



## **Management's Discussion and Analysis For the Nine Months Ended April 30, 2022 and 2021**

### **DATE AND SUBJECT OF REPORT**

The following is management's discussion and analysis ("MD&A") in respect of the results of operations and financial position of St. Anthony Gold Corp. (formerly Maxtech Ventures Inc. ("St. Anthony Gold" or the "Company") for the three and nine months ended April 30, 2022 and 2021 and should be read in conjunction with the unaudited condensed interim consolidated financial statements (the "financial statements") for the nine months ended April 30, 2022 and 2021. The financial statements and MD&A of the Company are presented in Canadian dollars and prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. References to "US\$" are to United States dollars. Additional information relating to the Company's operations and activities can be found by visiting the Company's website at [www.St.AnthonyGold-ventures.com](http://www.St.AnthonyGold-ventures.com). You may also access the Company's disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com).

The first, second, third and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3" and "Q4", respectively. The years ended July 31, 2021 and 2020, are also referred to as "fiscal 2021" and "fiscal 2020".

The effective date of this MD&A is June 29, 2022.

### **FORWARD-LOOKING INFORMATION**

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company, including but not limited to statements with respect to the Company's plans or future financial or operating performance, the estimation of mineral reserves and resources, conclusions of economic assessments of projects, the timing and amount of estimated future production, costs of future production, future capital expenditures, costs and timing of the development of deposits, success of exploration activities, permitting time lines, requirements for additional capital, sources and timing of additional financing, realization of unused tax benefits and future outcome of legal and tax matters.

The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate", "believe", "estimate", "expect", "budget", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

The statements reflect the current beliefs of the management of the Company and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include but are not limited to risks related to international operations; risks related to general economic conditions; actual results of current exploration activities and unanticipated reclamation expenses; fluctuations in prices of gold and other commodities; fluctuations in foreign currency exchange rates; increases in market prices of mining consumables; possible variations in mineral resources, grade or recovery rates; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which the Company operates; as well as other factors.

The Company's management periodically reviews information reflected in forward-looking statements. The Company has and continues to disclose in its MD&A and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

The operations of the Company are speculative due to the high-risk nature of its business which is the exploration of mining properties. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations. These risk factors could materially affect the Company's future operating

results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. Readers should refer to Risks and Uncertainties below.

## **DESCRIPTION OF BUSINESS**

St. Anthony Gold was incorporated on April 19, 2000 under the laws of the province of British Columbia, Canada. The Company's shares are traded on the Canadian Securities Exchange (the "CSE") under the symbol "STAG". The Company is in the business of exploration and evaluation of mineral property interests in Canada.

The head office, principal address and records office of the Company are located at 702 – 595 Howe Street, Vancouver, B.C. V6C 2T5.

On November 12, 2021, the Company consolidated its issued share capital on a ratio of four (4) old common shares for every one (1) new post-consolidated common share (the "Share Consolidation"). The current and comparative references to the common shares, weighted average number of common shares, loss per share, exploration and evaluation asset, stock options and warrants have been restated to give effect to this Share Consolidation.

## **DIRECTORS AND OFFICERS OF THE COMPANY**

The Board of Directors of the Company consists of Peter Wilson, Eugene Hodson and Mario Drolet. Santokh Sahota resigned June 1, 2022. The management team of the Company is comprised of Peter Wilson (CEO and Director) and Stephen Brohman, CPA, CA (CFO).

## **OUTLOOK**

The Company is focused on the exploration of its mineral properties, as well as defining and expanding its mineral resources both through exploration programs, staking, and acquisition. The Company intends to seek additional financing to support these activities. The Company also intends to seek out accretive acquisition opportunities to increase shareholder value

## **GOING CONCERN**

The financial statements are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. As at April 30, 2022 the Company is not able to finance day to day activities through operations and had recurring losses since inception. For the nine months ended April 30, 2022, the Company incurred a net loss of \$2,855,949. As of that date, the Company had a deficit of \$23,555,203 and a working capital deficit of \$161,313. Although the Company had completed a financings in the past, there is no certainty that additional financing at terms that are acceptable to the Company will be available going forward, and an inability to obtain financing would have a direct impact on the Company's ability to continue as a going concern. These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with the proceeds from equity financings.

