

EDGEMONT GOLD CORP.

Management Discussion and Analysis of Financial Condition and Results of Operation For the Year ended October 31, 2021

This Management Discussion and Analysis (“MD&A”) of Edgemont Gold Corp. (the “Company”) provides analysis of the Company’s financial results for the year ended October 31, 2021 and should be read in conjunction with the accompanying audited annual financial statements and notes thereto for the audited financial statements and notes thereto for the year ended October 31, 2021, all of which are available at www.sedar.com. This MD&A is based on information available as at February 24, 2022.

The accompanying October 31, 2021 audited financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) applicable to the preparation of the financial statements. All amounts are expressed in Canadian dollars, unless otherwise stated.

Certain statements made may constitute forward-looking statements. Such statements involve a number of known and unknown risks, uncertainties and other factors. Actual results, performance and achievements may be materially different from those expressed or implied by these forward-looking statements. Additional information about Edgemont Gold Corp. is available at www.sedar.com.

Edgemont Gold Corp. (formerly Edgemont Resource Corp.) was incorporated on August 2, 2018 under the laws of British Columbia. On January 30, 2020 the Company changed its name to Edgemont Gold Corp. The address of the Company’s corporate office and its principal place of business is 9th Floor - 1021 West Hastings Street, Vancouver, British Columbia, V6E 0C3.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A may contain certain statements that may be deemed “forward-looking statements”. All statements in this document, other than statements of historical fact, which address events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential”, “interprets” and similar expressions, or events or conditions that “will”, “would”, “may”, “could” or “should” occur. Forward-looking statements in this document include statements regarding future exploration programs, joint venture partner participation, liquidity and effects of accounting policy changes.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory or governmental approvals and general economic, market or business conditions. Readers are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Forward-looking statements are based on the beliefs, estimates and opinions of the Company’s management on the date the statements are made. The Company undertakes no obligation to update these forward-looking statements in the event that management’s beliefs, estimates, opinions or other factors should change except as required by law.

These statements are based on a number of assumptions including, among others, assumptions regarding general business and economic conditions, the timing of the receipt of regulatory and governmental approvals for the transactions described herein, the ability of the Company and other relevant parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for the Company’s proposed transactions and exploration and development programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause results to differ materially.

