

# SIXTY NORTH GOLD MINING LTD.

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED OCTOBER 31, 2020

---

The management's discussion and analysis ("MD&A") reports on the financial condition and operating results of Sixty North Gold Mining Ltd. ("Sixty North" or the "Company") and factors that are reasonably expected to impact future operations and results. This discussion and analysis should be read in conjunction with the Company's audited financial statements for the year ended October 31, 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are expressed in Canadian dollars unless otherwise indicated. Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com). This management's discussion and analysis is dated February 25, 2021.

Some of the statements set forth are forward-looking statements relating to the Company's expected future operating results. The forward-looking information reflects the Company's current expectations and assumptions and are subject to a variety of risks and uncertainties. Although the Company believes that the assumptions on which the forward-looking information is based are reasonable, no assurance can be given that these assumptions will prove correct. Investors are advised to consider the risk factors identified under the heading "Risks and Uncertainties" in this report for a discussion of the factors that could cause the Company's actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking information.

### **Description of Business and Overview**

The Company was incorporated on July 7, 2016, pursuant to the *Business Corporations Act* (British Columbia). On November 9, 2017, the Company also became registered as an extra-territorial corporation under Part XXI of the Business Corporations Act of the Northwest Territories.

The Company's head office is located at Suite 1909 – 108 West Cordova Street, Vancouver B.C. Canada V6B 0G5, and its registered and records offices are located at Suite 3200 - 650 West Georgia Street, Vancouver, British Columbia, V6B 4P7.

The principal business carried on and intended to be carried on by the Company is the acquisition, exploration and development of natural resource properties. Its principal exploration target is the exploration of gold in the Northwest Territories, where the Company holds an option to purchase an 80% interest, with the condition that the balance of 20% will be purchased for a 100% interest in the Mon Property ( "Mon Property" or the "Property"), upon reaching funding obligations (see "Mon Property" section below).

The Company's shares are listed on the Canadian Securities Exchange under the symbol "SXTY". The Company also trades on the Frankfurt Stock Exchange under the symbol "2F4" and, on the OTC Pink Market in the United States under the symbol "SXNTF".

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 future impact on the Company's ability to carry out its business operations is not currently determinable but management continues to monitor the situation.

# SIXTY NORTH GOLD MINING LTD.

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED OCTOBER 31, 2020

---

### Significant Events and Transactions:

Significant events and transactions during the year ended October 31, 2020 and to the date of this MD&A include the following:

- On February 22, 2021, the Company closed a non-brokered private placement of 7,012,286 units at \$0.055 per unit to raise gross proceeds of \$385,676. Each unit consists of one common share and one non-transferable share purchase warrant exercisable at \$0.08 per common share for two years from the issue date.
- On January 12, 2021, the Company announced that it has arranged a settlement of liabilities with certain directors and officers of the Company to settle \$187,300 in indebtedness for accrued management and consulting fees from the period March 1, 2020 to December 31, 2020, to be settled by the issuance of 3,746,000 common shares.
- On November 23 and October 29, 2020, the Company completed tranches of a non-brokered private placement of 5,807,846 units at \$0.065 per unit to raise gross proceeds of \$377,510. Each unit consists of one common share and one non-transferable share purchase warrant exercisable at \$0.10 per common share for two years from the issue date. The Company's directors and officers participated in the private placement. The securities have a hold period of four months and one day restricting resale. In connection with this private placement, the Company paid a cash commission of \$5,655 and issued agent's compensation warrants to purchase up to 86,996 shares, exercisable at \$0.10 per common share for two years from the issue date.
- On November 17, 2020, the Company entered into an option agreement ("Agreement") to acquire 100% interest in the Hangstone Property (the "Property"). The Property includes ten mineral claims comprised of an aggregate of 2,394 hectares, and is located in the mining district of the Northwest Territories. The vendor retains a 2% net smelter royalty ("NSR"), half of which may be purchased by the Company for \$1,000,000 any time prior to commercial production. The Company may earn the 100% interest in the Property by paying an aggregate cash of \$575,000, issuing an aggregate of 2,400,000 shares of the Company, and incurring an aggregate of \$1,015,000 exploration expenditures on the property over the period of 5 years. The Company issued 300,000 shares and paid \$15,000 in option payments.
- On August 13 and July 2, 2020, the Company completed tranches of a non-brokered private placement of 17,320,000 units at \$0.05 per unit to raise gross proceeds of \$866,000. Each unit consists of one common share and one non-transferable share purchase warrant exercisable at \$0.075 per common share for two years from the issue date, subject to accelerated exercise provisions if the closing price of the shares is greater than \$0.15 per share for a period of at least ten consecutive trading days. The Company's directors and officers participated in the private placement. The securities have a hold period of four months and one day restricting resale. In connection with this private placement, the Company paid a cash commission of \$56,940 and issued agent's compensation warrants to purchase up to 1,139,600 shares, exercisable at \$0.075 per common share for two years from the issue date.

