



STUHINI

E X P L O R A T I O N

**STUHINI EXPLORATION LTD.
MANAGEMENT DISCUSSION AND
ANALYSIS FOR
THE YEAR ENDED
FEBRUARY 29, 2020**

INTRODUCTION

The following Management Discussion and Analysis (“MD&A”) of Stuhini Exploration Ltd. (the “Company” or “Stuhini”), has been prepared by management, in accordance with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations*, as of June 29, 2020, and should be read in conjunction with audited financial statements for year ended February 29, 2020, and the related notes contained therein which have been prepared under International Financial Reporting Standards (“IFRS”). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of the Company’s management as well as assumptions made by and information currently available to the management. When used in this document, the words “*anticipate*”, “*believe*”, “*estimate*”, “*expect*” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, and the estimated cost and availability of funding for the continued exploration and development of the Company’s exploration properties. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the actual results, performance, or the Company’s achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

COMPANY OVERVIEW

Background

Stuhini is a Canadian mineral exploration company based in Vancouver, British Columbia and incorporated on July 7, 2017, under the Business Corporations Act (British Columbia). The Company’s head office and registered records office is located at 1245 West Broadway, Unit 105, Vancouver, BC V6H 1G7. On May 21, 2019, the Company’s common shares (“Common Shares”) were listed on the TSX Venture Exchange under the symbol “STU”.

The Company is engaged in the acquisition and exploration of mineral properties and as of the date of this MD&A holds a 100% undivided interest in the Metla Property, comprised of seven contiguous mining claims covering approximately 6,457 hectares in northwestern British Columbia approximately 150 km south of the town of Atlin and 150 km west of the town of Dease Lake. In addition, the Company holds options to acquire a 100% interest in the Ruby Creek Property located approximately 24 km east of Atlin and the Que Property located approximately 70 km north of Johnson’s Crossing in the Yukon Territory. The Company does not have any assets or mineral properties that are in production.

Key Events for the Year Ended February 29, 2020

Initial Public Offering

On May 21, 2019, the Company closed its Initial Public Offering (“IPO”) by issuing a total of 4,083,000 Common Shares at a price of \$0.20 per Common Share for gross proceeds of \$816,600. In connection with the IPO, the Company entered into a definitive agency agreement dated for reference February 15, 2019, with Haywood Securities Inc. (the “Agent”) (the “Agency Agreement”). Pursuant to the Agency Agreement, upon closing of the IPO, the Agent received a cash commission totalling \$46,168 and non-transferable compensation options entitling the Agent and members of its selling group to purchase up to 230,840 Common Shares at \$0.20 per Common Share until May 21, 2021. In addition, the Company paid the Agent a corporate finance fee of \$20,000 and reimbursed the Agent \$33,200

for other legal and regulatory costs associated with the IPO. An additional \$40,372 in legal and regulatory fees incurred by the Company and directly associated with the IPO were also recognized as share issuance costs.

The Common Shares were listed on the TSX Venture Exchange (the “TSX-V” or the “Exchange”) on May 21, 2019, immediately halted, and re-commenced trading on the Exchange on May 23, 2019 under the trading symbol “STU”.

Exercise of Options to Acquire Common Shares

During the month of July 2019 certain directors, officers and consultants of the Company exercised their options to purchase Common Shares of the Company at an exercise price of \$0.10 per Common Share. These options were originally granted on April 15, 2018, and had an expiry date of July 15, 2019. Pursuant to the exercises, the Company issued an aggregate of 410,000 Common Shares for total proceeds of \$41,000; 202,500 Common Shares purchased by certain officers and directors of the Company remain subject to escrow and are being released at six-month intervals pursuant to the schedule determined by National Policy 46-201 *Escrow for Initial Public Offerings*.

Stock Option Grants

On August 6, 2019, the Company granted stock options to directors, officers, and consultants to purchase an aggregate of 600,000 Common Shares of the Company at an exercise price of \$0.20 per share for a five-year term expiring August 6, 2024. The options vest in stages of 25% every three months such that all options will fully vest by August 6, 2020, subject to meeting the terms and conditions of the Company's Stock Option Plan.

On February 28, 2020, the Company granted stock options to directors, officers, and consultants to purchase an aggregate of 425,000 Common Shares of the Company at an exercise price of \$0.25 per share for a five-year term expiring February 28, 2025. The options vest in stages of 25% every three months such that all options will fully vest by February 28, 2021, subject to meeting the terms and conditions of the Company's Stock Option Plan.

Ruby Creek Property Option

On July 30, 2019, the Company entered into an option agreement (the "Option Agreement") with Global Drilling Solutions Inc. ("Global Drilling"), a private BC Company wholly owned by Barry Hanslit, the Company's major shareholder. The Option Agreement granted the Company a right to acquire a 100% interest in Global Drilling's Ruby Creek Property (the "Ruby Creek Property"), located in northwestern British Columbia (the "Ruby Creek Option"). The Option Agreement was conditional on approval by the disinterested shareholders of the Company, which was received at the annual general meeting (the “AGM”) of the Company held on November 28, 2019, and by the TSX Venture Exchange (the “Exchange”), which was received on December 31, 2019 (the “Ruby Creek Approval Date”).

Pursuant to the Option Agreement, to exercise the Ruby Creek Option, the Company is required to issue a total of 7,300,000 Common Shares and make cash payments of \$1,060,000 over a four-year term. On the Ruby Creek Approval Date, the Company issued the initial 800,000 Common Shares. The remaining share issuances and the cash payments are at the Company's sole election should it wish to maintain the Ruby Creek Option after the first year. Upon exercise of the Option, Global Drilling would be entitled to a 1% net smelter returns royalty on the Ruby Creek Property.