These financial statements do not reflect the adjustments to the carrying values and classifications of assets and liabilities that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

## EXPLORATION AND EVALUATION ASSETS

	Panama Lake Gold Project	James Bay Project	St. Anthony Gold Project	Other	Total
	\$	\$	\$	\$	\$
<b>Balance, August 1, 2020</b>	735,090	5,000	-	13,703	753,793
Acquisition	100,000	-	572,264	-	672,264
Administration	-	535	23,730	-	24,265
Construction	-	-	471,193	-	471,193
Geologist and consulting	1,678	-	126,741	-	128,419
Travel	795	-	18,655	-	19,450
Impairment	-	-	-	(13,703)	(13,703)
<b>Balance, April 30, 2021</b>	<b>837,563</b>	<b>5,535</b>	<b>1,212,583</b>	<b>-</b>	<b>2,055,681</b>
<b>Balance, August 1, 2021</b>	<b>839,564</b>	<b>5,535</b>	<b>1,838,597</b>	<b>-</b>	<b>2,683,696</b>
Acquisition	100,000	-	-	-	100,000
Administration	-	-	211,158	-	211,158
Assay testing	-	-	37,412	-	37,412
Equipment rental	-	-	69,348	-	69,348
Geologist and consulting	-	-	210,752	-	210,752
Write-off	-	-	(2,367,267)	-	(2,367,267)
<b>Balance, April 30, 2022</b>	<b>939,564</b>	<b>5,535</b>	<b>-</b>	<b>-</b>	<b>945,098</b>

### Panama Lake Gold Project

On October 22, 2019, the Company entered into an option agreement with Benton Resources Inc. (“Benton”) to acquire the right to acquire a 100% interest in Benton’s Panama Gold Project in the Red Lake Mining district, Ontario. The purchase and sale of the claims is to be achieved in stages and is conditional upon the following:

- Acceptance for filing of the agreement on behalf of the issuer by the Canadian Securities Exchange (completed);
- The issuance of 500,000 shares upon signing the agreement (issued at a fair value of \$170,000 (\$0.34 per share));
- The payment of either \$100,000 cash or the equivalent value in common shares (issued 416,667 common shares at a fair value of \$100,000 (\$0.24 per share)) (expenditures by the issuer of \$200,000 (incurred) on the property by the first anniversary; and
- The payment of either \$100,000 cash or the equivalent value in common shares (issued on December 10, 2021 - 808,375 common shares at a fair value of \$100,000 (\$0.12 per share)) and expenditures by the issuer of \$250,000 (incurred) on the property by the second anniversary.

At this stage, the Company will have earned an initial 50% interest in the Project. To earn an additional 20% interest, the following is required:

- The payment of either \$100,000 cash or the equivalent value in common shares and expenditures by the issuer of \$250,000 on the property by the third anniversary.

At this stage, the Company will have earned a 70% interest in the Project. To earn the final 30% interest, the following is required:

- The payment of either \$300,000 cash or the equivalent value in common shares and expenditures by the issuer of \$300,000 on the property by the fourth anniversary.

The Panama Lake Gold Project originally comprised 77 single and multi-cell claims totaling 9,886 hectares (99 sq km). Since then, the Company acquired three additional multi-cell blocks to the southwest covering nearly 10 sq km, to cover an area where historical work by Goldcorp completed soil geochemical surveys and where recent aeromagnetic data indicate features of interest. To the northeast, three additional multi-cell blocks covering just over 10 sq km were staked to cover the Upper Slate Lake area, bringing the property total to 11,886 hectares (11.9 sq km).

A prospecting-exploration program was carried out on the Panama Lake Gold Project by the Company from May 15 to June 1, 2020. Just over 1,800 meters of drilling was completed in four holes. Observations made in the field during this two-week long program have largely corroborated previous geological mapping by the Ontario Geological Survey and previous workers in terms of the volcanic and sedimentary lithologies found on the Project.

### **James Bay Project**

In January 2020, the Company signed a land package acquisition in James Bay Quebec. The Company owns 100% of the James Bay Project in a gold district in the same greenstone belt as the recent Azimut Exploration Elmer Property.

