

**CLARITY GOLD CORP.  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2021**

---

## **OVERVIEW**

---

The following management discussion and analysis (“MD&A”), prepared on May 31, 2021, should be read in conjunction with the condensed interim unaudited financial statements for the three month period ended March 31, 2021. All amounts are stated in Canadian dollars unless otherwise indicated. These financial statements together with this MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of Clarity Gold Corp. (the “Company”).

## **FORWARD LOOKING STATEMENTS**

---

Information contained in this MD&A that is not historical fact may be considered “forward looking statements”. These forward-looking statements sometimes include words to the effect that management believes or expects a stated condition or result. All estimates and statements that describe the Company’s objectives, goals or plans are forward looking statements. Since forward looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors, including such variables as new information, changes in demand for commodity prices, legislative, environmental and other regulatory or political changes, competition in areas where the Company operates, and other factors discussed herein. Readers are cautioned not to place undue reliance on this forward-looking information.

## **DESCRIPTION OF BUSINESS**

---

Clarity Gold Corp. (the “Company”) was incorporated under the *Business Corporations Act* (British Columbia) on September 11, 2019. On November 1, 2019, the Company changed its name from 1222991 B.C. Ltd. to Clarity Gold Corp. The Company’s head office and registered office are located at 915 – 1055 West Hastings Street, Vancouver, BC, V6E 2E9.

On June 25, 2020, the Company completed its initial public offering (“IPO”) by issuing 6,900,000 common shares at \$0.175 per share for gross proceeds of \$1,207,500. On June 29, 2020, the Company’s common shares commenced trading on the Canadian Securities Exchange (“CSE”) under the trading symbol “CLAR”. On July 1, 2020, the Company’s common shares commenced trading on the OTC Pink Sheets Market under the trading symbol “CLGCF”.

The Company is a Canadian mineral exploration company focused on the acquisition, exploration and development of gold projects in Canada.

The Company is currently evaluating its exploration and evaluation assets and has not determined whether its projects contain reserves that are economically recoverable. The recoverability of amounts recorded for the exploration and evaluation assets are dependent upon the discovery of economically recoverable reserves. The Company’s future capital requirements depend on many factors, including costs of exploration and development of the exploration and evaluation assets, cash flow from operations, costs to complete additional exploration, competition and global market conditions.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2021.

## SUMMARY OF BUSINESS ACTIVITIES

---

The following financial and operational highlights occurred during the three month period ended March 31, 2021, and to the date of this report of May 31, 2021:

- On January 11, 2021, the Company completed the first tranche of a non-brokered private placement of 1,563,956 Units at a price of \$0.96 per Unit for gross proceeds of \$1,501,398. Each Unit consisted of one common share in the capital of the Company and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable into one additional common share at a price of \$1.25 per share until January 11, 2022.

The Company paid \$6,240 in legal fees, cash finder's fees of \$56,447, and issued 58,694 agent options with a fair value of \$32,357, which were recorded as share issue costs. Each agent option is exercisable into one additional common share at a price of \$0.96 per share until January 11, 2022. The fair value of the agent options was determined using Black-Scholes Option Pricing Model with the following inputs: volatility 100%, expected life of 1 year, and a risk-free rate of 0.18%.

- On January 26, 2021, the Company paid \$450,000 to Big Ridge Gold Corp., and issued 685,391 common shares with a fair value of \$1,007,525 pursuant to the Destiny Property Agreement.
- On January 28, 2021, the Company completed the second tranche of a non-brokered private placement of 3,167,340 Units at a price of \$0.96 per Unit for gross proceeds of \$3,040,646. Each Unit consisted of one common share in the capital of the Company and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable into one additional common share at a price of \$1.25 per common share until January 28, 2022.

The Company paid \$12,668 in legal fees, cash finder's fees of \$149,061, and issued 155,062 agent options with a fair value of \$124,026, which were recorded as share issue costs. Each agent option is exercisable into one additional common share at a price of \$0.96 per share until January 28, 2022. The fair value of the agent options was determined using Black-Scholes Option Pricing Model with the following inputs: volatility 100%, expected life of 1 year, and a risk-free rate of 0.15%.

- In February 2021, the Company received a total of \$52,500 from the exercise of 150,000 warrants exercisable at \$0.35 per share until July 31, 2022.
- On February 9, 2021, the Company announced that as a result of a review by the British Columbia Securities Commission the Company clarified and amended its disclosure with respect to the Company's November 30, 2020, news release on its Destiny Project. See "Destiny Project" in Exploration and Evaluation Assets section for details.
- On February 28, 2021, 800,000 shares were released from escrow pursuant to the May 5, 2020 escrow agreement.
- On March 5, 2021, the Company completed a non-brokered flow-through private placement of 2,054,405 common shares at \$1.85 per share for gross proceeds of \$3,800,649.

The Company paid cash finder's fees of \$266,045 and issued 143,808 agent options with a fair value of \$97,596 in connection with the private placement. Each agent option is exercisable at \$1.85 per share on a non-flow-through basis until March 5, 2023. The fair value of the agent options was determined using Black-Scholes Option Pricing Model with the following inputs: volatility 100%, expected life of 2 years, and a risk-free rate of 0.30%.

## **SUMMARY OF BUSINESS ACTIVITIES (CONTINUED)**

---

- On March 9, 2021, the Company announced that Forage Val d'Or had begun mobilization of a diamond drill to the Destiny Project. Trail and pad clearing were underway, and crews were establishing core processing facilities in Val d'Or, Quebec.
- On March 31, 2021, the Company reported the completion of the first two holes totalling 822 metres of the ongoing 10,000 metre diamond drilling program at the Destiny Project. These first holes were designed to test mineralization extent and continuity in the western portions of the DAC Zone and confirm historic drilling which identified mineralization here.

### **Appointment**

On March 16, 2021, the Company announced the appointment of Mr. Olen Aasen to its Advisory Board. Mr. Aasen is an executive and corporate and securities lawyer with more than 14 years of experience in corporate, securities, mining and regulatory matters bringing a range of legal experience to the Company's team.

### **Granted options**

During the three month period ended March 31, 2021, the Company recognized a total of \$432,080 (2020 - \$Nil) in share-based compensation which was comprised of the following:

On March 15, 2021, the Company granted 550,000 share options to a member of the Company's Advisory Board, and two consultants. Each option is exercisable at \$1.48 per share until March 15, 2023. All of the options vested upon date of grant. The estimated fair value of the options was \$424,895, measured using the Black-Scholes Option Pricing Model with the following assumptions: share price \$1.48; exercise price - \$1.48; expected life - 2 years; volatility - 100%; dividend yield - \$0; and risk-free rate - 0.31%.

An additional \$7,185 of share-based compensation was recognized on vesting of options from the grant of 100,000 options granted on July 31, 2020.

### **Subsequent events**

#### *Exercised share options*

On April 9, 2021, the Company received \$17,500 from the exercise of 50,000 warrants exercisable at \$0.35 per share until July 31, 2022.

#### *Acquisition of surface rights over Destiny Project*

On May 11, 2021, the Company announced the purchase of surface rights of two lots for a resulting total area of approximately 82 hectares over a key portion of the Destiny Project.

The total purchase of \$250,000 for two lots, at \$125,000 per lot involves a cash payment of \$25,000 per lot at closing, with the remaining balance of \$100,000.00 per lot payable in four equal consecutive installments of \$25,000 every quarter following the closing.

**CLARITY GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2021**

**EXPLORATION AND EVALUATION ASSETS**

The following table is a reconciliation of exploration and evaluation costs for the three month period ended March 31, 2021:

	Destiny Project	Empirical Project	Gretna Green Project	Tyber Project	Total expenditures
Acquisition costs, December 31, 2020	\$ 305,000	\$ 228,681	\$ 161,666	\$ 161,666	\$ 857,013
Additions (Note 9)	1,457,525	-	-	-	1,457,525
Acquisition costs, March 31, 2021	1,762,525	228,681	161,666	161,666	2,314,538
Exploration and evaluation costs, March 31, 2021	\$ 43,845	\$ 103,453	\$ 8,367	\$ 5,883	\$ 161,548
<u>Additions:</u>					
Assays	4,035	-	-	-	4,035
Demobilization	800	-	-	-	800
Drilling	162,017	-	-	-	162,017
Environmental	412	-	-	-	412
Equipment rentals	2,600	-	-	-	2,600
Field expenditures	60,883	-	-	-	60,883
Geological, (Note 9)	13,913	-	-	-	13,913
Geophysical	12,361	-	-	-	12,361
Licences and permits	18,586	-	-	-	18,586
Line cutting	37,199	-	-	-	37,199
Mapping	1,850	-	-	-	1,850
Meals and lodging	18,659	-	-	-	18,659
Miscellaneous	7,761	4,901	-	-	12,662
Mobilization	3,460	-	-	-	3,460
Sampling	3,530	-	-	-	3,530
Storage	1,320	-	-	-	1,320
Transportation	18,081	-	-	-	18,081
Total exploration and evaluation costs additions	367,467	4,901	-	-	372,368
Total exploration and evaluation costs, March 31, 2021	411,312	108,354	8,367	5,883	533,916
Total acquisition and exploration and evaluation costs, March 31, 2021	\$ 2,173,837	\$ 337,035	\$ 170,033	\$ 167,549	\$ 2,848,454