# SIXTY NORTH GOLD MINING LTD.

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED OCTOBER 31, 2020

---

- On August 11, 2020, the Company completed a non-brokered private placement of 10,000,000 units at \$0.05 per unit to raise gross proceeds of \$500,000. Each unit consists of one common share and one non-transferable share purchase warrant exercisable at \$0.075 per common share for three years from the issue date. The securities have a hold period of four months and one day restricting resale. In connection with this private placement, the Company paid a cash commission of \$40,000 and issued agent's compensation warrants to purchase up to 800,000 shares, exercisable at \$0.075 per common share for three years from the issue date.

### Exploration and Evaluation Assets

#### The Mon Property

The Mon Property is located 45 kilometres north of Yellowknife, Northwest Territories, Canada, and consists of 11 contiguous mining leases and 3 mineral claims comprising an aggregate of 1,536.92 acres.

On July 8, 2016, the Company signed a letter of intent with New Discovery Mines Ltd. ("NDM") and then entered into an option agreement ("Agreement") on September 2, 2016. The Mon Property (the "Property") includes three NDM claims and eleven Mon Property leases, comprised of an aggregate of 1,536.92 acres, and is located in the mining district of the Northwest Territories. On June 14, 2017, the Company and NDM entered into a restated mineral property earn-in agreement ("Restated Agreement") effective as of September 2, 2016, and further amended the Restated Agreement on October 21, 2019 and April 24, 2020. The Property is subject to a pre-existing royalty agreement between NDM and Giauque Holdings Ltd. (the "Royalty Holder"), which provides for a 2.0% net smelter royalty ("NSR") reserved in favour of the Royalty Holder.

Pursuant to the amendment dated April 24, 2020, the Company paid an extension fee of \$150,000 to NDM during the year ended October 31, 2020.

In order to earn an 80% interest in the Property, the Company has committed to incurring cumulative exploration expenditures of at least \$6,000,000 on the Property as follows:

- i) On or before September 30, 2020, the Company shall deposit an additional \$1,500,000 to NDM to be spent towards exploration expenditures on the Property as agreed on the last approved budget; however, if substantial progress on a new equity financing for the Property is made by that time, the parties in good faith shall agree to extend this date to October 31, 2020 (\$1,294,117 paid as of the date of the MD&A);
- ii) On or before April 30, 2021, the Company shall deposit to NDM the balance of funds to make the Company's total exploration expenditures in the Property equal to \$6,000,000; however, if substantial progress on a new equity financing for the Property is made by that time, the parties in good faith shall agree to extend this date to May 31, 2021.

At October 31, 2020, a cumulative amount of \$3,504,850 (2019 - \$2,468,698) has been advanced towards or spent on exploration and acquisition costs on the Mon Property (see table below), of which \$3,210,433 (2019 - \$2,350,875) qualify for the exploration expenditures incurred towards the \$6,000,000 commitment.

# SIXTY NORTH GOLD MINING LTD.

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED OCTOBER 31, 2020

---

In the event that the Company earns its 80% interest in the Property, it will purchase the remaining 20% carried interest held by NDM by the issuance to NDM of the number of common shares of the Company equal to 25% of the total issued and outstanding shares of the Company at that time. NDM will also receive additional common shares of the Company to maintain its twenty-five percent interest of the total issued and outstanding shares of the Company, until the total expenditures specifically for the exploration and development of the A-Zone on the Property reaches a total of \$6,000,000. NDM is a private company that is 50% owned and controlled by the President and CEO of the Company.