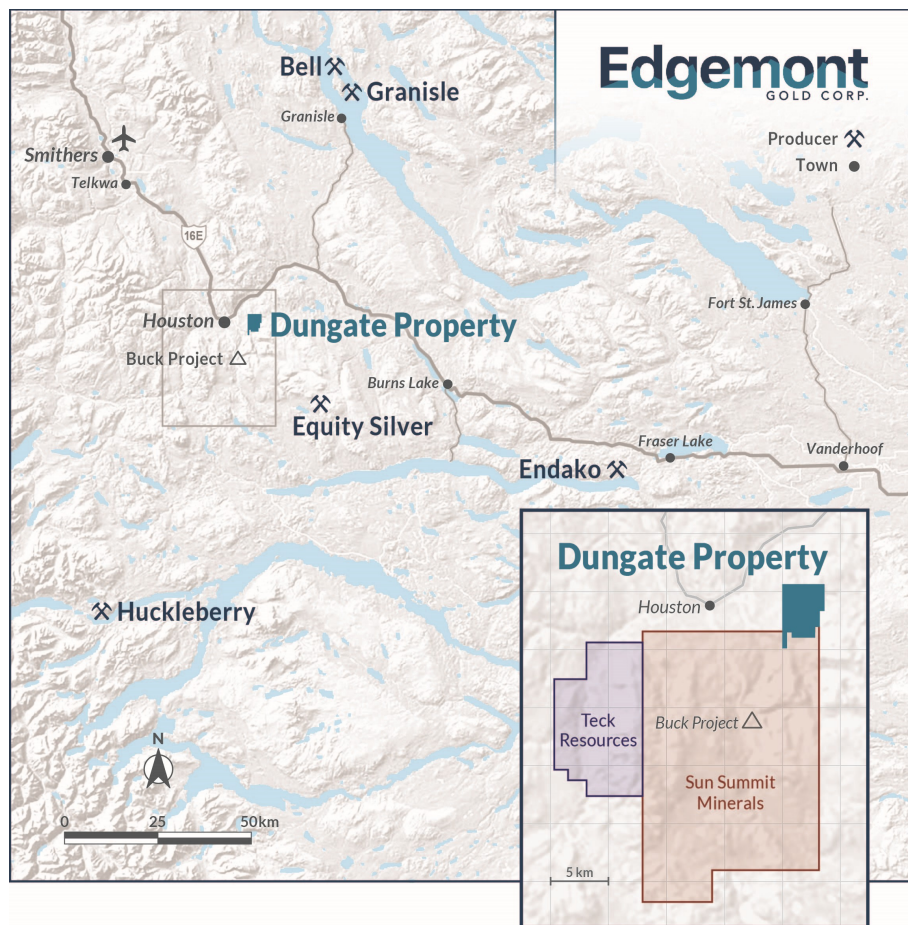
Overview

The Company is focused entirely on mineral exploration in British Columbia. Since incorporation, the Company has entered into two option agreements, the Dungate and Mike Option Agreements (the “Dungate Project”), expanded the Dungate Project by staking adjacent claims and begun exploration activities in preparation for initial drilling in the summer of 2021.

On March 17, 2020 the Company’s Prospectus for an IPO was received by the B.C. Securities Commission and the IPO was completed on May 29, 2020. The Company commenced trading on the Canadian Securities Exchange (“CSE”) on June 1, 2020 under the symbol “EDGM”. Edgemont began its Phase 1 exploration program on the Dungate project in July 2020.

DUNGATE PROJECT

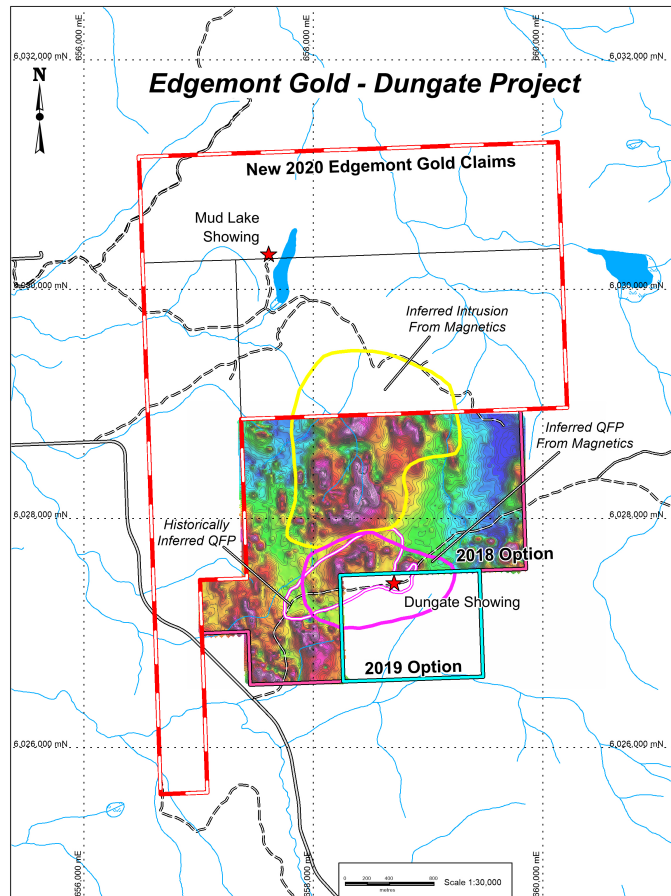
In 2019 the Company acquired interests in two mineral claims covering 546.4 hectares 6 km south of the town Houston B.C., a region with a history of successful mining projects including the Equity Silver Mine, Imperial Metals' Huckleberry Mine, and the more recent gold-silver discovery at Sun Summit Minerals' Buck Project which sits just 7 km to the south. These claims, and additional claims staked in July 2020, jointly comprise the “Dungate Project” which now consists of five mineral tenures covering 1,582.2 hectares.



For more information on the Dungate Project, please refer to the NI 43-101 Technical Report on the Dungate Project, Omenica Mining Division, British Columbia” prepared by B.L. Laird P.Geo with an effective date of November 12, 2019, (the “**Dungate Technical Report**”) and available at www.sedar.com.

