

**MLK GOLD LTD.**  
**(Formerly 1167343 B.C. Ltd. and Mountain Lake Minerals Inc.)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

This management's discussion and analysis of the financial condition as of **July 22, 2021** provides an analysis of the Company's financial results and progress for the period ended May 31, 2021. This MD&A should be read in conjunction with the Company's audited financial statements and notes thereto for the year ended November 30, 2020, which were prepared in accordance with accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"). All amounts are expressed in Canadian dollars.

Certain statements and information related to Mountain Lake Minerals Inc.'s business contained in this Management's Discussion and Analysis are of a forward-looking nature. They are based on opinions, assumptions or estimates made by Mountain Lake Minerals' management or on opinions, assumptions or estimates made available to or provided to and accepted by Mountain Lake Minerals Inc.'s management. Such statements and information are reflecting management's current views and expectations of future events or results and are subject to a variety of risks and uncertainties that are beyond management control. Readers are cautioned that these risks and uncertainties could cause actual events or results to significantly differ from those expressed, expected or implied and should therefore not rely on any forward-looking statements.

### **Overview**

MLK Gold Ltd. ("MLK Gold" or "MKL" or the "Company") was incorporated under the Business Corporations Act of British Columbia on June 7, 2018, as 1167343 B.C. Ltd. On May 14, 2020, the Company changed its name to Mountain Lake Minerals Inc. and on May 4, 2021, the Company was renamed MLK Gold Ltd. The address of the Company's head office is 59 Payzant Drive, P.O. Box 657, Windsor, Nova Scotia, B0N 2T0. Its registered office is Suite 2080 - 777 Hornby Street, Vancouver, B.C., Canada, V6Z 1S4.

The Company was created to facilitate an Arrangement Agreement dated June 7, 2018. In accordance with the Arrangement Agreement, the Company was incorporated as a wholly owned subsidiary of Pac Roots Cannabis Corp. ("Pac Roots"). Pac Roots transferred its mineral exploration business and other assets to the Company in exchange for 63,821,643 common shares and \$550,000 in cash. The common shares were then distributed to the shareholders of Pac Roots. The exchange in shares for the exploration business and other assets has been recorded as a capital transaction at the fair value of the net assets received.

The Company's activities are primarily directed towards exploration and development of mineral properties located in Canada. In addition, the Company is looking to acquire other mineral properties. Mountain Lake holds a 100% interest in three mineral properties in Newfoundland which include, two (2) licenses at the Caledonia Brook-1 gold property located south of Windsor-Grand Falls in central Newfoundland and a 100% interest in one licence in the Little River area of southern Newfoundland. These two properties contain 53 claims in total and cover 1,325 ha, and twenty claims with a land area of 500 ha, respectively. During the year ended November 30, 2020, the Company also acquired interest in three (3) exploration licenses at the Manuels low sulphidation epithermal gold property in the Avalon Peninsula. The licenses consist of twenty-one claims in total and cover 525ha. In addition, the Company acquired a 100% interest in one mineral exploration license in Nova Scotia consisting of six claims and covering approximately 388ha. As at May 31, 2021, the Company has cash of \$129,427 to settle current liabilities of \$480,614 and long term liabilities of \$Nil.

In March 2020, The World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The pandemic could continue to have negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. At this point, the impact on the Company has been minimal. The Company continues to monitor the situation and is taking all necessary precautions in order to follow rules and best practices as set out by the federal and provincial governments.

### **Overall Performance**

During the quarter and year ended May 31, 2021, the Company conducted limited activities with expenditures related to acquiring its listing on the Canadian Securities Exchange ("CSE"), finalization of assessment work reports, initiation of a technical NI 43-101 report, applications for 2021 exploration on its Newfoundland properties, management fee, exploration expenses, and general operating expenses.