**CLARITY GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2021**

**EXPLORATION AND EVALUATION ASSETS (CONTINUED)**

The following table is a reconciliation of exploration and evaluation costs for the year ended December 31, 2020:

	Destiny Project	Empirical Project	Gretna Green Project	Tyber Project	Total expenditures
Acquisition costs, December 31, 2019	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000
Additions (Note 9)	305,000	218,681	161,666	161,666	847,013
Acquisition costs, December 31, 2020	305,000	228,681	161,666	161,666	857,013
Exploration and evaluation costs, December 31, 2019	\$ -	\$ 80,449	\$ -	\$ -	\$ 80,449
<u>Additions:</u>					
Administration	-	500	-	-	500
Assays	-	233	219	299	751
Field expenditures	-	62	-	-	62
Geological, (Note 9)	23,450	2,584	3,333	1,833	31,200
Licences and permits	-	2,100	500	500	3,100
Mapping	16,025	5,700	2,500	2,500	26,725
Meals and lodging	3,684	1,395	1,277	281	6,637
Transportation	686	10,430	538	470	12,124
Total exploration and evaluation costs additions	43,845	23,004	8,367	5,883	81,099
Total exploration and evaluation costs, December 31, 2020	43,845	103,453	8,367	5,883	161,548
Total acquisition and exploration and evaluation costs, December 31, 2020	\$ 348,845	\$ 332,134	\$ 170,033	\$ 167,549	\$ 1,018,561

**CLARITY GOLD CORP.  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2021**

---

**Destiny Project**

On November 27, 2020, the Company entered into an Option Agreement (the “Destiny Agreement”) with Big Ridge Gold Corp. (“Big Ridge”) to acquire up to 100% of the Destiny Project (the “Option”). The 5,013 hectare project is located approximately 75 kilometres northeast of the city of Val d’Or in the prolific Abitibi Greenstone Belt.

Pursuant to the terms of the Destiny Agreement, the Company can earn a 100% interest in the Destiny Project by making the following payments to Big Ridge:

<b>Payment Date</b>	<b>Cash Payment Amount</b>	<b>Shares Issuance Amount (\$'s)</b>	<b>Interest Earned in Destiny Project</b>
Previously paid on execution of the Letter of Intent dated October 29, 2020	\$50,000 (paid in fiscal 2020)	-	-
Within 60 days of the execution of the Destiny Agreement	\$450,000 (paid on January 26, 2021)	\$1,000,000 (685,391 shares with a fair value of \$1,007,525 issued on January 26, 2021)	-
12 months from the date of the Destiny Agreement	\$750,000	\$1,000,000	-
24 months from the date of the Destiny Agreement	\$750,000	\$1,500,000	49% earned
36 months from the date of the Destiny Agreement	\$1,000,000	\$2,000,000	100% earned
<b>Total</b>	<b>\$3,000,000</b>	<b>\$5,500,000</b>	<b>100% earned</b>

The Company may accelerate the exercise of the Option by making the cash payments and issuances of common shares earlier than the timeframes contemplated above. The number of common shares to be issued to Big Ridge pursuant to the Option will be determined by dividing the dollar amount of the Company’s common shares to be issued at any point in time by the five (5) day volume weighted average closing price of the common shares on the day before such issuance of such common shares, subject to the policies of the CSE.

Concurrently with the exercise of the Option, the Company has agreed to grant to Big Ridge a 1.0% net smelter return royalty (the “Royalty”) with respect to production of all precious metals from the Destiny Project, with the Royalty to be payable by the Company following commencement of commercial production. The Company has the right to buy back the Royalty during the first three (3) years following the commencement of commercial production on payment by the Company to Big Ridge of \$1,000,000.

Exercise of the Option is subject to receipt of all applicable regulatory approvals and consents. The Company will be the operator responsible for carrying out all operations with respect to the Destiny Project during the term of the Destiny Agreement. If the Company acquires a 49% interest in the project and decides not to proceed with the acquisition of the further 51% interest in the project, then, for a period of 18 months following such time, Big Ridge will have the right to purchase back the 49% interest in the project for cash consideration of \$2,000,000.

The Company paid \$255,000 as a finders’ fee (equal to 3% of the aggregate consideration) for the transaction which had been accrued in the year ended December 31, 2020.

On January 26, 2021, the Company paid \$450,000 to Big Ridge, and issued 685,391 common shares with a fair value of \$1,007,525 pursuant to the Destiny Agreement.

## **Destiny Project (continued)**

### *Highlights of the Destiny Project*

- Located in the historical, mineral rich Abitibi Greenstone Belt.
- Gold mineralization occurs in high-grade quartz veins within shear zones starting at 15 m below surface (drill results include 167g/t Au over 1 m).
- Mineralization is open to depth and along strike.
- The DAC deposit is open along strike with only coarse drilling denoting high grade intercepts outside of 2011 resource area showing expansion potential along strike from the DAC Deposit over approximately 2.5 km to the Darla Zone. • Excellent infrastructure: ~75 km NNE of Val d'Or with road access.
- Considerable work done to date including over 50,000 m of diamond drilling.

The Destiny Project is located in the prolific Abitibi Greenstone Belt where more than 180 million ounces of gold have been produced historically along major structural breaks within the assemblage of Archean-age volcanic, sedimentary and intrusive rocks. The Destiny Project lies along the approximately 400 km long Chicobi Deformation Zone, a major structural break which is largely underexplored in the Abitibi Greenstone Belt. The Destiny Project includes the DAC deposit, one of several gold zones along an approximately 6 km long segment of the Despinassy Shear Zone within the Chicobi Deformation Zone.

Approximately 2.5 km east along strike of the DAC deposit is the Darla zone. In between the Darla and DAC is the coarsely drilled GAP zone where 2012 drilling intercepted anomalous gold in all 12 holes which were spaced 100 m apart.

Exploration of the Destiny Project dates back to the 1930s with the first serious diamond drilling campaign commencing in 1998 by Cameco. Continued exploration and drilling campaigns supported a maiden NI 43-101 resource estimation being authored in 2007 and the most recent NI 43-101 resource estimation in 2011 in the Technical Report, dated March 1, 2011, authored by, Todd McCracken, P. Geo., and filed by Big Ridge on [www.sedar.com](http://www.sedar.com) on March 7, 2011 (the "2011 Technical Report"). Since the publishing of the 2011 Technical Report, only 15 drill holes totaling approximately 3,473 m were completed as well as geochemical surveys and a geophysical compilation targeting VMS mineralization.

Previous work on the property can be summarized as follows:

- 172 Diamond drill holes comprising approximately 50,400 m
- Reconnaissance till sampling from 11 Sonic drill holes
- 2,430 MMI geochemical samples
- 982 line km of airborne VTEM surveys
- 171 line km of ground magnetics surveys • 128 line km of IP

## Destiny Project (continued)

Salient results from previous drill programs on the Destiny Project:

Zone	Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)
DAC	<b>DES9917</b>	117.2	140.8	23.6	6.15
DAC	including	118.8	121.9	3.1	23.95
DAC	and	134.8	138.5	3.7	12.46
DAC	<b>DES0032</b>	159.9	169.2	9.3	3.98
DAC	including	161.2	165.9	4.7	5.37
DAC	and	163.3	165.9	2.6	7.78
DAC	<b>DES05-64</b>	161.8	170.5	8.7	5.42
DAC	including	161.8	163.2	1.4	22.14
DAC	<b>DES05-66</b>	130.3	133.1	2.8	5.18
DAC	and	138.3	139.3	1.0	3.37
DAC	and	142.2	143.6	1.4	8.83
DAC	<b>DES05-67</b>	163.7	170.9	7.2	8.81
DAC	Including	166.0	168.7	2.7	19.49
DAC	<b>DES05-79</b>	130.6	133.1	2.5	10.70
DAC	and	142.0	145.0	3.0	5.04
DAC	<b>DES05-81</b>	323.7	325.8	2.1	3.41
DAC	and	333.7	339.0	5.3	4.01
DAC	including	333.7	338.5	4.8	4.32
DAC	<b>DES06-85</b>	214.0	216.5	2.5	4.31
DAC	and	221.7	222.7	1.0	167.00
DAC	<b>DES06-96</b>	254.4	261.2	6.8	2.46
DAC	and	272.7	275.7	3.0	3.04
DAC	<b>DES10-137</b>	372.9	374.0	1.1	25.65
Darla	<b>DES06-91</b>	115.1	117.2	1.2	19.67
Darla	<b>DES08-104</b>	104.5	107.0	2.5	6.73
Darla	including	104.5	105.2	0.7	19.73
Gap	<b>DES12-147</b>	85.5	91.5	6.0	16.10
Gap	including	87.5	88.5	1.0	90.30
Gap	and	146.0	148.0	2.0	2.55
West	<b>DES05-75</b>	79.8	80.5	0.7	3.36
West	and	82.7	84.2	1.5	1.50
West	and	90.3	91.8	1.5	1.23
South	<b>DES0051</b>	308.6	309.9	1.3	2.22
South	<b>DES0056</b>	49.0	49.2	0.2	3.03
South	and	144.6	145.3	0.7	1.69
South	and	319.00	319.2	0.2	2.23
Zone 21	<b>DES9921</b>	93.8	99.8	6.0	2.49
Zone 21	including	93.8	94.8	1.0	7.03
Zone 20	<b>DES9920</b>	218.4	220.4	2.0	4.60

