AMERICAN PACIFIC MINING CORP.

MANAGEMENT DISCUSSION & ANALYSIS
(FORM 51-102F1)

FOR THE THREE MONTHS ENDED MARCH 31, 2022

(EXPRESSED IN CANADIAN DOLLARS)

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BACKGROUND

This Management Discussion and Analysis ("MD&A") of American Pacific Mining Corporation's ("APMC", "American Pacific" or the "Company") financial position and results of operations for the three months ended March 31, 2022 is prepared as at May 30, 2022. This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2022 and the supporting notes. Those unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

FORWARD-LOOKING INFORMATION

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.

This MD&A may contain forward-looking statements that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein.

Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

COMPANY OVERVIEW

The Company was incorporated under the Business Corporations Act (British Columbia) on July 1, 2017. The Company is engaged in the business of mineral exploration and its objective is to locate and develop mineral properties in Western United States.

The Company's head office, principal address, registered address and records office is Suite 910 - 510 Burrard Street, Vancouver, B.C., V6C 3A8, Canada.

The Company has two wholly-owned subsidiaries, American Pacific Mining (US) Inc. ("APM US") and Broadway Gold Corp. ("Broadway"). APM US was incorporated in Nevada, United States pursuant to Chapter 78 of the Nevada Revised Statutes on January 13, 2018. Broadway became a wholly-owned subsidiary of the Company on June 26, 2020.

The Company's shares are listed on the Canadian Securities Exchange (the "CSE") under the symbol "USGD". The Company's common shares commenced trading on the OTCQX Best Market (the "OTCQX") under the ticker symbol of "USGDF" on February 25, 2022.

COVID-19

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 Company could be adversely impacted by the effects of the coronavirus. The extent to which the coronavirus impacts the Company, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. The continued spread of the coronavirus globally could materially and adversely impact the Company's operations including, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, and restrictions to its drill programs, exploration and other metallurgical testing. To date, the Company has not had any adverse effects from the coronavirus.

DESCRIPTION OF BUSINESS

Eric Saderholm, P.Geo. and Philip Mulholland, P.Geo. are the designated Qualified Persons (QP) under National Instrument 43-101 (NI 43-101), who have reviewed and approved the technical information disclosed in this MD&A.

South Lida Project (Nevada, USA)

On July 1, 2017, the Company entered into a Claims Purchase Agreement (the "SL Claims Purchase Agreement") with David Saderholm (the "Trustee"), Eric Saderholm, Patricia Saderholm, Warwick Smith and Tarin Smith (collectively, the "Vendors") whereby the Vendors agreed to sell the South Lida Project in exchange for shares in the Company.

Pursuant to the SL Claims Purchase Agreement, the Company issued the Vendors a total of 1,000,000 common shares.

The acquisition of the South Lida Project is a related party transaction as two of the Vendors are officers and directors of the Company.

On April 5, 2022, the Company expanded its South Lida Project land package to 1,500 acres by staking 64 additional claims. An initial sampling program started in May 2022 to evaluate the new claims and to identify new targets on the property and data collected will be included in an updated NI 43-101 Technical Report expected later this year.

Tuscarora Project (Nevada, USA)

On November 6, 2017, the Company entered into an option agreement (the "Tuscarora Option Agreement") with Novo Resources Corp. The Tuscarora Option Agreement was amended on December 18, 2019 (the "Amended Tuscarora Option Agreement"). Pursuant to the Tuscarora Option Agreement, Novo Resources Corp. will grant the Company the exclusive right and option to acquire a 100% right, title, and interest in and to the Tuscarora Project (the "Tuscarora Option").

Pursuant to the Amended Tuscarora Option Agreement, the Company:

a) made $400,000 cash payments to Novo Resources Corp.; and
b) issued 266,667 common shares of the Company to Novo Resources Corp.

In addition, to earn the Tuscarora Option, the Company will have to incur US$100,000 in expenditure on the property annually, starting on the twelve-month period commencing on the first anniversary of the listing date and per each successive twelve-month period thereafter. [1]

The property is subject to a Net Smelter Returns (the "NSR") royalties of 0.5% which may be reduced to nil (0%) by paying US$500,000.