### **St. Anthony Gold Project**

On October 9, 2020 (the "Effective Date"), the Company entered into a Definitive Joint Venture Earn-in Agreement (the "JV Agreement") with Magabra Resources Inc. ("Magabra"), which superseded a Letter of Intent dated August 10, 2020. Pursuant to the JV Agreement, the Company and Magabra will jointly explore a series of claims compiling the St. Anthony Gold Project located in the Kenora-Patricia mining district in Ontario, Canada.

Pursuant to the JV Agreement, the Company could earn an initial 8% interest (the "First Option") as follows:

- Issuing to Magabra a total of 1,000,000 common shares (issued at a fair value of \$260,000 (\$0.26 per share)) (note 4(e));
- Payment of \$300,000 to Magabra (paid);
- Completing a financing of at least \$3,000,000 within 30 days of the Effective Date; and
- Issuing to Magabra a total of 100,000 warrants with an exercise price of \$0.32 and a maturity date that is two years from issuance (issued at a fair value of \$12,264) (note 4).

The Company could earn an additional 8% interest (the "Second Option") as follows:

- On completion of the First Option, completing a financing of at least \$3,000,000 within 30 days.

The Company could earn an additional 34% interest (the "Third Option") as follows:

- On completion of the Second Option, completing a financing of at least \$12,000,000 within 12 months of the Effective Date.

On completion of the Third Option, the Company would have earned a 50% interest in the claims. Further, the JV Agreement includes the provision for a bonus payment to Magabra in the form of 1,000,000 common shares of the Company, so long as Magabra has a continued interest in the claims and upon completion of a National Instruments 43-101 compliant proven resource calculation for the first 1,000,000 ounces of gold identified, with an additional 250,000 common shares issuable for each additional 1,000,000 ounces under similar resource calculations.

Magabra will serve as project manager for all work programs to be conducted on the claims. As at April 30, 2022, the Company had advanced \$50,000 towards exploration work to an arm's length vendor.

On March 15, 2021, the Company and Magabra signed a new option agreement whereby the Company now has an exclusive right to acquire an undivided 100% interest in the St. Anthony gold mine property. The first phase of a 5,000 metre initial drill program continues and Magabra remains the operator in respect to drilling and production at the property.

Magabra and the Company have agreed to accelerate the first option of a 30% undivided interest in the property, which will be earned as follows. Under this first option, the Company's commitment to the first 5,000 metre drill program of approximately \$1,500,000 remains in place. The Company will issue to Magabra under a voluntary escrow agreement 7,500,000 restricted common shares with no one shareholder having greater than 10% of the issued and outstanding shares of the Company, such shares to be released as follows: 10% or 750,000 restricted shares issuance immediately with a 4 month hold legend, and 15% every 6 months thereafter with each release having the same terms. Magabra also has the right to appoint 2 directors to the board of the Company.

The Company has a second option to earn a total of 65% with an additional 35% interest in the property. This option will include the next drill phase of 10,000 metres at an approximated drill budget cost of \$1,500,000 per 5,000 metres. The Company will provide Magabra, as operator \$10,000,000 to be applied for further drilling and exploration operations on the property. Magabra will be required to produce a 43-101 report of mineral reserves after the 15,000 metre drill program to the Company.

The Company can acquire the remaining 35% interest for a full 100% ownership at the St. Anthony Gold Project by committing to another drill program for further exploration on the property of \$3,000,000.

To date, the Company has not issued the Restricted Share Consideration, nor has it appointed the directors (collectively, the "Obligations"). On March 31, 2022, the Company received formal termination of the JV Agreement between Magabra and the Company. The Company has decided to impair and fully write-off the St. Anthony Gold Project at this time.

## SELECTED ANNUAL INFORMATION

The following table summarizes selected financial data for St. Anthony Gold for each of the three most recently completed fiscal years. The information set forth below should be read in conjunction with the audited consolidated annual financial statements of the same years.

