and to make timely decisions regarding future property expenditures.

Other risks associated with projects in the exploration and development stage which could cause delays or prohibit the progress of the overall project include delays in obtaining required government approvals and permits and the inability to obtain suitable or adequate machinery, equipment, road access, power or labour.

Governmental Regulation

The Company's assets and activities are subject to extensive Canadian and the United States federal, provincial, state, territorial and local laws and regulations governing various matters, including, but not limited to: land access, use and ownership; water use; environmental protection; social consultation and investment; management and use of toxic substances and explosives; rights over and management of natural resources, including minerals and water; prospection, exploration, development and construction of mines, production and reclamation; exports and imports; taxation; mining royalties; restrictions on the movement of capital into and out of the Canada; importation of equipment and goods; transportation; hiring practices and labour standards by the Company and contractors, as well as occupational health and safety, including mine safety; reporting requirements related to investment, social and environmental impacts, health and safety, and other matters; processes for preventing, controlling or halting artisanal or illegal mining activities; and historic and cultural preservation.

The costs and efforts associated with compliance with laws and regulations are already substantial and future laws and regulations, changes to existing laws and regulations or more stringent application and enforcement of current laws and regulations by governmental authorities, could cause additional expenses, capital expenditures, delays in the development of the Company's property, and even restrictions on or suspensions of Company operations. Moreover, these laws and regulations may allow governmental authorities and private parties to bring complaints or lawsuits against the Company based upon alleged damage to property and/or injury to persons resulting from the environmental, health and safety impacts of the Company's past and current operations, or possibly even actions or inaction by parties from whom the Company acquired its property, and could lead to the imposition of substantial financial judgments, fines, penalties or other civil or criminal sanctions.

It is challenging to comply strictly with all of the norms that apply to the Company. The Company retains competent and trained staff, professionals, attorneys and consultants in jurisdictions in which it does business; however, there is no certainty that both it and its contractors will continuously be compliant with all applicable laws and regulations. The failure to comply with all applicable norms could lead to financial restatements, fines, penalties and other material negative impacts on the Company.

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Share Price Fluctuations

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

Fluctuations in Foreign Currency Exchange Rates

The Company reports its financial results and maintains its accounts in Canadian dollars. The Company's operations in the United States make it subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. The Company has not hedged its exposure to currency fluctuations.

Operating Hazards and Risks

The Company's operations are subject to hazards and risks normally associated with the exploration of mineral properties, any of which could cause delays in the progress of the Company's exploration plans, damage to or destruction of property, loss of life and/or environmental damage. Some of these risks include, but are not limited to, unexpected or unusual geological formations; rock bursts, cave-ins, fires, flooding and earthquakes; unanticipated changes in metallurgical characteristics and mineral recovery, unanticipated ground or water conditions, industrial or labour disputes, hazardous weather conditions, cost overruns, land claims and other unforeseen events may occur. A combination of experience, knowledge and careful evaluation may not be able to overcome these risks.

The nature of these risks is such that liabilities might exceed any insurance policy limits, the liabilities and hazards might not be insurable or the Company might not elect to insure itself against such liabilities due to high premium costs or other factors. Such liabilities may have a materially adverse effect on the Company's financial condition and operations and could reduce or eliminate any future profitability and result in increased costs and a decline in the value of the securities of the Company.

Environmental Risk

The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the country in which the Company operates. Present or future laws and regulations and third-party opposition, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploring, developing, operating and closing of mines. Programs may also be delayed or prohibited in certain areas. The costs of complying with changes in governmental regulations can negatively impact the Company's financial performance.

Reliance on Key Personnel

The success of the Company's operations and activities is dependent to a significant extent on the efforts and abilities of its senior management team, as well as outside contractors, experts and its partners. The loss of one or more members of senior management, key employees, contractors or partners, if not replaced, could have a material adverse effect on the Company's business, results of operations and financial performance.

Claims and Legal Proceedings

The Company and/or its directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit. From time to time in the ordinary course of its business, the Company may become involved in various legal proceedings, including commercial, employment and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results or financial condition.

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Title to Properties

There is no guarantee that the Company's interest in its properties or future title to such properties will not be challenged or impugned. The Company's properties may be subject to prior unregistered agreements or transfers or indigenous land claims and title may be affected by unidentified or unknown defects. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claims to individual mineral properties or mining concessions may be constrained. A successful challenge to the Company's title to a property or to the precise area and location of a property could cause delays or stoppages to the Company's exploration activities or loss of the Company's rights to explore, develop and extract any ore on that property without reimbursement to the Company. Any such delays, stoppages or loss of title would likely have a material adverse effect on the Company's business, financial condition and results of operations.

Inaccurate Estimates

Unless otherwise indicated, mineralization figures presented by the Company in filings with securities regulatory authorities, press releases and other public statements that may be made from time to time, are based upon estimates made by Company personnel and independent geologists. These estimates are inherently imprecise, as they depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. As a result, there can be no assurance that mineral resource or other mineralization figures or estimates of costs (including initial capital costs and initial capital intensity) and expenses will be accurate, nor that the resource mineralization could be mined or processed profitably.

Substantial Expenditures Are Required

Substantial expenditures are required to establish mineral reserves through drilling and the estimation of mineral reserves or mineral resources in accordance with the CIM Definition Standards. Although significant benefits may be derived from the discovery of a major mineralized deposit, the Company may not discover minerals in sufficient quantities or grades to justify a commercial mining operation and the funds required for development may not be obtained on a timely basis or may not be obtainable on terms acceptable to the Company. Estimates of mineral reserves and mineral resources can also be affected by environmental factors, unforeseen technical difficulties and unusual or unexpected geological formations. In addition, the grades of minerals ultimately mined may differ from those indicated by drilling results. Material changes in mineral reserve or mineral resource estimates, grades, stripping ratios or recovery rates may affect the economic viability of any project.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, the Company will follow the provisions of the BC *Business Corporations Act* ("BCBCA") dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the BCBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and in the best interest of the Company.