In addition, the Company is also required to make the following payments to Ely Gold Royalties ("Ely Gold"), the owner of the Tuscarora Project:

a) Annual minimum royalty payments

On or before:	**$**	
November 7, 2018	4,000	Paid
November 7, 2019	4,000	Paid
November 7, 2020	4,000	Paid
November 7, 2021	8,000	Paid
November 7, 2022	8,000	
November 7, 2023	8,000	
November 7, 2024	8,000	
November 7, 2025	8,000	
November 7, 2026 and each succeeding anniversary	12,000	

b) Production royalty based on the NSR from the production and sale of minerals from the Tuscarora Project. The royalty percentage rate for precious metals is based on the average daily price per troy ounce of gold during the period of production of minerals from the Tuscarora Project for which the royalty is payable as follows:

- less than or equal to $1,500 Two percent (2%)
- greater than $1,500 but less than or equal to $2,000 Three percent (3%)
- greater than $2,000 Four percent (4%)

The royalty percentage will apply for all other minerals is 2.5% of the NSR.

On March 19, 2018, the Company expanded the Tuscarora Project through the additional staking of 67 claims in Elko County, Nevada.

On February 3, 2021, the Company announced that the Company now has 100% interest in the Tuscarora Project following the final payment to Novo Resources Corp.

On January 26, 2022, the Company announced the expansion of the Tuscarora Project through the staking of an additional 47 claims totaling 971 acres with further plans on drilling up to 70 holes to test a series of high-grade gold targets in 2022. The Company now has 215 claims, 4,272 acres, of the Tuscarora Project.

On May 9, 2022, the Company reported the completion of 13 holes of a planned 17,000 metre drill program at the Tuscarora Project. Initial assays are pending with results expected in the coming weeks. The Company has also staked an additional 53 claims for 1,095 acres. Tuscarora project is now a 268 claim, 5,370-acre project.

[1] This amount has been incurred annually since the first anniversary of the listing date.

On May 24, 2022, the Company reported high-grade assays from a recent rock chip sampling program at the Tuscarora Project. Of the 24 rock samples collected, only 7 were below detection limits for gold while the best sample collected, near the Repo Vein target, assayed 205.83 g/t gold

Lease assignment agreement with Ubica Gold Corp. ("Ubica")

On September 15, 2021, the Company entered into a lease assignment agreement with Ubica (the "Ubica Agreement"). Pursuant to the terms of the Ubica Agreement, the Company issued 3,700,000 common shares with fair value of $3,293,000 (the "Ubica Payment Shares") and paid $800,000 in cash to Ubica on September 15, 2021 to acquire 77 claims at Tuscarora totaling 1,031 acres. The Ubica Payment Shares are subject to voluntary hold periods, with 25% of the Ubica Payment Shares released on September 15, 2021 and an additional 25% released every 6 months thereafter until all Ubica Payment Shares have been released.

The Ubica Agreement consists of three sublease agreements:

- An agreement entered between Ubica and RS Gold, LLC (the "RS Agreement");
- An agreement entered between Ubica and Timothy Tigerman (the "Tigerman Agreement"); and
- An agreement entered between Ubica and Jerry K. and Lori L. Fogle, Debra L. Jacob, and Lanny and Pamela M. Morrison (collectively the "RH Lessor") (the "Rose Hill Agreement").

  (collectively, the "Ubica Sublease Agreements")

Pursuant to the Ubica Agreement, the Company is responsible to make the payments which are due on or after September 15, 2021 under the following Ubica Sublease Agreements.

- **RS Agreement**

  The initial term (the "RS Initial Term") of the RS Agreement is 20 years from April 23, 2019, the date which the RS Agreement was signed. Ubica has the option to extend the RS Agreement for additional 20 years (the "RS Renewal Term").

  Pursuant to the RS Agreement, the Company will make the following payments:

  Advanced royalty payment
  - US$20,000 on or before April 23, 2022 (paid);
  - US$30,000 on or before April 23, 2023;
  - US$40,000 on or before April 23, 2024; and
  - US$50,000 on or before April 23, 2025 and each anniversary thereafter through the initial term and any renewal or extension thereof.

  The annual work commitment required pursuant to RS Agreement had been fulfilled by Ubica.

  The RS Agreement is subject to 3% NSR. During the RS Initial Term and the RS Renewal Term, Ubica has the option to purchase up to 2% NSR of the total 3% NSR for US$1,000,000 per 1% NSR.

- **Tigerman Agreement**

  The initial term (the "Tigerman Initial Term") of the Tigerman Agreement is 20 years from June 25, 2021, the date which the Tigerman Agreement was signed. Ubica has the option to extend the Tigerman Agreement for additional 20 years (the "Tigerman Renewal Term").