In addition, the Property is subject to a minimum annual advanced royalty payment to the Royalty Holder of US\$20,000, which commenced in January 2017, and is payable on or before January 30th of each year. A deduction of 20% of all advance royalty payments may be made from the first year's NSR payments, and thereafter the balance of the advanced royalty payments may be deducted from future NSR payments.

During the year ended October 31, 2019, funds from a \$59,471 Mining Incentive Program Grant from the Government of the Northwest Territories were used on the Property to support its prospecting, biogeochemistry and trenching activities. The grant has been applied as a credit towards the carrying value of the Mon Property.

The Mon Property is an exploration stage property with no mineral reserves or resources as of this report date.

A Technical Report dated December 11, 2017, on the Property was prepared by David DuPre, P. Geo., and Kevin Fitzpatrick, P.Eng., the "qualified persons", as defined under National Instrument 43-101 ("NI 43-101") and can be viewed on [www.sedar.com](http://www.sedar.com).

### **The Hangstone Property**

On November 17, 2020, the Company entered into an option agreement ("Agreement") to acquire 100% interest in the Hangstone Property (the "Property"). The Property includes ten mineral claims comprised of an aggregate of 2,394 hectares, and is located in the mining district of the Northwest Territories. The vendor retains a 2% net smelter royalty ("NSR"), half of which may be purchased by the Company for \$1,000,000 any time prior to commercial production.

The Company may earn the 100% interest in the Property by:

- i) Paying \$15,000 in cash (paid), issuing 300,000 shares of the Company (issued), and incurring \$15,000 expenditures (incurred) on the Property upon signing the Agreement;
- ii) Paying \$20,000 in cash, issuing 400,000 shares of the Company, and incurring \$80,000 expenditures on the Property on or before first anniversary of the Agreement date;
- iii) Paying \$30,000 in cash, issuing 500,000 shares of the Company, and incurring \$120,000 expenditures on the Property on or before second anniversary of the Agreement date;
- iv) Paying \$60,000 in cash, issuing 500,000 shares of the Company, and incurring \$200,000 expenditures on the Property on or before third anniversary of the Agreement date;
- v) Paying \$150,000 in cash, issuing 700,000 shares of the Company, and incurring \$300,000 expenditures on the Property on or before fourth anniversary of the Agreement date; and
- vi) Incurring \$300,000 expenditures on the Property on or before fifth anniversary of the Agreement date.

# SIXTY NORTH GOLD MINING LTD.

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED OCTOBER 31, 2020

---

### Overall Performance and Results of Operations

#### Year ended October 31, 2020

The Company incurred a net loss of \$618,896 during the year ended October 31, 2020 compared to a net loss of \$523,875 during the year ended October 31, 2019. The significant changes were as follows:

- Corporate development costs were \$nil (2019 - \$24,000). The reduction is due to the termination of an agreement in the second quarter of 2019, that was entered into by the Company in 2018 with a consultant to provide business development and shareholder and investor communication services.
- Investor relation expenses increased to \$164,310 (2019 - \$128,238). The difference is primarily due to increase in consulting fee and marketing and communication expense.
- Professional fees of \$100,678 (2019 - \$73,849) include accounting, legal and audit expense. The increase is due to the increase in professional services availed.
- Transfer agent and filing fees of \$41,376 (2019 - \$57,694) decreased due to the Company's relisting from OTCQB to OTC Pink.
- Share-based payments of \$111,894 (2019 - \$69,505) relate to the stock options granted and vested during the period.

#### Three months ended October 31, 2020

The Company incurred a net loss of \$274,417 during the three months ended October 31, 2020 compared to a net loss of \$133,396 during the three months ended October 31, 2019. The significant changes were as follows:

- General and administration expenses of \$3,487 (2019 - \$6,818) decreased with decrease in insurance expense.
- Investor relation expenses increased to \$34,957 (2019 - \$25,441). The difference is due to increase in marketing and communication expense.
- Professional fees of \$67,461 (2019 - \$34,132) include accounting, legal and audit expense. The increase is due to the increase in professional services availed.
- Share-based payments of \$111,894 (2019 - \$11,945) relate to the stock options granted and vested during the period.