Expansion of Dungate Project by Staking

On July, 2020 Edgemont staked an additional 1,035.8 hectares in three claims contiguous to its initial holdings at Dungate, effectively tripling the size of the project area. This additional ground was staked based on soil sampling and a magnetic survey conducted in 2019 that identified a possible additional Quartz Feldspar Porphyry (“QFP”) intrusive underlying the property that appears to extend to the north from the initial claim area. The following map shows the possible intrusive identified last year at the Dungate project.



The staking was continued further north to include a mineral showing identified at Mud Lake in 1986 (MINFILE 093L 011) that returned assays up of 4.56% Cu, 27.9 g/t Ag and 3.1% Zn from historical grab samples. According to Assessment Report #13733 filed by Amanda Resources in 1986, the “mineral assemblage present is considered typical of massive sulphide deposits similar to the Equity mine”, a past producing silver mine approximately 36 km to the south.

Summer Field Exploration

Edgemont begun summer field work at Dungate in June 2020. Work completed on the project comprised additional geological mapping of the property area, including detailed mapping of existing trenches discovered during field work in 2019. Rock sampling was completed contemporaneously with geological mapping of the project area, with 28 samples being collected. Highlights from these grab samples include >1% zinc, 0.28% copper and 0.13% lead from outcrop at the Mud Lake showing, the location of which is indicated in the map above.

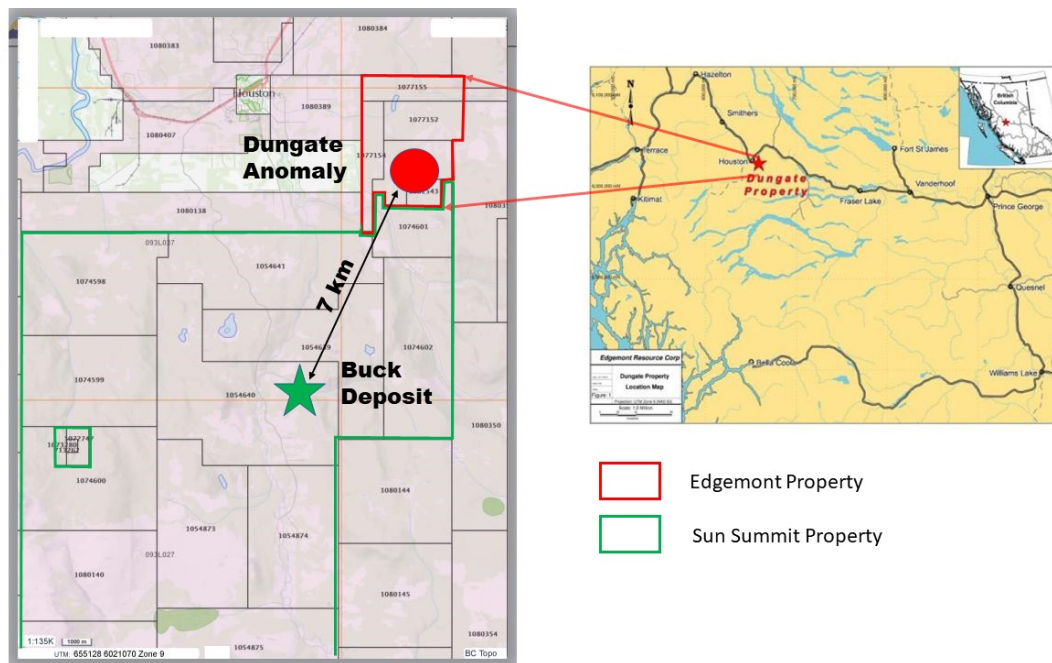
Sampling at the historical Dungate showing concentrated on better understanding of the alteration and zoning of the quartz feldspar porphyry (“QFP”). Anomalous samples from limited outcrop assayed up to 0.11% Cu, 0.033% Mo, and 69 ppb gold (in separate samples) within quartz feldspar porphyry and QFP breccias.

In September 2020 sixteen line kilometers of cut line were established and an induced polarization (“IP”) survey completed in October. The IP response indicates a strong cohesive circular chargeable anomaly approximately 1,200 meters in diameter (chargeability response varies from 15mv/v to greater than 60 mv/v) that is coincident with a total magnetic high on the southern half of the anomaly where a magnetic survey was completed in 2019. The northern half of the chargeability anomaly has a coincident resistivity high. Based on interpretation of the data from this geophysical survey, the Company identified six high priority targets for drilling this summer.