Pursuant to the Tigerman Agreement from the Tigerman Initial Term to June 25, 2040, the Company is subject to advanced annual royalties with the first payment of US$11,000 due on or before June 25, 2022. The advanced annual royalties will increase by 10% each subsequent year.

- **Rose Hill Agreement**

The initial term (the "RH Initial Term") of the Rose Hill Agreement is 10 years from June 30, 2021, the date which the Rose Hill Agreement was signed. Ubica has the option to extend the Rose Hill Agreement for additional 10 years (the "RH Renewal Term").

Pursuant to the Rose Hill Agreement, the Company will make the following payments:

Advanced royalty payment
- US$6,000 on June 30, 2021 (paid);
- US$12,000 on or before June 30, 2022;
- US$18,000 on or before June 30, 2023;
- US$24,000 on or before June 30, 2024; and
- US$36,000 on or before June 30, 2025 and each anniversary thereafter through the initial term and any renewal or extension thereof.

Annual work commitment
- US$30,000 during the first year from the RH Initial Term;
- US$80,000 during the second year from the RH Initial Term; and
- US$100,000 during the third year from the RH Initial Term.

The Rose Hill Agreement is subject to 3% NSR. During the RH Initial Term and the RH Renewal Term, Ubica has the option to purchase up to 2% NSR of the total 3% NSR for US$1,000,000 per 1% NSR.

Madison Project (Montana, USA)

On June 26, 2020, the Company acquired the fully permitted Madison Project ("Madison Project") near Silver Star, Montana. The Madison Project is located in the heart of Montana's prolific copper-gold belt only 38km southeast of the world-renowned Butte Mining District. The Project consists of 136 unpatented and 6 patented claims (2,514 acres), accessed via improved dirt roads. The Madison Project is currently under an earn-in, joint venture agreement signed by Broadway on April 30, 2019, whereby Kennecott Exploration Company ("Kennecott"), part of the Rio Tinto Group (ASX, LON: RIO) must spend US$30 million to earn up to 70% of the project.

Under the terms of the earn-in agreement, Kennecott has an option to acquire a 55% undivided interest (the "First Option") in the property by incurring exploration and related expenditures of US$5 million[2] within the first five years, including a minimum exploration budget of US$1 million in the first year.

If Kennecott exercises the First Option, it may elect to earn an additional 10% undivided interest (the "Second Option"), for a total undivided interest of 65%, by incurring additional expenditures of US$10 million[2] within the following three years.

[2] Collectively the "Option Expenditures".

If Kennecott exercises the Second Option, it may elect to earn an additional 5% undivided interest (the "Third Option"), for a total of 70%, by incurring additional expenditures of US$15 million[2] within the subsequent three-year period. Kennecott may elect to create the joint venture after exercising each option to earn in.

In addition, in order to exercise the First Option, Kennecott is required to make the following cash payments to Broadway for a total amount of US$225,000 over the first five years:

- $50,000 on April 30, 2019 (paid);
- $25,000 on or before April 30, 2020 (paid);
- $25,000 on or before April 30, 2021 (paid)[3];
- $25,000 on or before April 30, 2022 (paid)[4];
- $25,000 on or before April 30, 2023; and
- $75,000 on or before April 30, 2024.

On May 17, 2021, the Company entered into an amendment agreement (the "First Amendment Agreement") with Kennecott. Under the First Amendment Agreement, the payment, including the annual pre-production payment of US$50,000 due on April 1 of each year until the commercial production is commenced, made directly or indirectly by Kennecott to keep the Madison Project in good standing is considered as the Option Expenditures.

Pursuant to the earn-in agreement:

- Kennecott may request Broadway to conduct exploration on its behalf during the first year in return for a 10% administration charge.

- Broadway has the right to conduct independent drilling and exploration of the skarn zones during the first year.

- Broadway has a right of first offer to acquire Kennecott's interest in the Madison Project in the event Kennecott wishes to divest its interest.

- The joint venture may be formed with 55% to Kennecott and 45% to Broadway upon Kennecott exercise the First Option, 65% to Kennecott and 35% to Broadway upon Kennecott exercise the Second Option, or 70% to Kennecott and 30% to Broadway upon exercise the Third Option.

- The joint venture will be managed by the Rio Tinto Group and financed by each participant in accordance with its interest.

