

**MANAGEMENT DISCUSSION AND ANALYSIS**

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*Accompanying the September 30, 2020 Consolidated Interim Financial Statements*

*This Management Discussion and Analysis (“MD&A”), prepared as of November 30, 2020, should be read in conjunction with the Company’s consolidated interim financial statements and the accompanying notes for the nine months ended September 30, 2020 and related notes thereto, which have been reported in Canadian dollars, and prepared in accordance with International Financial Reporting Standards (“IFRS”).*

This discussion relates to the operations of Transatlantic Mining Corp. (“Transatlantic” or the “Company”), its wholly-owned subsidiaries Archean Star Resources Australia Pty Ltd. (“ASA”), incorporated in Australia, and Transatlantic Idaho Corp., Transatlantic Contracting Corp., Transatlantic Montana Corp., Transatlantic Equipment Corp., and Alder Mountain Milling Corp., all incorporated in the USA during the period up to the date of this report, being November 30, 2020.

Additional information, including press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval (“SEDAR”) and is available under the Company’s profile at [www.sedar.com](http://www.sedar.com).

**FORWARD-LOOKING INFORMATION**

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of management as well as assumptions made by and information currently available to the Company. When used in this document, the words “*anticipate*”, “*believe*”, “*estimate*”, “*expect*” and similar expressions, as they relate to the Company or management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of exploration properties. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management’s analysis only as of the date hereof. Readers should be aware that the Company is under no obligation to publicly release the results of any revision to these forward-looking statements, which may not reflect circumstances, or occurrences of unanticipated events after the date of this document.

## CORPORATE OVERVIEW

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The Company was amalgamated under the *Business Corporations Act* (British Columbia) by Certificate of Amalgamation dated January 28, 2011.

On January 28, 2011, the Company was amalgamated under a Plan of Arrangement whereby the Gnaweeda Gold Project (“**Gnaweeda Project**”) was spun off from Kent Exploration Inc. (“**Kent**”) (now Bayhorse Silver Inc.), a TSX.V company, as a non-taxable dividend to its shareholders of record on January 25, 2011.

The Company is engaged in the review and acquisition of exploration of mineral property interests with a view to developing the assets into future economic mining activities. The Company’s registered and head office is located at Suite 400 - 837 West Hastings Street, Vancouver, BC V6C 3N6.

The Company’s main activities are summarized below on the Projects:

As of September 30, 2020:

- Miller Mine: Drill planning and permitting with an exclusive Option Agreement
  - Historical Jericho DD Hole #1 -- **2.4 m** at **516 g/t Au**  
Hole #2 -- **1.5 m** at **8.6 g/t Au**
  - Hand specimens have also been collected on the level indicating gold which require additional sampling information.
  - Further assays on the existing level indicates gold mineralization of **9.57 g/t Au** over **1.8 m** with 100 m plus of strike exposed at quarter end.
  - Drilling continued down dip to intersect the primary quartz vein and granodiorite position
  - The Lower level mine development had additional samples on the quartz vein and are awaiting assays.
  - A gravity concentrates of the tails and mid tails have been sent to a third party for extraction kinetics and analysis.
- Kearsarge Gold Project: Drill assays confirmed high grade mineralization with future drill planning for extension at depth and strike.

- **Hole KSRC\_18\_03 -- 20 metres (65 feet) at 8.64 g/t Au (0.252 ounce per tonne Au) -- true width 11.9 m Includes 3.3 m (10 feet) at 24.1 g/t Au drilled by Transatlantic;**

Follow up holes have been planned that further enhance and advance the down dip and along strike extensions. Geophysics has been compiled in concert with the compilation of historical sample data into a new database. New geophysical characteristics were being compiled at the end of the quarter with limited activity.

- **Previous Big Vein highlighted drill hole grades:**
  - Hole No. 70-1-94 -- **5.9 metres** (17.6 feet) at **31.15 g/t Au** (1.0 oz/t Au) -- true width 5.9 m;
  - 70-3-94 -- **7.5 metres** (22.6 feet) at **48.23 g/t Au** (1.55 oz/t Au) -- true width 6.0 m;
  - \* KS-01 -- **5.0 metres** (15.0 feet) at **60.27 g/t Au** (1.94 oz/t Au) -- true width 4.3 m;
- **Previous Kearsarge Vein highlighted drill hole grades:**
  - Hole No. UGKS-9-94 -- **3.3 metres** (9.8 feet) at **35.26 g/t Au** (1.13 oz/t Au) -- true width 1.6 m;

- 96-2 -- **1.3 metres** (4.0 feet) at **30.47 g/t Au** (0.98 oz/t Au) -- true width 1.3 m;
  - \* KS-02 -- **3.3 metres** (10.0 feet) at **10.23 g/t Au** (0.33 oz/t Au) -- true width 2.7 m.
- Alder Mountain Project: The geologic Model was confirmed with last drilling campaign with newly completed finance due diligence testing of the Gold concentrate for smelter terms. Reviews were undertaken for various financing options that have restricted the mine development for a further trial mine parcel and extended drilling campaign due to COVID-19.

Surface Geochemical and Drill data have now been compiled into a format for NI 43-101.

The agreement terms for the US Grant Asset sales and the sublease rights for the Kearsarge Gold project have been completed at quarter end with Transatlantic having met their obligations.

- Monitor Copper Gold Project: TCO (80:20) Amcor Joint Venture Meeting are to be held to discuss the planning of drilling and further works in 2021. This would require further finance to complete and target the Big Elk and Monitor/ Richmond Vein targets
- Miller Mine Gold Project: In exclusive due diligence option period that has been extended to October 31, 2020.

The Company plans to complete phase 1 of drilling prior to year end with additional old level reconnaissance. Survey data has not been received and will require to be newly traversed.

At the end of the quarter, the share structure for the Company was 83,639,916 common shares.

By the Arrangement Agreement (the “Arrangement”) dated March 12, 2010, effectively closing on January 28, 2011, the Company acquired a 100% interest of ASA, an Australian subsidiary of Kent Exploration Inc. (“Kent”) (now Bayhorse Silver Inc.), for the issuance of 15,313,295 common shares at fair value of \$0.15 to Kent’s shareholders on a basis of 4:1. As part of the Arrangement, Kent also agreed to receive 100,000 common shares of the Company to settle ASA’s shareholder loan in the amount of \$164,833.

