



(the "Company")

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

For the Nine Months Ended September 30, 2020

General

This interim Management's Discussion and Analysis ("Interim MD&A") supplements, but does not form part of, the unaudited condensed interim financial statements of the Company for the nine months ended September 30, 2020. The following information, prepared as of November 24, 2020, should be read in conjunction with the Company's unaudited condensed interim financial statements for nine months ended September 30, 2020 and the related notes contained therein. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS"). In addition, the following should be read in conjunction with the financial statements of the Company for the year ended December 31, 2019 and the related MD&A. All amounts are expressed in Canadian dollars unless otherwise indicated. The September 30, 2020 financial statements have not been reviewed by the Company's auditors.

Additional information relevant to the Company's activities can be found on SEDAR at (www.sedar.com).

Forward-looking Information

This Interim MD&A contains certain statements which constitute forward-looking information within the meaning of applicable Canadian securities legislation ("Forward-looking Statements"). All statements included herein, other than statements of historical fact, are Forward-looking Statements and are subject to a variety of known and unknown risks and uncertainties which could cause actual events or results to differ materially from those reflected in the Forward-looking Statements. The Forward-looking Statements in this Interim MD&A include, without limitation, statements relating to the Company's plans for exploration of its properties; the sufficiency of the Company's cash position; and its ability to raise equity capital or access debt facilities. Often, but not always, these Forward-looking Statements can be identified by the use of words such as "anticipates", "believes", "plans", "estimates", "expects", "forecasts", "scheduled", "targets", "possible", "strategy", "potential", "intends", "advance", "goal", "objective", "projects", "budget", "calculates" or statements that events, "will", "may", "could" or "should" occur or be achieved and similar expressions, including negative variations.

Forward-looking Statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any results, performance or achievements expressed or implied by the Forward-looking Statements. Such uncertainties and factors include, among others:

- the Company's seeking new prospective mineral properties for acquisition;
- risks associated with mineral exploration;
- fluctuations in commodity prices, foreign exchange rates, and interest rates;
- credit and liquidity risks;

- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which the Company does or may carry on business;
- reliance on key personnel;
- property title matters and local community relationships;
- risks associated with potential legal claims generally or with respect to environmental matters;
- dilution from further equity financing;
- competition;
- uncertainties relating to general economic conditions; and
- risks relating to a global pandemic, including the coronavirus COVID-19, which unless contained could cause a slowdown in global economic growth and impact the Company's business, operations, financial condition and share price;

as well as those factors referred to in the "Risks and Uncertainties" section in this Interim MD&A.

Forward-looking Statements contained in this Interim MD&A are based on the assumptions, beliefs, expectations and opinions of management, including but not limited to:

- the Company will acquire an interest in a prospective mineral property;
- all required third party contractual, regulatory and governmental approvals will be obtained for the exploration and development of the Company's properties;
- there being no significant disruptions affecting operations, whether relating to labor, supply, power, damage to equipment or other matters;
- exploration activities proceeding on a basis consistent with the Company's current expectations;
- expected trends and specific assumptions regarding commodity prices and currency exchange rates; and
- prices for and availability of fuel, electricity, equipment and other key supplies remaining consistent with current levels.

These Forward-looking Statements are made as of the date hereof and the Company disclaims any obligation to update any Forward-looking Statements, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that Forward-looking Statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, investors should not place undue reliance on Forward-looking Statements.

Business of the Company

The Company is a Vancouver-based company engaged in the acquisition and exploration of mineral properties. Management has been actively seeking new prospective projects for the Company, while continuing to advance its Rivier Property described below.

On February 12, 2020, the Company closed a private placement financing by issuing 5,000,000 units at \$0.10 per unit, raising proceeds of \$500,000. Each unit consisted of one common share and one warrant entitling the holder to purchase one additional common share of the Company at \$0.15 for one year from closing. The proceeds of the placement are being used for general working capital purposes.

On October 22, 2020, the Company announced a proposed non-brokered private placement consisting of up to 7.5 million units at \$0.12 per unit, for proceeds of up to \$900,000. Each unit will consist of one common share and one warrant entitling the holder to purchase one additional common share of the Company at \$0.15 for one year from closing. The closing of the placement is subject to stock exchange approval.

Due to restrictions on travel and for the safety of our employees because of the COVID-19 pandemic, the Company has curtailed certain operations for the time being. We will resume these operations when it is safe and cost effective to do so.