- Broadway may elect to not finance its interest and be diluted down to a 10% interest. If Broadway is diluted below 10% interest, its interest will convert to a 2% NSR with a maximum amount payable of US$50 million.

The initial exploration program applications have been submitted to the Bureau of Land Management, Montana.

[3] $31,665 (US$25,000) was recognized as a reduction of the carrying value of the Madison Project.
[4] $31,663 (US$25,000) was recognized as a reduction of the carrying value of the Madison Project.

On January 12, 2022, the Company reported drill results from its 2021 drilling programs conducted by Kennecott at Madison. The Kennecott drilling program consisted of 10 core holes for a total of 3,598 metres (m), which focused on extensions of high-grade gold-copper skarn mineralization as well as new target concepts at Madison.

On January 19, 2022, the Company reported results of a recently completed Unmanned Aerial Vehicle ("UAV") Drone magnetic survey over the Madison Project. A total of 344 line-kilometers (km) of UAV magnetic data was compiled at a line spacing of 25 metres (m) and 50m over an area of approximately 11.34km^2.

On March 7, 2022, the Company provided an update on the 2021 Exploration that occurred at the Madison Project. See press release dated the same for additional details. The Company also provided a preliminary 2022 exploration program outline which includes an in-depth review of the Madison Project's skarn environment and fieldwork concentrating on gold mineralization.

Gooseberry Project (Nevada, USA)

On April 23, 2019, the Company acquired through staking the Gooseberry Mine in Storey Nevada, USA. The Gooseberry Project includes 42 unpatented claims, totaling approximately 708 acres. The Gooseberry Project contains gold-silver bearing quartz-calcite vein structures that are characterized as low-sulfidation epithermal style mineralization typified by banded to cockade quartz textures and the presence of adularia and kaolinite.

Initial surface sampling and exploration around the property commenced May 10, 2019. Total of nine initial samples were taken from the dumps and old mineralized stockpiles at Gooseberry, with highlight results including the following:

- Sample GB19ECS-007- 1.05 kg: 18.45 g/t Au and 595 g/t Ag
- Sample GB19ECS-003- 0.59 kg: 17.75 g/t Au and 310 g/t Ag
- Sample GB19ECS-001- 1.25 kg: 10.25 g/t Au and 218 g/t Ag
- Sample GB19ECS-006- 0.70 kg: 10.20 g/t Au and 273 g/t Ag

Samples were taken from mineralized vein material composed of dolomite, calcite and quartz. Grab samples are selective samples and may not necessarily be representative of the mineralization hosted on the property.

Historically, mined materials were brought to the surface and stockpiled at Gooseberry, crushed and then run through a heap leach. These nine samples were taken from materials most likely extracted late in the mining phase due to their location on the upper stockpile. Some materials have gone through a primary crushing process only. According to historical records Asamera Minerals Inc. ceased hard rock mining during 1989 due to low metals prices and higher underground production costs and moved to re-process the more easily accessible mine tailings.

On November 4, 2020, the Company entered into an earn-in agreement with GRAC Global Resource Acquisition Corp., a private company in British Columbia, Canada. The agreement was terminated on April 15, 2021 (see "Earn-in Agreement with GRAC Global Resource Acquisition Corp. ("GRAC")" below for details).

On February 28, 2022, the Company reported drill results from the 2021 drill program at the Gooseberry Project which included 15 holes of combined core and reverse circulation drilling totaling 4,581 metres. The Company is now conducting a geochemical and geophysical program to help further define the newly discovered mineralization and identify additional targets to the west. A phase II drilling program will be based upon the results of this work.

On March 29, 2022, the Company announced a sampling program has commenced at the Gooseberry Project. The program will cover 827 acres and the data will be used to refine high priority targets ahead of the drill program planned for later this year. The Company also has a Controlled Source Audio-frequency Magnetotelluric ("CSAMT") survey planned for Q2 of this year.

On April 26, 2022, the Company initiated the CSAMT geophysical survey to determine priority targets ahead of a 2022 drill program. The Company expects the survey to be completed within three weeks.

Earn-in Agreement with GRAC Global Resource Acquisition Corp. ("GRAC")

On November 4, 2020, the Company entered into an earn-in agreement with GRAC (the "GRAC Agreement"), a private company in British Columbia, Canada.