The Dungate property in its entirety is thought to be mostly underlain by volcanic rocks of either the Jurassic Hazleton Group or the Eocene Endako Group. These volcanic rocks have been intruded by a probable QFP intrusion of Eocene age. The currently known mineralization on the property is proximal to the immediate area of this QFP intrusion. This geological environment hosts potential for porphyry copper-gold-molybdenum mineralization. Outcrop on the property is limited but in the southeast quadrant of the IP anomaly potassic altered quartz feldspar porphyry intrusive occurs in historic trenches with sulphide mineralization grading up to 0.54% Cu, and up to 1.70 g/t Au in nearby outcrops. Please see our news release of October 26, 2020 for more details.

Phase I Drill Program underway at Dungate Project

In December of 2020 the Company filed a Notice of Work application for a drill permit for the Dungate project. The initial drill targets at Dungate are 7 km north of the high-grade gold/silver discovery recently announced by Sun Summit Minerals Corp. on their adjacent Buck property, where their recent claim staking in 2020 also expanded their property to the southern boundary of the Dungate property. A map showing the location of the Dungate property in relation to Sun Summit’s property is available below:

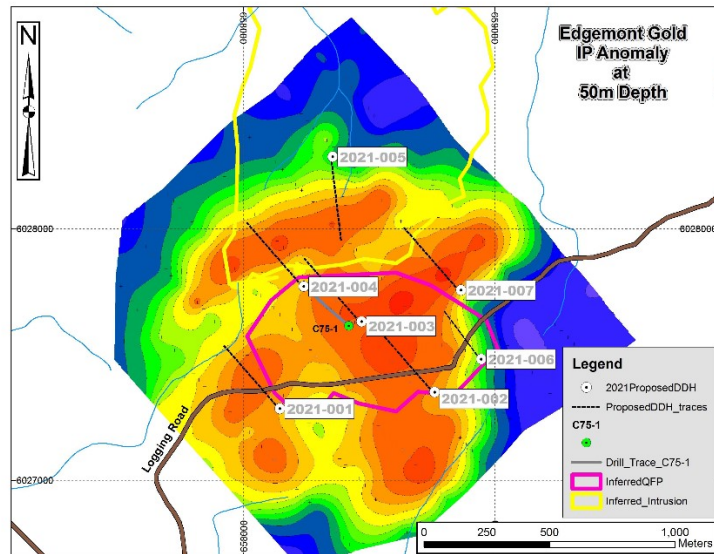


The Company’s Notice of Work was reviewed and accepted by the B.C. Ministry of Mines and a Multi-Year Area-Based Permit to allow drilling at Dungate was issued in early June 2021. Edgemont retained Apex Diamond Drilling Ltd. of Smithers, B.C. to conduct the drill program and drilling commenced in August 2021.

The drill program was initially designed to broadly test several large high chargeability IP anomalies with coincident high magnetic anomalies that were identified by Edgemont in 2020 and had never been drill tested at depth. Field work prior to this drill program established that the IP and magnetic anomalies were associated with a porphyry intrusion.

With the drilling ahead of schedule, and continued drill rig availability, the Phase I drill program was increased to a total of seven (7) drill holes totaling 3,429 metres. The seventh hole (DDH 2021-006) was added to the program to test a magnetic high southeast of the main Dungate IP anomaly and this hole was extended to 525 metres to test under the IP anomaly at depth. It was terminated in mineralized porphyry.

Four of the holes drilled at Dungate tested a strong cohesive high chargeability IP anomaly (greater than 60 mv/v) approximately 1.2 km in diameter. Two of the final three holes (DDH 2021-004 and -005) tested another possible intrusion, much larger in size, under overburden to the north of the initial Dungate showing. Six of the seven holes encountered sulphide mineralized porphyry. One hole (DDH 2021-005) remained in the host volcanics, but contained vein and fracture controlled sulphides throughout its length. The following map shows the locations of the drill holes completed at Dungate during the program.