# SIXTY NORTH GOLD MINING LTD.

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED OCTOBER 31, 2020

---

### Summary of Quarterly Results:

Period Ended	2020 Oct 31	2020 Jul 31	2020 Apr 30	2020 Jan 31	2019 Oct 31	2019 Jul 31	2019 Apr 30	2019 Jan 31
Operation expenses	(274,417)	(125,106)	(109,816)	(113,421)	(148,488)	(129,203)	(160,151)	(126,649)
Net earnings (loss)	(274,417)	(125,106)	(109,816)	(109,557)	(133,396)	(124,904)	(147,226)	(118,349)
(Loss) earnings per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

### Liquidity and Solvency

As at October 31, 2020, the Company had cash of \$291,688 and working capital of \$124,619. The Company does not expect to generate revenues in the near future and will require additional funds to meet its commitments under the earn-in agreement with NDM and to continue operations. If the Company does not raise the required funds, it may not be able to meet its ongoing obligations. These circumstances may cast significant doubt as to the Company's ability to continue as a going concern and the appropriateness of the use of accounting principles applicable to a going concern.

During the year ended October 31, 2020, the primary uses of cash were operating activities - \$240,398 (2019 - \$309,504) and expenditures on the Mon Property - \$1,036,152 (2019 - \$392,313). The primary source of cash was issuance of shares for \$1,420,257 (2019 - \$722,777), net of issue cost.

As at October 31, 2020, a total of \$3,445,379 had been spent on exploration and acquisition, net of the MIP grant, on the Mon Property (\$294,417 of this relates to acquisition costs).

The Company is closely monitoring its cash requirements and evaluating various strategic and short-term alternatives.

There is no guarantee that the Company will obtain further future funding, and the amount, timing and nature of financing may be materially impacted by the economic climate in capital markets.

### Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements other than those described elsewhere in this report.

### Critical Accounting Policies and Estimates

Certain carrying amounts of assets and liabilities require judgements, assumption and estimates as the basis for determining the stated amounts. Examples of significant estimates made by management include the determination of mineralized reserves, estimating the fair values of financial instruments, impairment of long-lived assets, reclamation and rehabilitation provisions, valuation allowances for future income tax assets and

# SIXTY NORTH GOLD MINING LTD.

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED OCTOBER 31, 2020

---

assumptions used for valuation of warrants and share-based compensation. Actual results may differ from those estimates.

A detailed summary of all of the Company's significant accounting policies is included in Note 3 to the annual audited financial statements for the year ended October 31, 2020.

### **Changes in Accounting Policies**

Effective November 1, 2019, the Company adopted IFRS 16 Leases using the modified retrospective approach. The modified retrospective approach does not require restatement of prior period financial information as it recognizes the cumulative effect as an adjustment to opening retained earnings and applies the standard prospectively.

In applying IFRS 16 for the first time, the Company has used the following practical expedient permitted by the standard:

- the accounting for operating leases with a remaining lease term of less than 12 months as at November 1, 2019 as short-term leases.

Upon the adoption of IFRS 16, the Company adopted the following significant accounting policy effective November 1, 2019:

#### Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease liability is recognized at the commencement of the lease term at the present value of the lease payments that are not paid at that date. At the commencement date, a corresponding right-of-use asset is recognized at the amount of the lease liability, adjusted for lease incentives received, retirement costs and initial direct costs. Depreciation is recognized on the right-of-use asset over the lease term. Interest expense is recognized on the lease liabilities using the effective interest rate method and payments are applied against the lease liability.

### **Risks and Uncertainties**

The Company does not own the Mon Property, and only has a right to earn an interest therein pursuant to an option agreement. The Company must expend a total of \$6,000,000 on the Mon Property in order to acquire an 80% interest in the project, and then may acquire NDM's 20% interest by issuing shares, subject to a 2.0% net smelter returns royalty. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore.

There is no assurance that additional funding will be available for further operations or to fulfill its obligations under the applicable agreements. If the Company is unsuccessful in raising further funds, it may not earn any interest in the Mon Property.

# SIXTY NORTH GOLD MINING LTD.

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED OCTOBER 31, 2020

---

Companies in the mineral and exploration and development industry are subject to many risks including, but not limited to, infrastructure, government regulations, environmental issues, metal prices and currency fluctuations and uninsured and litigation risks. There is no assurance that the Company will be able to establish a practical working relationship with any First Nations in the area which would allow it to ultimately develop the Property.

Furthermore, the availability of services such as drilling contractors and geological service companies, and/or the terms on which these services are provided, may be adversely affected by global economic impacts on such service providers. Adverse effects on the capital markets generally may make the raising of capital by equity or debt financing much more difficult, and the Company is dependent upon the capital markets to raise further financing.