The transaction has been accounted for using the purchase method of accounting as an acquisition of assets by the Company. The allocation of the purchase price is based on the assets acquired and liabilities assumed measured at the carrying values, which approximated their fair values, at the date of the acquisition.

On July 4, 2014, the Company entered into an agreement with an arm's-length party to dispose of its Gnaweeda Gold Project, comprising interests in five tenements in Western Australia. As consideration for the property, the Company received a deposit of AUD\$5,000 and received a further AUD\$495,000 in the nine months ended September 30, 2015. The Company received a further AUD\$500,000 upon establishment of a Joint Ore Reserves Committee-compliant mineral resource of at least 150,000 ounces of gold on the 1st August 2016. The Company is further entitled to receive AUD\$250,000 for every consecutive 50,000 ounces of poured gold sourced from the property, capped at 200,000 ounces of poured gold for a total of AUD\$1,000,000. At December 31, 2014, the Company recognized a receivable of \$516,818 (AUD\$495,000 plus GST of AUD\$50,000) for the payment received after December 31, 2014. The Company realized a loss

on sale of the property of \$3,191,290, which includes write off of related receivables of \$23,480 and prepaid expenses of \$8,565.

On December 29, 2014, the Company filed a draft valuation of its Gnaweeda Gold Project with the TSX.V with respect to the disposition of the property and obtained TSX.V approval on March 31, 2015 with its attached obligations thereto.

During the December 31, 2014 and pursuant to a resolution passed by shareholders, the Company changed its name from Archean Star Resources Inc. to Transatlantic Mining Corp.

On September 24, 2020, the Company closed the sale of U.S. Grant Mine and Mill and lease assignment for the Kearsarge Gold project (the “assets”) including the property and equipment located in the assets.

The Company’s shares trade on the TSX Venture Exchange (“**TSX.V**”) under the symbol “TCO”.

## **OVERALL PERFORMANCE / DISCUSSION OF OPERATIONS**

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The Company’s business is the acquisition, financing, and exploration of prospective mineral properties in areas of low political risk, close to support facilities and with ready, all weather access to support future mine development in the district.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

The Company has purchased the Alder Mountain (US Grant) Gold Project and title in Madison County in Montana in the USA effective August 28, 2017. It has also met expenditure commitments to acquire an 80% interest (plus) in a Mining Lease on the Monitor Copper Gold Project in the Coeur D’Alene Mining District, Idaho effective December 31, 2017. Whilst this milestone has been met, subsequent expenditures will gain additional ownership or pro rata payment. The Company entered into the 10 year lease option to purchase the prospective Kearsarge Gold Project 8 kilometres to the south of the Alder Mountain Gold Project and US Grant Processing facility. The Company continues its due diligence on the Miller Mine option.

### ***Monitor Property***

On February 5, 2013, as amended on March 12, 2015, the Company entered into an option and joint venture agreement with American Cordillera Mining Corporation (“AMCOR”), and Northern Adventures LLC (“NALLC”) whereby it has the right to earn 80% of AMCOR’s 100% leasehold interest in a Purchase Option Mining Lease Agreement between AMCOR and NALLC on the Monitor Property (the “Property”), located in Idaho, USA. In order for the Company to earn the 80% interest in the Property, subject to certain underlying royalties, the Company must:

- (i) pay US\$25,000 in cash (paid);
- (ii) incur property expenditures of US\$2,100,000 over three years (completed); and
- (iii) issue 400,000 common shares of the Company in stages, all of which have been issued in prior

years.

In exchange for the amendment, the Company paid additional consideration of 150,000 common shares (issued at a fair value of \$30,000 in previous year) and US\$25,000 cash (paid in previous year).

The Company shall have the right to exercise a buyout clause and thereby purchase a 100% interest in the Property from NALLC, and thereby terminate the Purchase Option Mining Lease Agreement. Upon exercise of this buy-out option, AMCOR shall be obligated to contribute 20% of the cost of the acquisition of the Property.

If the Company exercises the option, AMCOR shall receive a 20% carried interest until such time as the earlier of:

- (i) a NI 43-101 compliant Feasibility Study is completed; and
- (ii) the Company has notified AMCOR in writing of its decision to proceed with mining of the Property.

At this time, a joint venture shall automatically be deemed to be formed between the Company and AMCOR, where AMCOR will hold a 20% joint venture interest and the Company will hold an 80% joint venture interest in the Monitor claims.

The Company has focused on getting the drill permits ready for new drill programs and metallurgical testing of mineralized rock coming from the St. Lawrence and Monitor properties but with higher priority activities placed on the gold assets.

One future option for treating mineralized materials from the Monitor is to utilize and send it to the US Grant processing facility, which has an existing flotation circuit that has been upgraded and commissioned by Transatlantic.

### ***St. Lawrence Property***

On June 25, 2015, the Company entered into a Lease Agreement for a parcel of land (the “St. Lawrence Property”) on the Montana/Idaho border. The term of the lease is for 25 years, with an option to renew for a further 25 years. As consideration, the Company must issue 130,000 common shares of the Company (issued with a fair value \$19,500) and a 1% net smelter returns (“NSR”) royalty from any production from the Monitor Property and St. Lawrence Property.

The Company is obligated to pay an annual maintenance fee of US\$10,000 upon the execution of the Lease Agreement (paid) and upon each anniversary date of the Lease Agreement. The landowner may terminate the Lease Agreement after seven years if the Company has not paid during that period NSR or equivalent cash payments totaling at least US\$150,000.

The landowner may also terminate the lease after three years if the Company has not incurred by that time at least US\$100,000 in expenditures on the St. Lawrence Property. As at September 30, 2020, the Company incurred \$146,884 (December 31, 2019 - \$84,137) in accumulated expenditures related to St. Lawrence Property.

As of September 30, 2020, the Company has paid all required lease payments for 2018 and 2019

and had an outstanding amount owing to the landowner with finance to be cleared of US\$7,500 for the 2020 year end with personal issues and timing to be further addressed.

At September 30, 2020, the Company has a refundable performance bond of \$14,705 (US\$10,260) (December 31, 2019 - \$14,705) for security of drilling activity requirements for the property.

During the quarter site clean up commenced where trespassers had entered the site area and disturbed the working areas.