Private Placement

On September 18, 2019, the Company closed its non-brokered private placement (the "Private Placement") by issuing a total of 2,500,000 Common Shares for gross proceeds of \$470,000. Eric Sprott, the Company's strategic investor, subscribed for 1,000,000 Common Shares at \$0.17 per share for gross proceeds of \$170,000. The remaining 1,500,000 Common Shares were issued at a price of \$0.20 per share. Certain directors, officers and other insiders of the Company

purchased or acquired direction and control over a total of 250,000 Common Shares under the Private Placement. No finders' fees or commissions were paid in connection with the Private Placement.

Flow-Through Private Placement

On December 20, 2019, the Company completed its non-brokered flow-through private placement by issuing a total of 1,400,000 Common Shares that qualify as flow-through shares for the purposes of the Income Tax Act (Canada) (the "Flow-Through Shares") at \$0.22 per Flow-Through Share for aggregate gross proceeds of \$308,000 (the "Flow-Through Offering"). David O'Brien, President, CEO, and a director of the Company, acquired 50,000 Flow-Through Shares under the Flow-Through Offering.

The gross proceeds from the Flow-Through Offering will be used to incur "Canadian exploration expenses" which qualify as flow-through mining expenditures ("Qualifying Expenditures") to fund the Phase I exploration program of \$250,000 on the Ruby Creek Property.

Que Property Option

On February 17, 2020, the Company entered into an option agreement (the "Que Option Agreement") with Nokuyukon Holdings Ltd. ("Nokuyukon"), an arm's length vendor, whereby the Company was granted a right to acquire a 100% interest in Que Property (the "Que Option") located in the south-central Yukon Territories, Canada. The Que Option Agreement was further amended and restated on February 28, 2020 ("Amended Agreement").

The Que Option Agreement was conditional on approval by the TSX Venture Exchange, which was received on April 2, 2020 (the "Que Approval Date"). The Que Property consists of 108 mineral claims and is 2,246 hectares in size. The Company staked an additional 1,996 hectares bringing the entire Que Property claims package to approximately 4,243 hectares.

Based on the Que Option Agreement, as amended and restated, to fully exercise its Que Option, the Company is required to issue a total of 2,950,000 Common Shares and make cash payments for a total of \$380,000 over a four-year term. On the Que Approval Date, the Company issued the initial 200,000 of the Company's Common Shares. The remaining share issuances and the cash payments are at the Company's sole election should it wish to maintain the Que Option after the first year. Upon exercise of the Que Option, the Que Vendors (as further defined in the "Que Property" section of this MD&A) are entitled to a 1% net smelter returns royalty on the Que Property.

Engagement of Nicosia for Investor Relations Services

On May 15, 2020, the Company engaged Nicosia Capital ("Nicosia") to provide investor relations services. Nicosia, a Vancouver-based investor relations firm specializing in the resource sector, will assist the Company in creating and implementing communication strategies that will facilitate relationships with finance professionals, the investing community, and media contacts. The agreement is for a period of at least six months with a mutual option to extend for an additional 12 months at \$2,000 per month. In addition to cash compensation, the Company issued to Frank Lagiglia, managing Director of Nicosia, an option to acquire up to 50,000 Common Shares of the Company exercisable for a period of two years at \$0.25 per share.

Exploration activities at Que and Ruby Creek Properties

At the end of May and the first part of June 2020, the Company carried out a SkyTEM airborne geophysical program on both the Que Property and the Ruby Creek Property and commenced a small diamond drill program on the Que Property.

The Skytem airborne geophysical survey was conducted on selected portions of the Ruby Creek and Que Properties. The final survey consisted of approximately 1,400 line-kilometres ("lkm") of which 425 lkm were flown at the Que Property and 975 lkm were flown at the Ruby Creek Property. Company consulting geophysicist Todd Ballantyne of in3D Geoscience, Inc. will be reviewing and compiling results from the geophysical survey. Once the geophysical report is received, a significant portion of the planned 2020 summer exploration program will consist

of follow-up and ground truthing priority geophysical targets generated as a result of the report with the goal of generating high priority drill targets for future drilling. In June 2020, the Company commenced a small 2-hole diamond drill program at the Que Property. The drill targets were chosen based on the data interpretation of the Skytem geophysical survey and due to road accessibility.

EXPLORATION PROPERTIES

As of the date of this MD&A the Company's interests in exploration and evaluation assets consist of 100% undivided interest in the Metla Property, an option to acquire a 100% interest in the Ruby Creek Property, and an option to acquire a 100% interest in the Que Property.

METLA PROPERTY

Acquisition of the Metla Property

On July 7, 2017, the Company entered into a Purchase and Sale Agreement (the “Metla Agreement”) with Barry Hanslit, the Company’s major shareholder, whereby Mr. Hanslit sold the Company a 100% undivided interest in the Metla Property along with all information, core samples, logs, data, documents, maps, and other documentation in exchange for 883,333 Common Shares at a deemed value of \$53,000.