### The DAC Deposit

The 2011 Technical Report entitled "NI 43-101 Technical Report and Resource Estimate of the DAC Deposit, Destiny Property, Quebec" included the following estimates:



## Destiny Project (continued)

Class	Tonnes	Au (gpt)	Au (ounces)
Indicated	10,800,000	1.05	360,000
Inferred	8,300,000	0.92	247,000

### Notes:

- The 2011 Technical Report was prepared for Alto Ventures Ltd. (now Big Ridge) and Pacific Northwest Capital Corp.
- Values rounded to reflect summary nature of the estimate
- Cut-off grade 0.5 g/t Au - Au price of US\$973/Oz
- US\$ to CAD\$ conversion of 1.02
- Au recovery 94%
- 4:1 Strip ratio
- Operating cost of \$14.30/t at 10,000 tpd

On January 15, 2021, the Company reported on its progress from a recent site visit by personnel as part of 2021 exploration planning, and a summary of ongoing data interpretation and compilation where 25% of the 172 drill holes from previous operators on the whole project area intercepted visible gold, as noted in drill logs of the Destiny Project.

Highlights of the site visit and ongoing data compilation and interpretation:

- Viewed historic drill core of the project stored in Val d'Or
- Collected 24 samples of drill core for geophysical rock property testing
- Engaged Abitibi Geophysics to conduct data compilation and robust inversion
- Visited the project site to evaluate conditions and access in advance of applying for drill permits
- Met with additional potential key contractors, professionals, and suppliers
- 65 intercepts within with an average width of 0.71m assayed above 10 gpt Au within 43 holes of the 172-drill hole database
- 43 (25%) of 172 drill holes intercepted visible gold
- Collected multimedia and video footage to aid in compiling historic data

### Ongoing Data Compilation and Evaluation

The Company's team has been diligently compiling and interpreting all available data for the Destiny Project. Of the 172 known diamond drill holes on the entire property, 43 (25%) of them report visible gold in the drill logs. 38 of these holes are within the DAC zone where the 2011 resource is located.

Zone Name	Number of Holes with Visible Gold	Total Number of Holes
DAC	38	77
Darla	2	23
Gap	2	19
West	1	7
Outside DAC, Gap, Darla, and West	0	46
Total	43	172

The average depth of drilling below surface is approximately 220 m over the project area. The DAC Zone, where the 2011 resource is located, has seen the deepest drilling with an average depth of approximately 275 m below surface and only 3 holes are 600 m or deeper, with the deepest being approximately 710 m below surface which confirmed the presence of the mineralized structure at depth and intercepted anomalous gold. The coarsely drilled Gap zone immediately on strike to the east of the DAC has seen Zone Name Number of Holes with Visible Gold Total Number of Holes DAC 38 77 Darla 2 23 Gap 2 19 West 1 7 Outside DAC, Gap, Darla and West 0 46 Total 43 172 - 3 - limited drilling with only 4 holes deeper than 200 m to a maximum depth below surface of only approximately 360 m.

## Destiny Project (continued)

### *Completion of Recent Site Visit and Ongoing Planning*

The drill core is securely stored in a fenced yard within the city of Val d'Or where it is neatly racked or palletized and easily accessible for review. The Company's personnel were able to visit the drill core and twenty four (24) samples were taken for representative rock properties testing conducted by Abitibi Geophysics. The results of this testing will aid Abitibi and the Company in further characterizing the rocks through a comprehensive multi-technique geophysical inversion. This will help us build a better understanding of previous geophysical survey results and continued interpretation and targeting as we advance the understanding of the project.

Additionally, the Company's personnel met with several local contractors and suppliers in support of planning and budgeting for the 2021 exploration program.

### *Technical Report and Update on Technical Disclosure*

On February 9, 2021, the Company announced that as a result of a review by the British Columbia Securities Commission (the "BCSC") the Company wishes to clarify and amend its disclosure with respect to the Company's November 30, 2020 news release on its Destiny Gold Project. Additionally, the Company was planning a drill program on the Destiny Project which was being designed to verify historic drilling, and will work towards filing a new National Instrument 43-101 resource estimate.

In the News Release the Company disclosed a historical estimate from a 2011 NI 43-101 technical report. The disclosure did not contain all of the information required under Section 2.4 of NI 43-101 describing the historical estimate. In order to clarify this disclosure, the Company has filed the technical report "NI 43-101 Technical Report on the Destiny Property, Despinassy Township, Quebec, Canada" for the Project on [www.sedar.com](http://www.sedar.com) on February 9, 2021 (the "Clarity Report") which describes the estimate from the 2011 report as an historical estimate.

The DAC Historical Estimate:

Class	Tonnes	Au (gpt)	Au (ounces)
Indicated	10,800,000	1.05	360,000
Inferred	8,300,000	0.92	247,000

Notes:

- The historical estimate at DAC is considered historical as defined in NI 43-101. See the following table with important disclosures regarding historical estimates.
- The historical estimate for DAC is contained in the technical report entitled "NI 43-101 Technical Report and Resource Estimate of the DAC Deposit, Destiny Property, Quebec" effective March 1, 2011, completed by Todd McCracken of Wardrop Engineering Inc for Alto Ventures Ltd (now Big Ridge Gold Corp) and filed on SEDAR.
- Values were rounded to reflect the summary nature of the estimate.

In accordance with Section 2.4 of National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and despite section 2.2 an issuer may disclose an historical estimate, using the original terminology, if the disclosure identifies the following:

**Source and date of the historical estimate, including any existing technical report** Information relating to this historical estimate is summarized from a technical report authored by Todd McCracken, P.Geo. of Wardrop Engineering Inc entitled "NI 43-101 Technical Report and Resource Estimate of the DAC Deposit, Destiny Property, Quebec" effective March 1, 2011 filed on SEDAR for Alto Ventures Ltd (now Big Ridge Gold Corp).

## **Destiny Project (continued)**

**Relevance and reliability of the historical estimate** The 2011 Report was compiled in accordance with Canadian Institute of Mining (2005) standards and best practices for Mineral Resources, adhering to NI 43-101. Alto Ventures established a QAQC program that was reviewed by the independent QP who accepted the data as suitable for mineral resource estimation at that time.

**Key assumptions, parameters, and methods used to prepare the historical estimate** Capped gold grade was interpolated using IDW method into a block model constrained by mineralized domains. Parameters used include a cut-off grade of 0.5 g/t Au, Au price of US\$973/Oz, US\$ to CAD\$ conversion of 1.02, Au recovery 94%, 4:1 Strip ratio, Operating cost of \$14.30/t at 10,000 tpd, density of 2.76

**Resource categories used** In accordance with NI 43-101 as defined in 2011, the DAC historical estimate used the terms inferred and indicated mineral resource having the same meanings ascribed to those terms by the CIM Definition Standards on Mineral Resources and Mineral Reserves.

**More recent estimates or data available to the issuer** There are no more recent estimates available to the issuer. There are only 17 drill holes totalling approximately 4,485 m completed that are not included in the 2011 historical estimate, with only one hole being within the historical estimate area.

**Work needed to be done to upgrade or verify the historical estimate as current mineral resources or mineral reserves** An independent Qualified Person has not done sufficient work to review the historical data and historical estimate to determine what further work would be required to write an updated current Technical Report in accordance with NI 43-101. It is envisaged that this will involve an update/refinement to the geologic model and grade interpolation methods.

Clarity Gold Corp. states with equal prominence that it is not treating the historical estimate as current mineral resources or reserves.

Investors should not rely on the historical estimate as a current mineral resource estimate until it has been verified and supported in a technical report in accordance with NI 43-101.

### *Drilling Contractor Secured for Destiny Project*

On February 12, 2021, the Company announced that it secured Forage Val d'Or as the drill contractor for the Destiny Project.

### *Mobilization of Drill Rigs to Destiny Project*

On March 9, 2021 the Company announced that Forage Val d'Or had begun mobilization of a diamond drill to the Destiny Project, 75 km north of Val d'Or, Quebec. Currently, trail and pad clearing were underway, and crews were establishing core processing facilities in Val d'Or.

The first drilling is designed to confirm historic drilling results and provide continuous assays across the mineralized zone where previous drilling only sampled specific intervals. From there, the drilling is planned to infill, test, and extend mineralization to depth in the DAC Zone and along the GAP and Darla Zones.