Rivier Property

The Company has held a 100% interest in 16 Rivier claims for some years, and until late 2017, had an option to acquire an additional 100 Rivier claims. Pursuant to an agreement entered into in April 2018, as amended in April 2020 (the "Rivier and Sixty Mile Agreement") with the owner ("Rivier Owner") of the 100 Rivier claims, to acquire such claims in consideration for transferring to the Rivier Owner 63 of the Company's Sixty Mile claims, agreeing to make annual advance royalty payments of \$10,000 to the Rivier Owner commencing in April 2021 (for as long as the Company owns the Rivier Property), and granting to the Rivier Owner a 2% net smelter return royalty. As a result of the Rivier and Sixty Mile Agreement, the Rivier Property currently consists of 116 claims owned by the Company and which are in good standing until 2024.

In the summer of 2020, the Company completed a field program at the Rivier Property. As the COVID-19 restrictions eased in the Yukon, Rackla mobilized a team to Rivier to conduct this year's exploration program.

The Company completed prospecting, rock chip sampling and geological mapping on the property, focusing on the areas of high gold in soil anomalies identified by previous work on the prospect. The +400 line km airborne magnetic survey conducted over the property by Precision GeoSurveys Inc. was complemented by a ground magnetic susceptibility survey that will enable accurate modelling of the targets. Results from the geochemistry, geology and geophysics programs will be released in the coming weeks and updated drill targets will be developed for the next field season.

The Rivier Property is located 90 kilometres southeast of Ross River, Yukon and covers lode gold mineralization of the Motherlode type. Previous soil and silt sampling programs have defined a plus two-kilometre-long, strong broad gold and pathfinder anomaly along a faulted contact of an ultramafic body. The anomalous gold in soils appear to be associated with mapped Listwanite alteration of the ultramafic body. With several soil samples running over 2 grams per tonne gold, this broad zone contains potential for significant gold mineralization.

Expo Property

The Company has recently signed an exclusivity agreement to review the Expo Property which is located in the region of the Rivier Property and covers a prominent series of VMS targets in the heart of the Finlayson Lake VMS district. Recent soil geochemistry work and aerial geophysics highlight a 800 x 300 metre Zn/Au soil anomaly which complements past prospecting finds and highlights the potential for discovery. The agreement gives the Company exclusivity to review the data until April 1, 2021.

Qualified Person: Bruce Smith, M.Sc., M.Eng., a member of the Australian Institute of Geoscientists, is the Company's Qualified Person as defined by National Instrument 43-101, and is responsible for the accuracy of the technical information in this Interim MD&A.

Quarterly Information

The following table provides quarterly information for the eight fiscal quarters ended September 30, 2020:

Quarter Ended	Sep. 30, 2020 (\$)	Jun. 30, 2020 (\$)	Mar. 31, 2020 (\$)	Dec. 31, 2019 (\$)	Sep. 30, 2019 (\$)	Jun. 30, 2019 (\$)	Mar. 31, 2019 (\$)	Dec. 31, 2018 (\$)
Exploration expenditures	50,301	-	-	13,310	-	29,689	31,938	7,788
General and administrative expenses	22,859	27,131	42,472	48,733	34,186	76,609	38,582	45,837
Net loss	(73,160)	(27,131)	(42,472)	(62,043)	(34,186)	(106,298)	(70,520)	(53,625)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.01)

Exploration expenditures for the most recently completed quarter were related to activity on the Rivier property. Exploration expenditures for all other quarters presented mostly related to the investigation of new property opportunities. General and administrative expenses for the quarter ended June 30, 2019 was higher than the other

quarters presented due to a share-based payment expense of \$49,033 that relates to fair value of stock options granted.

Results of Operations

Quarter ended September 30, 2020

The quarter ended September 30, 2020 had a net loss of \$73,160, compared to \$34,186 for the quarter ended September 30, 2019, an increase of \$38,974. The current quarter's net loss was higher due to incurring \$50,301 in exploration expenditures whereas none were incurred in the comparative quarter. General and administrative expenses in the current quarter totaled \$22,859 compared to \$34,186 in the comparative quarter, a decrease of \$11,327. All general and administrative costs in the current quarter, with the exception of management fees, were lower than those for the comparative quarter due in part to cost cutting efforts in response to the COVID-19 pandemic.

Nine months ended September 30, 2020

The net loss for the nine-month period ended September 30, 2020 was \$142,763 compared to \$211,004 for the nine-month period ended September 30, 2019, a decrease of \$68,241. Exploration expenditures during the current period totaled \$50,301 compared to \$61,627 in the comparative period. Exploration expenditures for the current period related to the Rivier property whereas the expenditures in the comparative period consisted mostly of new property investigation costs.

