

Waraba Gold Limited
(formerly Zenith Exploration Inc.)

Management's Discussion and Analysis

For the Year Ended July 31, 2020

General

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the consolidated financial statements and related notes thereto of Waraba Gold Limited (formerly Zenith Exploration Inc.) (the "Company") for the years ended July 31, 2020 and 2019, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board ("IASB"). All amounts in the consolidated financial statements and this discussion and analysis are presented in Canadian dollars, unless otherwise indicated. This MD&A is dated November 27, 2020 and discloses specified information up to that date.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the consolidated financial statements and MD&A, is complete and reliable.

All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted. This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at www.sedar.com.

Description of Business

On October 23, 2020, the Company changed its name to Waraba Gold Limited. The Company is a resource exploration company that is acquiring and exploring mineral properties. The Company is a reporting issuer in the provinces of British Columbia and Alberta.

Highlights – Year Ended July 31, 2020

During the year ended July 31, 2020, the Company completed a plan of arrangement with its two former subsidiaries, High Point Exploration Inc. ("High Point") and Top Exploration Inc. ("Top Exploration"). Pursuant to the plan of arrangement, the Company transferred the Mantle Property to High Point and the Golden Girl Property to Top Exploration.

On May 22, 2020, the Company closed a non-brokered private placement and issued 10,000,000 units at a price of \$0.02 per unit. Each unit consist of one common share of the Company and one common share purchase warrant, whereby each warrant entitles the holder thereof to acquire one additional common share of the Company for a total period of five years from the date of issuance at a price of \$0.05 per share. As a result, the Company raised gross cash proceeds of \$200,000 and incurred \$4,261 in share issuance costs in connection with the transaction. The units were issued to certain officers and directors of the Company.

Exploration and evaluation assets

Scotch Creek Property

On November 14, 2017, the Company entered into a definitive agreement to purchase eight (8) mineral claims covering 1,384.12 hectares comprising the Scotch Creek Property in the Kamloops Mining Division of British Columbia. In connection with the Scotch Creek Property agreement, the Company and vendors have also executed a royalty deed agreement pursuant to the terms and consideration of which the vendors shall receive a net smelter return royalty of 2% from the Company. Brent Hahn and Barry Hartley, both directors and officers of the Company, are vendors of the property.

In consideration for a 100% undivided interest in the property, the Company issued 15,000,000 common shares for total consideration of \$300,000.

As at July 31, 2020, the Company incurred total exploration and evaluation costs of the Scotch Creek Property of \$347,657.

Golden Girl Property

On November 15, 2018, the Company entered into a purchase agreement to acquire a 100% interest in the Golden Girl Property located in B.C. for the following consideration:

- \$1,000 cash upon signing of the agreement (paid);
- \$11,000 as a retainer for maintaining exploration for the benefit of the Golden Girl Property in the years 2018 and 2019, upon the signing of the agreement (paid); and
- 200,000 common shares of the Company to be issued on November 15, 2018 (issued).
- Vendor shall receive a 1% net smelter return royalty.

The Company incurred total exploration and evaluation costs on the Golden Girl Property of \$88,682 prior to its transfer to Top Exploration.

Mantle Property

On November 15, 2018, the Company entered into a purchase agreement to acquire a 100% interest in the Mantle Property located in B.C. for the following consideration:

- \$1,000 cash upon the signing of the agreement (Paid);
- \$11,000 as a retainer for maintaining exploration for the benefit of the Mantle Property in the years 2018 and 2019, upon the signing of the agreement (paid); and
- 200,000 common shares of the Company to be issued on November 15, 2018 (issued).
- Vendor shall receive a 1% net smelter return royalty.

The Company incurred total exploration and evaluation costs on the Mantle Property of \$92,063 prior to its transfer to High Point.

Lac Matchi Property

Effective April 5, 2019, the Company provided the Optionor with formal notice to terminate the Lac Matchi Option Agreement. As a result of the notice, the Company has written off the Lac Matchi property, recording an impairment of \$32,732 during a prior year.

During the period ended, July 31, 2020, the Company recorded \$9,955 in BC Mineral Exploration Tax Credits ("BCMETS") as a reduction to the exploration and evaluation assets and \$41,017 as tax recovery in the statements of loss and comprehensive loss for a total tax credit receivable balance of \$50,972.