Metla Property Acquisition and Exploration Costs

	February 29, 2020	February 28, 2019
Balance, beginning of period	\$ 395,064	\$ 158,612
Mineral tenure/lease payments	255	-
Sub-total, acquisition costs	395,319	158,612
Deferred exploration expenditures		
Camp and travel	35,041	61,939
Equipment use/rental	300	5,785
Exploration tax credit	(53,007)	-
Geology	31,481	168,728
Sub-total, deferred exploration expenditures	13,815	236,452
Balance, end of period	\$ 409,134	\$ 395,064

Property Location and General Description

The Metla Property is a gold-silver-base metal prospect located in the Chechilda Range of the Coast Mountains in northwestern British Columbia. It is approximately 150 km south of the town of Atlin, 150 km west of the town of Dease Lake and is adjacent and contiguous with Brixton Metals Corp.’s Thorn Property and is approximately 20 km south-southeast and on trend with the Oban target located by Brixton on its Thorn Property. Access is by helicopter from Atlin or Dease Lake. The Metla Property consists of seven contiguous mineral claims and covers an area of approximately 6,457 hectares. The Company retains a 100% interest in the claims comprising the Metla Property without being subject to any royalties, back-in rights, or other similar obligations.

There are no known environmental liabilities on the Metla Property. BC’s reclamation laws aim to ensure that land, watercourses, and cultural heritage resources are returned to a safe and environmentally sound state. A Mines Act permit (“Drill Permit”) is required for any work that disturbs the surface with mechanical equipment. Such a Drill Permit includes an approval of the exploration program and mine plan, a program for protection of the land and watercourses, and a reclamation program. Mining companies must also place a reclamation security (a “Bond”) with the Province of British Columbia to ensure reclamation obligations are kept. This Bond is only returned once the mine site has been reclaimed to a satisfactory level and there is no ongoing monitoring or maintenance requirements. During the year ended February 28, 2019, the Company received its Drill Permit which permits the Company to conduct all of its contemplated Phase 1 and Phase 2 exploration programs and paid the Bond, totalling \$42,000.

The current B.C. Mines Act requires an operator to advise and/or conduct consultations with First Nations persons or their representatives to inform them of mineral exploration activities that may take place on and impact lands that may have cultural and heritage significance to such persons. Although the Metla Property tenure holder has established good working relationships with the local Taku River Tlingit First Nation, and the Company has carried out sufficient consultation to satisfy the conditions required by the Act for the issuance of a Drill Permit, no formal consultations has taken place as of the date of this MD&A as the exploration program is still in an early stage and no major deposit has been identified.

2019 Exploration Activities

In June 2019 the Company sent 36 rock samples collected during the 2018 field season to the Bureau Veritas analytical lab to be assayed. Highlights from the sampling are shown in the table below:

Target	Sample	Gold (g/t)	Silver (g/t)	Cu %	Pb %	Zn %	Mo ppm
MCA-Zn A	1999498	1.23	15.6	0.100	0.005	0.090	4.8
MCA-Zn A	1999499	3.76	9.4	0.041	0.018	0.022	1.0
MCA-Zn B	1892603	0.00	10.7	0.328	0.001	0.005	5.4
MCA-Zn B	1892604	2.18	8.4	0.039	0.004	0.003	1.4
MCA-Zn C	1999491	3.00	45.5	0.091	0.344	6.33	6.2
MCA-Zn C	1999492	9.96	10.5	0.043	0.007	4.97	3.9
MCA-Zn C	1999493	4.02	8.2	0.092	0.006	0.023	4.8
MCA-Zn D	1999494	7.31	10.2	0.067	0.027	0.214	12.2
MC-east	1892609	1.04	10.4	0.004	0.007	0.003	53.5
MC-east	1892619	0.25	1.4	0.050	0.003	0.001	24.9

Samples are anomalous in gold, silver, copper, lead, zinc, molybdenum, arsenic, cadmium, and mercury. Identified sulphides include chalcopyrite, bornite, sphalerite, galena and arsenopyrite. Highlights include 9 samples returning gold values greater than 0.25 g/t with a maximum of 9.96 g/t; 9 samples returning silver values greater than 8 g/t with a maximum of 45.5 g/t; 11 samples returning copper values greater than 300 ppm with a maximum of 3284 ppm. Assays of up to 3441 ppm lead and 6.33% zinc have also been reported.

The majority of samples in the Metla Creek Area (“MCA” in Table above) consisted of hydrothermal breccia with a quartz-sulphide matrix and predominately limestone clasts or semi-massive to disseminated sulfides in quartz veins proximal to the brecciated zone. Samples from Zone B in the Metla Creek Area consisted of stratiform massive sulfides within black shale which extended towards Zone C. Sampling in the MC-east anomaly returned anomalous gold values from sulfide bearing, vuggy quartz boulders. Two samples assayed 1.04g/t and 0.25 g/t gold, respectively.

The Company contracted Mr. Todd A. Ballantyne, P.Geo., of in3D Geoscience Inc. to interpret the data received from the airborne VTEM™ geophysical, survey which was conducted by Geotech Inc. in 2018. The data from the 2018 VTEM™ geophysical survey along with historical data was used to help guide the 2019 field program, which occurred in August of 2019. The purpose of the Phase I field program was to refine drill targets on the Metla Creek Zone and define potential new exploration targets.

The 2019 field program on the Metla Property consisted of 12 man-days on site during which time existing drill targets in zones A, B & C were reviewed and 15 rock samples were collected from a new zone in recently deglaciated terrain proximal to the eastern VTEM anomaly identified in the 2018 survey. Rock samples were primarily diorite with chloritic and sodic alteration, variable quartz veining and trace to 5% sulfide concentrations comprising pyrite +/- chalcopyrite +/- bornite and +/- malachite.

