

The following Management's Discussion and Analysis ("MD&A") is prepared as at May 28, 2020 in accordance with National Instrument 51-102F1, and should be read together with the unaudited condensed interim financial statements for the three months ended March 31, 2020 and related notes and the audited financial statements for the period ended December 31, 2019 and related notes, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's fiscal year end is December 31. Additional information regarding the Company will be available through the SEDAR website at [www.sedar.com](http://www.sedar.com).

Certain information included in this MD&A may constitute forward-looking statements. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements.

Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

The Company's forward-looking statements are based on the Company's beliefs and assumptions, which are based on information available at the time these assumptions are made. The forward looking statements contained herein are as of May 28, 2020, and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information, or statements, may not be achieved and that the assumptions underlying such information or statements will not prove to be accurate.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, as a result of numerous risks, uncertainties and other factors such as those described above and in "Risks and Uncertainties" below. The Company has no policy for updating forward-looking information beyond the procedures required under applicable securities laws.

All dollar figures are stated in Canadian dollars unless otherwise indicated.

### **The Company's Business**

The Company was incorporated on September 17, 2019 in British Columbia. The Company's head office and principal address is located at 409 Granville Street, Suite 1000, Vancouver, British Columbia, Canada, V6C 1T2, and the Company's registered and records office is located at 6<sup>th</sup> Floor, 905 W Pender Street, Vancouver, British Columbia, Canada, V6C 1L6. The Company's registered address is at the same address.

The Company has an option agreement to earn an interest in a mineral property (the "Property") located in the Kenora Mining Region, Ontario and has not yet determined whether the Property contains reserves that are economically recoverable. The recoverability of amounts from the Property is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying Property, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under the property option agreement and to complete the development of the Property and upon future profitable production or proceeds for the sale thereof.

### **Selected Annual Financial Information**

The table below sets out certain selected financial information regarding the operations of the Company for the period indicated. The selected financial information has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements and related notes.

	Period from September 17, 2019 to December 31, 2019
	(audited)
Revenue	\$ -
Net loss and comprehensive loss	\$ 54,256
Loss per share <sup>(1)</sup>	\$ 0.01
Total assets	\$ 380,236

Note: (1) Based on the weighted average number of common shares outstanding during the period from September 17, 2019 to December 31, 2019, being 5,461,866.

The Company was incorporated on September 17, 2019 and December 31, 2019 was the Company's first fiscal year end. The Company did not record any revenues in the period ended December 31, 2019 and incurred a net loss of \$54,256. The net loss of \$54,256 in the period is largely attributed to consulting fees, general exploration cost and share-based compensation which was recorded in conjunction with the October 4, 2019 private placement.

The Company's total assets for the period ended December 31, 2019 were \$380,236, which is mainly comprised of cash and cash equivalents and exploration and evaluation assets.

The Company has not declared any dividends since its incorporation and does not anticipate paying cash dividends in the foreseeable future on its common shares and intends to retain any future earnings to finance internal growth, acquisitions and development of its business. Any future determination to pay cash dividends will be at the discretion of the board of directors of the Company and will depend upon the Company's financial condition, results of operations, capital requirements and such other factors as the board of directors deems relevant.

### **Selected Quarterly Financial Information**

A summary of results for the three quarter since incorporation follows:

	Three months ended March 31, 2020	Three months ended December 31, 2019	Period from September 17, 2019 to September 30, 2019
	(unaudited)	(unaudited)	(unaudited)
Revenue	\$ -	\$ -	\$ -
Net loss	\$ 51,285	\$ 52,644	\$ 1,612
Comprehensive loss	\$ 51,285	\$ 52,644	\$ -
Loss per share <sup>(1)</sup>	\$ 0.00	\$ 0.01	\$ 1,612

Note: (1) Based on the weighted average number of common shares outstanding during the period. The weighted average number of common shares outstanding during the period from September 17, 2019 to September 30, 2019, being one (1).

The Company was incorporated on September 17, 2019 and the quarter ended September 30, 2019 was the Company's first fiscal quarter reported. During the three months ended September 30, 2019, the Company recorded a net loss of \$1,612, which was for legal fees incurred in connection with the setup of the Company. During the three months ended December 31, 2019, the Company recorded a net loss of \$52,644 as compared to a net loss of \$1,612 for the previous quarter. The increase can be attributed to consulting fees and general exploration cost and share-based compensation, which was recorded in conjunction with the October 4, 2019 private placement. During the three months ended March 31, 2020, the Company recorded a net loss of \$51,285 which is comparable to the previous quarter of \$52,644.