	Year ended July 31, 2021	Year ended July 31, 2020	Year ended July 31, 2019
	\$	\$	\$
Total assets	3,417,055	826,634	188,353
Total liabilities	545,529	586,662	347,733
Operating expenses	(951,268)	(1,016,418)	(505,454)
Gain on debt settlement	-	-	105,000
Impairment charges	(13,703)	(165,000)	(445,507)
Termination fee	-	(15,963)	-
Claim maintenance expense	-	(15,000)	-
Other income	128,297	36,964	-
Net loss	(836,674)	(1,175,417)	(845,961)
Basic and diluted loss per share	(0.03)	(0.02)	(0.02)

The Company has not earned revenue from operations and does not expect to earn revenue from operations in the near future.

## SUMMARY OF QUARTERLY RESULTS

The selected quarterly information for the past eight quarters is outlined below.

	2022			2021			2020	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Cash	44,878	24	39,803	95,257	180,890	154,117	198,804	59,716
Working capital deficit	(161,313)	(2,477,842)	(323,547)	(242,741)	(177,380)	(191,745)	(171,110)	(513,821)
Total assets	1,403,906	1,198,849	3,529,033	3,417,055	2,784,567	2,096,660	1,576,537	826,634
Shareholders' equity	833,785	649,115	2,971,957	2,871,526	2,238,005	1,741,571	1,191,813	239,972
Loss per share	(0.00)	(0.08)	(0.01)	(0.03)	(0.00)	(0.00)	(0.00)	(0.01)

The fluctuation of the Company's loss is mainly related to the amount of business activities done in each particular quarter plus various one-time expenses, asset impairments and other income. For the most recent quarter,

The Company is currently exploring current exploration and evaluation assets in addition to seeking new business opportunities and currently has consistent operations. Thus, its loss is not subject to seasonality in the past and the Company will curtail its expenses before successfully acquiring or developing a new business operation. Management expects the Company's quarterly results will fluctuate in the future with the amount of business activities conducted and the incidental events that may happen in the future.

## RESULTS OF OPERATIONS

### Three months ended April 30, 2022 and 2021

The Company incurred a net and comprehensive loss of \$130,830 for the three months ended April 30, 2022 compared to \$115,691 for the comparable period. The Company had decreased operating activity for the three months ended April 30, 2022 versus the three months ended April 30, 2021, as illustrated by a decrease in operating expenses of approximately \$15,000, from approximately \$115,000 in the three months ended April 30, 2021 to approximately \$130,000 for the current quarter. The Company's current period operating expenses were largely consistent with those incurred during the three months ended April 30, 2021.

Within operating expenses, the most notable variations pertained to the following:

- Increase of approximately \$22,000 in consulting and management fees, from approximately \$53,000 during the three months ended April 30, 2021 to approximately \$75,000 for the current quarter ended April 30, 2022 due to a prepaid consulting services agreement with an arm's length party for market and mineral property interests consulting;
- Increase of approximately \$23,000 in professional fees, from approximately \$19,000 during the three months ended

April 30, 2021 to approximately \$42,000 for the current quarter ended April 30, 2022 due to increased professional fees related to mineral property activities and financings;

- decrease of approximately \$30,000 in office facilities and administration fees from approximately \$36,000 during the three months ended April 30, 2021 to approximately \$6,000 for the current quarter ended April 30, 2022. Due to decrease administrative activities; and
- increase of approximately \$5,100 in transfer agent and filing fees from approximately \$1,500 during the three months ended April 30, 2021 to approximately \$6,000 for the current quarter ended April 30, 2022. Due to decreased capital activity.
- decrease of approximately \$52,000 in public relations and advertising was recorded in the period due to the Company focusing on cash management.

All other operating expenses were comparable between periods.

### **Nine months ended April 30, 2022 and 2021**

The Company incurred a net and comprehensive loss of \$2,855,949 for the nine months ended April 30, 2022 compared to \$374,762 for the comparable period. The Company had increased operating activity for the nine months ended April 30, 2022 versus the nine months ended April 30, 2021, as illustrated by an increase in operating expenses of approximately \$59,000, from approximately \$433,000 in the nine months ended April 30, 2021 to approximately \$492,000 for the current quarter. The Company's current period operating expenses were largely consistent with those incurred during the nine months ended April 30, 2021.

