

GOLDEN LAKE EXPLORATION INC.

Management Discussion and Analysis

For the year ended November 30, 2019

The Management Discussion and Analysis (“MD&A”), prepared March 24, 2020 should be read in conjunction with the financial statements and notes thereto for the year ended November 30, 2019 and the notes thereto of Golden Lake Exploration Inc. (“Golden Lake”) which were prepared in accordance with International Financial Reporting Standards.

This management discussion and analysis may contain forward-looking statements in respect of various matters including upcoming events. The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

DESCRIPTION OF BUSINESS

Golden Lake Exploration Inc. (“the Company”) was incorporated on May 17, 2018 under the laws of British Columbia. The address of the Company’s corporate office and its principal place of business is Suite 1240 – 789 West Pender Street V6C 1H2, Vancouver, British Columbia, Canada.

The Company’s principal business activities include the acquisition and exploration of mineral property assets. As at November 30, 2019, the Company had not yet determined whether the Company’s mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

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 impact on the Company is not currently determinable but management continues to monitor the situation.

EXPLORATION PROJECT

Golden Lode Project

Pursuant to an option agreement dated July 4, 2018 (the “Agreement”), with Rich River Exploration and Craig A. Lynes, collectively, the “Optionors”, the Company was granted an option to acquire a 100% undivided interest in the Golden Lode Project (the “Property”) located north of Christina Lake area in Nanaimo, British Columbia.

In accordance with the Agreement, the Company has the option to acquire first 51% undivided interest (earned) in the Property by paying \$5,000 (paid) in cash upon execution of the Agreement. The Company has the option to earn the remaining 49% interest in the Property by issuing a total of 600,000 common shares of the Company to the Optionors, making cash payments totaling \$155,000, and incurring a total of \$500,000 in exploration expenditures as follows:

	Common Shares	Cash	Exploration Expenditures
	#	\$	\$
Upon execution of the Agreement (paid)	-	5,000	-
Upon listing of the Company's common shares on a Canadian Stock Exchange (the "Listing") (paid and issued)	100,000	5,000	-
On or before May 8, 2020	100,000	20,000	100,000
On or before May 8, 2021	100,000	30,000	100,000
On or before May 8, 2022	300,000	100,000	300,000
Total	600,000	160,000	500,000

The Property is comprised of five mineral claims. The Optionors will retain a 3% Net Smelter Returns royalty on the Property. The Company has the right to purchase the first 1% of the royalty for \$750,000 and the remaining 2% for \$1,000,000 at any time prior to the commencement of commercial production. During the year ended November 30, 2019, the Company wrote-off its interest in the property resulting in a loss of \$182,714.

Jewel Ridge Project

Pursuant to an option agreement dated November 1, 2019 (the "Agreement"), with Greencastle Resources Ltd. and its affiliate Greencastle U.S.A. Ltd., (together the "Optionor"), the Company was granted an option to acquire 100% undivided interest in the Jewel Ridge Project (the "Property") located near Eureka in Nevada.

In accordance with the Agreement, the Company has the option to acquire 100% interest in the property by making the following considerations:

	Common Shares	Cash	Exploration Expenditures
	#	\$	\$
Upon execution of the Agreement (paid and issued)	1,000,000	25,000	-
November 5, 2020	2,000,000	35,000	150,000
November 5, 2021	2,000,000	45,000	250,000
November 5, 2022	-	50,000	350,000
Total	5,000,000	155,000	750,000

The Optionor will retain a 4% Net Smelter Returns ("NSR") royalty on the mining claims comprising the Property described as "GM Squared claims" under the Agreement. The Company has the right to purchase all of the NSR for \$8,000,000. In addition, following the exercise of the option and acquisition of the Property, the Optionor shall reserve a royalty of 3% on NSR on the mining claims comprising the Property described as "Rainbow claims". The Company has the option, up to seven years, to purchase 2% of the royalty for \$2,000,000. The Company shall pay to the Optionor advance royalty payments of \$50,000 per annum payable forty-eight months after the closing date and such payments are to be deducted from any royalty payments payable under Rainbow claims.

OPERATIONS

Year ended November 30, 2019 (12 months) compared to the period from May 17, 2018 to November 30, 2018 (6 months).

During the year ended November 30, 2019, the Company incurred a loss of \$676,460 (2018 - \$100,005). The loss is primarily a result of:

- i) Management fees of \$101,650 (2018 - \$21,000) increased due to a shorter term being accounted for previously as the Company was incorporated in the comparative period.
- ii) Office and miscellaneous of \$15,323 (2018 - \$6,709) rose due to increased activities during the current period.
- iii) Professional fees of \$168,519 (2018 - \$13,612) due to an increase in legal services rendered during the current period as the Company pushed towards the acquisition of the Jewel Ridge option.
- iv) Rent of \$18,601 (2018 - \$9,649) rose due to a shorter term being accounted for as the Company was incorporated in the comparative period.
- v) Transfer agent and filing fees of \$34,887 (2018 - \$Nil) due to the Company having minimal share activities since incorporation during the comparative period.