### ***Alder Mountain Project***

On January 18, 2016, the Company entered into a Mining Lease and Option to Purchase Agreement to lease the U.S. Grant Mine located in the County of Madison, Montana, for an initial term of 4 months, commencing January 18, 2016 until May 17, 2016. The Company was obligated to pay a non-refundable rent of US\$50,000 prior to the initial term (paid). The Company extended the initial term for an additional 12 months to May 18, 2017 for rent of US\$25,000 per month. Such rent payments will be applied to the purchase price. If after the initial and extension term, the Company had not exercised its option to purchase, the agreement would terminate.

At any time during the initial and extension term, the Company may exercise its option to purchase the U.S. Grant Mine for a purchase price of US\$6,000,000. The purchase price shall be paid in installments, less rent payments noted above, as follows:

- US\$2,000,000 upon closing of the purchase (paid);
- US\$2,000,000 one year after the date of closing of the purchase; and
- US\$2,000,000 two years after the date of closing.

On August 28, 2017, the Company received exchange approval to close its acquisition of the U.S. Grant Mine property in Montana. The remaining payments will be secured by a mortgage on the property in favour of the vendors. On August 28, 2017, the short and long-term portions have been discounted to US\$1,882,132 from US\$1,995,060 and US\$1,779,993 from US\$2,000,000, respectively, at a 6% discount rate and will be accreted up to the face values over the term of the debt.

On August 23, 2018, the Company's wholly owned subsidiary, Transatlantic Montana Corp., has received a notice of default regarding its scheduled US\$2,000,000 mortgage payment due on the U.S. Grant property.

On November 5, 2019, Transatlantic Montana Corp. entered into amended and restated purchase and sale agreement (the "Agreement") with Madison Mining Corporation, Elite Property CA and Carmen Renee Dugan (the "Sellers"). Under the amended agreement, the balance of the purchase price is payable as follows:

- US\$500,000 shall be paid on or before January 7, 2020 (paid);
- US\$500,000 shall be paid on or before July 1, 2020 (paid); and
- US\$3,250,000 shall be paid on or before January 31, 2021 (assumed).

During the year ended December 31, 2019, the remaining payments of the purchase price were discounted to \$5,228,336 (US\$4,025,513) from \$5,519,899 (US\$4,250,000), at a 6% discount rate

and were being accreted up to the face values over the term of the debt. The Company recognized a gain on debt modification of \$9,020 (US\$6,945) in the consolidated statement of comprehensive loss during the year ended December 31, 2019. The remaining payments were secured by a mortgage on the property in favour of the vendors. On April 21, 2020, the Company entered into an agreement with Endomines Idaho, LLC (“Endomines” or “Seller”) to sell the U.S. Grant Mine and Mill. On September 24, 2020, the Company closed the sale of U.S. Grant Mine and Mill. Pursuant to the agreement, Endomines assume all the obligations post July 31, 2020, or thereabout.

During the nine months ended September 30, 2020, the Company paid \$1,332,700 (US\$1,000,000) to the Seller of US Grant Mine and Mill. During the nine months ended September 30, 2020, the Company recorded accretion expense of \$154,510 (US\$113,191) (2019 - \$Nil). As at September 30, 2020, the outstanding balance was \$Nil (December 31, 2019 - \$5,228,336 (US\$4,025,513)).

At September 30, 2020, the Company has refundable performance bonds of \$36,345 (US\$27,439) (December 31, 2019 - \$36,345) for security of drilling activity requirements for the property.

### ***Kearsarge Gold Project***

On May 4, 2017, the Company entered into an exclusive agreement to lease and purchase the Kearsarge claim group (KCG) in Madison country in the state of Montana. These claims are approximately four miles from the U.S. Grant Mine. The Company may extend the initial term for up to an additional 12 months to December 31, 2018 for rent of US\$40,000 (paid). The Company can then extend the agreement for a second renewal term to December 31, 2028 for rent of US\$8,333 per month until the Company reaches commercial production of a minimum of 30,000 ore tons per month, after which the rent will increase based on production. Such rent payments will be applied to the purchase price. At any time during the initial and extension term, the Company may exercise its option to purchase the KCG for a purchase price of US\$6,000,000, less rent payments and US\$60,000 paid to the claim owner for personal property.

On March 11, 2019, the Company’s new drilling has confirmed that gold mineralization continues strong below the Kearsarge Mine at the Kearsarge Gold Project on which the Company has acquired an exclusive option to purchase. Hole KSRC\_18\_03 hole intersected significant mineralization, 20 metres at 8.64 g/t Au below the lowest level (6900 Feet level) in concert with previous mine development and drillhole intersections and within 40 m (120 feet) from surface on the northern end of the “Initial Area of focus”.

On July 31, 2019, the Company elected to exercise its second renewal term for up to 10 years of the exclusive agreement to lease and purchase the KCG after due diligence work was completed.

At September 30, 2020, the Company has paid all required lease payments for 2019. During the nine months ended September 30, 2020, the Company has paid \$171,416 (US\$125,032) to the owner whilst also spending funds in the project data.

On April 21, 2020, the Company entered into an agreement with Endomines to assign the Kearsarge gold project rights and closed the transaction on September 24, 2020.

During the year ended December 31, 2019, the Company commenced plans to sell certain properties, and on April 21, 2020, the Company entered into an agreement with Endomines to sell the U.S. Grant Mine and Mill in conjunction with the lease assignment of the Kearsarge Gold

Project (the “assets”). Summary of the purchase consideration for the assets are as follows:

- Shares of the third party with a market value of 95% of the value of the Company’s issued and outstanding shares at an agreed value of \$0.10 per share (Transatlantic shares outstanding x 95% x \$0.10) in Endomines common stock at \$4.60 Swedish krona (“SEK”) or 10 day VWAP at closing whichever is the lower price (received);
- Cash payment of US\$550,000 (received);
- Cash Payment of US\$2,000,000 (To be received 60 days from closing due December 1, 2020); and
- Further payment of US\$2,000,000 due on or before September 28, 2022, or first gold produced on these assets to whichever is the earlier.