### **Results of Operations**

During the three months ended March 31, 2020, the Company recorded a net loss of \$51,285. There are no comparative figures for the prior period as the Company was incorporated on September 17, 2019. The net loss of \$51,285 in the period is largely attributed to consulting fees paid to external party for administrative services and to the CFO of the Company and professional fees incurred in connection with filing of the prospectus, which was subsequently completed and approved by the British Columbia Security Commission on April 28, 2020

### **Fourth Quarter**

N/A

### **Liquidity and Capital Resources**

The Company's cash position as at March 31, 2020 was \$498,538 with a working capital of \$484,225. Total assets as at March 31, 2020 was \$541,623.

The Company believes that the current capital resources are sufficient to pay overhead expenses for the next twelve months and is in the process of raising additional funding to fund its exploration program, marketing and general working capital and towards potential mineral projects, if such opportunities arise. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company may not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options and warrants to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

On October 4, 2019, the Company issued 1,000,000 common shares at \$0.005 per share for total proceeds of \$5,000 and recognized a share-based payment of \$0.015 per share for a total of \$15,000. The 1,000,000 common shares will be held in escrow for two years from the date the Company's shares commence trading on the Canadian Securities Exchange (the "CSE").

On November 21, 2019, the Company issued 9,999,633 common shares at \$0.02 per share for total proceeds of \$199,993.

On December 12, 2019, the Company issued 3,998,640 units at \$0.05 per unit for total proceeds of \$199,932. Each unit is comprised of one common share and one share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at \$0.10 per share expiring two years from the date the Company's shares commence trading on the CSE.

The Company manages its capital structure in order to ensure sufficient resources are available to meet operational requirements and safeguard its ability to continue as a going concern. There are no externally imposed capital requirements on the Company. Management considers the items included in shareholders' equity (deficit) and working capital as capital. The Company manages the capital structure and makes adjustments in response to changes in economic conditions, including the risk characteristics of the underlying assets. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company. To secure additional capital necessary to pursue these plans, the Company intends to raise additional funds through equity or debt financing.

There were no changes to the Company's approach to capital management during the period.

### **Going Concern**

The financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At March 31, 2020, the Company has not achieved profitable operations, has accumulated losses of \$105,541 since inception and expects to incur further losses in the development of its business. The above material uncertainties cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its operations, its ability to attain profitable operations to generate funds, and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

During the month of March 2020, there was a global pandemic outbreak of COVID-19. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada. The outbreak has caused companies and various governmental bodies to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition.

The above material uncertainties cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

### **Off Balance Sheet Arrangements**

The Company does not have any off balance sheet arrangements.

### **Financial Instruments**

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

*Credit risk*

Financial instruments that potentially expose the Company to credit risk is cash and cash equivalents. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts.

*Interest rate risk*

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections.

The Company monitors its cash flows to meet the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at March 31, 2020, the Company had a working capital of \$484,225.

*Price risk*

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

*Market Risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

**Related Party Transactions**

Related party transactions are comprised of services rendered by directors and/or officers of the Company or by a company with a director and/or officer in common. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

**Key Management Compensation**

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and include the Company's executive officers and members of the Board of Directors. Key management compensation consisted of the following:

		<b>For the three months ended March 31, 2020</b>	<b>Period from September 17, 2019 to December 31, 2019</b>
Consulting fees	Andrew H. von Kursell, CFO	\$ 6,000	\$ 6,000
Share-based payments	Andrew H. von Kursell, CFO	-	12,000
	Grant A. Hendrickson, President and	-	3,000
		-	15,000
		<b>\$ 6,000</b>	<b>\$ 21,000</b>

On November 1, 2019, the Company entered into a consulting agreement with Andrew von Kursell for consulting services for a period of one year at a monthly rate of \$2,000 per month which shall automatically be renewed on the same terms and conditions from month to month until terminated.

**Proposed Transaction**

N/A

**Subsequent Events**

On February 7, 2020, the Company issued an aggregate of 2,098,413 special warrants (each, a "Special Warrant") at a price of \$0.10 per Special Warrant and received gross proceeds of \$209,841. Each Special Warrant entitles the holder to acquire, without further payment, one unit (a "Unit"). Each Unit will be comprised of one common share of the Company and one warrant, exercisable into one common share of the Company at an exercise price of \$0.20 for two years from the date the Company's shares commence trading on the CSE. Each Special Warrant will automatically convert at 5:00 p.m. (Vancouver time) on the date that is the earlier of: (a) the third business day after the date on which a receipt for a final prospectus to qualify for distribution the Units is received by the Company from the British Columbia Securities Commission; and (b) one year from the issuance date. On May 4, 2020, these Special Warrants were converted to 2,098,413 units.