According to the GRAC Agreement, GRAC can earn up to a 51% interest in the Gooseberry Project within 24 months from the date of the GRAC Agreement ("GRAC Phase 1") by:

- making a non-refundable cash payment to the Company of $50,000 within the four months after date of the GRAC Agreement (paid[5]);

- issuing 2,000,000 shares to the Company on or before the earlier of:
  - 2 months from the date GRAC completes a transaction to list on the Canadian Securities Exchange or any other recognized stock exchange;
  - 24 months from the date of the GRAC Agreement; and

- funding exploration expenditures of $1.5 million towards the Gooseberry Project within 24 months from the date of the GRAC Agreement.

On April 15, 2021, the Company entered into an agreement with GRAC to terminate the GRAC Agreement. Upon termination, the Company now owns 100% of the Gooseberry Project.

Red Hill Project (Nevada, US)

On July 29, 2021 (the "RH Effective Date"), the Company entered into a ten-year renewable lease agreement for the Red Hill Project (the "RH Lease Agreement") with Nevada North Resources (USA) Inc. ("Nevada North"). The Red Hill Project is located on the southern end of the prolific Cortez gold trend and is contiguous to NuLegacy Gold's (TSXV:NUG) rift anticline target.

Red Hill is a sediment-hosted gold project located 24 kilometers southeast of the 12-million-ounce Cortez Hills gold deposit within the Cortez trend. The project covers an extensive area of hydrothermally altered lower plate carbonate rocks. Gold mineralization is hosted in silty carbonate rocks of the Denay formation associated with altered lamprophyre dikes; and high levels of arsenic, antimony, mercury and thallium. These features are indicative of a Carlin-style gold system.

[5] For the $50,000 non-refundable cash payment received during the year ended December 31, 2021, the Company recognized $46,799 as a reduction of the carrying value of the Gooseberry Project and the remaining $3,201 was recognized as a gain from option-out of interest in mineral property in the audited consolidated financial statements for the year ended December 31, 2021.

Pursuant to the RH Lease Agreement, the Company is required to make a payment of US$25,000 (paid) to Nevada North to hold the Red Hill property for one year from the RH Effective Date and make the following annual payment to Nevada North:

- On July 29, 2022 – US$25,000;
- On July 29, 2023 – US$25,000;
- On July 29, 2024 – US$40,000;
- On July 29, 2025 – US$40,000;
- On July 29, 2026 – US$45,000;
- On July 29, 2027 – US$50,000;
- On July 29, 2028 – US$55,000;
- On July 29, 2029 – US$55,000; and
- On July 29, 2030 – US$55,000[6]

In addition, the Company is required to pay an annual claim maintenance fee for the Red Hill Project. During the year ended December 31, 2021, the Company paid $17,847 (US$14,070) annual claim maintenance fee.

Upon commencement of commercial production, the Company is required to pay Nevada North a royalty on production equal to 3% of NSR of which 1.5% the Company may buy back for US$3,000,000.

In addition, one of the Company's directors owns a 10% interest in the Red Hill Project.

RESULTS OF OPERATIONS

Three months ended March 31, 2022

During the three months ended March 31, 2022, the Company recorded a net loss of $3,494,481 compared to a net loss of $1,110,219 for the three months ended March 31, 2021.

During the three months ended March 31, 2022, the Company incurred the following significant expenditures:

- Consulting fees of $73,328 (March 31, 2021 – $88,036);
  - Warwick Smith (related party) for CEO services of $62,110 (March 31, 2021 - $54,750).
- Exploration and evaluation costs, including drilling, of $1,196,029 (March 31, 2021 – $67,472);
  - Eric Saderholm (related party) for consulting services of $54,405 (March 31, 2021 - $42,810).
- General and administrative costs of $73,386 (March 31, 2021 – $21,022);
  - Promotional activities of $18,246 (March 31, 2021 - $2,049);
  - Salaries and wages of $6,408 (March 31, 2021 - $nil);
  - Internet and computer costs of $21,416 (March 31, 2021 - $840).
- Professional fees of $94,505 (March 31, 2021 – $59,392);
  - Quantum Advisory Partners LLP (related party) for CFO and accounting services of $33,280 (March 31, 2021 - $10,400);
  - Davidson & Company LLP for audit services of $10,000 (March 31, 2021 - $8,750);
  - Take It Public Services Inc for corporate secretarial services of $34,442 (March 31, 2021 - $9,606);
  - McMillan LLP for legal services of $16,782 (March 31, 2021 - $15,643).

[6] Beginning on the 10th payment due on July 29, 2031, the annual payment of US$55,000 will be adjusted for inflation increase according to the United States Depart of Labor Consumer Price Index.