Selected Annual Information

The following table sets out selected annual financial results from the audited consolidated financial statements:

Years ended July 31,	2020	2019	2018	2017
	\$	\$	\$	\$
Expenses	152,054	492,675	60,089	5,970
Other income (expenses)	46,117	(32,732)	724	-
Net loss for the year	(105,937)	(525,407)	(59,365)	(5,970)
Loss per share	(0.00)	(0.02)	(0.00)	(0.02)
Total assets	540,551	634,217	785,632	130

Results of Operations

	Three months ended July 31,		Years ended July 31,	
	2020	2019	2020	2019
Expenses				
Consulting fees	\$ -	\$ -	\$ -	\$ 10,000
Management fees	102,125	-	102,125	220,000
Office and miscellaneous	19	53	108	495
Professional fees	3,012	25,244	32,576	78,101
Project generation	-	-	-	9,618
Regulatory fees	1,745	1,995	13,361	20,357
Share-based payments	-	-	-	138,655
Shareholder information	-	7,979	55	9,593
Transfer agent	919	3,901	3,829	5,856
	\$ (107,820)	\$ (39,172)	\$ (152,054)	\$ (492,675)
Other Items				
Gain on deconsolidation	5,100	-	5,100	-
Government tax credits	41,017	-	41,017	-
Property impairment	-	-	-	(32,732)
Loss and comprehensive loss for the period	\$ (61,703)	\$ (39,172)	\$ (105,937)	\$ (525,407)
Loss per share – basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.02)
Weighted average number of common shares outstanding	36,685,300	28,796,311	30,736,302	26,755,875

Three Months Ended July 31, 2020 and 2019

Net Loss and Expenses

The net loss and total expenses for the quarter ended July 31, 2020 were \$61,703 compared to \$39,172 for the quarter ended July 30, 2019, representing an increase of \$22,531 in net loss.

Total expenses for the quarter ended July 31, 2020 were \$107,820 compared to \$39,172 for the quarter ended July 30, 2019, representing an increase of \$68,648 in total expenses.

Major variances in expenses are as follows:

- For the quarter ended July 31, 2020, management fees and consulting fees totals are \$102,125 compared to \$Nil for the quarter ended July 31, 2019. The increase was attributable to payments done to officers and directors of the Company during the last quarter of the current comparable year.

- For the quarter ended July 31, 2020, professional fees are \$3,012 compared to \$25,244 for the quarter ended July 31, 2019. The decrease was attributable to a decrease in legal activity during the current year. During the prior year, the Company formed two wholly owned subsidiaries and commenced trading on the Canadian Securities Exchange.

Other Items

- During the quarter ended, July 31, 2020, the Company recorded \$41,017 (2019 - \$Nil) in BC Mineral Exploration Tax Credits ("BCMETC") as tax recovery in the statements of loss and comprehensive loss in connection to the Golden Girl Property and the Mantle Property. During the year ended July 31, 2020, the properties were transferred to former subsidiaries of the Company.

Years Ended July 31, 2020 and 2019

Net Loss and Expenses

The net loss and total expenses for the year ended July 31, 2020 were \$105,937 compared to \$525,407 for the year ended July 31, 2019, representing a decrease of \$419,470 in net loss.

Total expenses for the quarter ended July 31, 2020 were \$152,054 compared to \$492,675 for the quarter ended July 30, 2019, representing a decrease of \$340,621 in total expenses.

Major variances in expenses are as follows:

- For the year ended July 31, 2020, management fees and consulting fees totals are \$102,125 compared to \$230,000 for the year ended July 31, 2019. The decrease was attributable to a decrease in the Company's activity during the current year compared to prior year wherein the Company formed two wholly owned subsidiaries and commenced trading on the Canadian Securities Exchange;
- For the year ended July 31, 2020, professional fees are \$32,576 compared to \$78,101 for the year ended July 31, 2019. The decrease was attributable to a decrease in legal activity during the current year. During the prior year, the Company formed two wholly owned subsidiaries and commenced trading on the Canadian Securities Exchange.
- For the year ended July 31, 2020, shareholder information expenses are \$55 compared to \$9,593 for the year ended July 31, 2019. The decrease is related to the annual general meeting expenses incurred during the prior year.
- For the year ended July 31, 2020, project generation are \$Nil compared to \$9,618 for the year ended July 31, 2019. During the year ended July 31, 2020, the Company completed a plan of arrangement with its two former subsidiaries, High Point and Top Exploration. Pursuant to the plan of arrangement, the Company transferred the Mantle Property to High Point and the Golden Girl Property to Top Exploration, therefore all expenses incurred during the current year related to the Scotch Creek Property and the Company has recorded as exploration and evaluation assets in the balance sheet.

Other Items

- During the year ended, July 31, 2020, the Company recorded \$41,017 (2019 - \$Nil) in BC Mineral Exploration Tax Credits ("BCMETC") as tax recovery in the statements of loss and comprehensive loss in connection to the Golden Girl Property and the Mantle Property. During the year ended July 31, 2020, the properties were transferred to former subsidiaries of the Company.
- In the prior year, the Company wrote off the Lac Matchi property resulting in an impairment of \$32,732. No impairments were recorded during the current year ended July 31, 2020.

Selected Quarterly Information

The following selected financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's consolidated financial statements. All dollar amounts are in Canadian dollars.