On May 11, 2020, the Company entered into an option agreement to acquire an undivided 70% interest in the Rude Creek property in the Yukon. The property consists of 4,157 hectares located in west-central Yukon. As consideration the Company agrees to pay cash payments of \$125,000 (paid \$50,000 on signing); issue 3,750,000 common shares and incur an aggregate expenditure of \$3,175,000 over three years.

On May 22, 2020, the Company completed a non-brokered private placement of 6,814,332 units at a price of \$0.25 per unit for total proceeds of \$1,703,583. Each unit consist of one common share and one share purchase warrant. Each share purchase warrant is exercisable at \$0.50 per share expiring three years from the date of issuance. In connection with the private placement the Company paid a cash finder's fee \$34,860 and issued 139,440 finders' warrants exercisable at \$0.50 for a period of three years from the date of issuance.

### **Outstanding Share Data**

Below is the summary of the Company's share capital as at March 31, 2020 and as of the date of this report:

Security description	As at	
	March 31, 2020	May 28, 2020
Common shares – issued and outstanding	14,998,273	23,911,018
Warrants issued in private placements	3,998,640	12,911,385
Agents' warrants	Nil	139,440
Common shares underlying Special Warrants	2,098,413	Nil
Warrants underlying Special Warrants	2,098,413	Nil
Common shares – fully diluted	23,193,739	36,961,843

### **Critical Accounting Estimates and Judgments**

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed in note 4 to the financial statements.

### **Business and Industry Risks**

There are a number of risk factors that could cause future results to differ materially from those described herein. The following sets out the principal risks faced by the Company. Additional risks and uncertainties, including those that the Company does not know about or that it currently deems immaterial, could also adversely impact the Company's business and results of operations.

### **Limited Operating History**

The Company has no history of earnings. There are no known commercial quantities of mineral reserves on any properties in which the Company has an interest. The purpose of the Special Warrants 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 in which the Company has an interest in the near future or at all. If the Company does not generate revenue or is unable to raise further funds, it may be unable to sustain its operations in which case it may become insolvent and investors may lose their 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.

### **Financing Risks**

The Company has no history of 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. The Company's unallocated working capital is not sufficient to fund its recommended work program and there is no assurance that the Company can successfully obtain additional financing to fund such program.

While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of the Property, there is no assurance that any such funds will be available. If available, future equity financing may result in substantial dilution to purchasers under the Special Warrants Private Placement. At present it is impossible to determine what amounts of additional funds, if any, may be required.



### **COVID-19 Public Health Crisis**

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada. The outbreak has caused companies and various governmental bodies to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend. Such public health crises can result in volatility and disruptions in the supply and demand for gold and other metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect mineral prices, interest rates, credit ratings, credit risk, share prices and inflation. The risks to the Company of such public health crises also include slowdowns or temporary suspensions of operations in locations impacted by an outbreak, interruptions to supply chains and supplies upon which the Company relies, restrictions that the Company and its contractors and subcontractors impose to ensure the safety of employees and others, increased labor costs, regulatory changes, political or economic instabilities or civil unrest.

As of the date hereof, the Ontario provincial government has designated businesses engaged in mineral exploration and development as an "essential service". Provided the Company's exploration activities continue to be so designated and the current availability of labour and supplies is not materially affected by new developments respecting COVID-19 or responses thereto, the Company expects that its personnel will be able to carry out surveying and drilling activities and complete the Phase 1 work program respecting the Property without significant delays or increases in cost.

The Company has and will continue to take measures recommended by Health Canada and applicable regulatory bodies, as appropriate. To date, the Company has introduced a "work from home policy" affecting its two executive officers and has reduced travel and transitioned to virtual meetings where feasible. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition.

### **Property Interests**

If the Company loses or abandons its interest in the Property, 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. Unless the Company acquires additional property interests, any adverse developments affecting the Property could have a material adverse effect upon the Company and would materially and adversely affect any profitability, financial performance and results of operations of the Company.

### **If the Company cannot raise additional equity financing, then it may lose some or all of its interest in the Property**

The Company is required to make cash payments to the optionor of the Property, and to incur work expenditures in order to maintain its interest in the Property. The Company's ability to maintain an interest in the Property may 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 make periodic payments or expenditures required for the maintenance of the Company's interest in the Property and could result in a delay or postponement of further exploration and the partial or total loss of the Company's interest in the Property.

### **Commercial Ore Deposits**

The Property is in the exploration stage only and is without a known body of commercial ore. Development of the Property 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.