The Company will be completing an initial 10,000 metres of drilling on the Destiny Project and has secured the drilling contractor to complete this work. Depending on weather and ground conditions, the drilling program may be completed in phases to reduce costs of drilling through the spring thaw.

On April 7, 2021, the Company reported that a second drill rig had begun mobilizing to the Destiny Project. The drill rig was to commence operations at the Gap Zone, a coarsely drilled zone along strike and east of the DAC Zone.

## **Destiny Project (continued)**

### *Completion of First Two Drill Holes at the Destiny Project*

On March 31, 2021, the Company reported the completion of the first two holes totalling 822 metres of the ongoing 10,000 metre diamond drilling program at the Destiny Project. These first holes were designed to test mineralization extent and continuity in the western portions of the DAC Zone and confirm historic drilling which identified mineralization here.

The Company's management has designed the sampling and assaying procedures to accurately assess coarse gold in the system.

There are several drill pads and trails cleared through the DAC and Gap Zones which are designed to: infill existing drilling, test extension to depth, or along strike of the known mineralization at the project. The Company will continue drilling and preparing additional sites and trails as long as spring weather permits.

Drill core is transported to a facility in Val d'Or where it is logged, photographed, and sampled. Once logging is complete, samples of half core are prepared and will be securely shipped to Bureau Veritas Laboratories in Timmins for processing and analysis, an ISO 17025 certified facility. The Company has established a QA/QC program consisting of inserting quality control (QC) samples at regular intervals in the sample stream, including blanks, duplicates, and reference materials. Samples are anywhere from 0.30 m to 2 m long and commonly ~1 m long. Specific Gravity (SG) measurements are taken every 10 m outside of the shear zone and 5 m within the zone.

### *Update on Ongoing Drilling Activities*

On April 23, 2021, the Company provided an update of the ongoing 10,000 metre planned diamond drilling program at the Destiny Project. To date, the Company's technical team has processed and dispatched samples from approximately 2,300 m of drill core. Drilling so far has concentrated on infill of the western portions of the DAC Zone and confirmation of historic drilling which identified mineralization here. The recently added second drill rig is focusing on drilling infill, and extension to depth in the GAP Zone.

All of the completed holes in this program so far have intercepted the mineralized structure at or near expected depths. As we approach completing 25% of the planned metres we look forward to providing a further update as we receive and process assay results.

### *Acquisition of surface rights over Destiny Project*

On May 11, 2021, the Company announced the purchase of surface rights of two lots for a resulting total area of approximately 82 hectares over a key portion of the Destiny Project.

The surface rights cover the core of the historic work and were purchased from a local family in the region. Securing these surface rights will allow the Company to work efficiently and provide security to advance the project.

The acquisition of these surface rights will allow the Company to cost effectively carry out its work as the drilling program progresses. It is a move forward for the security of advancing the Destiny Project as a long-term investment. In addition to providing easier access to the work area, these surface rights secure a space for project infrastructure as we advance.

## Destiny Project (continued)

The total purchase of \$250,000 for two lots, at \$125,000 per lot involves a cash payment of \$25,000 per lot at closing, with the remaining balance of \$100,000 per lot payable in four equal consecutive installments of \$25,000 every quarter following the closing. The previously mentioned total area is net of an approximately 1.86 hectare portion of one of the lots that will be subdivided and transferred to the vendors. The Company will have a right of access servitude through this subdivision.

## Empirical Project

The initial Empirical Project (“Empirical”) consists of three unpatented mineral claims totaling 5,401.35 hectares which are located in the Lillooet Mining Division of British Columbia, Canada. The Empirical claims were recorded with British Columbia’s Mineral Titles Online as being owned by James Rogers, the Company’s Director and CEO as bare trustee in favour of the Optionor, Longford Capital Corp., but have since been transferred to the Company.

On July 2, 2020, the Company paid \$7,013 to stake two unpatented mineral claims totaling 4,007.50 hectares, which are adjacent and contiguous to the west and south of the Empirical Project.

On July 5, 2020, the Company acquired an additional unpatented mineral claim covering 1,109.73 hectares, which is adjacent and contiguous to the east of the Empirical Project. As consideration for the acquisition, the Company paid \$3,334 cash, and issued 416,667 common shares with a fair value of \$158,334 to an arm’s length private company.

The Empirical Project now totals 6 unpatented mineral claims covering 10,518.58 hectares.

Pursuant to the terms of the Option Agreement (the “Agreement” or the “Option”), the Company can earn a 100% interest in the initial 3 unpatented Empirical claims (Empirical 1, 2 and 3) by making the following payments to the Optionor:

<b>Terms and Due Dates</b>
Issue 2,000,000 common shares by October 22, 2019 (issued at a value of \$10,000)
Pay \$50,000 within 5 days of the common shares being approved for listing on a stock exchange (paid on June 29, 2020)
Incur a minimum of \$80,000 in exploration costs on Empirical by October 1, 2020 (incurred)
Incur a minimum of \$200,000 in exploration costs on Empirical by October 1, 2021
Grant a 2% net smelter royalty (“NSR”) to the Optionor upon exercise of the Agreement

The NSR is payable following commencement of commercial production. The Company has the right to reduce the NSR from 2% to 1% at any time prior to commencement of commercial production by paying \$1,500,000 to the Optionor.

In addition to the terms outlined above, the Agreement contains a 5 km area of influence provision pursuant to which any claims staked by the Company within 5 km of the Empirical property boundary will automatically be included as part of the Agreement and subject to the 2% NSR.

## **Empirical Project (continued)**

### *Empirical Project Description*

The Property lies just to the east of Mount Brew within the Pacific Ranges which are the southernmost subdivision of the Coast Mountains. They run northwest from the lower stretches of the Fraser River to Bella Coola and Burke Channel and include 4 of the 5 major coastal icecaps in the Southern Coast Mountains. The icecaps are the largest temperate-latitude icecaps in the world and feed a number of major rivers (by volume). The highest peak in the Pacific Ranges is Mount Waddington at an elevation of 4,019 m.

The area encompasses a series of barren ridges rising to an elevation of 2,200m and interwebbing valleys and alpine meadows. Elevations over the Property ranges from 1,250 m in the valley of Enterprise Creek to over 2,591 m on Mount Bew.

The Property can be accessed west of Lillooet on Route 99 via an old logging road that partially follows Enterprise Creek from Duffy Lake Road and onto the Empirical 1 claim block. Texas Creek road is also accessible via Route 99 and runs between 1 and 2 km from the property's edge along its eastern border. Currently the Property does not have road access within the Property boundaries and the topography is steep and rugged, therefore helicopter access for exploration would be the most practical means of access. Helicopter service is available from Lillooet, BC.

The Property is predominantly underlain by low-grade metamorphosed sediments of the Jurassic-Cretaceous Relay Mountain Group (previously referred to as Lillooet and Brew Groups by Duffell and McTaggart in 1951). These rocks have been intruded by granodiorite and quartz-diorites of the Cretaceous or later. The Relay Mountain Group consists mainly of banded argillite, impure quartzite, boulder conglomerate, and contains marine fossils of early Lower Cretaceous age. Marshall Creek Fault trends northwest across the Property and divides the Relay Mountain Group of rocks from the Permian-Jurassic Bridge River Group of metasedimentary rocks. Along the Marshall Creek fault is a large area of carbonate alteration within the greenstones on the southwest side of the fault, and pervasive shear zones approximately 5-30 cm wide (Grextan & Bruland, 1988). Intruding into the Bridge River Complex, south of Reilly Creek and lying between the Marshall Fault and the Lillooet Fault, is a narrow band of Tertiary granodiorite.

Faulting is prevalent in the region with both Marshall Creek fault and Lillooet fault (splays from the Fraser River Fault System) crossing the property. The area between Towinock Creek and Spray Creek is extensively faulted and gently folded. The locally major, northwesterly trending fault crossing the Property was referred to as the Tow Fault by Hollister (1979). The faults follow a predominant northwesterly trend, however north-easterly, northerly, and easterly trends have also been observed on the Property. Movement along the faults appear to be predominantly dextral and the age of the faulting is uncertain. However, movement appears to have occurred post-dacite emplacement as dyke swarms have been shattered along the Tow fault line (McKillop, 1979).

A large 200 +m thick quartz-diorite boss intrudes the metasediments on the south fork of Towinock Creek which includes both porphyritic and granitic textures (McKillop, 1986). Results from Duval's 1979 work program reported that the boss was largely devoid of magmatic orthoclase, but contained variable amounts of quartz, biotite, hornblende and plagioclase (Hollister, 1979).

The boundaries of two small Cretaceous/Tertiary quartz diorite sills south of Spray Creek were refined by Hollister in 1979, however the bosses were so altered by ground water the precise mineralogy could not be determined. Numerous north-easterly trending, fine-grained dacite dykes were found between these sills and described as fresh mixtures of quartz and plagioclase with lesser orthoclase and mica-believed to be differentiates of the quartz-diorite sills (Hollister, 1979; McKillop, 1979). Dyke swarms are vertical to steep, west-dipping and reportedly occur parallel to the major faults on the property suggesting that the emplacement was structurally controlled (McKillop, 1979; McKillop, 1986). Metamorphic grade of rocks also increased at higher elevations suggesting that reverse faulting may be present in the claims area (McKillop, 1979).