- Shareholder information and investor relations $138,760 (March 31, 2021 – $66,143);
  - High Tide Consulting Corp. for consulting services of $22,500 and media ads of $557 (March 31, 2021 – consulting services of $15,000 and social media services of $2,479);
  - Accretive Capital DDB Benzinga for advertising services of $23,009 (March 31, 2021 - $nil);
  - Intrado Digital Medial Canada, Inc. for news release services of $16,891 (March 31, 2021 - $7,032);
  - 121 Group (HK) Limited for online corporate investor relations package of $16,256 (March 31, 2021 - $nil);
  - Primoris Group Inc. for media services of $15,000 (March 31, 2021 - 15,000);
  - Ninja Media LLC for media ads of $12,714 (March 31, 2021 - $nil).
- Transfer agent, regulatory and listing fees of $22,237 (March 31, 2021 – $15,549); and
- Travel of $54,024 (March 31, 2021 – $2,505).

SUMMARY OF QUARTERLY INFORMATION

The quarterly results for the last eight quarters are summarized below:

	Three months ended			
	March 31, 2022	**December 31, 2021**	**September 30, 2021**	**June 30, 2021**
	$	**$**	**$**	**$**
Interest income	939	402	766	3,773
Net loss	(3,494,481)	(1,578,962)	(629,357)	(963,734)
Comprehensive loss	(3,699,546)	(1,592,598)	(447,520)	(1,049,079)
Basic and diluted loss per share	(0.03)	(0.02)	(0.00)	(0.01)

	Three months ended			
	March 31, 2021	**December 31, 2020**	**September 30, 2020**	**June 30, 2020**
	$	**$**	**$**	**$**
Interest income	4,368	6,729	7,962	797
Net income (loss)	(1,110,219)	173,484	(1,275,956)	(982,310)
Comprehensive (loss)	(1,170,817)	(84,964)	(1,356,147)	(983,014)
Basic and diluted (loss) per share	(0.02)	(0.00)	(0.01)	(0.03)

None of the variations in net loss reported in the previous periods were unusual or indicative of any trend with respect to the future when the Company expects to have more involvement in revenue-generating operations. Fluctuations reported were the result of the level of activity of the Company in each given reporting period.

SELECTED INFORMATION

	For the three months ended		
	March 31, 2022	**March 31, 2021**	**March 31, 2020**
	$	**$**	**$**
Operating expenses	3,491,098	348,118	499,892
Net loss for the period	(3,494,481)	(1,110,219)	(500,591)
Comprehensive loss for the period	(3,699,546)	(1,170,817)	(500,591)
Basic and diluted loss per share:			
- net loss	(0.03)	(0.02)	(0.02)

As at	**March 31, 2022**	**December 31, 2021**	**December 31, 2020**
	$	**$**	**$**
Working capital	12,956,735	14,602,265	2,315,703
Total assets	26,611,354	28,685,662	11,863,256
Total liabilities	401,818	620,584	149,298
Share capital	39,590,881	39,568,281	17,986,766
Deficit	(16,968,595)	(13,474,114)	(9,191,842)

The fluctuation in operating costs and corporate costs is attributable to variations in various expense items, such as consulting fees, exploration and evaluation costs, general and administrative costs, professional fees, shareholder information and investor relations and transfer agent, regulatory and listing fees, which occur due to the administrative and exploration activities occurring during a particular period and to the availability of funds in those periods to pay for those activities. There is no seasonality to these variations, nor are they indicative of any trend. As the Company progressed in exploration on its exploration and evaluation assets during the three months ended March 31, 2022, the related expenditures and total assets held increased compared to prior periods.

LIQUIDITY AND CAPITAL RESOURCES

The Company's activities have been funded through equity financings and the Company expects it will continue to be able to utilize this source of financing until it develops cash flow from future operations.

There can be no assurances the Company will be successful in its endeavors. If such funds are not available or other sources of finance cannot be obtained then the Company will be forced to curtail its activities to a level for which funding is available or can be obtained.

As of March 31, 2022, the Company has working capital of $12,956,735.

OUTSTANDING SHARE DATA

As of March 31, 2022, the Company had 117,814,209 common shares issued and outstanding (December 31, 2021 – 117,764,209) with a value of $39,590,881 (December 31, 2021 – $39,568,281).