Nine samples, which constitute 60% of the sampled material, returned assays greater than 0.1 g/t gold (Au). These samples span an area 750 meters in length. Of particular note was sample ALW19-004 of bornite and chalcopyrite bearing quartz/potassium feldspar veins hosted within diorite, which assayed at 1.82g/t Au, 4.66% Cu, 31 g/t Ag and 0.3g/t Pd. Four of the samples collected returned copper values greater than 0.5%. Notably sample ALW19-004, mentioned above, containing 4.66% Cu and sample #1893129, 300 m to the south and with similar lithology, contained

1.67% Cu.

Metla Property Commitments

In British Columbia, mineral titles must be maintained in good standing with the Ministry of Energy, Mines and Petroleum Resources by timely performance and recording of physical work or by payment of cash in lieu of work. Work requirements are \$5.00 per hectare per year in years one and two, \$10.00 per hectare per year in years three and four, \$15.00 per hectare per year in years five and six, and \$20.00 per hectare per year thereafter. Payments in lieu of exploration and development work are double the value of the corresponding work requirement. The Metla Property consists of seven different mineral claims which were staked at different times so the work commitments for each claim varies. Based on the most recent assessment report filed by the Company on June 10, 2019, the Company recorded additional work on the Metla Property to the BC Ministry of Energy, Mines and Petroleum Resources that have extended the good standing on all of the Metla Property claims until April 20, 2022.

RUBY CREEK PROPERTY

On July 30, 2019, the Company entered into the Option Agreement with Global Drilling whereby the Company was granted a right to acquire a 100% interest in the Ruby Creek Property. The Option Agreement was conditional on approval by the disinterested shareholders of Stuhini Exploration Ltd., which was received at the November 28, 2019, annual general meeting, and by the Exchange, which was received on December 31, 2019.

Based on the Option Agreement, to fully exercise its Option, the Company is required to issue a total of 7,300,000 of the Company's Common Shares and make cash payments of \$1,060,000 over a four-year term.

The following table shows the continuity of the Option payments:

Date	Shares	Cash Payment
December 31, 2019 (shares issued)	800,000	\$ -
December 31, 2020	1,250,000	-
December 31, 2021	1,750,000	120,000
December 31, 2022	1,750,000	300,000
December 31, 2023	1,750,000	640,000
Total	7,300,000	\$ 1,060,000

Upon exercise of the Option, Global Drilling would be entitled to a 1% net smelter returns royalty on the Ruby Creek Property.

Ruby Creek Property Acquisition and Exploration Costs

	February 29, 2020
Balance, beginning of period	\$ -
Option payments	248,000
Mineral tenure/lease payments	8,085
Sub-total, acquisition costs	256,085
Deferred exploration expenditures	
Geology	3,110
Sub-total, deferred exploration expenditures	3,110
Balance, end of period	\$ 259,195

Property Location and General Description

The Ruby Creek Property is 26,735 hectares in size, located within the Atlin Mining Division, 24 km from Atlin, and is road accessible. The Ruby Creek Property consists of 49 contiguous mineral claims of which one is a mining lease. There are 48 different documented mineral occurrences on the Property, of which 16 are gold-related, with five gold

placer creeks, four of which were still actively being mined during the summer 2019. The Company does not own or have an option on the placer rights for these placer streams on the tenures since in BC placer rights are a different tenure than hard rock mineral right. However, the Company does have the hard rock rights which would be relevant should bedrock lode-gold or other minerals be discovered under the existing placer creeks or elsewhere on the Ruby Creek Property. The Ruby Creek Property also hosts the Ruby Creek Moly resource (also known as the Adanac molybdenum deposit or resource) which, using a 0.04% Mo cut-off grade, has a historic measured mineral resource of 43.642 million tonnes at 0.078% Mo, an indicated mineral resource of 231.712 million tonnes grading 0.065% Mo, and an inferred mineral resource of 39.076 million tonnes at 0.062% Mo. The historic Ruby Creek Mo resource estimate was prepared by K. Palmer of Golder Associates in a report dated May 28, 2009, titled Ruby Creek Molybdenum Project in Northern British Columbia, Canada. The resource estimate was established using 338 drill holes with a combined length of approximately 69,200 m and 21,651 assay samples. A Qualified Person has not done sufficient work to classify the historical estimate as a current mineral resource or mineral reserve. The Company has not verified the historical resource estimates and therefore is not treating nor relying on the historical estimates as a current mineral resource or mineral reserve. The Company currently does not plan to conduct any work to verify the historical resource estimate.

On November 7, 2019, the Company filed a National Instrument 43-101 Technical Report entitled: "Technical Report on the Ruby Creek Property within the Atlin Gold camp British Columbia Canada" (the "Technical Report"). The Technical Report outlined a 2-stage exploration program for the Ruby Creek Property budgeted at \$750,000.

2019 Exploration Activities

As part of the Company's 2019 summer work program the Company conducted a due-diligence limited reconnaissance sampling program on the Ruby Creek Property. A total of 75 surface rock samples and eight surface soil samples were taken from the four distinct areas over the course of the program.

Pit North

The Pit North area is located immediately north of the proposed historic pit for the Adanac molybdenum deposit. Mineralization appears to be related to a shear zone that coincides with a creek valley northeast of Moly Lake, where 20 rock and two soil samples were taken. Sulfide bearing quartz veins, silicified mineralized breccia as well as mineralized diorite and granite was sampled within a 450m x 250m area. The two soil samples were anomalous in copper, lead, zinc, and silver.