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**-Caledonia Brook and Manuels Properties**

In connection with the Arrangement Agreement described in Note 1 of the Company's audited financial statements, the Company acquired an Option Agreement dated October 30, 2017 ("Agreement") with New Dawn Resources Inc. (the "Optionor") whereby the Company could acquire a 100% interest in a gold exploration property in the Central Newfoundland area of Newfoundland and Labrador consisting of 53 mineral claims under two mineral exploration licenses. The project lies along a mineral corridor shear zone with multiple lithologies hosting gold mineralization extending from south of Marathon Gold's Valentine Lake property at Victoria Lake, northeastward to Caledonia Brook, a distance of approximately 100 kilometers, and onwards towards the Queensway property of New Found Gold Corp., a further sixty kilometres.

Pac Roots completed its initial exploration programs in 2018 and 2019 consisting of recce soil sampling across the entire strike length through the center of the property and included cross lines of sampling. Initial interpretation of the preliminary results suggests there are several gold-in-soil anomalies that require additional follow-up exploration.

The exploration in 2019 verified northwest trending zones of anomalous soil geochemistry and highly altered bedrock indicative of mineralizing systems.

On March 6, 2020, the Company entered into a purchase agreement ("Purchase Agreement") with the original Optionor (New Dawn Resources Inc. and another Director of New Dawn) whereby the Company acquired a 100% interest in the above-noted gold exploration property consisting of 53 mineral claims on two mineral exploration licenses, and a 100% interest in thirty additional mineral claims under two mineral exploration licenses located south of Conception Bay. The Purchase Agreement superseded an earlier 2017 Option Agreement with the Optionor, and as consideration, the Company was required to make a cash payment \$5,000 and issue 3,500,000 common shares, which the Company paid and issued during the year ended November 30, 2020.

On April 6, 2020, the Company finalized its purchase agreement with New Dawn Resources Inc. and the sole director of New Dawn Resources Inc. (the "Optionors"), whereby the Company acquired a 100% interest in 21 mineral claims under three mineral licenses known ("Manuels Property"). As consideration, the Company issued 500,000 common shares and agreed to pay an aggregate of \$72,000 in ten equal annual installments of \$7,200 to the Optionors. During the year ended November 30, 2020, \$7,200 was paid to the Optionors.

Pursuant to certain conditions of the Purchase Agreement, the Company earned a 100% interest in 104 claims under seven mineral exploration licenses. During the year ended November 30, 2020, 30 claims under two mineral exploration licenses were cancelled so the Company could focus on the Caledonia Brook and Manuels Properties to carry out further exploration.

The Caledonia Brook Property is subject to a net smelter returns royalty ("NSR") of 1.0% of commercial production. The Company can purchase 0.5% of the NSR for \$500,000 at any time.

As at November 30, 2020, the Company had advanced a deposit of \$50,000 in relation to exploration expenditures.

awn) of which half can be purchased for \$500,000.

**Little River Property (Golden Eye Project)**

The Company has a 100% undivided interest in one licence consisting of twenty claims at the Little River Property in southern Newfoundland known as the Golden Eye Project. High grade gold mineralization occurs in an echelon quartz veins emplaced in pyrite ± arsenopyrite-bearing dark slates and arenaceous lithologies with minor mixed volcanoclastic sediments. The Company has held this property since 2008. There is a 2.0% NSR on the property of which ½ (or 1%) can be purchased for \$1,500,000. The NSR is payable to two private prospectors in equal proportion.

**Nova Scotia**

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During the year ended November 30, 2020, the Company entered into agreements with two parties (the "Optionors") to acquire a 100% interest in six mineral claims under one mineral exploration license in Nova Scotia (the "NS Agreements" and the "Nova Scotia Property"). Pursuant to the terms of the NS Agreements, the Company has issued 3,500,000 common shares. The mineral exploration license is currently registered to the President and CEO (Paul K. Smith) on behalf of the Company and will be transferred to the MLK Gold in Q3, 2021.

In addition, the Company also issued 210,000 common shares as finders' fee to a third party.

The Nova Scotia Property is subject to two NSR agreements for 0.75% and 1.5%, of which the Company can purchase up to 0.5% of the 0.75% NSR, and 0.5% of the 1.5% NSR for \$250,000 and \$50,000, respectively. Furthermore, the Company will also be required to make a royalty payment of \$25,000 within one year of a feasibility report which identifies commercial viability of the property.