<u>During the three months ended March 31, 2022:</u>

- On February 28, 2022, the Company granted 2,900,000 options with an exercise price of $1.01 to its directors, officers, and consultants. The options are exercisable for a period of five years. All of the options granted vested immediately at the date of grant.

- 50,000 options were exercised for gross proceeds of $16,250.

Subsequent to March 31, 2022:

- 100,000 options were exercised for gross proceeds of $32,500.

As of the date of this MDA, the Company had:

- 117,914,209 common shares issued and outstanding;
- 13,904,284 warrants with an exercise price ranging from $0.16 to $1.40; and
- 6,775,000 stock options with an exercise price ranging from $0.27 to $1.01.

RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

The following table discloses the total compensation incurred to the Company's key management personnel during the three months ended March 31, 2022 and 2021:

		For the three months ended	
		March 31, 2022	March 31, 2021
	Footnote	$	$
Warwick Smith, CEO and Director			
Consulting fees	(1)	62,110	54,750
Share-based payments		315,130	-
		377,240	54,750
Eric Saderholm, President and Director			
Consulting fees		4,927	10,786
Exploration and evaluation costs		54,405	42,810
Share-based payments		315,130	-
		374,462	53,596
Alnesh Mohan, CFO and Corporate Secretary			
Professional fees	(2)	33,280	10,400
Share-based payments		220,591	-
		253,871	10,400
Norman Wareham, Former Director, CFO and Corporate Secretary			
Consulting fees	(3)	-	22,500
		-	22,500
Ken Cunningham, Director			
Directors' fees		3,751	3,776
Share-based payments		315,130	-
		318,881	3,776

Joness Lang, Director			
Directors' fees	(4)	3,751	3,674
Share-based payments		315,130	-
		318,881	3,674
Total		**1,643,335**	**148,696**

(1) Paid to Harbourside Consulting Ltd. which is controlled by Mr. Smith.
(2) Paid to Quantum Advisory Partners LLP, an accounting firm in which Mr. Mohan is an incorporated partner.
(3) Paid to Inlet Consulting Ltd. which is controlled by Mr. Wareham.
(4) Paid to EBC Consulting Group Ltd. which is controlled by Mr. Lang.

As at March 31, 2022, the balances due to the Company's directors and officers included in accounts payables and accrued liabilities were $47,300 (December 31, 2021 – $38,578). These amounts are unsecured, non-interest bearing and payable on demand.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

These financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. Refer to Note 2 of the audited financial statements for the year ended December 31, 2021 for details on critical accounting estimates and judgments.

NEW ACCOUNTING STANDARDS

There were no new or amended IFRS pronouncements effective January 1, 2022 that impacted the Company's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2022.

FINANCIAL INSTRUMENTS

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations. These financial risks and the Company's exposure to these risks are provided in various tables in note 11 of our unaudited condensed consolidated interim financial statements for the three months ended March 31, 2022. For a discussion on the significant assumptions made in determining the fair value of financial instruments, refer also to note 2 of the financial statements for the year ended December 31, 2021.

OTHER MD&A REQUIREMENTS

Management's responsibility for financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Risks and uncertainties

Investment in the common shares must be regarded as highly speculative due to the nature of the Company's business and its present stage of operations.

- **General**
  The Company is in the business of exploring and, if warranted, developing mineral properties, which is a highly speculative endeavor. A purchase of any of the securities of the Company involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Company should not constitute a significant portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing any of its securities.

- **Limited Operating History**
  The Company has no history of earnings. There are no known commercial quantities of mineral reserves on any properties optioned by the Company. The purpose of a private placement was to raise funds to carry out exploration and, if thought appropriate, development with the objective of establishing economic quantities of mineral reserves. There is no guarantee that economic quantities of mineral reserves will be discovered on any properties optioned by the Company in the near future or at all. If the Company does not generate revenue, it may be unable to sustain its operations in which case it may become insolvent and you may lose your investment.

- **Speculative Nature of Mineral Exploration**
  Resource exploration is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital. There is no assurance that the Company's mineral exploration activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

- **Acquisition of Additional Mineral Properties**
  If the Company loses or abandons its option to acquire an interest in the Madison Project or the Red Hill Project, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the Exchange. There is also no guarantee that the Exchange will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise, should the Company wish to acquire any additional properties.

- **Gold Deposits**
  The Tuscarora Project and Gooseberry Project are in the exploration stage only and are without a known economic mineralization. Development of these properties would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

- **Uninsurable Risks**
  In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

- **Permits and Government Regulations**
  The future operations of the Company may require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Tuscarora Project and Gooseberry Project.