Within operating expenses, the most notable variations pertained to the following:

- Decrease of approximately \$29,000 in consulting and management fees, from approximately \$240,000 during the nine months ended April 30, 2021 to approximately \$211,000 for the current quarter ended April 30, 2022 due to the decreased need for consultants on current operations;
- Increase of approximately \$68,000 in professional fees, from approximately \$72,000 during the nine months ended April 30, 2021 to approximately \$98,000 for the current quarter ended April 30, 2022 due to increased professional fees related to mineral property activities and capital financings;
- decrease of approximately \$49,000 in public relations and advertising fees from approximately \$56,000 during the nine months ended April 30, 2021 to approximately \$7,000 for the current quarter ended April 30, 2022. Due to decrease activities;
- Increase of approximately \$73,000 in share-based compensation from approximately \$nil during the six months ended April 30, 2021 to approximately \$73,000 for the current quarter ended April 30, 2022. Due to stock options issued to a consultant; and
- Increase of approximately \$2,367,000 in impairment of exploration and evaluation assets was recorded in the period due to the Company receiving termination notice from Magabra.

All other operating expenses were comparable between periods.

### **LIQUIDITY AND CAPITAL RESOURCES**

During the nine months ended April 30, 2022, the Company's cash outflows were approximately \$411,000 in respect of operating activities, compared to approximately \$589,000 for the comparative period ended April 30, 2021. Further, the Company realized approximately \$620,500 in cash flows from financing activities via share subscriptions from private placement, in the comparative period the issuance of shares/units for cash, net of share issue costs approximated \$2,085,000 for the period ended April 30, 2021. Lastly, the Company expended approximately \$260,000 in cash on investing activities associated with the exploration of the Company's mineral property interests and advances towards future exploration activities on the Company's St. Anthony Gold Project, at this time, the Company has written off all current and future expenses related to the St. Anthony Gold Project. The Company expended approximately \$1,312,000 on exploration and evaluation activities during the comparative period ended April 30, 2021.

The Company has relied on cash from financing activities to support its operations and investments. On April 30, 2022, the Company was in a working capital deficiency position.

Financing activities for the nine months ended April 30, 2022 consisted of the following:

- (a) On October 28, 2021, the Company received \$250,000 in advance to the financing which closed December 2, 2021. On December 2, 2021, the Company completed a first closing of a non-brokered private placement of up to \$1,000,000. The Company accepted subscriptions for 3,050,000 units at a price of \$0.10 per unit for gross proceeds of \$305,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at \$0.20 for a period of two years from the date of closing.

- (b) On March 7, 2022, the Company completed a first closing of a non-brokered private placement of up to \$750,000. The Company accepted subscriptions for 4,700,000 units at a price of \$0.08 per unit, for gross proceeds of \$376,000. (\$50,000 remains outstanding as subscriptions receivable).

The Company considers its components of shareholders' equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable level of risk.

The Company manages and adjusts the capital structure considering changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

The Company's capital is not subject to external restriction.

## **TRANSACTIONS WITH RELATED PARTIES**

- (a) During the nine months ended April 30, 2022, the Company paid or accrued \$122,000 in management and consulting fees to the Chief Executive Officer ("CEO") or a company controlled by the CEO (2021 - \$157,500). As at April 30, 2022, \$nil is included in due to related parties for amounts to the CEO or a company in which the CEO controls (July 31, 2021 - \$nil). As at April 30, 2022, \$50,000 is included in subscriptions receivable for amounts due from the CEO which relates to the March 7, 2022 non-brokered private placement.
- (b) During the nine months ended April 30 2022, the Company paid or accrued \$nil in geological consulting fees to a company controlled by the Company's former Vice President of Exploration ("VPE"), who had resigned in June 2020 (2021 - \$nil). As at April 30, 2022, \$6,215 is included in due to related parties for amounts due to the former VPE (July 31, 2021 - \$6,215).
- (c) During the nine months ended April 30, 2022, the Company paid or accrued \$46,700 in professional fees to a company in which the Chief Financial Officer ("CFO") has significant influence (2021 - \$30,735). As at April 30, 2022, \$27,763 is included in due to related parties for amounts owing to this company (July 31, 2021 - \$6,300).
- (d) There were no stock options granted to key management during the nine months ended April 30, 2022 and April 30, 2021.