### Related Party Transactions

The Company defines key management personnel as officers and directors of the Company and/or entities controlled by them. During the year months ended October 31, 2020, the Company incurred the following key management compensation charges:

	Year ended October 31,	
	2020	2019
	(\$)	(\$)
<b>Management fees</b>		
Company controlled by the VP Corporate Development (former President & CEO), Ronald Handford	60,000	97,500
Director and CFO, John Campbell	60,000	60,000
Company controlled by the President & CEO, Dr. Dave R. Webb	60,000	5,000
	<u>180,000</u>	<u>162,500</u>
<b>Investor relations consulting fee</b>		
Director (former President & CEO), Gavin Kirk	51,000	22,500
	<u>51,000</u>	<u>22,500</u>
<b>Total</b>	<u>231,000</u>	<u>185,000</u>

On August 24, 2020, the Company granted 2,200,000 options to directors and officers of the Company. These options have an exercise price of \$0.08 per share and expire on August 24, 2025. The fair value of the stock options was estimated at \$110,637, using the Black-Scholes pricing model assuming risk-free interest rate of 0.35%, expected life of 5 years and expected volatility of 131%.

During the year ended October 31, 2020, the Company recorded a share-based payment of \$110,637 for options granted to the directors and officers of the Company. (2019 - \$40,434).

# SIXTY NORTH GOLD MINING LTD.

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED OCTOBER 31, 2020

---

During the period ended October 31, 2020, the Company incurred the following exploration and evaluation assets expenditure with the related parties:

- a) The Company paid \$26,594 (US \$20,000) (2019 - \$26,598) in annual advance royalty payments and \$150,000 (2019 - \$nil) in property option payments to Giauque Holdings Ltd (“Giauque”), a company controlled by the President & CEO.
- b) The Company paid \$10,400 (2019 - \$38,309) in Mon Property exploration expenditures to DRW Geological Consultants Ltd. (“DRW”), a company controlled by the President & CEO.
- c) The Company paid \$4,240 (2019 - \$23,035) in administration fee for Mon Property exploration expenditures to New Discovery Mines Ltd. (“NDM”), a company 50% owned by the President & CEO.

### Related Party Balance

As at October 31, 2020, accounts payable and accrued liabilities include \$151,000 (October 31, 2019 - \$37,103) payable to directors, officers, and companies controlled by directors and officers for accrued fees.

As at October 31, 2020, included in accounts payable and accrued liabilities is \$nil (October 31, 2019 - \$11,741) due to NDM for exploration expenditure.

### Other Transactions

On October 29, 2020, the Company completed a tranche of a non-brokered private placement of 2,397,300 units at \$0.065 per unit to raise gross proceeds of \$155,825. Each unit consists of one common share and one non-transferable share purchase warrant exercisable at \$0.10 per common share for two years from the issue date. The Company’s directors and officers participated in the private placement. The securities have a hold period of four months and one day restricting resale.

On August 13 and July 2, 2020, the Company completed the tranches of a non-brokered private placement of 17,320,000 units at \$0.05 per unit to raise gross proceeds of \$866,000. Each unit consists of one common share and one non-transferable share purchase warrant exercisable at \$0.075 per common share for two years from the issue date, subject to accelerated exercise provisions if the closing price of the shares is greater than \$0.15 per share for a period of at least ten consecutive trading days. The Company’s directors and officers participated in the private placement. The securities have a hold period of four months and one day restricting resale. In connection with this private placement, the Company paid a cash commission of \$56,940 and issued agent’s compensation warrants to purchase up to 1,139,600 shares, exercisable at \$0.075 per common share for two years from the issue date.

During the year ended October 31, 2020, fees to the Vice-President, Corporate Development of \$30,000 (2019 - \$62,000) were settled by the issuance of 500,000 (2019 – 1,100,000) common shares at \$0.06 per share.

During the year ended October 31, 2020, fees of \$30,000 (2019 - \$37,500) to the Chief Financial Officer were settled by the issuance of 500,000 (2019 – 600,000) common shares at \$0.06 per share.