## Empirical Project (continued)

The northern most quartz diorite boss (south of Towinock Creek) was reported by Hollister (1979) to show zones of potassic and phyllic alteration with areas of erratic pyritization occurring throughout. However, this was not confirmed by McKillop during the follow-up program of the same year. The follow-up program did suggest that the sericite and biotite alteration observed within the quartz-diorite boss may be related to a north-westerly trending set of quartz veins, as alteration appeared to decrease with increasing distance from the veins (McKillop, 1979). Quartz veins vary from 0.3cm to approximately 1m in width and are predominantly sub-parallel to faulting, however many other directions were also reported (McKillop, 1979). Composition of quartz veins in order of decreasing abundance: pyrrhotite, pyrite, molybdenite, and chalcopyrite (McKillop, 1979).

The southern quartz diorite bosses (south of Spray Creek) were reportedly strongly pyritized, however due to extensive weathering it was no longer possible to categorize hypogene alteration stages at the surface (Hollister, 1979).

The Property is likely associated with a widespread hydrothermal Cu-Au-Mo porphyry style deposit. The mineralized zones are believed to be located within quartz diorite stockworks located just south of Towinock Creek near the Tow Showing and just south of Spray Creek near the Spray Occurrence. This area is underlain by a thick sequence of schistose argillites of the Jurassic-Cretaceous Relay Mountain Group which have been intruded by porphyritic quartz diorite stocks (MINFILE: 0921NW090). The porphyritic quartz-diorite stocks, and to a lesser degree, the enclosing sediments have undergone multiple episodes of fracturing and related quartz veining providing the pathways for sulphide mineralization.

The formation of this style of deposit is related to orogenic belts at convergent plate boundaries (subduction-related magmatism), or extension settings related to strike-slip faulting or back arc spreading during continent margin accretion (Panteleyev, 1995). It is generally recognised that Cu-Au-Mo porphyry deposits are associated with granodiorite, quartz monzonite, quartz diorite granitoid rock types. Cu-Au-Mo porphyries tend to occur as large zones of hydrothermally altered host rock and are closely related to island-arc volcano-plutonic suites. Composition of intrusions range from basalt-andesite volcanic and gabbro-diorite-quartz-diorite associations. These deposits are characterized by quartz stockworks, veins, sulphide bearing veins (pyrite, chalcopyrite, bornite, with lesser molybdenum), closely spaced fractures and fracture selvages. These subvolcanic Intrusions are commonly emplaced by multiple successive intrusive phases and a wide variety of breccias. Grain size may range from coarse-grained phaneritic to porphyritic stocks, batholiths and dike swarms.

The timing of gold mineralization within these systems can be early or late and is related to magmatic or circulating meteoric waters. Early gold mineralization is closely associated with the potassic alteration zone and bornite and late mineralization is associated with pyrite and either sericitic, advanced argillic or skarn-destructive argillic alteration (Gendall, 1994). These deposits may be present in stockwork veins, skarns, or as carbonate and non-carbonate replacement (Gendall, 1994). Copper-gold style porphyries tend to be smaller in size compared to coppermolybdenum style porphyries (Gendall, 1994). Regional structures and structural lineaments act as mineralization controls in these systems and therefore the degree of fracturing and veining tends to favour the concentration of Cu and Au in these areas (Gendall, 1994; Panteleyev, 1995).

Mineralized zones occur at depths of 1 km or less and are mainly associated with the development of brecciated zones or preferential replacement in host rocks with a high degree of primary permeability (Panteleyev, 1995). Ore-grade stockworks are linked to zones of intensely developed fractures that are coincident or intersect multiple fracture sets. Propylitic alteration halo is widespread and generally surrounds an early potassic alteration core (which is commonly well mineralized). Overprinting of early mineralization by younger mineralized phyllic alteration is also common. Pyrite is typically the predominant sulphide mineral, and the predominant ore minerals are chalcopyrite, molybdenite, lesser bornite and rare (primary) chalcocite. Subordinate minerals include tetrahedrite/tennantite, enargite and minor gold, electrum and arsenopyrite.

## **Empirical Project (continued)**

These deposits can be of the silica-oversaturated, silica-saturated and silica-undersaturated subtypes based on the modal composition of the associated alkalic intrusions and to a lesser extent on alteration (Lang & McLaren, 2003). The Property shows characteristics consistent with that of a silica-oversaturated alkalic copper-gold porphyry deposit on the basis of abundant quartz-sulphide veins, siliceous alteration, widespread, but weak sericitic alteration, and the presence of strong molybdenum mineralization, however the quartz-normative composition has not been reported in historical reports (Lang & McLaren, 2003). This particular style of deposit is favourable because, on average, they contain a greater tonnage of mineralization compared to other alkalic copper-gold porphyry types. Significant examples of silica-oversaturated alkalic copper-gold-molybdenum deposits include Goonombla/North Parks and Cadia-Ridgeway in Australia and Skouries in Greece (Lang & McLaren, 2003).

The Empirical Expansion claims have multiple copper showings in the Southeast, including the Rickhill Showing where six surface rock samples collected in 1959 averaged 0.95% copper over 12.9 meters (Minfile 092INW022). Elevated copper in soil samples indicate that this zone of copper mineralization may be extended up to a total of 30 metres (Skerl, 1959). In 1970, 538 soils were collected with copper intensities ranging between 6 ppm to 212 ppm (Assessment report 02530).

The additional ground to the southwest of the Empirical Project consists of two molybdenum showings namely, the Molybdenite Lake and Fyp showings where historic samples taken from quartz veins have assayed up to 0.32% molybdenum and 0.35 g/t gold (Nelson, J. (1985-10-01): B.C. Gold Reconnaissance 1985 - Lillooet Project - Final Report; Assessment Report 30875; (Minfile 092ISW109,092ISW110). Previous work has focused on the area's molybdenum potential, with minimal exploration for gold.

### *Empirical Project Exploration Program*

Longford Exploration was commissioned by the Company to carry out an exploration program on the Empirical Property. Longford Exploration mobilized a crew of four from Vancouver, British Columbia on October 4, 2019 to carry out a 7-day geological mapping, prospecting and sampling program. The field program ran from October 5, 2019 to October 12, 2019 with the crew being dispatched from the Lillooet Blackcomb Helicopter base or utilizing the Texas Creek forest service road for access.

The program was a first pass exploration plan designed to assess the Property's potential for gold and copper mineralization and verify historical results and previous workings. A total of 102 rocks and 50 soil samples were collected during the program.

### *2019 Rock Sampling*

Prospecting activities focused on locating structures, contacts, mineralization and observed lithologies, particularly in the area surrounding the Towinock and Spray showings of quartz-diorite sills where previous work (MINFILE: 092INW090 and 092INW088) reported samples returning values of 2,100 ppb Au over 3 m in DDH-CH81-3, 3,670 ppb Au over 21 m, and a 3 m interval grading 7,860 ppb Au in DDH-CH81-4 (Price & Ditson, 1986).

Given the steep terrain and snow, crews sampled along the outcropping quartz diorite found on the ridges of the Towinock and Spray sills. To the north of Towinock Creek, a third, poorly explored, quartz diorite Riley sill was explored and prospected briefly but due to deep snow and cliffs the area was left for future exploration in better conditions. Focus was given to drill collar locations of DDH-81-03 and DDH-81-04 which intercepted 3.00 m and 21.00 m at 2.10 g/t and 3.67 g/t Au during a 1981 program. Historical drill hole collars were identified, and core box stashes were found and prospected for mineralization. The condition of the historic core and boxes is well preserved with some sample tags still legible; future programs might spend time to relog and resample this core.



## Empirical Project (continued)

### 2019 Rock Results Overview

The table below highlights the average, maximum and minimum values returned by the talus fine.

<b>Statistical Analysis of 2019 Property Exploration Program Results</b>						
	<b>Au (ppb)</b>	<b>Ag (ppm)</b>	<b>Cu (ppm)</b>	<b>Mo (ppm)</b>	<b>Pb (ppm)</b>	<b>Zn (ppm)</b>
Mean	42.82	0.51	39.45	40.87	5.85	125.76
Median	0.80	0.10	34.85	3.70	2.70	57.50
Mode	0.25	0.05	30.80	0.20	1.50	49.00
Max	3,175.40	31.90	117.50	513.00	2.00	5,093.00
Min	0.25	0.05	3.20	0.05	0.40	2.00

### 2019 Talus Fine Sampling

50 talus fine samples were collected across the Spray sill saddle in the vicinity of the historic insoil copper/gold anomalies. Select samples were taken in proximity to areas of historic sampling to verify historically reported analytical results, as well as to the North West and South East of historic samples to test for an extension of highly anomalous results.

### 2019 Talus Fine Results Overview

The table below highlights the average, maximum and minimum values returned by the talus fine samples.