Highlights from the sampling are shown in the table below:

Sample Number	Gold (g/t)	Silver (g/t)	Copper (%)	Lead (%)	Zinc (%)
1893071	0.51	808	0.14%	2.59%	0.95%
1893072	0.47	102	0.05%	1.05%	1.32%
1893073	0.21	52	0.03%	0.67%	1.27%
1893076	3.53	98	0.23%	1.82%	6.37%
1893077	2.27	1172	0.15%	>10.00%	5.10%
1893078	2.40	161	0.41%	3.40%	0.92%
1893080	0.13	150	0.04%	2.00%	0.15%
1893081	2.49	95	0.04%	0.66%	0.36%
1893118	5.32	45	0.05%	0.13%	0.00%
1893119	4.05	356	0.45%	2.75%	2.16%

Of the 20 samples, 13 assayed greater than 0.1 g/t gold and six greater than 2 g/t gold. Sample 1893119 was described as comprised of 40% sulfide including galena, arsenopyrite, chalcopyrite and wolframite in an extensional quartz vein. The sample ran 4.0 g/t gold as well as 356 g/t silver and 0.45% copper. Proximal float sample 1893118 returned assayed values of 5.32 g/t gold.

All but one sample assayed greater than 1 g/t silver of which eight assayed greater than 90 g/t silver. Sample 1893077 assayed 1,172 g/t silver and was described as a fine grained greyish white laminated quartz boulder with galena, pyrite,

and chalcopyrite. This sample also assayed 2.27 g/t gold, 0.15% copper, over 10% lead and 5.10% zinc. Another significant silver sample was 1893071, a gossanous quartz sulfide breccia in granite boulder which was host to galena, arsenopyrite, sphalerite and tetrahedrite and returned assays of 808 g/t silver as well as 0.14% copper and 2.59% lead.

Copper was also anomalous with 18 of 20 samples assaying greater than 100 ppm copper and five samples greater than 0.1% copper including two samples of 0.4% copper. Sample 1893079 was a random composite sample of 20-80 cm quartz vein in outcrop with banded euhedral quartz and sulfides including pyrite, galena, sphalerite and possible arsenopyrite.

Ruby East

Nineteen (19) rock samples were collected from the topographic high immediately north of Cracker Creek and east of Ruby Creek proximal to the Pato 2 and Daybreak “Wrigglite” showings. Most of the area is covered with sub-cropping scree. Samples were of the scree and returned anomalous gold assays with six samples greater than 0.1 g/t gold. Sample 1893155, a quartz vein hosted in a coarse-grained quartz monzonite boulder, assayed 7.5 g/t gold.

Silver was also moderately anomalous in the area with 12 samples greater than 1 g/t. Sample 1893053, a light green and grey skarn boulder with quartz veining, ran 477 g/t of silver, 1.6 g/t gold and 0.10% copper. Eight samples assayed greater than 100 ppm copper, five of which were greater than 0.1% copper up to 0.7% in sample.

Boulder/Birch Ridge

Eighteen samples were collected from the ridge between Birch and Boulder Creek proximal to the Lakeview showing. Samples were a mix of quartz veins, silicified breccia and altered granite. These samples returned assays with moderate gold and silver values with four samples assaying greater than 0.1 g/t gold and seven samples greater than 1 g/t silver. Sample 1893114 assayed 0.9 g/t gold and 17 g/t silver. Sample 1893109 assayed 0.7 g/t gold and 17 g/t silver. Both samples were described as being rusty box-work weathered quartz veins hosted in Cache Creek terrane.

Western Ruby

In the western part of the property, six soil samples were collected in overburden using a 6-inch carbide tipped auger mounted on a Caterpillar skid steer loader. Samples were taken from the soil/bedrock interface. One sample assayed 0.28 g/t gold and 1.8 g/t silver.

2020 Exploration Activities

In May and June 2020, the Company conducted a SkyTEM airborne geophysical program on selected portions of the Ruby Creek Property. The survey consisted of approximately 975 lkm. Company consulting geophysicist Todd Ballantyne will be reviewing and compiling results from the geophysical survey and a detailed report on this program is anticipated by the end of July 2020. A significant portion of this year’s upcoming exploration program will be ground truthing geophysical targets generated by the survey with the plan to drill high priority targets in the future.

Ruby Creek Property Commitments

The Ruby Creek Property consists of 48 mineral claims which were staked at different times resulting in different work commitments for each claim. As of the date of the filing of this MD&A, the mineral claims that comprise the Ruby Creek Property are in good standing until February 28, 2021. Based on the date the claims were staked and their respective sizes, the total annual work commitment for Ruby Creek Property is approximately \$332,924.

In addition to the work commitments required on the mineral claims, the mineral lease included as part of the Ruby Creek Property is subject to an annual flat fee lease payment of \$50,000 with no work requirement. The Company paid the annual lease payment in March of 2020, which renewed the lease until March 27, 2021.

QUE PROPERTY

On February 17, 2020, the Company entered into an option agreement (the "Que Option Agreement") with Nokuyukon Holdings Ltd., Mike Mickey and Joanne MacDougall (jointly, the "Que Vendors"), acting at arm's length, whereby the Company was granted the right to acquire a 100% interest in the Que Property (the "Que Option") located in south-central Yukon Territories, Canada. The Que Option Agreement was amended and restated on February 28, 2020 (the "Amended Que Option Agreement"), and was conditional on approval by the TSX Venture Exchange, which approval was received on April 2, 2020 (the "Que Approval Date").