The Company reclassified the Assets from exploration and evaluation assets to assets held for sale as at December 31, 2019. The value was determined based on the lower of the assets carrying amount and fair value less costs to sell and is computed as follows:

	<b>Alder Mountain Project (\$)</b>	<b>Kearsarge Gold Project (\$)</b>	<b>Total (\$)</b>
<b>Purchase price</b>			
Value of common shares	7,906,394	39,398	7,945,792
Cash payment of \$716,430 (US\$550,000 at 1.3026)	708,587	7,843	716,430
US\$2,000,000 at 1.2988	2,569,160	28,440	2,597,600
PV of US\$2,000,000 at 1.2988	2,162,411	23,937	2,186,348
<b>Fair value of the consideration to be received</b>	<b>13,346,552</b>	<b>99,618</b>	<b>13,446,170</b>
<b>Carrying amount of the assets</b>	<b>7,142,587</b>	<b>37,210</b>	<b>7,179,797</b>

Since the fair value of the consideration to be received is more than its carrying amount, the assets are not impaired. The Company reclassified from exploration and evaluation assets and recognized \$7,179,797 as assets held for sale as at December 31, 2019.

On September 24, 2020, the Company closed the sale and purchase agreement with Endomines and recognized a gain on sale of properties of \$9,350,075 in the statement of comprehensive income during the nine months ended September 30, 2020. The gain on sale of properties is computed as follows:

	(\$)
<b>Consideration received</b>	
Value of Endomines shares 15,367,535 at US\$0.5045 (4.60 SEK) at 1.3339	10,341,630
Total cash payments received (US\$1,832,891)	2,463,504
<b>Fair value of the consideration received</b>	<b>12,805,134</b>

<b>Value of assets acquired</b>	
U.S. Grant Mine and Mill	7,142,587
Kearsarge Gold	208,626
Property and equipment, net	778
<b>Total assets acquired</b>	<b>7,351,991</b>

<b>Value of obligations assumed</b>	
US Grant payable US\$3,250,000 at 1.3374	4,346,550
US Grant discount US\$111,295 at 1.3374	(148,846)
<b>Total obligations assumed</b>	<b>4,197,704</b>

<b>Net assets</b>	<b>3,154,287</b>
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Gain on sale of properties	9,650,847
FX movement on US Grant payable	(300,772)
<b>Total gain on sale of properties</b>	<b>9,350,075</b>

### *Miller Mine Gold Project*

On July 2, 2019, the Company entered into an exclusive agreement to lease with an option to purchase the Miller Mine in the Broadwater County of Montana. The agreement is subject to an initial due diligence period including the Company's election to lease and purchase with a profit share arrangement consideration. The Company has been granted an exclusive due diligence right to data and information on the Miller Mine Patented and Unpatented claims to August 15, 2019 and extended further to October 31, 2020. To September 30, 2020, funds have been spent on the property with drill set up and report reviews in conjunction with sampling and access along the old levels. The terms of the agreement include:

- A First Renewal Term of 24 months following the expiry of the due diligence period for consideration of \$100,000 in cash or square equivalent between \$0.05 and \$0.10 at the Company's election subject to TSX approval. The Company is also to spend a further \$100,000 in development in the first renewal term.
- A Second Renewal Term of 24 months on the expiry of the First Renewal Term for consideration of \$100,000 spent in that period.
- Should mining occur at any time, an 8.5% royalty on ounces produced must be paid. During the term of the agreement, the Company may purchase the property for US\$4,500,000, less the payments made above, and a perpetual 1% gold NSR to the vendor thereafter.

### **Highlights of the Project:**

#### *Upper level:*

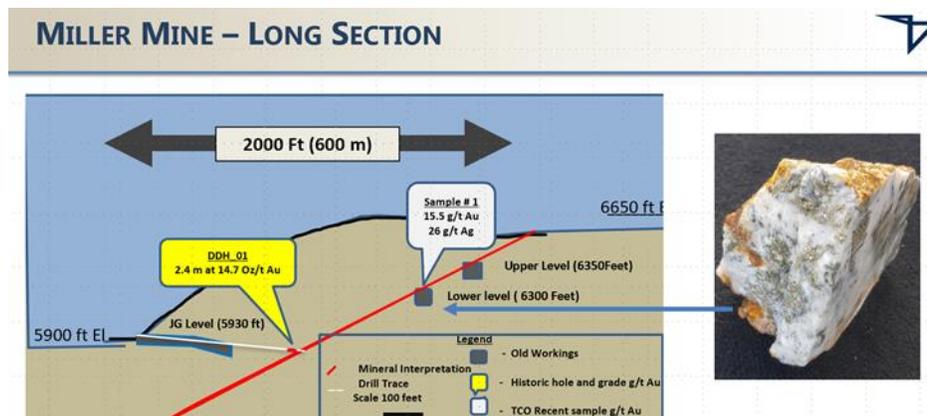
- Vein rock chip channel samples (five) averaged 9.57 grams per tonne gold and 34.7 grams per tonne silver (average width of 1.2 metres).
- Vein length composite averaged over 100 m (300 feet) exposed length weighted.
- A chute rock remnant grab sample assayed 12.79 g/t Au and 50.7 g/t Ag.

*Lower level:*

- A grab sample on the lower level has indicated both visible gold and 15.5 g/t Au with 26 g/t Ag.
- Plan to commence access and drilling in September 2020.

*JG Level:*

- “Historical Drillholes” DD 1 and DD 2 drilled in 1968-69.
  - Jericho DD # 1 8 feet at 14.9 oz /ton Au (2.4 metres at 516 g/t Au).
  - Jericho DD #2 5 feet at 0.25 oz/ton Au (1.5 metres at 8.6 g/t Au) and 2 feet at 0.9 oz/ton Au (0.6 m at 31 g/t Au)



***Summary Pierce Points on the Miller Mine Long Section with rock sample from Level***

On August 17, 2020, the Company continued and extended its activities on an agreement to lease and purchase the Miller Mine in the Broadwater County of Montana. Following on from Lower Level sampling previous, access was made to the Upper Level with quartz and sulphide apparent over 100 metres (300 Feet) in strike. A grab sample under a collapsed chute further informed gold mineralization on the Upper Level. The sampling both from the current program and historical mining and drill programs underpin further drilling and future sampling activities to build a near term trial mining sample. These claims are approximately 29 miles to the North east of Townsend in Montana and add towards the consolidation strategy of the district that Transatlantic is undertaking.

Up to the date of this MD&A, tenements are in good standing with the relevant statutory bodies.