<b>Statistical Analysis of 2019 Property Exploration Program Talus Fines/Soil Results (n=50)</b>						
	<b>Au (ppb)</b>	<b>Ag (ppm)</b>	<b>Cu (ppm)</b>	<b>Mo (ppm)</b>	<b>Pb (ppm)</b>	<b>Zn (ppm)</b>
Mean	13.19	0.65	191.20	131.79	21.78	976.86
Median	7.50	0.45	168.40	32.85	14.35	682.50
Mode	1.60	0.20	149.80	13.70	14.10	375.00
Max	88.80	4.50	426.10	748.00	117.90	6,845.00
Min	1.00	0.10	54.40	6.70	5.10	137.00

### 2019 Program Summary

During the 2019 Property exploration program identified a strongly bedded sequence of meta-sedimentary rocks intruded by quartz diorite and dacite sills/dykes and subsequently folded and faulted on the property. Later intrusions of andesite-dacite feldspar porphyry and basaltic dykes were also observed followed by a lessor folding and faulting event. Metasedimentary rocks observed consisted of locally dominant, argillite with siltstone, phyllite and calcite-chlorite sub schist and minor quartzite and chert. Most sedimentary/volcanic derived rocks were weakly calcareous, with or without calcite-ankerite lenses and laminae. More massive, dark grey-black (graphitic) argillite and intrusive rocks were observed to be non-calcareous. The pervasive, moderately to strongly hornfelsed character of the metasedimentary and volcanic rocks masked the local effects of sill and dyke emplacement. Mineralization was primarily observed in 2-10 cm wide quartz veins and fracture surfaces in the medium to coarse grained light grey quartz diorite found at the Towinock and Spray sills. Blebs of sulphides were found within quartz veins and disseminated throughout the vein selvages with visible pyrite, chalcopyrite, trace sphalerite, black to red gossanous weathered material and minor molybdenum.

## Empirical Project (continued)

The table below highlights the number of rock and soil/talus samples collected on the Property which fall within the typically anomalous range.

### Statistical Analysis of 2019 Property Exploration Talus Fines/Soil Results (n=50)

	Crustal Abundance	Typical Anomalous Conc in Rock	No. of Rock Samples within anomalous range	Typical Anomalous Conc in Soil	No. of Soil/Talus Fine Samples within anomalous range
Au	4 ppb	50-100 ppb	2	40-100 ppb	4
Ag	70 ppb	0.5-1 ppm	8	0.2-0.5 ppm	48
Cu	55 ppm	100-200 ppm	3	50-200 ppm	50
Pb	13 ppm	40-100 ppm	0	40-100 ppm	4
Zn	70 ppm	100-500 ppm	20	200-300 ppm	48
Mo	1.5 ppm	5 to 20 ppm	50	2 to 5 ppm	50
W	1.5 ppm	10 to 50 ppm	1	2 to 10 ppm	0
Ni	75 ppm	100-200 ppm	2	100-200 ppm	1
As	1.8 ppm	5 to 10 ppm	41	5 to 20 ppm	50

On July 22, 2020, the Company announced that a field crew had been mobilized to evaluate the Empirical Expansion Project. The Company has multiple historic showings and designed and carried out field programs to follow up on the encouraging historic results.

On October 22, 2020, the Company provided an update on its latest site visit to the Empirical Project. The objective of the reconnaissance program was to review the geology and mineralization, locate and verify historic mineral showings, and plan for further exploration on the Empirical Expansion Project. A team of three spent three days on site mapping out road access and locating historic mineral showing where previous work identified mineralization. In the eastern extension, the team was successful in locating and confirming mineralization at two of the more extensively worked showings, namely the Rickhill and Mud showings. In the western expansion claims, the FYP showing was located. A total of 10 grab samples were collected from the three showings visited and results are presented in Table 1 below.

### Empirical Project Expansion – Grab Sample Results

Showing Name	Description	Sample ID	Gold (ppb)	Copper (%)	Molybdenum (ppm)	Silver (g/t)
N/A	Approx. 20cm wide qtz vein 225/65 in equigranular diorite with minor chalcopyrite and malachite staining.	3297501	1.9	0.27	55.5	5.5
N/A	Host to 3297501, diorite with trace disseminated sulfide weathering to malachite.	3297502	0.2	0.17	1.9	0.05
Rickhill	Sample from outcrop at Rickhill Showing in historic blast trench	3297503	15.7	0.95	1.9	12.2
Rickhill	Sample from outcrop at Rickhill Showing in historic blast trench	3297504	29.8	1.97	1.3	15.6
Rickhill	Sample from outcrop at Rickhill Showing in historic blast trench	3297505	6	1.13	0.8	10.6
Rickhill	Sample from outcrop at Rickhill Showing in historic blast trench	3297506	22.1	1.26	9.7	15.1
MUD	Sample from outcrop in historic trench	3297508	4	0.54	0.8	4.7
MUD	Sample from outcrop in historic trench	Y995703	2.5	0.11	4	1.2
MUD	Sample from outcrop in historic trench	Y995704	2.5	0.32	6	3.8
FYP	Quartz Vein	Y995705	23	-	3	0.1

*\*The reader is cautioned that grab samples are selective by nature and may not represent the true grade or style of mineralization across the property.*

## Tyber Project

On July 5, 2020, the Company acquired the Tyber Project which is comprised of one mineral claim covering 928.70 hectares located 1.4 kilometres south of Arrowsmith Lake, British Columbia. As consideration for the acquisition, the Company paid \$3,333 cash, and issued 416,667 common shares with a fair value of \$158,333 to an arm's length private company.

### *Tyber Project Description*

The Tyber gold-copper-silver project is located in southeast Vancouver Island in the Nanaimo mining division, 1.4 km south of Arrowsmith Lake and 18 km southwest of Parksville. Historic rock samples taken from the property between 1916 and 1986 assayed up to 2.328 oz/t Au (from historic adit dump), 16% Cu and 305.5 oz/t Ag (1916 BC Mines Annual Report; Minfile 092F236). The Tyber Project consists of several mineralized shear zones ranging from less than 0.30 m to 2.60 m. Two historical adits on the Tyber Project, believed to be targeting mineralized quartz veins within local shear zones, extend approximately 14 m and 47 m in length (1981 Assessment Report 09432).

### *Tyber Project Exploration Program*

On July 15, 2020, the Company announced that it had finalized plans and was mobilizing a field crew to the Tyber Project.

On October 22, 2020, the Company provided an update on its one day visit to the Tyber Project. Access roads and trails were mapped, and a recently constructed logging road was prospected. The crew prospected the area of the main showing and successfully located one of two historic adits which was caved in, and only the waste dump was accessible. Two samples were collected from the waste dump and two grab samples of quartz vein material were collected. Results are presented in the following table:

**Tyber Project – Grab Sample Results**

Showing Name	Description	Sample ID	Gold (ppb)	Copper (%)	Silver (g/t)
Tyber	Strongly altered and weathered core of quartz-carbonate vein	3293806	13.4	-	0.1
Tyber	Quartz vein with approx. 2% pyrite	3293807	4.8	-	0.05
Tyber	Select sample of waste dump at the adit	Y995701	22	0.18	3.5
Tyber	Select sample of waste dump at the adit	Y995702	296	3.89	41.1

*\*The reader is cautioned that grab samples are selective by nature and may not represent the true grade or style of mineralization across the property.*

## Gretna Green Project

On July 5, 2020, the Company acquired the Gretna Green Project, which is comprised of one mineral claim covering 1,331.13 hectares located 24 kilometres southwest of Port Alberni, British Columbia. As consideration for the acquisition, the Company paid \$3,333 cash, and issued 416,666 common shares with a fair value of \$158,333 to an arm's length private company.

### *Gretna Green Project Description*

The Gretna Green gold-copper-silver project is located in the Alberni mining division, approximately 24 km southwest of Port Alberni and 1.3 km north of Henderson Lake. Historical reports show that a selected sample assayed 48.00 grams per tonne gold, 51.43 grams per tonne silver and 17.8 percent copper (Minister of Mines Annual Report 1921; Minfile 092F24). Limited information on the Gretna Green Project is available.

## **Gretna Green Project (continued)**

### *Gretna Green Project Exploration Program*

On July 15, 2020, the Company announced that it had finalized plans and was mobilizing a field crew to the Gretna Green Project.

On October 22, 2020, the Company provided an update on the Gretna Green exploration program. Due to a generalized description from the historic report in 1921, the field team was unable to locate the site where a selected sample assayed 48.00 grams per tonne gold, 51.43 grams per tonne silver, and 17.8% copper (Minister of Mines Annual Report 1921; Minfile 092F24). The field team collected five grab samples with weakly anomalous gold values ranging from 9 ppb to 53 ppb.