Based on the Amended Que Option Agreement, to fully exercise its Que Option, the Company is required to issue a total of 2,950,000 of the Company's Common shares and make cash payments for a total of \$380,000 over a four-year term to the Que Vendors.

The following table shows the continuity of the Option payments:

Date	Shares	Cash Payment
April 2, 2020 (shares issued)	200,000	\$ -
April 2, 2021	300,000	-
April 2, 2022	450,000	-
April 2, 2023	500,000	140,000
April 2, 2024	1,500,000	240,000
Total	2,950,000	\$ 380,000

Upon exercise of the Que Option, the Que Vendors would jointly be entitled to a 1% net smelter returns royalty on the Que Property.

Property Location and General Description

The Que Property is road accessible and located 70 km north of Johnson's Crossing on the Alaska Highway. The Que Property consists of 108 mineral claims and is 2,246 hectares in size. The Company staked an additional 1,996 hectares bringing the entire claims package to approximately 4,243 hectares.

The Que Property was first staked in the mid 1960's after the discovery of several large rusty, gossanous kill zones. The rust zones are believed to indicate buried massive sulphide; however, the overburden is up to 30 metres deep and very little outcrop occurs within the area. The Que Property has been privately held by the Que Vendors since that time.

The small-scale exploration programs were instigated since the 1960's during which gold bearing veins and a gold bearing felsic horizon on Kingdome Ridge were discovered. Soil sampling has also identified gold anomalies in soil.

In the 2019 field season, the Company's geologists spent an afternoon on the Que Property conducting due diligence, which confirmed the presence of the gossanous kill zones and the occurrence of gold mineralization within outcropping quartz veins. A grab sample collected during this visit assayed 11.7 g/t gold.

2020 Exploration Activities

In May and June 2020, the Company conducted a SkyTEM airborne geophysical program on selected portions of the Que Property. The survey consisted of approximately 425 lkm. Company consulting geophysicist Todd Ballantyne has reviewed and compiled results from the geophysical survey and a detailed report on this program is anticipated by the end of July 2020. Based on the preliminary findings, the Company commenced a small 2-hole diamond drill program at its Camp Gossan target at the Que Property. The drill targets were chosen due to road accessibility and

based upon geophysical anomalies generated from preliminary data interpretation of the SkyTEM geophysical program.

Que Property Commitments

In Yukon, quartz (hard-rock) claims must be maintained in good standing with the Department of Energy, Mines and Resources. Quartz claims expire one year after the recording date. To keep a claim in good standing, the Company is required to carry out an assessment work (also known as “representation work”) for a minimum of \$100 per claim. The assessment work must be applied to the quartz claim in the year it is completed by filing the assessment work report before the claim’s anniversary of the recording date. In case where the assessment work will result in more than \$100 spent, the remaining value can be applied to the future years (not to exceed 5 years). If the representation work on a claim is not done, the Company can choose to pay a fee of \$105 per claim instead.

The Que Property consists of 204 mineral claims which were staked at different times resulting in different expiry dates for some claims. The total annual work commitment for the Que Property is approximately \$20,400, with the earliest renewal date being January 23, 2021, when the Company will be required to pay upwards of \$9,600.

Qualified Person

Andrew L. Wilkins B.Sc., P.Geo., co-author of the Technical Report on the Metla Property, is the Qualified Person as defined by NI 43-101 and has approved all technical information contained herein.

SELECTED ANNUAL INFORMATION

	Year ended February 29, 2020	Year ended February 28, 2019	Year ended February 28, 2018
Net and comprehensive loss	\$ 431,487	\$ 179,313	\$ 47,271
Loss per share – basic and diluted	\$ 0.04	\$ 0.03	\$ 0.02
Total assets	\$ 1,699,948	\$ 492,694	\$ 407,115

RESULTS OF OPERATIONS

During the year ended February 29, 2020, the Company recorded a net loss and comprehensive loss of \$431,487 as compared to net loss and comprehensive loss of \$179,313 for the year ended February 28, 2019.

Increased operating activities, property investigation costs associated with the Ruby Creek and Que Option Agreements, and listing of the Company’s Common Shares on the TSX-V resulted in overall increases to the business expenses the Company incurred during the year ended February 29, 2020, as opposed to the year ended February 28, 2019.

The largest expense items that contributed to the net loss were associated with professional fees of \$124,998, which increased by \$15,854, from \$109,144 the Company incurred during year ended February 28, 2019. The incurred professional fees were associated with \$97,990 in legal fees for filing of prospectus, IPO which the Company closed on May 21, 2019, review of the Ruby Creek and Que option agreements, and to a smaller extent the AGM. In addition, the professional fees included \$27,008 in accounting and audit fees. The second largest expense item was associated with project investigation costs of \$97,896, of which \$37,872 was associated with project investigation costs incurred on the Ruby Creek Property prior to the Company receiving the TSX-V approval, and \$27,648 was associated with project investigation costs incurred on the Que Property similarly incurred prior to the Company receiving TSX-V approval.