	<b>September 30, 2020</b>
	(\$)
<b>Monitor Project</b>	
<i>Acquisition Costs</i>	545,325
<b>St. Lawrence Project</b>	
<i>Acquisition Costs</i>	83,105

Mineral property expenses for the nine months ended September 30, 2020 are as follows:

<b>For the Nine Months Ended September 30, 2020</b>						
	<b>Alder</b>		<b>St.</b>	<b>Kearsarge</b>	<b>Miller</b>	
	<b>Mountain</b>	<b>Monitor</b>	<b>Lawrence</b>	<b>Gold</b>	<b>Mine</b>	<b>Total</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Assays and analysis	-	-	-	13,798	15,951	29,749
Consultants	84,532	11,286	7,130	57,818	128,096	288,862
General and administrative field cost	4,043	2,588	2,380	4,150	15,299	28,460
Management fees	54,000	36,000	36,000	63,000	81,000	270,000
Meals and entertainment	144	-	-	-	-	144
Professional fees	36,082	10,580	10,580	18,957	21,603	97,802
Report and data compilation	-	-	-	1,660	-	1,660
Rent	-	-	-	-	3,536	3,536
Repairs and maintenance	2,634	-	-	-	-	2,634
Utilities recovery	(2,397)	-	-	-	-	(2,397)
Travel, accommodation and fuel	606	1,715	-	425	702	3,448
<b>Total</b>	<b>179,644</b>	<b>62,169</b>	<b>56,090</b>	<b>159,808</b>	<b>266,187</b>	<b>723,898</b>

### **Summary of Alder Mountain Project**

The project is best described currently as an exploration and mine development project with the current surface drilling supporting the geological model for gold mineral extraction. The mine is being reviewed for startup from the Sherman portal with final costings being determined off the trial mining estimates and by introducing and utilizing modern underground mobile mining equipment. This is part of the working capital required to commence the operations being sought.

The US Grant Mine is permit ready and is one of the three opportunities to advance mine development and large bulk mining parcels. Finance considerations are being regularly assessed on this proposition and that of the Kearsarge in conjunction with each other.

The Company continues to review other propositions and is now in the process of selling the processing facility. There is a first right in the selling of the US Grant to toll treat and process its own ores where there is capacity in the plant.

### **Location**

The mine is located in the historical mining district of Virginia City, Montana, USA. This is an area with a history of alluvial (plus 2.5 Million Ounces Au) and underground gold mining and there are still a number of mines operating within the proximity of US Grant ranging from open pit operations to some underground operations. The processing facility can and is a strategic asset for this region.

### **Sherman Mine Development**

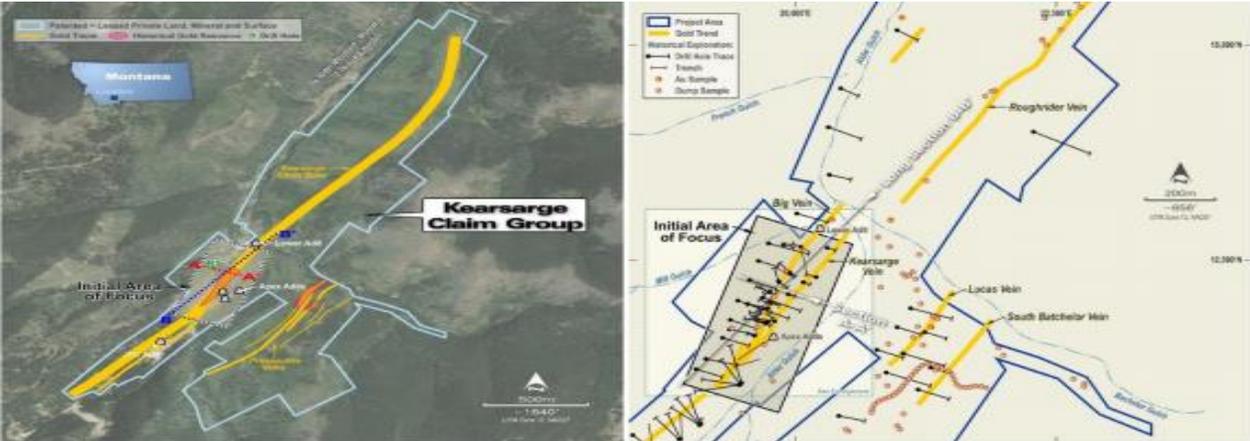
The mine has a plan in place to develop to the vein drilled by the Company with a new underground mining access, the Sherman Decline. This will be undertaken with the Company's own heavy equipment and contract labour going forward when financing is completed. The Sherman decline



below the lowest level (6900 Feet level) of **20 m at 8.64 g/t Au** in concert with attaining sample for additional metallurgical confirmation and activities on the Kearsarge Gold Project.

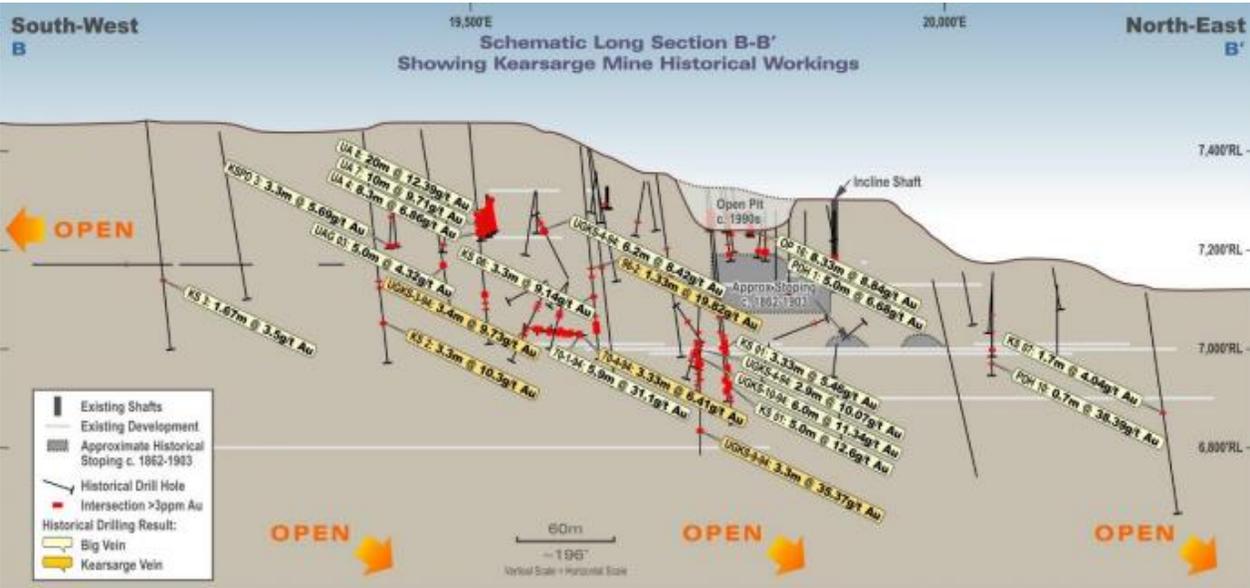
During the collation of geological information, the Company tested the Kearsarge Vein and has planned an additional program submitted to the Department of Environmental Quality (DEQ) for and received approvals to. The Company is sourcing finance alternatives to commence this activity in the spring/summer of 2020. The Kearsarge and Big Vein are in close proximity to surface with demonstrated historical drilling indicating high-grade gold mineralization.