Drilling Locations 2021

Based on initial observations, it appears that all drill holes intercepted sulphide mineralization sufficient to explain the IP anomalies, with lots of disseminated and replacement sulfides, good quartz and sulphide veining, and alteration indicating that this is part of a large mineralized system. Chalcopyrite and molybdenum were observed in drill core within the porphyry and also within the host volcanic rocks. Quartz-sulphide breccias were encountered in two holes, but the wide spacing of the holes prevents correlation of these zones with each other. Core logging, cutting and sampling was completed on October 31, 2021 and all samples were delivered to Activation Laboratories in Kamloops, B.C. for analysis. Assay results will be reported when received and interpreted.

The technical information above has been approved by Joseph Campbell, P. Geo, a Director of Edgemont, who is a Qualified Person as defined in "National Instrument 43-101, Standards of Disclosure for Mineral Projects."

Exercise of the Dungate Property Option

In December 2021 the Company made the final payment under on the initial Dungate Property option, which includes the three claims staked in 2020, and title to these four mineral claims, totaling 1,469 hectares, was transferred to the Company on February 16, 2022.

Grant of Incentive Stock Options

On November 13, 2020 the Company granted incentive stock options to directors and officers on 600,000 common shares at an exercise price of \$0.12 per share until November 13, 2023.

On February 19, 2021 the Company granted incentive stock options to directors, officers and consultants on 1,285,000 common shares at an exercise price of \$0.25 per share until February 19, 2024.

On August 6, 2021 the Company granted incentive stock options to consultants on 190,000 common shares at an exercise price of \$0.16 per share until August 7, 2023.

On December 7, 2021, the Company granted incentive stock options to consultants on 200,100 common shares at an exercise price of \$0.23 per share until December 7, 2024.

Completion of Private Placement for \$2,049,500 in February 2021

On February 1, 2021 the Company announced that it had agreed to a non-brokered private placement of 8,750,000 units at a price of \$0.20 per unit for gross proceeds of \$1,750,000. Due to demand, this private placement was increased to 10,247,500 units at \$0.20 per unit, for gross proceeds to the Company of \$2,049,500. The placement was closed on February 17, 2021.

Each unit was comprised of one common share and one-half warrant, with each full warrant entitling the holder to purchase an additional common share at an exercise price of \$0.30 per share until February 17, 2022. Finder's fees in cash of \$99,680 were paid on a portion of this placement along with the issuance of 505,400 finders' warrants with a fair value of \$59,934. The finders' warrants had the same terms and conditions as the subscriber warrants issued under the offering. All warrants expired unexercised on February 17, 2022.

Completion of Private Placement for \$703,500 in June 2021

On June 23, 2021, the Company closed a non-brokered private placement of 2,100,000 flow-through units at \$0.335 per unit for gross proceeds of \$703,500. Each unit is comprised of one flow-through common share and one-half warrant, with each full warrant entitling the holder to purchase an additional non-flow-through common share at an exercise price of \$0.35 per share until June 23, 2022. Finder's fees were paid by the issuance of 160,000 finder's warrants with a fair value of \$7,694. The finder's warrants have the same terms and conditions as the subscriber warrants issued under the offering.

RESULTS OF OPERATIONS

Year ended October 31, 2021

During the year ended October 31, 2021 (the "current period") the Company reported a net loss of \$503,429. This compares to a net loss for the year ended October 31, 2020 (the "prior period") of \$141,868. The significant variations in expenditures were as follows:

Consulting fees of \$77,250 were incurred during the current period as the Company retained the services of several consultants. There were no comparable expenses incurred during the prior period.

Management fees increased \$21,500 from \$9,000 in the prior period to \$30,500 in the current period as increased time was required to manage the Company.

Professional fees increased \$21,008 from \$19,757 in the prior period to \$40,765 in the current period as the Company retained a Chief Financial Officer on a contract basis.

During the current period, the Company incurred \$278,586 for share-based payments expense (a non-cash expense) for stock options granted during the period as compared to \$36,392 incurred in the prior period.

Shareholder relations expense of \$208,316 was incurred during the current period as the Company began disseminating news regarding its exploration activities on its mineral project. There was no comparable expense incurred during the prior period.

Transfer agent and filing fees increased \$11,613 from \$5,888 in the prior period to \$17,501 in the current period as the Company became more active.

There was flow-through share premium income of \$155,936 in the current period that was due to the renunciation of exploration expenses funded by the issuance of flow-through shares. There was no comparable income during the prior period.

During the prior period, the Company incurred listing costs of \$66,778 as it prepared to list on the CSE. There were no comparable expenses during the current period.