In addition to project investigation costs and professional fees, the Company recorded \$40,280 in consulting fees for services provided to the Company by its CEO, Corporate Secretary, and external consultants, \$32,636 in advertising and promotion fees, which increased by \$28,729, from \$3,907 the Company incurred during the year ended February 28, 2019. The increase in advertising and promotion fees was associated with the Company’s efforts to increase shareholder awareness through exhibiting at the Prospectors and Developers Association of Canada Conference in Toronto (“PDAC”), paying for the news release dissemination services and printing

materials to be used in the Company's investor outreach programs. During the year ended February 29, 2020, the Company recorded \$35,659 in regulatory and filing fees, a \$16,467 increase as compared to \$19,192 the Company incurred in regulatory fees during the year ended February 28, 2019. The current period's regulatory expenses were mostly associated with the fees payable for the Company's May 2019 IPO, additional private placement financings the Company closed during the year, and fees payable for filing of the Company's annual financial statements and MD&A, as well as other regulatory filings the Company was required to make. Other notable expenses the Company incurred included \$8,471 in travel, meals and entertainment expenses, predominantly associated with the Company exhibiting at PDAC, as well as \$80,138 in share-based compensation associated with vested portion of the options to acquire the Company's Common Shares granted to consultants and executive management team.

The Company's total assets increased by \$1,207,254, or 245%. The increase in the Company's assets resulted from the \$942,940 increase in cash balances associated with \$1,450,248 cash received on closing of IPO, options exercises, and subsequent private placement offerings, and an increase in exploration and evaluation assets totalling \$668,329 associated with acquisition of a 100% option to acquire Ruby Creek Property and with deferred exploration expenditures the Company incurred during its fiscal 2020. A modest increase in the Company's receivables of \$3,894 associated with the GST the Company paid on the services it received during the year also contributed to the increase in assets. These increases were in part offset by a \$12,150 decrease in prepaid expenses and \$695 decrease in equipment used in operations.

SUMMARY OF QUARTERLY RESULTS

Results for the most recently completed financial quarters are summarized in the table below:

Period ended:	Net and comprehensive loss	Loss per share; basic and diluted
February 29, 2020	\$ 133,379	\$ 0.01
November 30, 2019	\$ 158,531	\$ 0.01
August 31, 2019	\$ 98,497	\$ 0.01
May 31, 2019	\$ 41,080	\$ 0.01
February 28, 2019	\$ 64,262	\$ 0.01
November 30, 2018	\$ 63,739	\$ 0.01
August 31, 2018	\$ 15,370	\$ 0.00
May 31, 2018	\$ 35,942	\$ 0.01

During the quarter ended February 29, 2020, the Company recorded a net loss of \$133,379. The largest expense items that contributed to the net loss related to \$46,632 the Company incurred in professional fees, \$24,471 in share-based compensation associated with vested portion of the options granted to the Company's officers, directors and consultants to acquire up to 1,025,000 of the Company's Common Shares, and \$18,938 the Company incurred in project investigation costs which were in part associated with the Option Agreements to acquire the Ruby Creek Property and the Que Property, and in part with investigating other potential property acquisitions. During the same period the Company incurred \$9,661 in consulting fees with the Company's CEO and the Corporate Secretary, both of whose billable services commenced upon completion of the IPO; \$10,270 in regulatory and filing fees, \$17,025 in advertising and promotion expenses mainly associated with the cost of issuing news releases to fulfill regulatory and Exchange requirements and also to raise awareness about the Company and its operations.

During the quarter ended November 30, 2019, the Company recorded a net loss of \$158,531. The largest expense items that contributed to the net loss related to \$50,016 the Company incurred in professional fees, \$39,744 in share-based compensation associated with vested portion of the options granted to the Company's officers, directors and consultants to acquire up to 600,000 of the Company's Common Shares, and \$39,709 the Company incurred in project investigation costs which were in part associated with the Option Agreement to acquire the Ruby Creek Property, and in part with investigating other potential property acquisitions. During the same period the Company incurred \$16,954 in consulting fees, of which \$10,954 were incurred with the Company's CEO and the Corporate Secretary, both of whose billable services commenced upon completion of the IPO; \$7,449 in regulatory and filing

fees, \$2,770 in advertising and promotion expenses mainly associated with the cost of issuing news releases to fulfill regulatory and Exchange requirements and also to raise awareness about the Company and its operations.

During the quarter ended August 31, 2019, the Company recorded a net loss of \$98,497. The largest expense item that contributed to the net loss related to \$38,539 the Company incurred in project investigation costs which were in part associated with the Option Agreement to acquire the Ruby Creek Property, and in part with investigating other potential property acquisitions. During the same period the Company incurred \$13,447 in regulatory and filing fees associated with the filing of the Company's year-end financial statements as well as other regulatory filing requirements, \$13,522 in share-based compensation associated with vested portion of the options to acquire the Company's Common Shares, \$12,761 in professional fees, \$4,167 in advertising and promotion expenses mainly associated with the cost of issuing news releases to fulfill regulatory and Exchange requirements and also to raise awareness about the Company and its operations. In addition, the Company recorded \$12,211 in consulting fees incurred with the Company's CEO and the Corporate Secretary, both of whose billable services commenced upon completion of the IPO.

During the quarter ended May 31, 2019, the Company recorded a net loss of \$41,080. The largest expense item that contributed to the net loss related to \$15,589 that the Company incurred in professional fees associated with the IPO and TSX-V listing process. During the same period, the Company incurred \$8,674 in advertising and promotion expenses mainly associated with the Company exhibiting at PDAC, and \$4,493 in regulatory fees associated with filing of the Company's annual financial statements and MD&A as well as other regulatory disclosures.

During the quarter ended February 28, 2019, the Company recorded a net loss of \$64,262. The largest expense item that contributed to the net loss related to \$33,281 that the Company incurred in professional fees associated with the IPO and TSX-V listing process. During the same period, the Company incurred \$11,625 in regulatory fees for the filing of its preliminary prospectus and NI 43-101 technical report in connection with the IPO and \$16,557 in share-based compensation associated with an adjustment to the share-based compensation recorded on June 2018 options to acquire up to 400,000 of the Company's Common Shares.