### Results of Operations

*Period ended May 31, 2021 and 2020*

The Company reported net loss for the period ended May 31, 2021 of \$598,330 compared to the same year of \$54,000. Expenses in the period ended May 31, 2021 were \$598,330 compared to \$54,000 for the same year in the prior year due to an increase in operational activities.

#### **- Period ended May 31, 2021 compared with period ended May 31, 2020**

The Company had cash and cash equivalents amounting to \$1,410 on May 31, 2021 (November 30, 2020 - \$338,440). Operating expenses for the period amounted to \$598,330 (May 31, 2021 - \$54,000) and consisted of \$126,380 for professional fees (May 31, 2020 - \$nil), \$627 for transfer agent fees (May 31, 2020 - \$nil), \$356,434 for Project investigation costs (May 31, 2020 - \$nil), and \$1,189 for office and other expense (May 31, 2020 - \$nil).

During the period ended May 31, 2021, the Company incurred management fees in the amount of \$108,000 compared to \$54,000 during the prior year due to an increase in related party consulting services and operational activities of the Company.

During the year ended November 30, 2020, the Company had received \$550,000 as a result of the RTO transaction.

### Summary of Quarterly Results

Quarter ended	Q2 2021 \$	Q1 2021 \$	Q4 2020 \$	Q3 2020 \$	Q2 2020 \$	Q1 2020 \$	Q4 2019 \$	Q3 2019 \$
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(352,952)	(245,378)	(239,807)	(166,500)	(54,000)	Nil	Nil	Nil
Net and comprehensive loss	(352,952)	(245,378)	(239,807)	(166,500)	(54,000)	Nil	Nil	Nil
Loss per share – Basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

### Liquidity and Capital Resources

As at May 31, 2021, the Company has a working capital deficiency of \$607,401 compared to a working capital of \$59,071 at February 28, 2021 mainly due to the use of resources to pay for expenditures.

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For the period ended May 31, 2021, the Company used cash of \$387,030 in operating activities (2020: \$54,000), due to operating expenses and share-based compensation.

The Company's principal assets are at an exploration stage and as a result the Company has no current source of operating cash flows. The Company relies on its ability obtain equity financing to fund administration expenses and future exploration programs. The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on the successful completion of a financing or by monetizing assets. There is no certainty that these and other strategies will be successful.

### **Share Capital**

The Company's authorized capital consists of an unlimited number of common shares without nominal or par value. As of the date of this MD&A, the Company has 71,531,644 issued and outstanding common shares.

During the year ended November 30, 2020:

- (i) On May 22, 2020, the Company issued 63,821,643 common shares with a fair value of \$691,952 related to the Arrangement Agreement.
- (ii) On May 22, 2020, the Company issued 3,500,000 common shares with a fair value of \$35,000 as consideration for the NS Agreements.
- (iii) On May 22, 2020, the Company issued 210,000 common shares with a fair value of \$2,100 in relation to finders' fees issued for the NS Agreements.
- (iv) On August 12, 2020, the Company issued an aggregate of 4,000,000 common shares with a fair value of \$40,000 in connection with the Company's properties in Newfoundland and Labrador.

### *Stock Options*

The Company has a Stock Option Plan (the "Plan") which provides that the number of options granted may not exceed 10% of the issued and outstanding shares. Options granted under the Plan generally have a five-year term and are granted at a price no lower than the market price of the common shares at the time of the grant.

Options are vested in different stages. During the year ended November 30, 2020, the Company recognized \$54,000 (2020 - \$nil) share-based payments for the vested options.

As of the date of this MD&A, the Company has issued 7,153,164 stock options to certain officers and directors of the company, which are exercisable at a price of \$0.10 for a year of five years.

### *Warrants*

As of the date of the MD&A, there are nil share purchase warrants outstanding. Total warrants of 12,627,359 expired on April 28, 2021.

### **Related Party Transactions and Balances**

Payments to key management personnel including the President and Chief Executive Officer, Chief Financial Officer, Directors, and companies directly controlled by key management personnel are for salaries, consulting fees, management fees and professional fees, and are specifically related to either position in the Company or to services provided to the Company.