During the year ended October 31, 2021, the Company incurred acquisition and exploration and evaluation property expenditures, and received exploration tax credits, as follows:

	Dungate Creek Property		Mike Property		Total
Acquisition costs					
Balance, October 31, 2020	\$	24,000	\$	12,300	\$ 36,300
Additions - cash		20,000		10,000	30,000
Additions - shares		14,400		9,000	23,400
Balance, October 31, 2021	\$	58,400	\$	31,300	\$ 89,700
Exploration and evaluation costs					
Balance, October 31, 2020	\$	186,324	\$	-	\$ 186,324
Assaying		1,731		-	1,731
Drilling		546,085		-	546,085
Field expenses		3,355		-	3,355
Geological services		73,700		-	73,700
Geophysics		2,000		-	2,000
Licensing		2,000		-	2,000
Total incurred during the year ended October 31, 2021	\$	628,871	\$	-	\$ 628,871
Less:					
Exploration tax credit		(30,969)		-	(30,969)
Balance, October 31, 2021	\$	784,226	\$	-	\$ 784,226
Total	\$	842,626	\$	31,300	\$ 873,926

Selected Annual Information

	Year ended October 31, 2021 (\$)	Year ended October 31, 2020 (\$)	Year ended October 31, 2019 (\$)
Loss before Other Items	(661,373)	(85,804)	(42,994)
Per Share	(0.03)	(0.01)	(0.01)
Net Income (Loss)	(503,429)	(141,868)	7,792
Per Share	(0.02)	(0.01)	0.00
Total Assets	3,054,657	379,244	245,149
Long-Term Liabilities	Nil	Nil	Nil

The net loss for the fiscal year ended October 31, 2021 increased to \$503,429 from net loss of \$141,868 during the fiscal year ended October 31, 2020 primarily due to share-based payment expense, a non-cash item, of \$278,586 and shareholder relations of \$208,316 offset by \$155,936 flow-through share premium income.

The net loss for the fiscal year ended October 31, 2020 increased to \$141,868 from net income of \$7,792 during the fiscal year ended October 31, 2019 primarily due to share-based payment expense, a non-cash item, of \$36,392 and listing costs of \$66,778 incurred during the current fiscal year. There were no similar costs incurred during the prior year.

The net income of \$7,792 for the fiscal year ended October 31, 2019 was due to a flow-through share premium of \$61,500 recorded due to the renunciation of exploration expenses funded by the issuance of flow-through shares, offsetting operating expenses of \$42,994 and deferred income tax expense of \$10,714.

Three-month period ended October 31, 2021

During the three-month period ended October 31, 2021 (the "current period") the Company reported net loss of \$5,809. This compares to a net loss for the three-month period ended October 31, 2020 (the "prior period") of \$86,931.

The significant variations in expenditures were as follows:

Consulting fees of \$23,000 were incurred during the current period as the Company retained the services of several consultants. There were no comparable expenses incurred during the prior period.

During the current period, the Company incurred \$17,069 for share-based payments expense (a non-cash expense) for stock options granted during the period.

Shareholder relations expense of \$90,101 was incurred during the current period as the Company began disseminating news regarding its exploration activities on its mineral project. There was no comparable expense incurred during the prior period.

The above expenses were offset by a gain of \$155,936 on the recognition of the flow-through share premium in relation to the expenditure of flow through funds during the current period on eligible exploration expenditures. There was no comparable income during the prior period.

Summary of Quarterly Results

	Q4-2021	Q3-2021	Q2-2021	Q1-2021	Q4-2020	Q3-2020	Q2-2020	Q1-2020
Net income (loss) (\$)	(5,809)	(113,149)	(310,627)	(73,844)	(86,931)	(9,151)	(4,562)	(41,224)
Per Share (\$)	0.00	(0.00)	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)

The loss for the first quarter of fiscal 2020 increased to \$41,224 from the gain of \$19,009 during the fourth quarter of fiscal 2019 primarily as a result of share-based payments expense of \$36,392 recorded during this quarter for the grant of stock options. There was also no reversal of the flow through share premium liability during the first quarter of fiscal 2020 as that liability had been reduced to nil at the end of the prior quarter.