Quarter Ended	Loss for the period	Loss per Share (Basic & Diluted)	Total Assets	Interest Income
July 31, 2020	\$61,703	\$0.00	\$540,551	\$Nil
April 30, 2020	\$7,947	\$0.00	\$409,765	\$Nil
January 31, 2020	\$10,324	\$0.00	\$414,043	\$Nil
October 31, 2019	\$25,963	\$0.00	\$424,638	\$Nil
July 31, 2019	\$39,172	\$0.00	\$634,217	\$Nil
April 30, 2019	\$142,414	\$0.01	\$682,314	\$Nil
January 31, 2019	\$293,534	\$0.01	\$731,776	\$Nil
October 31, 2018	\$50,287	\$0.00	\$831,947	\$Nil
July 31, 2018	\$12,805	\$0.00	\$785,632	\$Nil

Financial Condition, Liquidity and Capital Resources

At July 31, 2020, the Company had working capital of \$179,774 (2019 - \$133,283). The Company does not currently have an active business generating positive cash flows. The Company is reliant on equity financing or shareholder loans to provide the necessary cash to acquire or participate in an active business. There can be no assurance that equity financings will be available to the Company in the future that will be obtained on terms satisfactory to the Company.

On May 22, 2020, the Company closed a non-brokered private placement and issued 10,000,000 units at a price of \$0.02 per unit for gross cash proceeds of \$200,000. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable into one additional common share of the Company at a price of \$0.05 per share for a period of 5 years. The Company incurred \$4,262 in share issuance costs. The shares were issued to certain officers and directors of the Company.

On November 19, 2020, the Company closed a non-brokered private placement and issued 8,500,000 units at a price of \$0.20 per unit for total gross proceeds of \$1,700,000. Each unit consists of one common share and one share purchase warrant. Each warrant will entitle the holder thereof to acquire one additional common share at a price of \$1.00 per common share for 12 months following the closing date of the non-brokered private placement. The Company intends to use the proceeds for general working capital and business development purposes.

Related Party Transactions

Payments to key management and directors during the year ended July 31, 2020 and 2019 were as follows:

	July 31, 2020	July 31, 2019
Management fees paid to officers or to companies controlled by officers	\$ 102,125	\$ 220,000
Consulting fees paid to directors	-	10,000
Share-based payments	-	138,655
Total compensation	\$ 102,125	\$ 368,655

On May 22, 2020, the Company completed a private placement comprised of 10,000,000 units of the Company at a price of \$0.02 per unit for total proceeds of \$200,000. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable into one additional common share of the Company at a price of \$0.05 per share for a period of 5 years. The shares were purchased by two directors of the Company.

Included in receivables as at July 31, 2020 is \$1,415 (July 31, 2019 - \$1,415) due from directors.

As at July 31, 2020 and 2019, no amounts are due to directors.

On October 14, 2020, the Company announced the resignation of Barry Hartley as director and Chief Financial Officer and Brent Hahn as Chief Executive Officer. Mohammad Shaygan has been appointed to the board of directors and Chief Executive Officer of the Company. Jesse Hahn has been appointed as interim Chief Financial Officer.

On October 27, 2020, the Company announced the resignation of Mohammad Shaygan as a Director and Chief Executive Officer and Jesse Hanh as Corporate Secretary. Carl Esprey has been appointed to the board of directors and Chief Executive Officer of the Company. Shimmy Posen has been appointed as Corporate Secretary.

Accounting Policies

The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations and may require management to make judgements or rely on assumptions about matters that are inherently uncertain. The Company's results of operations are reported using policies and methods in accordance with IFRS. In preparing consolidated financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the year. Management reviews its estimates and assumptions on an ongoing basis using the most current information available.

Critical Accounting Estimates

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the condensed consolidated financial statements are as follows:

- i) **Going concern**
Management has determined that the Company will be able to continue as a going concern for the next year.
- ii) **Economic recoverability and probability of future benefits of exploration and evaluation costs**
Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Financial Instruments and Capital Management

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 is not exposed to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

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. The Company is not exposed to interest rate risk.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

Fair value

The Company's financial instruments consist of cash, receivables, due from former subsidiaries and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these investments. Cash is measured at fair value using Level 1 inputs.

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.

COVID-19

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in future periods.

Contingencies

The Company is not aware of any contingencies or pending legal proceedings as at the date of this report.

Additional share information

As at July 31, 2020, the Company had 38,796,411 (July 31, 2019 – 28,796,411) common shares outstanding. At the date of this report, the Company had 46,395,786 common shares outstanding.

As at July 31, 2020, the Company had 2,879,641 stock options and 10,000,000 warrants outstanding. As at the date of this report, the Company had Nil stock options and 17,599,375 warrants outstanding.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. It should be read in conjunction with all other disclosure documents provided by the Company, which can be accessed at www.sedar.com. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented herein.

Cautionary Statement on Forward Looking Information

Certain statements contained in this document constitute “forward-looking statements”. Such 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 future results, performance, or achievements expressly stated or implied by such forward-looking statements.