The following diagram highlights the plan view and initial area of focus for compiled drilling within a large shear zone and exploration opportunity outside this focus area.



*Plan View of the Kearsarge highlighting drilling and initial area of focus*

Mineralization appears to be open both along strike and down dip with more technical information now being sourced from different libraries and personal discussions with previous operators. The following long section indicates large exploration opportunity for adding additional ounces down dip, along strike, along with additional veining outside the initial area of focus.



### ***Summary Pierce Points on the Kearsarge and Big Veins along initial area of focus***

*The Company is not treating the historical estimate as a current mineral resource or reserve and will develop the plan to evaluate the information in the oncoming periods.*

The Company has received a permit to advance further activities on the Kearsarge Gold Project with an extended phase of drilling subject to an additional bond with the DEQ (Department of Environmental Quality).

The QP Dr Aslam Awan made a site visit to the US Grant and Kearsarge project to review all chips, core data and site layout.

Future drill planning has been reviewed in conjunction with the QP and company representatives.

*Chris Pfahl is the Qualified Person responsible for having reviewed and approved the technical information contained in this release for engineering. Chris is the Principal and Owner of Silver Valley Engineering.*

*Dr. Aslam Awan is the Qualified Person responsible for having reviewed and approved the technical information contained in this release for exploration drilling.*

### **Business Development**

The Company has reviewed and ranked many projects and is focused on gold and copper development projects as future high-margin exploration and mining opportunities. A current sale process for the 2 assets in US Grant and Kearsarge provides an upside for all Transatlantic Shareholders with an equity position held in Endomines.

The company continues its activities with focus on the sales process and then to maximise the technical value of the Miller Mine Gold Project.

### **SELECTED ANNUAL INFORMATION**

	<b>Year Ended December 31, 2019 \$</b>	<b>Year Ended December 31, 2018 \$</b>	<b>Year Ended December 31, 2017 \$</b>
Revenue	-	-	-
General & Administrative and Other Expenses	403,686	1,704,368	1,408,989
Exploration Expenses	701,888	836,916	1,578,336
Net loss and Comprehensive Loss	1,105,574	2,541,284	2,987,325
Net Loss per Share - basic and diluted	0.01	0.04	0.09
Total Assets	8,251,718	8,636,078	8,871,379

## SUMMARY OF QUARTERLY RESULTS

A summary of financial results for the eight most recently completed quarters ending September 30, 2020:

	Revenue (\$)	General & Administrative and Other Income (Expenses) (\$)	Exploration Expenses (\$)	Net Income (Loss) and Comprehensive Income (Loss) (\$)	Earnings (Loss) per Share (\$)
Sep-30-2020	-	9,689,070	324,243	9,364,827	0.11
Jun-30-2020	-	106,390	226,522	(120,132)	(0.00)
Mar-31-2020	-	(738,422)	173,133	(911,555)	(0.01)
Dec-31-2019	-	(47,781)	202,437	(250,218)	(0.00)
Sep-30-2019	-	(115,085)	292,109	(407,194)	(0.00)
Jun-30-2019	-	(86,160)	106,410	(192,570)	(0.00)
Mar-31-2019	-	(154,660)	100,932	(255,592)	(0.00)
Dec-31-2018	-	(847,084)	305,305	(1,152,389)	(0.02)

### Fiscal 2020

During the third quarter of 2020, the Company recorded an income of \$9,364,827 compared to a loss of \$120,132 in the second quarter of 2020. The significant change is mainly due to gain on sale of properties recognized during the third quarter of 2020.

During the second quarter of 2020, the Company recorded a loss of \$120,132 compared to a loss of \$911,555 in the first quarter of 2020. The significant change is mainly due to decrease in foreign exchange loss recognized during the second quarter of 2020.

During the first quarter of 2020, the Company recorded a loss of \$911,555 compared to a loss of \$250,218 in the fourth quarter of 2019. The significant change is mainly due to increase in foreign exchange loss recognized during the first quarter of 2020.

### Fiscal 2019

During the fourth quarter of 2019, the Company recorded a loss of \$250,218 compared to a loss of \$407,194 in the third quarter of 2019. The change is mainly due to decrease in exploration expenses and increase in foreign exchange gain recognized during the fourth quarter of 2019.

During the third quarter of 2019, the Company recorded a loss of \$407,194 compared to a loss of \$192,570 in the second quarter of 2019. The change is mainly due to increase in exploration expenses in the third quarter of 2019.

During the second quarter of 2019, the Company recorded a loss of \$192,570 compared to a loss of \$255,592 in the first quarter of 2019. The change is mainly due to decrease in general and administrative in the second quarter of 2019.

During the first quarter of 2019, the Company recorded a loss of \$255,592 compared to a loss of

\$1,152,389 in the fourth quarter of 2018. The change is mainly due to significant decrease in general and administrative in the first quarter of 2019.

## **Fiscal 2018**

During the fourth quarter of 2018, the Company recorded a loss of \$1,152,389 compared to a loss of \$233,262 in the third quarter of 2018. The change is mainly due to the significant increase in general and administrative and other expenses in the fourth quarter of 2018.

## **RESULTS OF OPERATIONS**

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### *Nine months ended September 30, 2020*

The Company has earned a revenue of \$Nil during the nine months ended September 30, 2020 and 2019. Exploration expenditures of \$723,898 were higher by \$224,447 than the \$499,451 during the nine months ended September 30, 2019 due to increased costs for completing exploration activities and legal fees associated with the sales agreements. Recognized gain on sale of properties of \$9,350,075 in relation to the closing of sale of U.S. Grant Mine and Mill and lease assignment for the Kearsarge Gold project (the “assets”) including the property and equipment located in the assets.