# SIXTY NORTH GOLD MINING LTD.

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED OCTOBER 31, 2020

---

During the year ended October 31, 2020, fees of \$25,000 (2019 - \$22,500) to a director and former President & CEO were settled by issuance of 416,666 (2019 – 300,000) common shares at \$0.06 per share.

During the year ended October 31, 2020, fees of \$20,000 to the President & CEO were settled by issuance of 333,333 common shares at \$0.06 per share.

On June 20, 2019, the Company granted 500,000 options with a fair value of \$28,489 to a director and former President & CEO of the Company (cancelled on October 18, 2019).

On October 18, 2019, the Company granted 250,000 options with a fair value of \$7,466 to the President & CEO of the Company, and 150,000 options with a fair value of \$4,479 to the director and former President & CEO of the Company.

On December 28, 2018, the Company completed a brokered private placement for aggregate gross proceeds of \$550,000, whereby it issued 2,220,000 flow-through units at \$0.10 per unit and 4,100,000 non flow-through shares at \$0.08 per units. The Company's directors and officers participated in the private placement. Each flow-through unit consists of one flow-through common share and one-half non flow-through warrants, exercisable at \$0.15 per share until December 28, 2020, subject to acceleration provisions. Each non flow-through unit consists of one common share and one-half non flow-through warrants, exercisable at \$0.15 per share until December 28, 2020, subject to acceleration provisions. Gross proceeds from this private placement of \$423,600 were allocated to share capital and \$126,400 to warrants based on residual method. There was a flow-through premium of \$0.02 per share or \$44,440 which was recorded as a deferred flow-through premium which was recognized as other income as flow-through expenditures were incurred. The difference of \$379,200 between the gross proceeds of \$423,600 and the flow-through share premium of \$44,400 has been recognized as equity. In connection with this private placement, the Company paid a cash commission of \$38,500, legal and other expenses totalling \$79,682 and issued compensation options to the brokers to purchase 222,000 units at an exercise price of \$0.10 per unit and another 410,000 units at an exercise price of \$0.08 per unit until December 28, 2020. Each unit consists of one common share and one-half non-transferable share purchase warrant exercisable at \$0.15 per common share until December 28, 2020, subject to accelerated exercise provisions if the closing price of the shares is greater than \$0.30 per share for a period of at least ten consecutive trading days. The fair value of the brokers' compensation options was estimated using the Black-Scholes pricing model at \$32,714 and recorded as share issuance costs.

Unless otherwise noted, amounts due to related parties are non-interest bearing, unsecured and have no fixed terms of repayment. The above related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties.

# SIXTY NORTH GOLD MINING LTD.

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED OCTOBER 31, 2020

---

### Subsequent Events

- The Company has advanced a total of \$1,294,117 out of the \$1,500,000 towards exploration expenditures on the Mon Property. *(Note 4 & 11 of the Financial Statements)*
- On November 23, 2020, the Company completed the final tranche of a non-brokered private placement of 3,410,546 units at \$0.065 per unit to raise gross proceeds of \$221,685. Each unit consists of one common share and one non-transferable share purchase warrant exercisable at \$0.10 per common share for two years from the issue date. Certain directors and officers of the Company participated in the private placement. The securities have a hold period of four months and one day restricting resale.
- On November 17, 2020, the Company entered into an option agreement to acquire a 100% interest in the Hangstone Property in Northwest Territories in exchange for cash payments totaling \$275,000 and issuance of 2,400,000 common shares of the Company over a four-year period. The Company has also committed to incurring exploration expenditures totalling \$1,015,000 over a five-year period. The Company issued 300,000 shares and paid \$15,000 in option payments.
- On December 1, 2020, the Company made the annual royalty payment of \$25,904 (USD 20,000) to Giauque Holdings Ltd. due on January 30, 2021. *(Note 4 & 11 of the Financial Statements)*
- On December 28, 2020, 3,160,000 share purchase warrants exercisable at \$0.15 expired unexercised. *(Note 6 of the Financial Statements)*
- On December 28, 2020, 410,000 broker share options exercisable at \$0.08 and 222,000 broker share options exercisable at \$0.10 expired unexercised. *(Note 6 of the Financial Statements)*
- On January 12, 2021, the Company announced that it has arranged a settlement of liabilities with certain directors and officers of the Company to settle \$187,300 in indebtedness for accrued management and consulting fees from the period March 1, 2020 to December 31, 2020, to be settled by the issuance of 3,746,000 common shares. *(Note 10 of the Financial Statements)*
- On February 22, 2021, the Company closed a non-brokered private placement of 7,012,286 units at \$0.055 per unit to raise gross proceeds of \$385,676. Each unit consists of one common share and one non-transferable share purchase warrant exercisable at \$0.08 per common share for two years from the issue date.