The loss for the second quarter of fiscal 2020 was reduced to \$4,562 from the loss of \$41,224 during the first quarter of fiscal 2020 primarily due to the absence of share-based payments expense of \$36,392 during the second quarter, as no options were granted during the period.

The loss for the third quarter of fiscal 2020 increased to \$9,151 from the loss of \$4,562 during the second quarter of fiscal 2020 primarily due to an increase in office and miscellaneous expense during the third quarter.

The loss for the fourth quarter of fiscal 2020 increased to \$86,931 from the loss of \$9,151 during the third quarter of fiscal 2020 primarily due to the reclassification of listing expenses of \$66,778 from share issuance costs to an operating expense during the period.

The loss for the first quarter of fiscal 2021 decreased to \$73,844 from the loss of \$86,931 during the fourth quarter of fiscal 2020. The loss for the first quarter of fiscal 2021 included share-based payments expense of \$47,612 recorded during this quarter for the grant of stock options while the fourth quarter of fiscal 2020 included listing expenses of \$66,778.

The loss for the second quarter of fiscal 2021 increased to \$310,627 from the loss of \$73,844 during the first quarter of fiscal 2021. The loss for the second quarter of fiscal 2021 included share-based payments expense of \$213,905 (a non-cash expense) recorded during this quarter for the grant of stock options while the first quarter of fiscal 2021 included share-based payments expense of \$47,612.

The loss for the third quarter of fiscal 2021 decreased to \$113,149 from the loss of \$310,627 during the second quarter of fiscal 2021. The loss for the third quarter of fiscal 2021 included no share-based payments expense for the grant of stock options while the second quarter of fiscal 2021 included share-based payments expense of \$213,905 (a non-cash expense).

The Company had a net loss of \$5,809 during the fourth quarter of fiscal 2021 compared to a loss of \$113,149 in the third quarter of fiscal 2021. Operating expenses during the fourth quarter of fiscal 2021 were primarily comprised of consulting fees, professional fees and shareholder relation expenses as the Company conducted its exploration program. The loss was offset by income mainly comprised of \$155,936 from the reduction of the flow-through share premium liability incurred on the issuance of flow-through shares in June 2021. This was the result of incurring eligible exploration expenditures during the fourth quarter.

LIQUIDITY AND CAPITAL RESOURCES

Edgemont is in the development stage and therefore has no regular cash flow. As of October 31, 2021, the Company had working capital of \$1,815,916 (October 31, 2020 – working capital of \$144,506), inclusive of cash on hand of \$1,994,966 (October 31, 2020 - \$150,066).

At October 31, 2021 the Company had current assets of \$2,164,731, total assets of \$3,054,657 and total liabilities of \$348,815. The Company has no long-term debt. There are no known trends in the Company's liquidity or capital resources.

On June 23, 2021, the Company closed a non-brokered private placement of 2,100,000 flow-through units at \$0.335 per unit, for gross proceeds of \$703,500. Each unit is comprised of one flow-through common share and one-half warrant, with each full warrant entitling the holder to purchase an additional non-flow-through common share at an exercise price of \$0.35 per share until June 23, 2022. Finder's fees were paid by the issuance of 160,000 finder's warrants with a fair value of \$7,694. The finder's warrants have the same terms and conditions as the subscriber warrants issued under the offering.

The net proceeds of this private placement were used to fund drilling completed at the Company's Dungate copper/gold porphyry project in October 2021.

On February 17, 2021 the Company closed a non-brokered private placement of 10,247,500 units at a price of \$0.20 per unit for gross proceeds of \$2,049,500. Each unit was comprised of one common share and one-half warrant, with each full warrant entitling the holder to purchase an additional common share at an exercise price of \$0.30 per share for a period of one year from the date of closing. Finder's fees in cash of \$99,680 were paid on a portion of this placement along with the issuance of 505,400 finders' warrants with a fair value of \$59,934. The finders' warrants had the same terms and conditions as the subscriber warrants issued under the offering.

Cash flow to date has not satisfied the Company's operational requirements. The development of the Company in the future will depend on the Company's ability to obtain additional financings. In the past, the Company has relied on the sale of equity securities to meet its cash requirements. Future developments, in excess of funds on hand, will depend on the Company's ability to obtain financing through joint venturing of projects, debt financing, equity financing or other means. There can be no assurances that the Company will be successful in obtaining any such financing or in joint venturing its property; failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of the Company's properties.