General and administration expenses during the nine months ended September 30, 2020 totaled \$381,448 which were lower by \$187,320 than the \$568,768 in the same period in 2019. This is mainly due to significant decrease in office expenses during the current period offset by the increase in accretion and accrued interest.

### *Three months ended September 30, 2020*

The Company has earned a revenue of \$Nil during the three months ended September 30, 2020 and 2019. Exploration expenditures of \$324,243 were higher by \$32,134 than the \$292,109 during the three months ended September 30, 2019 due to increased costs for completing exploration activities and legal fees associated with the sales agreements. Recognized gain on sale of properties of \$9,350,075 in relation to the closing of sale of U.S. Grant Mine and Mill and lease assignment for the Kearsarge Gold project (the “assets”) including the property and equipment located in the assets.

General and administration expenses during the three months ended September 30, 2020 totaled \$82,819 which were higher by \$46,641 than the \$36,178 in the same period in 2019. This is mainly due to increase in office expenses and management fees during the current period.

## **LIQUIDITY AND CAPITAL RESOURCES**

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As of September 30, 2020, the Company had working capital of \$5,875,217 compared to a working capital deficit of \$5,537,115 as of the year ended December 31, 2019.

### *Nine months ended September 30, 2020*

During the nine months ended September 30, 2020, net cash used in operating activities was \$1,833,071 (2019 - \$62,901) comprising of a net income of \$8,333,140 (2019 - net loss of

\$855,356), amortization of \$135,553 (2019 - \$201,639), gain on sale of properties of \$9,350,075 (2019 - loss of \$13,471), accretion and accrued interest of \$155,726 (2019 - \$Nil), unrealized foreign exchange gain of \$303,597 (2019 - \$165,016), write-off of accounts payable of \$23,451 (2019 - \$Nil), decrease in receivables of \$243 (2019 - \$39,373), decrease in prepaid expenses of \$4,318 (2019 - \$5,647), decrease in US grant payable of \$1,332,700 (2019 - \$Nil) and increase in accounts payable and accrued liabilities of \$547,772 (2019 - \$697,341).

Cash provided by investing activities for the nine months ended September 30, 2020 was \$2,426,510 (2019 - used in of \$29,293) comprising of proceeds from sale of mineral properties of \$2,463,504 (2019 - \$Nil) and mineral property acquisition costs of \$36,994 (2019 - \$53,642).

There was no financing activity during the nine months ended September 30, 2020 due mainly to poor market conditions and later the COVID-19 for limited travel access. The cash used by financing activity for the nine months ended September 30, 2019 of \$3,181 was attributable to loan repayment.

#### *Three months ended September 30, 2020*

During the three months ended September 30, 2020, net cash used in operating activities was \$983,256 (2019 - provided by of \$16,942) comprising of a net income of \$9,364,827 (2019 - net loss of \$407,194), amortization of \$49,663 (2019 - \$57,834), accretion and accrued interest of \$1,184 (2019 - \$Nil), unrealized foreign exchange gain of \$534,308 (2019 - \$62,993), write-off of accounts payable of \$23,451 (2019 - \$Nil), increase in receivables of \$Nil (2019 - \$37), increase in prepaid expenses of \$7,485 (2019 - \$7,346), decrease in US grant payable of \$681,400 (2019 - \$Nil) and increase in accounts payable and accrued liabilities of \$197,789 (2019 - \$310,692).

Cash provided by investing activities for the three months ended September 30, 2020 was \$1,515,410 (2019 - used in of \$26,909) comprising of proceeds from sale of mineral properties of \$1,370,465 (2019 - \$Nil) and mineral property acquisition costs of \$144,945 (2019 - \$26,909).

There was no financing activity during the three months ended September 30, 2020 due mainly to poor market conditions and later the COVID-19 for limited travel access. The cash provided by financing activity for the three months ended September 30, 2019 of \$375 was attributable to loan.

The Company is in the mineral exploration and development business and is exposed to a number of risks and uncertainties inherent to the mineral resource industry. This activity is capital intensive at all stages and subject to fluctuations in metal prices, market sentiment, currencies, inflation and other risks. The Company currently has no source of material revenue and relies primarily on equity financings to fund its exploration, development and administrative activities. Material increases or decreases in the Company's liquidity will be substantially determined by the success or failure of its exploration and development activities, as well as its continued ability to raise capital. The current recessionary credit conditions have severely limited the Company's ability to raise financing through its usual methods and if these conditions persist, they will materially decrease the Company's liquidity and capital resources.

The Company's ability to continue as a going concern is dependent on continued financial support from its shareholders, and the ability of the Company to raise equity and other forms of finance to generate a cashflow mining model. While management has been successful in obtaining additional sources of finance in the past, there can be no assurance that it will be able to do so in the future.

## RELATED PARTY TRANSACTIONS

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The following table summarizes services provided by related parties:

	Nine Months Ended September 30, 2020 (\$)	Nine Months Ended September 30, 2019 (\$)
Management (a)	270,000	270,000
Consulting and director fees (b)	86,202	86,832
	<b>356,202</b>	<b>356,832</b>

(a) The Company accrued management fees of \$270,000 (2019 - \$270,000) to the CEO of the Company.

(b) The Company accrued consulting fees of \$45,000 (2019 - \$45,000) and directors fees of \$41,202 (2019 - \$41,832) to directors of the Company.

As of September 30, 2020, \$3,336,679 (December 31, 2019 - \$2,789,595) is due to related parties, being directors of the Company, for the services above, which is included in accounts payable and accrued liabilities. Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

## FINANCIAL INSTRUMENTS

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The fair value of the Company's financial assets and liabilities approximates the carrying amount.

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;
- 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 is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

**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 primary exposure to credit risk is in its cash accounts and its receivables. This risk is managed through the use of a major bank that is a high credit quality financial institution as determined by rating agencies. The risk associated with its receivables is minimal.

**Liquidity risk:** Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements.

Liquidity risk is assessed as high.