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Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting ownership of assets, exploration policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations and return of capital. This may affect both the Company's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Going Concern Risk

The Financial Statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. 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 and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The Company's future operations are dependent upon the identification and successful completion of equity or debt financings and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financings or in achieving profitability.

Competitive Conditions

The Company will actively compete for resource acquisitions, exploration leases, licenses, concessions, and skilled industry personnel with a substantial number of other mining companies, many of which have significantly greater financial resources than the Company. The Company's competitors will include major integrated mining companies and numerous other independent mining companies and individual producers and operators, some of which may have greater liquidity, greater access to credit and other financial resources, newer or more efficient equipment, lower cost structures, more effective risk management policies and procedures and/or greater ability than the Company to withstand losses. The Company's competitors may be able to respond more quickly to new laws or regulations or emerging technologies or devote greater resources to the expansion of their operations than the Company can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Competition could adversely affect the Company's ability to acquire suitable new properties in the future. Competition could also affect the Company's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel. The Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition or results of operations.

Infrastructure

Exploration, development and processing activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay the exploration or development of the Company's mineral properties. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Company's mineral properties will be commenced or completed on a timely basis, if at all. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect our operations. Failure to adequately meet these infrastructure requirements or changes in the cost of such requirements could affect the Company's ability to carry out exploration and future development operations and could have an adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.



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Acquisitions and Joint Ventures

The Company will evaluate from time to time opportunities to acquire or enter into joint ventures in respect of mining assets and businesses. These acquisitions and joint ventures may be significant in size, may involve granting rights to third parties, may change the scale of the Company's business and may expose it to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition and joint venture activities will depend on its ability to successfully negotiate arrangements, identify suitable acquisition and joint venture candidates and partners, acquire or enter into a joint venture with them on acceptable terms and integrate their operations successfully with those of the Company.

Any acquisitions or joint ventures would be accompanied by risks, such as the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of the Company's ongoing business; the inability of management to maximize the financial and strategic position of the Company through the successful incorporation of acquired assets and businesses or joint ventures; additional expenses associated with amortization of acquired intangible assets; the maintenance of uniform standards, controls, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; dilution of the Company's present shareholders or of its interests in its subsidiaries or assets as a result of the issuance of shares to pay for acquisitions or the decision to grant earning or other interests to a joint venture partner; and the potential unknown liabilities associated with acquired assets and businesses. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions or joint ventures. There may be no right for shareholders to evaluate the merits or risks of any future acquisition or joint venture undertaken except as required by applicable laws and regulations.

Information Systems and Cyber Security

The Company's operations depend on information technology ("IT") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in IT system failures, delays and/or increase in capital expenses. The failure of IT systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Cautionary Note Regarding Forward-Looking Information

This MD&A includes "forward-looking statements" and "forward-looking information" within the meaning of Canadian securities legislation. All statements included in this MD&A, other than statements of historical fact, are forward-looking statements. When used in this MD&A, words such as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", "scheduled", "forecast", "predict", "foresee" and other similar terminology, or sentences/statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance.



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These statements reflect the Company's current expectations regarding future events, performance and results, and is accurate only at the time of this MD&A and may be superseded by more current information. Forward-looking statements also involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company or its mineral projects to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or information.

In making such statements, the Company has made assumptions regarding, among other things: general business and economic conditions; the availability of additional, the supply and demand for, inventories of, and the level and volatility of the prices of metals; the timing and receipt of governmental permits and approvals; changes in regulations; political factors; the accuracy of the Company's interpretation of the geology of the Company's properties and prospective properties; the availability of equipment, skilled labour and services needed for the exploration of mineral properties; and currency fluctuations.

Although the forward-looking statements or information contained in this MD&A are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. They should not be read as guarantees of future performance or results. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to: the factors discussed under "Risks and Uncertainties"; unanticipated changes in general business and economic conditions or conditions in the financial markets; fluctuations in the price of metals; stock market volatility; the availability of exploration capital and financing generally; changes in national and local government legislation; changes to taxation; changes in interest or currency exchange rates; loss of key personnel; inaccurate geological assumptions; competition; unavailability of materials and equipment; government action or delays in the receipt of permits or government approvals; and unanticipated events related to health, safety and environmental matters, including the impact of epidemics.

Disclosure of Data for Outstanding Common Shares, Stock Options, and Warrants

As of the date of this MD&A, the Company has:

- a) 38,325,000 common shares outstanding including 7,424,998 common shares held in escrow.
- b) Stock options outstanding and exercisable as shown below.

Exercise Price \$	Number Outstanding and Exercisable	Expiry Date
0.50	1,295,000	January 15, 2026
0.20	100,000	April 19, 2026
0.40	1,700,000	September 20, 2026
	<u>3,095,000</u>	

- c) Warrants outstanding as shown below:

Exercise Price \$	Number Outstanding	Expiry Date
0.60	6,250,000	February 12, 2023



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Other MD&A Requirements

Additional information relating to the Company may be found on SEDAR at www.sedar.com including, but not limited to:

- the Company's audited financial statements for the years ended August 31, 2021 and 2020.

This MD&A has been approved by the Board effective December 24, 2021.