General and administrative expenses for the current nine-month period totalled \$92,462 compared to \$149,377 for the comparative nine-month period, a decrease of \$56,915. This decrease was primarily due to the current period recording a share-based expense of \$3,253 compared to \$49,033 for the comparative period. The share-based payments expense relates to the granting of stock options during the comparative periods. Similar to the quarterly comparison, most general and administrative expenses were lower in the current period in response to the pandemic except for travel expenses which were higher due to investigation of new business opportunities.

Liquidity and Capital Resources

The Company is in the exploration stage and therefore has no cash flow from operations. For as long as the Company owns the Rivier Property, the Company has a commitment to make annual advance royalty payments of \$10,000 to the former property owner commencing in April 2021.

As at September 30, 2020, current assets were \$137,177 of which \$128,342 was cash and \$4,876 was the fair value of equity investments. Current liabilities were \$67,059, resulting in working capital of \$70,118. During the period ended September 30, 2020, the Company completed a private placement financing for gross proceeds of \$500,000 of which a portion of the funds were used to settle existing liabilities and the remainder being used for general working capital purposes. The Company has also proposed another private placement financing to raise proceeds of up to \$900,000.

The Company has primarily funded its operations through the issuance of equity financing. The Company expects its current capital resources to be sufficient to cover its corporate operating costs but not potential future mineral property acquisitions or exploration expenditures through the next twelve months. As such, the Company will seek to raise additional capital with the proposed equity financing and believes it will be able to do so, but recognizes the uncertainty attached thereto. Actual funding requirements may vary from those planned due to a number of factors, including the progress of property acquisition and exploration activity.

Related Party Transactions

See Note 11 of the condensed interim financial statements for the period ended September 30, 2020 for details of related party transactions which occurred in the normal course of business.

Other Data

Additional information related to the Company is available for viewing at www.sedar.com.

Share Position and Outstanding Share Purchase Warrants and Options

As at the date of this Interim MD&A, the Company had 25,261,308 common shares issued and outstanding and the following share purchase warrants and incentive stock options are currently outstanding:

<u>SHARE PURCHASE WARRANTS</u>		
No. of warrants	Exercise price	Expiry date
5,000,000	\$0.15	February 11, 2021
<u>STOCK OPTIONS</u>		
No. of options	Exercise price	Expiry date
141,000	\$0.75	July 19, 2022
460,000	\$0.10	May 2, 2029
25,000	\$0.14	May 27, 2030
626,000		

Accounting Policies and Basis of Presentation

The Company's significant accounting policies are presented in the audited financial statements for the year ended December 31, 2019.

Future Accounting Changes

The Company will be required to adopt the following standards and amendments issued by the IASB as described below.

IFRS 17 Insurance Contracts

IFRS 17 is a new standard that requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4, *Insurance Contracts*, and related interpretations.

This standard will be effective for the Company's annual period beginning January 1, 2021. The Company has assessed that the impact of IFRS 17 on its financial statements would not be significant.

Risks and Uncertainties*Global Pandemic*

The Company faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions. The Company's business could be adversely impacted by the effects of the COVID-19 coronavirus which was declared a global pandemic by the World Health Organization in March 2020. COVID-19 infections have been reported globally.

The extent to which COVID-19 may impact the Company's business, including its operations and the market for its securities, will depend on future developments which cannot be predicted, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the outbreak. The continued spread of COVID-19 globally could materially and adversely impact the Company's business, financial condition and results of operations including without limitation, employee health, workforce productivity, increased insurance premiums, limitations

on travel, the availability of industry experts and personnel, restrictions to any drill programs and/or the timing to process drill and other metallurgical testing, and other factors that will depend on future developments beyond the Company's control.

The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in consumer activity. Such public health crises can result in operating and supply chain delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation.

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities.

Joint Venture Funding Risk

The Company's strategy includes seeking partners through joint ventures to fund exploration and project development. The main risk of this strategy is that funding partners may not be able to raise sufficient capital in order to satisfy exploration and other expenditure terms in a particular joint venture agreement. As a result, exploration and development of one or more of the Company's property interests may be delayed depending on whether the Company can find another partner or has enough capital resources to fund the exploration and development on its own.

Commodity 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 or attract joint venture partners in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of one of its mineral properties to a third party.

Financing and Share Price Fluctuation Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties.

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.

Political and Regulatory Risks

The Company is currently operating in Canada which has a stable political and regulatory environment. However, changing political aspects may affect the regulatory environment in which the Company operates.

Insured and Uninsured Risks

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company.

Environmental and Social Risks

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present. Social risks are considered low in Canada, the principal country of operation of the Company, but a change in social expectations could add new layers of risk to the viability of exploration and development properties.

Competition

The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.