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

	<b>Period ended May 31,</b>	
	<b>2021</b>	<b>2020</b>

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	\$	\$
Management fees	108,000	54,000
Share-based compensation	-	-

As at May 31, 2021, the Company had amounts payable totaling \$280,490 (November 30, 2020- \$172,490) to certain directors and officers of the Company, which have subsequently been converted into loans payable as described in Note 9 of the Company's audited financial statements.

During the year, the Company received \$550,000 from Pac Roots in connection with the completion of the Arrangement Agreement described in Note 1 of the Company's audited financial statements. As at November 30, 2020, the Company has recorded other payables due to Pac Roots of \$69,564 in connection with the Arrangement Agreement described in Note 1 of the audited financial statement of the Company for the year ended November 30, 2020. During the quarter ended May 31, 2021, the Company paid \$35,000 towards the payable. As of May 31, 2021, the other payables due to Pac Roots is \$34,564.

During the year ended November 30, 2020, a director of the Company advanced \$17,200 to an unrelated third party on behalf of the Company for a transaction being negotiated. As at November 30, 2020, the principal amount of \$17,200 bears interest at 20% per annum, is unsecured and due on demand. The principal amount along with interest of \$1,844 was repaid during the year.

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

The Company has no off-balance sheet arrangements.

#### **Critical accounting estimates**

##### *Estimate of recoverability for non-financial assets*

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is defined as the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with any asset and a suitable discount rate in order to calculate present value.

##### *Share-based payments*

The amounts recorded for share-based payments are based on estimates. The Black Scholes model is based on estimates of assumptions for expected volatility, expected number of options to vest, dividend yield, risk-free interest rate, expected forfeitures and expected life of the options. Changes in these assumptions may result in a material change to the amounts recorded for the issuance of stock options.

#### **Financial Instruments**

The Company's financial instruments are categorized in a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

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

The Company's financial instruments include cash, deposits, accounts payable, notes payable, and other payables.

The fair value of cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets.

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Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as of May 31, 2021, as follows:

<b>Fair Value Measurements Using</b>				
	Quoted Prices in Active Markets For Identical Instruments (Level 1) \$	Significant Other Observable Inputs (Level 2) \$	Significant Unobservable Inputs (Level 3) \$	Total \$
<b>May 31, 2021</b>				
Cash	1,410	-	-	1,410

*Credit risk*

The Company has no significant credit risk arising from operations. The Company does not engage in any sales activities, so is not exposed to major credit risks attributable to customers. The Company's credit risk is primarily attributable to cash. The Company holds its cash with Canadian chartered banks and the risk of default is considered to be remote.

*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's accounts payable are due within one year. The Company's notes and loans payable are due on demand. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of stock market conditions generally or as a result of conditions specific to the Company. The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. As at May 31, 2021, the Company has cash of \$1,410 (February 28, 2021 - \$338,440) to settle current liabilities of \$678,792 (February 28, 2021 - \$416,352).

*Interest rate risk*

Interest rate risk is the risk that future cash flows of the Company's assets and liabilities can change due to a change in interest rates. The Company is not exposed to interest rate risk as no financial instruments are interest-bearing. It is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from the financial statements.

**Accounting standards adopted in the current year**

The following standards were adopted by the Company effective December 1, 2019:

*IFRS 16 – Leases*

IFRS 16 replaces IAS 17, "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. Those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for years beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15, "Revenue from Contracts with Customers".

The adoption of IFRS 16 on December 1, 2019 did not have an impact on the Company's financial statements.

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**Risks and Uncertainties**

Under Canadian reporting requirements, management of the Company is required to identify and comment on significant risks and uncertainties associated with its business activities. For a summary of potentially significant inherent risks and uncertainties that management considers to be particularly unique to its operations and business plans in the upcoming years, please refer to the Company's 2020 Management Discussion and Analysis, which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

**Additional Information**

The financial statements and additional information regarding the Company are available on SEDAR at [www.sedar.com](http://www.sedar.com).