### Guarantees and Commitments

Any contractual commitments and guarantees provided are discussed in Note 11 – Commitments, Note 4 – Exploration and Evaluations Assets, and Note 10 - Related Party Transactions and Balances of the financial statements.

# SIXTY NORTH GOLD MINING LTD.

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED OCTOBER 31, 2020

---

### Financial Instruments and Risks

#### Fair Values and Classifications

The Company's financial instruments consist of cash and accounts payable. Financial instruments are classified into one of the following categories: FVTPL, FVTOCI, or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	October 31, 2020	October 31, 2019
Cash	FVTPL	\$ 291,688	\$ 147,981
Accounts payable	Amortized cost	\$ 44,949	\$ 92,613

The Company measures certain financial instruments and other items at fair value. To determine the fair value, the Company uses the fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use to value an asset or liability and are developed based on market data obtained from independent sources. Unobservable inputs are inputs based on assumptions about the factors market participants would use to value an asset or liability. The three levels of inputs that may be used to measure fair value are as follows:

Level 1 – Observable inputs such as quoted prices in active markets;

Level 2 – Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly;  
and

Level 3 – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurements. Changes in the observability of valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy.

The fair value of cash is measured on the statement of financial position using level 1 of the fair value hierarchy. The fair values of accounts payable and due to contractor approximate their respective carrying values because of their immediate or short-term nature.

#### Financial Instrument Risk Exposure

The Company's financial instruments are exposed to certain financial risks, including credit risk, currency risk and liquidity risk.

# SIXTY NORTH GOLD MINING LTD.

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED OCTOBER 31, 2020

---

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and accounts receivable. The carrying amount of the financial assets represents the maximum credit exposure. The Company limits its exposure to credit risk on cash by placing these financial instruments with reputable and major financial institutions.

(b) Currency risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to rate fluctuations is minimal. The Company does not have significant foreign currency denominated monetary liabilities.

(c) Liquidity risk

Liquidity risk is associated with the inability to meet obligations as they become due and is minimized by maintaining sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period.

### Outstanding Share Data

The Company has authorized an unlimited number of common shares without par value.

As of the date of the MD&A, 106,469,464 common shares were issued and outstanding. 1,245,000 of these shares are held in escrow.

The outstanding warrants are as follows:

Number of Warrants	Exercise Price	Expiry Date
6,860,000	\$0.10	August 30, 2021
3,520,000	\$0.075	July 2, 2022
14,939,600	\$0.075	August 13, 2022
2,397,300	\$0.10	October 29, 2022
3,497,542	\$0.10	November 23, 2022
7,092,286	\$0.08	February 19, 2023
10,800,000	\$0.075	August 11, 2023
<b>49,106,728</b>		

# SIXTY NORTH GOLD MINING LTD.

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED OCTOBER 31, 2020

---

The outstanding and exercisable options are as follows:

Number of Outstanding Options	Number of Exercisable Options	Exercise Price	Expiry Date
150,000	150,000	\$0.15	September 1, 2021
300,000	75,000	\$0.10	September 21, 2021
1,850,000	1,850,000	\$0.15	April 17, 2023
1,025,000	1,025,000	\$0.20	June 20, 2023
125,000	125,000	\$0.20	August 31, 2023
500,000	500,000	\$0.05	June 20, 2024
400,000	400,000	\$0.075	October 18, 2024
2,200,000	2,200,000	\$0.08	August 24, 2025
<b>6,550,000</b>	<b>6,325,000</b>		

### Management's Responsibility for Financial Statements

Information provided in this report, including the consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes that such estimates have been based on careful judgments and have been properly reflected in the consolidated financial statements. Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

### Contact

Dr. Dave R. Webb, President & CEO

Suite 1909 – 108 West Cordova Street, Vancouver B.C. Canada V6B 0G5

Telephone: 604-818-1400

Fax: 604-357-1177

Email: [dave@drwgcl.com](mailto:dave@drwgcl.com)