**Currency risk:** Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's functional currency is the Canadian dollar. The Company is exposed to currency exchange rate risk to the extent of its activities in Australia and the United States. The Company's currency risk is presently limited to approximately \$328,311 of net exposure denominated in Australian dollars and approximately \$305,226 of net exposure denominated in US dollars. Based on this exposure as at September 30, 2020, a 5% change in the Australian dollar to Canadian dollar exchange rate would impact the Company's net loss by \$16,416 and by \$15,261 for a 5% change in the US dollar to Canadian dollar. Management believes the foreign exchange risk derived from currency conversions from the Australian and U.S. operations is not significant and does not hedge its foreign exchange risk.

Future changes in exchange rates could have a material effect on the Company's business, financial condition and results of operations.

**Industry risk:** The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental reclamation and fluctuations in commodity-based market prices associated with resource property interests.

Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

**Interest rate risk:** Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is not significant as the Company's assets and liabilities do not bear any interest.

**Capital management:** The Company manages its capital structure based on the funds available to the Company, in order to fund its general and administration expenses, support acquisition, maintenance, exploration, and development of mineral properties. The capital structure of the Company consists of equity and debt obligations, net of cash and cash equivalents. The Board of Directors has not established any quantitative return on capital criteria for management, instead relying on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has interests are in the exploration stage and early production development, so the Company is dependent on external financing to fund its activities. In order to carry out activities and administration, the Company will spend its existing working capital and raise additional amounts as needed. The Company is not subject to any externally imposed restrictions on capital. There were no changes in the Company's approach to capital management during the period.

## **SHARE CAPITAL**

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The Company's authorized share capital consists of an unlimited number of common shares without par value. As of September 30, 2020, and as of the date of this report, the total number of common shares issued and outstanding is 83,639,916\*.

As of September 30, 2020, the total number stock options issued and outstanding is 1,150,000. As

of the date of this report, the total number stock options issued and outstanding is 15,150,000.

As of September 30, 2020, and as of the date of this report, the total number of share purchase warrants issued and outstanding is 2,538,734.

\*Does not include the 2,000,000 shares issued in error. The Company is in the process of having the shares returned for cancellation in cooperation with the other party.

## **CHANGES IN ACCOUNTING POLICIES**

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As of January 1, 2018, the Company adopted the new and amended IFRS pronouncements in accordance with transitional provisions outlined in the respective standards. The adoption of these standards did not have a material impact on the consolidated results, financial position or accounting policies of the Company. Significant standards adopted include the following:

### **IFRS 9, Financial Instruments (“IFRS 9”)**

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and supersedes the guidance relating to the classification and measurement of financial instruments in IAS 39, *Financial Instruments: Recognition and Measurement* (“IAS 39”).

IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss, those measured at fair value through other comprehensive income and those measured at amortized cost. Investments in equity instruments are required to be measured by default at fair value through profit or loss. For financial liabilities, the standard retains most of the IAS 39 requirements.

### **IFRS 15, Revenue from Contracts with Customers (“IFRS 15”)**

The new revenue standard introduces a single principles-based, five-step model for the recognition of revenue when control of goods is transferred to, or a service is performed for, the customer. IFRS 15 also requires enhanced disclosures about revenue to help users better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

As of January 1, 2019, the Company adopted the new and amended IFRS pronouncements in accordance with transitional provisions outlined in the respective standards. The adoption of these standards did not have a material impact on the consolidated results, financial position or accounting policies of the Company. Significant standards adopted include the following:

### **IFRS 16 Leases (“IFRS 16”)**

Effective January 1, 2019, the Company adopted IFRS 16, *Leases*, which specifies how to recognize, measure, present and disclose leases. The standard introduces a single lessee accounting model and requires a lessee to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The Company’s accounting policy under IFRS 16 is as follows: At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This policy is applied to contracts entered into, or changed, on or after January 1, 2019. The Company

recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and estimate of costs to dismantle and remove or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use assets are subsequently amortized from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term using the straight-line method. The lease term includes consideration of an option to renew or to terminate if the Company is reasonably certain to exercise that option.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising mainly from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, renewal or termination option due to a significant event or change in circumstances. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. Under IAS 17, *Leases* ("IAS 17"), the Company's accounting policy was as follows: The determination of whether an arrangement was (or contained) a lease was based on the substance of the arrangement at the inception of the lease. The arrangement was, or contained, a lease if fulfilment of the arrangement was dependent on the use of a specific asset and the arrangement conveyed a right to use the asset, even if that asset was not explicitly specified in an arrangement. A lease was classified at the inception date as a finance lease or an operating lease. A lease that transferred substantially all the risks and rewards incidental to ownership to the Company was classified as a finance lease. Finance leases were capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges were recognized in net finance expenses (income) in net loss. A leased asset was depreciated over the term of the lease. An operating lease was a lease other than a finance lease. Operating lease payments were recognized in net loss on a straight-line basis over the lease term. Lease incentives received were recognized as an integral part of the total lease expense, over the term of the lease.

### **Impact of transition to IFRS 16**

Effective January 1, 2019 the Company adopted IFRS 16 using the modified retrospective approach. Accordingly, comparative figures as at and for the year ended December 31, 2018 have not been restated and continue to be reported under IAS 17 and IFRIC 4, determining whether an arrangement contains a lease ("IFRIC 4"). As at January 1, 2019 the Company had no operating leases. For equipment leases previously classified as finance leases under IAS 17, the Company measured the right-of-use asset and lease liability as previously accounted for without adjustment.

#### *Accounting standards issued but not yet effective*

There are no other IFRS or International Financial Reporting Interpretations Committee

interpretations that are not yet effective that would be expected to have a material impact on the Company's consolidated financial statements.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

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The Company has no off-balance sheet arrangements.

#### **LITIGATION**

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The Company may from time to time be subject to litigation. At September 30, 2020, the Company has accrued for what it believes is a reasonable amount with respect to any litigation claims.

The Company has completed successful mediation on the Alder Mountain Project – US Grant where it was in default for payment with new deferred payments for 2020 and 2021 milestones. On September 24, 2020, the Company closed the sale of U.S. Grant Mine and Mill. Pursuant to the agreement, Endomines assume all the obligations of the Company to the Sellers of U.S. Grant.

#### **SUBSEQUENT EVENT**

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On November 27, 2020, the Company granted 14,000,000 stock options of which 10,000,000 have been allocated to the directors of the Company and 4,000,000 stock options to employees at \$0.05 per share with an expiry date of June 23, 2024.

On November 30, 2020, Kenneth Tollstam has resigned as Chief Financial Officer of the Company.