## **PROPOSED TRANSACTIONS**

On June 1, 2022, the Company signed a purchase and sale agreement to sell all of its rights and title to the Panama Lake property held to Trillium Gold Mines Inc. ("Trillium"). See Subsequent Events.

## **SUBSEQUENT EVENTS**

On June 1, 2022, the Company signed a Purchase and Sale Agreement (the "P+S Agreement") to sell all of its rights and title to the Panama Lake Gold Project held to Trillium Gold Mines Inc. ("Trillium").

Pursuant to an Assignment and Assumption Agreement (the "A+A Agreement") to be entered into on the closing of the transactions contemplated by the P+S Agreement among Trillium and the Company, the Company will assign all of its rights and obligations under the original option agreement to Trillium. In addition, pursuant to the A+A Agreement, Benton will agree to consent to the assignment and will agree to register 100% of the property's title to Trillium while retaining its 50-per-cent ownership interest in the property until such time as Trillium fulfills its option to earn 100% interest.

Pursuant to the terms of the P+S Agreement, at closing, Trillium will pay the Company \$500,000 in cash and issue 1,000,000 common shares in the capital of Trillium. In the event Trillium acquires a 100% interest in the property, the Company may cause Trillium to exercise its buyback right under the option agreement to repurchase from Benton one-half of the 2% net smelter return royalty on the property and convey such repurchased 1% net smelter return royalty to the Company in exchange for a cash payment by the Company to Trillium of \$1,000,000. The common shares of Trillium issued under the P+S Agreement will be subject to a four-month holding period from the closing date. The P+S Agreement is subject to the approval of the TSX Venture Exchange and other applicable regulatory authorities.

The company announced that Santhokh Sahota has resigned from the board. Mario Drolet has been appointed to the board vacancy.

## **SHARE DATA**

As at the date of this MD&A, the Company has 39,315,725 common shares, 16,802,704 share purchase warrants, and 2,250,000 stock options outstanding.

## **OFF-BALANCE SHEET ARRANGEMENTS**

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

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the financial statements in conformity with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

See note 2 in the unaudited condensed interim consolidated financial statements for the nine months ended April 30, 2022 and 2021 for additional information.

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

There were no changes to the Company's accounting policies during the nine months ended April 30, 2022.

## **FINANCIAL INSTRUMENTS**

See notes 2 and 8 in the unaudited condensed interim consolidated financial statements for the nine months ended April 30, 2022 and 2021 for additional information.

## **CONTINGENCY**

The Company has received a statement of claim in respect of a mining property that the Company has abandoned. The Company is currently not in a position to determine what portion of the amount, if any, it will be liable for, but it is expected to be less than \$80,000 and the issuance of 250,000 common shares. As at April 30, 2022, the Company has accrued \$15,000 for claim maintenance fees that it has agreed to reimburse to the claimant. No other amounts have been accrued for as at April 30, 2022.

In June 2021, the Company was served with a small claims summons by a former consultant of the Company in respect of a disputed payment of \$20,000, the Company was subsequently issued with a judgement in respect of this claim. The Company has included this amount in accounts payable.

## **RISKS AND UNCERTAINTIES**

### **Risks of the Company's business include the following:**

**Risk of new business** - The Company is currently looking for new exploration properties and/or other new business opportunities. There is no guarantee that the Company can develop into a viable business.

**Conflicts of interest** - Certain directors of the Company also serve as directors and/or officers of other companies involved in real estate development or management. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

### ***Global pandemic***

In March 2020, there was a global outbreak of COVID-19 which has had a significant impact on businesses through the restrictions put in place by International governments regarding travel, business operations and isolation/quarantine orders. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's ability to raise capital or conduct exploration activities. There are travel restrictions and health and safety concerns in all areas in which the Company operates, that may prohibit or delay exploration programs from proceeding. Operations will depend on obtaining necessary field supplies, obtaining contractor services and safeguarding all personnel during the outbreak, which may be prohibitive or too costly. To date, the restricted nature of the Company's activities has not qualified it for the various Government wage and loan subsidies.



## **DISCLOSURE CONTROLS AND PROCEDURES**

Venture issuers are not required to include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109"). In particular, the Company's certifying officers are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation are recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's generally accepted accounting principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company's certifying officers to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.