### **QUALITY ASSURANCE AND CONTROL**

Five rock grab samples (Y995701-Y995705) were collected by Rory Kutluoglu, P.Geo., secured with zip ties and remained in his custody until personally delivered for analysis to ALS Global Laboratories (Geochemistry Division) in Vancouver, Canada (an ISO 9001:2008 accredited facility). Additional sampling undertaken by Longford Exploration personnel following procedures reviewed or supervised by Rory Kutluoglu, P.Geo and Qualified Person for the Company. A secure chain of custody was maintained in transporting and storing of all samples. Gold was assayed using a fire assay with atomic emission spectrometry and gravimetric finish when required (+10 g/t Au). Analysis by four acid digestion with 48 element ICP-MS analysis was conducted on all samples with silver and base metal overlimits re- - 4 - analyzed by atomic absorption or emission spectrometry. ALS Laboratories practices stringent Quality Control Protocols for exploration and ore grade samples which includes insertion of sample reduction blanks and duplicates, method blanks, weighted pulp replicates and reference materials.

Fourteen rock grab samples (3297501-3297508, 3293801-3293807) were collected by Longford Exploration personnel following procedures reviewed or supervised by Rory Kutluoglu, P.Geo and QP for the Company. Samples were secured with zip ties and remained in custody of Longford Exploration until delivered for analysis to Bureau Veritas Minerals ("BV") in Vancouver, Canada (an ISO 17025 9001:2008 accredited facility). A secure chain of custody is maintained in transporting and storing of all samples. Gold was assayed using a fire assay with atomic emission spectrometry and gravimetric finish when required (+10 g/t Au). Analysis by aqua regia digestion with 36 element ICP-MS analysis was conducted on all samples with silver and base metal overlimits re-analyzed by atomic absorption or emission spectrometry. BV practices stringent Quality Control Protocols for exploration and ore grade samples which includes insertion of sample reduction blanks and duplicates, method blanks, weighted pulp replicates and reference materials.

Rock chip samples from outcrop/bedrock are selective by nature and they may not be representative of the mineralization hosted on the project.

### **QUALIFIED PERSON STATEMENT**

All scientific and technical information contained in this MD&A was reviewed by Rory Kutluoglu, P. Geo., who is a Qualified Person as defined in NI 43-101. The Qualified Person visited the Company's Projects.

## RESULTS OF OPERATIONS

---

### *Three month period ended March 31, 2021*

During the three month period ended March 31, 2021 (“2021”), and the three month period ended March 31, 2020 (“2020”), the Company recorded a net loss and comprehensive loss of \$1,070,296 (2020 - \$12,866) which was mainly attributed to:

- i) Corporate development fees in 2021 of \$476,406 (2020 - \$Nil) were primarily incurred for global marketing and raising awareness of the Company. On February 14, 2021 the Company expensed \$48,913 from prepaid expenses to corporate development fees for corporate branding, marketing, online corporate communications, and investor relations services provided by OGB Corporate Bulletin Ltd. On March 22, 2021, the Company expensed \$48,957 of \$125,112 prepaid to Think Ink Marketing to provide native ad, an e-mail digital program, copy development, design, and webhosting services. On March 31, 2021, the Company expensed \$229,945 to corporate development fees from prepaid expenses to Greentimes Consulting Ltd. to create and implement an international digital marketing and awareness campaign. The remaining \$148,591 was paid to various consultants and firms for advertising, strategic planning, advisory, marketing, social media blasts, market support, and targeting prospective capital financing opportunities.
- ii) During 2021, the Company recognized a total of \$432,080 (2020 - \$Nil) in share-based compensation. On March 15, 2021, the Company granted 550,000 share options to a member of the Company’s Advisory Board, and two consultants. Each option is exercisable at \$1.48 per share until March 15, 2023. All of the options vested upon date of grant. The estimated fair value of the options was \$424,895 measured using the Black-Scholes Option Pricing Model with the following assumptions: share price \$1.48; exercise price - \$1.48; expected life – 2 years; volatility – 100% dividend yield - \$0; and risk-free rate – 0.31%. An additional \$7,185 of share-based compensation was recognized on vesting of options from the grant of 100,000 options granted on July 31, 2020.
- iii) Professional fees in 2021 of \$85,581 (2020 - \$113) were comprised of \$10,744 (2020 - \$113) for legal fees, \$7,500 (2019 - \$Nil) for accounting fees, and \$67,337 (2019 - \$Nil) for corporate advisory fees. Overall, professional fees increased in 2021 as a result of completing two private placements. The most significant expense in corporate advisory fees was a \$35,000 payment to Geo Resource Management LLC. During the comparative period the professional fees were minimal as the Company had only been incorporated on September 11, 2019.
- iv) Consulting fees in 2021 of \$40,590 (2020 - \$Nil) were comprised of \$15,000 (2020 - \$Nil) for CEO fees, \$6,000 (2020 - \$Nil) for CFO fees, and \$19,590 (2020 - \$Nil) for various consultants. The Company’s CEO monthly fees are \$10,000 per month. The CEO has been dedicating much of his time on site at the Company’s Destiny Project in Quebec and accordingly 50% of his monthly fees have been capitalized to Destiny Project’s field expenditures in 2021.
- v) Office and administration expenses of \$11,094 (2020 - \$Nil) consisted of \$1,676 (2020 - \$Nil) for miscellaneous office expenses, \$4,452 (2020 - \$Nil) for director and officer liability insurance, \$1,017 (2020 - \$Nil) for website design and maintenance, and \$3,949 (2020 - \$Nil) for office rent.
- vi) Shareholder communications expense of \$10,138 (2020 - \$Nil) was comprised of \$9,000 (2020 - \$Nil) to an independent consultant to provide shareholder communication services at \$3,000 per month, and \$1,138 (2020 - \$Nil) in shareholder costs.
- vii) Depreciation of \$6,367 (2020 - \$Nil) was recorded on the right of use asset, being the Company’s office lease located in Vancouver, British Columbia. The Company did not have an office lease in 2020. Registration and filing fees of \$3,000 (2020 - \$12,540) were incurred for ongoing monthly Canadian Securities Exchange (“CSE”) sustaining fees. In 2020, the Company paid \$12,540 in connection to applying to list the Company on the CSE.
- viii) Transfer agent services of \$2,097 (2020 - \$Nil) were required to manage the Company’s share capital activities. The Company’s shares had not been listed on the CSE in 2020, hence these services were not required.

As at March 31, 2021, the Company had no continuing source of operating revenues. The Company has not paid any dividends on its common shares and has no present intention of paying dividends, as it anticipates that all available funds for the foreseeable future will be used to finance its business and exploration activities.

## SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following is a summary of selected financial information compiled from the interim and audited financial statements:

	Three month period ended March 31, 2021 -\$-	Three month period ended December 31, 2020 -\$-	Three month period ended September 30, 2020 -\$-	Three month period ended June 30, 2020 -\$-
Total assets	9,758,172	1,709,638	1,611,477	1,212,513
Total liabilities	436,378	655,051	142,996	237,870
Working capital (deficiency)	6,439,384	(4,296)	822,737	833,694
Shareholders' equity	9,312,325	1,038,284	1,468,481	974,643
Net loss and comprehensive loss	(1,070,296)	(591,087)	(1,050,630)	(197,634)
Loss per share	(0.04)	(0.03)	(0.05)	(0.03)

	Three month period ended March 31, 2020 -\$-	Three month period ended December 31, 2019 -\$-	From incorporation on September 11, 2019 to September 30, 2019 -\$-
Total assets	177,698	239,922	2,500
Total liabilities	36,368	125,726	1,920
Working capital	881	23,747	580
Shareholders' equity	141,330	114,196	580
Net loss and comprehensive loss	(12,866)	(38,129)	(1,920)
Loss per share	(0.01)	(0.02)	(0.00)

Total assets of \$9,758,172 reached an all-time high for the Company during Q1 ended March 31, 2021. The receipt of \$8,342,693 in gross proceeds from the issuance of 4,731,296 Units and 2,054,405 flow-through common shares were the primary contributors to this milestone achievement. Each of the 4,731,296 Units were comprised of one common share and one-half share purchase warrant exercisable into an additional common share at price of \$1.25 per share for a period of one year. On January 26, 2021, the Company paid \$450,000 to Big Ridge Gold Corp. and issued 685,391 common shares with a fair value of \$1,007,525 pursuant to the Destiny Property Agreement. In February, the Company received a total of \$52,500 from the exercise of 150,000 warrants exercisable at \$0.35 per share until July 31, 2022.

Working capital peaked at \$6,439,384 during Q1 ended June 30, 2020, which was attributed to the Company having its highest cash position ever reported of \$6,506,514. The completion of the Q1 March 31, 2020 private placements significantly improved the Company's cash position.

The Company's total liabilities of \$655,051 at Q4 December 31, 2020, reached their highest level reported since incorporation on September 11, 2019. The most significant liabilities were the \$255,000 finder's fee for the Destiny Project, and \$100,236 for legal fees primarily related to equity financing.

The Company incurred a significant net loss and comprehensive loss of \$1,070,296 in Q4 ended March 31, 2021. This was the most material loss since the Company's incorporation on September 11, 2019, and was primarily comprised of \$476,406 for corporate development fees, and \$432,080 of non-cash share-based compensation.