SUMMARY OF ANNUAL RESULTS

	2019	2018
Revenue	\$ -	\$ -
Impairment of exploration and evaluation assets	-	-
Net Less	676,460	100,005
Basic/diluted loss per share	(0.06)	(0.02)
Exploration and evaluation assets	140,000	91,285
Total assets	158,080	178,262
Total liabilities	145,596	13,766
Total shareholders' equity	12,484	164,496

SUMMARY OF QUARTERLY RESULTS

	November 30, 2019	August 31, 2019	May 31, 2019	February 28, 2019
Total revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
Net loss	(396,344)	(78,518)	(132,428)	(69,170)
Net loss per share	(0.04)	(0.01)	(0.01)	(0.01)
	November 30, 2018	August 31, 2018	May 17, 2018 to May 31, 2018	
Total revenue	\$ Nil	\$ Nil	\$ Nil	
Net loss	(34,005)	(63,000)	(3,000)	
Net loss per share	(0.00)	(0.02)	(0.00)	

The Company was incorporated on May 17, 2018. Comparative figures prior to May 31, 2018 are not available.

FOURTH QUARTER

The Company did not have any significant events or transactions in the quarter of November 30, 2019 to report.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and cash equivalents at November 30, 2019 were \$7,828 compared to \$76,113 at November 30, 2018.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The Company has incurred the following key management personnel cost from related parties:

	2019	2018
	(12 months)	(6 months)
	\$	\$
Management fees	65,000	-
Professional fees	5,000	-
Share-based payments	86,448	22,500
Total	156,448	22,500

During the year ended November 30, 2019, the Company:

- a) paid or accrued management fees of \$60,000 (2018 - \$Nil) to a company owned by the CEO and CFO of the Company, for management services provided by the officers.
- b) paid or accrued management fees of \$5,000 (2018 - \$Nil) to a company owned by a former director of the Company.
- c) paid or accrued professional fees of \$5,000 (2018 - \$Nil) to a company owned by a former officer of the Company.

Included in accounts payable and accrued liabilities at November 30, 2019 is \$50,093 (2018 - \$Nil) owed to companies owned by officers of the Company.

During the year ended November 30, 2019, the Company granted 1,075,000 stock options to its officers resulting in share-based compensation of \$86,448. During the period ended November 30, 2018, the Company issued 1,500,000 common shares with estimated fair value of \$30,000 to directors and officers of the Company. Accordingly, the Company recorded an amount of \$22,500 as share-based payments for the period ended November 30, 2018.

COMMITMENTS

The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in Note 5 of the financial statements for the year ended November 30, 2019.

CRITICAL ACCOUNTING ESTIMATES

Please refer the November 30, 2019 audited financial statements on www.sedar.com for critical accounting estimates.

APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company has adopted the new and revised standard and interpretation issued by the IASB effective November 1, 2019. The adoption of the standards did not have any material impact on the financial statements of the Company.

NEW ACCOUNTING POLICIES AND PRONOUNCEMENTS

Please refer the November 30, 2019 audited financial statements on www.sedar.com for new accounting policies as well as future accounting pronouncements.

FINANCIAL INSTRUMENTS

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial assets include cash and is classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at November 30, 2019 are as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	\$	\$	\$	\$
Cash	7,828	–	–	7,828

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at November 30, 2019 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the financial statements.

OUTSTANDING SHARE CAPITAL

As of March 24, 2020, the Company had the following outstanding:

- 19,350,001 common shares
- Share Purchase Options

Number of Options	Exercise Price	Expiry Date
225,000	\$0.11	1-Oct-20
150,000	\$0.17	7-Dec-20
250,000	\$0.15	20-Feb-22
300,000	\$0.15	3-Mar-22
450,000	\$0.11	12-Sep-22
400,000	\$0.10	14-Dec-23
1,775,000		

- Warrants

Number of Warrants	Exercise Price	Expiry Date
350,000	\$0.10	7-May-21
600,000	\$0.15	11-Dec-21
950,000		

- 1,350,000 common shares held in escrow

CHANGE IN MANAGEMENT

On July 26, 2019, the Company announced the resignation of Mark Lotz as the Chief Financial Officer, Corporate Secretary and a director of the Company, effective immediately. Mr. Lotz will be leaving the Company to pursue new opportunities; however, will continue to provide consulting services to the Company. Additionally, the Company is announced the appointments of Michael England as the Chief Executive Officer and President of the Company and of John Masters as Chief Financial Officer, Corporate Secretary and a director of the Company, effective immediately.

Mr. Dušan Berka has stepped down as the Chief Executive Officer and President of the Company; however, will remain with the Company as a director.

On March 3, 2020, the Company announced the appointment of Mr. Victor Bradley and Mr. Peter Mah to its Board of Directors effective immediately. Mr. Bradley will also assume the role of Chairman of the Board.

Additionally, Mr. Dušan Berka also stepped down from the Board of Directors.