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:

	Year ended October 31, 2021	Year ended October 31, 2020
	\$	\$
Management fees	30,500	9,000
Office and administration	-	3,000
Professional fees	16,000	-
Geological services	12,000	-
Share-based payments	139,187	36,392
Total	197,687	48,392

During the year ended October 31, 2021 the Company paid \$30,500 (2020 - \$9,000) to West Oak Capital Group, Inc., a private company wholly-owned by Stuart Rogers, a director and officer of the Company, for his services as Chief Executive Officer of the Company.

During the year ended October 31, 2021 the Company paid \$16,000 (2020 - \$3,000) to Goring Development Corp., a private company controlled by Gord Steblin, for his services as Chief Financial Officer of the Company.

During the year ended October 31, 2021 the Company paid \$12,000 (2020 - \$Nil) to GeoVector Management Inc., a private company controlled by Joseph Campbell, for geological consulting services.

During the year ended October 31, 2021 the Company recognized share-based payments expense totaling \$139,187 (2020 - \$36,392) relating to stock options granted to directors and officers of the Company.

Management fees and share-based payments were incurred from the Chief Executive Officer of the Company and a company owned by the Chief Executive Officer. Professional fees and share-based payments were also incurred from the Chief Financial Officer of the Company. Geological services and share-based payments were also incurred from a Director of the Company. Only share-based payments were incurred from the remaining Directors of the Company. Key management includes directors and key officers of the Company, including the Chief Executive Officer and Chief Financial Officer.

COMMITMENTS

The Company is committed to certain cash payments, share issuances and exploration expenditures in connection with the acquisition of its mineral property claims.

CRITICAL ACCOUNTING POLICIES

Share-based Payments

The Company has a stock option plan, which is described in the notes to the financial statements. Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Risk, Uncertainties and Outlook

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. Other risks facing the Company include competition for mineral properties, environmental and insurance risks, fluctuations in metal prices, fluctuations in exchange rates, share price volatility and uncertainty of additional financing.

Going Concern

The Company is in the exploration stage and has no revenue or income from operations. The Company has limited capital resources and has to rely upon the sale of equity and/or debt securities for cash required for exploration and development purposes, for acquisitions and to fund the administration of the Company. Since the Company does not expect to generate any revenues from operations in the near future, it must continue to rely upon the sales of its equity or debt securities or joint venture agreements to raise capital. It follows that there can be no assurance that financing, whether debt or equity, will be available to the Company in the amount required by the Company at any particular time or for any period and that such financing can be obtained on terms satisfactory to the Company.

The Company's financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its ongoing commitments and further its mineral exploration programs.

The Company may encounter difficulty sourcing future financing in light of the recent economic downturn. The current financial equity market conditions and the inhospitable funding environment make it difficult to raise capital

through the private placements of shares. The junior resource industry has been severely affected by the world economic situation as it is considered speculative and high-risk in nature, making it even more difficult to fund.

While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with any financing ventures.

On March 11, 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. 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 exploration activities or its ability to raise funds. As of the date of this report, Covid-19 has had no impact on the Company's ability to access and explore its current properties but may impact the Company's ability to raise money or explore its properties should travel restrictions currently in effect in B.C. due to Covid-19 be extended or expanded in scope

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its other receivables. This risk is minimal as receivables consist primarily of refundable government goods and services taxes owing from the Government of Canada and exploration tax credits owing from the Government of British Columbia.

Liquidity risk

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

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

Foreign exchange 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 acquisition and exploration of mineral properties. As the Company's exploration and evaluation assets are located in British Columbia, Canada, the Company is not exposed to significant foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has positive cash balances at October 31, 2021 and no-interest bearing debt, therefore, interest rate risk is nominal.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource properties. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

Equity Securities Issued and Outstanding

The Company had 26,456,589 common shares issued and outstanding as of February 24, 2022 of which 1,800,001 shares were held in escrow. On February 24, 2022 there were also 323,312 share purchase warrants exercisable at \$0.10 and 1,210,000 share purchase warrants exercisable at \$0.35 along with 300,000 incentive stock options exercisable at \$0.10, 400,000 incentive stock options exercisable at \$0.12, 1,285,000 incentive stock options exercisable at \$0.25 and 122,100 incentive stock options exercisable at \$0.23.