---

## SUMMARY OF QUARTERLY FINANCIAL RESULTS (CONTINUED)

The Company shareholder's equity of \$9,312,325 in Q4 ended March 31, 2021, represented the highest level of shareholder's equity reported since the Company's incorporation. The receipt of \$8,342,693 in gross proceeds from the issuance of 4,731,296 Units and 2,054,405 flow-through common in Q3 ended March 31, 2021 were the primary source of the increase in shareholder's equity.

---

## LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date through the issuance of common shares. The Company may continue to seek capital through various means including the issuance of equity and/or debt.

Net cash used in operating activities was \$885,978 (2020 - \$24,275) during the three month period ended March 31, 2021. Cash flows for operating activities were primarily comprised of \$476,406 (2020 - \$Nil) for corporate development fees, and \$85,581 (2020 - \$113) for professional fees.

Investing activities during the three month period ended March 31, 2021 used \$553,336 (2020 - \$80,449). On January 26, 2021, the Company paid \$450,000 to Big Ridge, and issued 685,391 common shares with a fair value of \$1,007,525 pursuant to the Destiny Agreement. The Company spent \$98,435 cash on the Destiny Project and \$4,901 on the Empirical Project during the current quarter. The Company paid \$80,449 in the comparative period ended March 31, 2020, for an exploration and rock sampling program on the Empirical Project.

Net cash provided by (used in) financing activities during the three month period ended March 31, 2021 was \$7,897,666 (2020 - \$10,000).

During the current quarter, the Company received a total of \$8,342,693 from the private placements, \$52,500 from the exercise of warrants, paid \$490,462 in share issue costs, and paid \$7,065 for lease liability payments as described below.

On January 11, 2021, the Company completed the first tranche of a non-brokered private placement of 1,563,956 Units at a price of \$0.96 per Unit for gross proceeds of \$1,501,398. Each Unit consisted of one common share in the capital of the Company and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable into one additional common share at a price of \$1.25 per share until January 11, 2022.

The Company paid \$6,240 in legal fees, cash finder's fees of \$56,447, and issued 58,694 agent options with a fair value of \$32,357, which were recorded as share issue costs. Each agent option is exercisable into one additional common share at a price of \$0.96 per share until January 11, 2022. The fair value of the agent options was determined using Black-Scholes Option Pricing Model with the following inputs: volatility 100%, expected life of 1 year, and a risk-free rate of 0.18%.

On January 28, 2021, the Company completed the second tranche of a non-brokered private placement of 3,167,340 Units at a price of \$0.96 per Unit for gross proceeds of \$3,040,646. Each Unit consisted of one common share in the capital of the Company and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable into one additional common share at a price of \$1.25 per common share until January 28, 2022.

The Company paid \$12,668 in legal fees, cash finder's fees of \$149,061, and issued 155,062 agent options with a fair value of \$124,026, which were recorded as share issue costs. Each agent option is exercisable into one additional common share at a price of \$0.96 per share until January 28, 2022. The fair value of the agent options was determined using Black-Scholes Option Pricing Model with the following inputs: volatility 100%, expected life of 1 year, and a risk-free rate of 0.15%.

## LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

---

On March 5, 2021, the Company completed a non-brokered flow-through private placement of 2,054,405 common shares at \$1.85 per share for gross proceeds of \$3,800,649.

The Company paid cash finder's fees of \$266,045 and issued 143,808 agent options with a fair value of \$97,596 in connection with the private placement. Each agent option is exercisable at \$1.85 per share on a non-flow-through basis until March 5, 2023. The fair value of the agent options was determined using Black-Scholes Option Pricing Model with the following inputs: volatility 100%, expected life of 2 years, and a risk-free rate of 0.30%.

In February 2021, the Company received a total of \$52,500 from the exercise of 150,000 warrants exercisable at \$0.35 per share until July 31, 2022.

The Company paid \$7,065 (2020 - \$Nil) for the lease liability during the quarter ended March 31, 2021. The Company entered into an office lease agreement on August 1, 2020, hence the liability did not exist in the comparative period.

During the three month period ended March 31, 2020, the Company paid \$25,000 representing the first 50% of a corporate finance fee, and \$25,000 in due diligence costs in relation to the IPO. On February 13, 2020, the Company received \$40,000 from completion of a private placement of 400,000 common shares.

Working capital (deficiency) at March 31, 2021 was \$6,439,384 (December 31, 2020 – (\$4,296)) and increased primarily as a result of completing the private placements described above.

## RELATED PARTY TRANSACTIONS

---

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 operation 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 resource or obligations between related parties.

Amounts due to related parties consist of charges accrued for accounting fees, consulting fees, corporate advisory fees, and capitalized exploration and evaluation costs. These amounts are due to companies controlled by two directors, and an officer, and a director. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

The following amounts due to related parties are included in account payables and accrued liabilities:

	March 31, 2021	December 31, 2020
Two companies controlled by a Director, and CEO of the Company (1)	\$ 100,016	\$ 96,392
Due to Director, and CEO (1)	20,702	28,146
A company jointly controlled by a Director (2)	9,818	19,568
A company controlled by the CFO of the Company (3)	2,000	12,000
	\$ 132,536	\$ 156,106

<sup>1</sup> James Rogers, CEO and Director

<sup>2</sup> Theo van der Linde, Director

<sup>3</sup> Peter Nguyen, CFO



## RELATED PARTY TRANSACTIONS (CONTINUED)

The Company has identified all directors/officers as its key management personnel. The following are the transactions with related parties during the three month periods ended March 31, 2021 and 2020, respectively:

	Three month period ended March 31, 2021	Three month period ended March 31, 2020
Consulting fees to a company controlled by a Director and CEO of the Company (1)	\$ 15,000	\$ -
Accounting fees to a company jointly controlled by a Director of the Company (2)	7,500	-
Corporate advisory fees to a company jointly controlled by a Director of the Company (2)	18,900	-
Consulting fees to a company controlled by the CFO of the Company (3)	6,000	-
Capitalized exploration and evaluation costs charged by two companies controlled by a Director, and CEO of the Company (1)	90,397	-
	<u>\$ 137,797</u>	<u>\$ -</u>

<sup>1</sup> James Rogers, CEO and Director

<sup>2</sup> Theo van der Linde, Director

<sup>3</sup> Peter Nguyen, CFO

## CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances; however, actual outcomes can differ from these estimates.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities included in the preparation of these financial statements are discussed below:

*Impairment of Exploration and Evaluation assets* - Assets or cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's mineral properties.

In respect of costs incurred for its exploration and evaluation assets, management has determined that the evaluation, development and related costs incurred, which have been capitalized, continue to be appropriately recorded on the statements of financial position at its carrying value as management has determined there are no indicators of impairment for its exploration and evaluation assets as at March 31, 2021.

*Usage of the going concern assumption* - The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

### *Treatment of deferred financing costs*

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Management applies significant judgment to determine whether the completion of the transaction is considered likely.

## FINANCIAL RISK MANAGEMENT

---

The Company is exposed to minimal financial instrument related 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:

### ***Global pandemic***

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in 2021.

### ***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 Company's cash is deposited in bank account held with major banks in Canada. As most of the Company's cash is held by a bank there is a concentration of credit risk. This risk is managed by using major banks that are high-quality financial institution as determined by rating agencies.

### ***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

As at March 31, 2021, the Company has \$6,506,514 (December 31, 2020 - \$48,162) cash to settle \$436,378 (2020 -\$655,051) in accounts payable and accrued liabilities that are due within 90 days of period-end.

### ***Currency risk***

The Company currently has minimal foreign exchange risk as it conducts all of its business within Canada and in Canadian dollars.

### ***Interest rate risk***

The Company is not currently exposed to significant interest rate risk.

### ***Capital Management***

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity and loans as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements.

## **ADDITIONAL INFORMATION**

---

### **Off-Balance Sheet Arrangements**

As at the current date, the Company has no off-balance sheet arrangements.

### **Legal proceedings**

As at the current date, management was not aware of any legal proceedings involving the Company.

### **Outstanding Share Data**

As at the date of this report, the Company has 28,042,592 common shares and no preferred shares outstanding.

There are 994,374 agent options, 1,650,000 options, and 3,294,648 warrants outstanding as of the date of this report.

### **Contingent liabilities**

As at the current date, management was not aware of any outstanding contingent liabilities relating to the Company's activities.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the company, and other factors.

## **CAPITAL DISCLOSURE**

---

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition of a new business. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to acquire and sustain future development of a business. The Company has conducted an exploration and sampling program on the Empirical Project, initial reconnaissance work on the Tyber and Gretna Green Projects, which will require additional exploration work and financial resources. The Company incurred numerous exploration and evaluation expenditures on the Destiny Project. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the current period. The Company is not subject to externally imposed capital requirements.

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION**

---

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with IFRS and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities. The Board of Directors supervises the financial statements and other financial information through its audit committee.

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION (CONTINUED)**

---

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

## **DIRECTORS**

---

Certain directors of the Company are also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any directors in a conflict will disclose their interests and abstain from voting in such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

As at the date of this MD&A, the directors of the Company are James Rogers, Andrew Male, and Theo van der Linde.