- **Environmental and Safety Regulations and Risks**
  Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. In all major developments, the Company generally relies on recognized designers and development contractors from which the Company will, in the first instance, seek indemnities. The Company intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Company's operations more expensive.

- **Key Person Insurance**
  The Company does not maintain key person insurance on any of its directors or officers, and as result the Company would bear the full loss and expense of hiring and replacing any director or officer in the event the loss of any such persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by the Company from such loss of any director or officer.

- **Mineral Titles**
  The Company is satisfied that evidence of title to the Tuscarora Project and the Gooseberry Project is adequate and acceptable by prevailing industry standards with respect to the current stage of exploration on the projects. The Company may face challenges to the titles of the projects or subsequent properties it may acquire, which may prove to be costly to defend or could impair the advancement of the Company's business plan.

- **Loss of Interest in Properties**
  The Company's ability to maintain an interest in the properties optioned or owned by the Company will be dependent on its ability to raise additional funds by equity financing.

  Failure to obtain additional financing may result in the Company being unable to complete the essential work required to keep the property interests in good standing and could result in the delay or postponement of further exploration and or the partial or total loss of the Company's interest in the Tuscarora Project and the Gooseberry Project.

- **Fluctuating Mineral Prices**
  The Company's revenues in the future, if any, are expected to be in large part derived from the extraction and sale of precious and base minerals and metals, which in turn depend on the results of the Company's exploration on these properties and whether development will be commercially viable or even possible. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices.

- **Competition**
  The mining industry is intensely competitive in all its phases. The Company competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than the Company. The competition in the mineral exploration and development business could have an adverse effect on the Company's ability to hire or maintain experienced and expert personnel or acquire suitable properties or prospects for mineral exploration in the future.

- **Management**
  The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business.

- **Financing Risks**
  The Company has no history of significant earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its securities. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on the properties owned by the Company. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of the property owned by the Company, there is no assurance that any such funds will be available. If available, future equity financing may result in substantial dilution to purchasers under previous equity offerings. At present, it is impossible to determine what amounts of additional funds, if any, may be required.

- **Negative Cash Flows from Operations**
  The Company had negative operating cash flow for the period from incorporation to March 31, 2022. To the extent that the Company has negative cash flow in future periods, the Company may need to allocate a portion of its cash reserves to fund such negative cash flow.

  The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Company.

- **Resale of Common Shares**
  The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the Common Shares purchased would be diminished.

- **Price Volatility of Publicly Traded Securities**
  In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of Common Shares distributed hereunder will be affected by such volatility. There is no public market for the Common Shares. An active public market for the Common Shares might not develop or be sustained after the initial public offering. The initial public offering price of the Common Shares has been determined by the Company and this price will not necessarily reflect the prevailing market price of the Common Shares following the initial public offering. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the initial public offering price.

- **Conflicts of Interest**
  Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the British Columbia Business Corporations Act. Some of the directors and officers of the Company are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to the Company and their duties to the other companies on whose boards they serve, the directors and officers of the Company have agreed to the following:

  - Participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate;
  - No commissions or other extraordinary consideration will be paid to such directors and officers; and business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to the Company except on the same or better terms than the basis on which they are offered to third party participants.

- **Tax Issues**
  Income tax consequences in relation to the Common Shares will vary according to circumstances of each investor. Investors should seek independent advice from their own tax and legal advisers prior to investing in Common Shares of the Company.

- **Dividends**
  The Company does not anticipate paying any dividends on its Common Shares in the foreseeable future.

- **Risk of global outbreaks and contagious diseases**
  The risk of global outbreaks, including COVID-19, have the potential to significantly and adversely impact the Company's operations and business. On March 11, 2020, the World Health Organization recognized COVID-19 as a global pandemic. The Company is continuously evaluating the uncertainty and impact of the outbreak on the Company and its ability to operate due to employee absences, the length of travel and quarantine restrictions imposed by governments of affected countries, disruption in the Company's supply chains, information technology constraints, government interventions, market volatility, overall economic uncertainty and other factors currently unknown and not anticipated.

  There can be no certainty that COVID-19, or other infectious illnesses, and the restrictive measures implemented to slow the spread of the virus will not materially impact the Company's operations or personnel in the coming weeks and months. 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 business, results of operations or ability to raise funds at this time.