During the quarter ended November 30, 2018, the Company recorded a net loss of \$63,739. The largest expense item that contributed to the net loss related to \$54,660 that the Company incurred in professional fees associated with the IPO and TSX-V listing process. During the same period, the Company incurred \$7,567 in regulatory fees, of which \$7,500 was associated with TSX-V initial listing fees.

During the quarter ended August 31, 2018, the Company recorded a net loss of \$15,370. The largest expense item that contributed to the net loss related to \$14,356 in professional fees associated with the IPO and TSX-V listing process. During the same period, the Company incurred \$162,491 in deferred exploration expenditures on its Metla Property.

During the quarter ended May 31, 2018, the Company recorded a net loss of \$35,942. The largest expense item that contributed to the net loss was share-based compensation expense totalling \$21,097 for options to acquire 490,000 common shares that the Company granted on April 15, 2018 to its officers and consultants. In addition, the Company incurred \$6,847 in professional fees associated with the IPO and TSX-V listing process. Travel, meals, and entertainment expenses totalling \$3,949 and advertising and promotion expenses of \$3,907 (both expense categories being mainly associated with the Company exhibiting at PDAC) contributed to the net loss for the quarter ended May 31, 2018. During the same period, the Company incurred \$72,058 in deferred exploration expenditures on its Metla Property.

LIQUIDITY AND CAPITAL RESOURCES

	February 29, 2020	February 28, 2019
Working capital (deficiency)	\$ 871,799	\$ (167,530)
Deficit	\$ 658,071	\$ 226,584

As at February 29, 2020, the Company had \$957,103 in cash (February 28, 2019 - \$14,163), current assets of \$988,778 (February 28, 2019 - \$54,094) and current liabilities of \$116,979 (February 28, 2019 - \$221,624), with working capital of \$871,799 (February 28, 2019 – working capital deficiency of \$167,530). Other current assets consisted of GST

receivable totalling \$22,220 (February 28, 2019 - \$18,326), and \$9,455 in prepaid expenses (February 28, 2019 - \$21,605).

During the year ended February 29, 2020, the Company's operations were supported by \$676,860 the Company received on closing of its IPO, whereby the Company issued 4,083,000 Common Shares at \$0.20 per share, \$440,347 the Company received from its September Private Placement, whereby the Company issued 1,500,000 Common Shares at \$0.20 per share, and 1,000,000 Common Shares issued to the Company's strategic investor at \$0.17 per share, \$292,041 the Company received from its December Flow-Through Private Placement, whereby the Company issued 1,400,000 flow-through Common Shares at \$0.22 per share, and \$41,000 the Company received on exercise of options to acquire 410,000 Common Shares at \$0.10 per share. During the same period the Company decreased amounts owed to related parties for services and reimbursable expense by \$24,879 and repaid the First and the Second Bridge Loans advanced to the Company by its CEO and the Corporate Secretary in its fiscal 2019, which totaled \$113,688 (including accrued interest thereon).

The Company did not generate sufficient cash flows from its operating activities to satisfy its cash requirements for the year ended February 29, 2020. The cash that the Company has generated since its inception on July 7, 2017, to February 29, 2020, has been generated from the sales of the Company's Common Shares and from bridge loans from its related parties, which loans the Company repaid, including interest thereon, in June of 2019.

The Company's original planned \$674,000 Metla exploration program consists of a \$229,000 Phase 1 Program followed by a \$445,000 Phase 2 Program contingent on both the results of the Phase 1 program and the Company's ability to raise adequate capital to fund the Phase 2 program. A portion of the Phase 1 Program was completed during the summer 2019 work program. Given constraints on helicopter operations and remote camps due to Covid-19, the completion of the Phase 1 program may be delayed beyond the 2020 exploration season. In the opinion of management, these additional unforeseen costs were not budgeted and therefore completion of the entire Phase 1 Program might extend beyond the end of the 2020 field season. Management will keep apprised of Covid-19 related developments and may adjust plans accordingly.

As at the date of this MD&A the Company has commenced its 2020 Phase 1 exploration program on its Ruby Creek Property by conducting a SkyTEM airborne geophysical survey on portions of the tenures that contain the recommended targets as set out in the recommended Phase 1 exploration program included in the Technical Report as well as new targets generated as a result of a comprehensive survey of past assessment reports on the Ruby Creek Property by the Company's consulting geologists during the 2019-2020 winter period. The geophysical survey was followed up with a prospecting and sampling programs at Boulder Creek. After consultation with the Company geologists, it was decided that the most efficient way to follow-up on the recommendations of the Phase 1 work program at Ruby Creek Property would be to first conduct an airborne geophysical survey on the recommended exploration targets, and then use the results of the survey to ground truth and further investigate the geophysical anomalies generated on each of the exploration targets. The approximate cost of the SkyTEM airborne survey on the Ruby Creek Property was estimated to be approximately \$150,000 and was added to the initial estimated Phase 1 program cost of \$250,000, for a total \$350,000.

As at the date of this MD&A the Company has also completed a SkyTEM airborne geophysical program on certain portions of its Que Property including a small initial drill program on the Camp Gossan target with the cost of the drilling and geophysical program anticipated to be approximately \$150,000.

To support the Company's general operating and administrative activities, the Company will require approximately \$150,700 per annum. Based upon the current plans, the Company has enough cash resources to support the Company's operations during the next six months and to carry out the Phase I exploration programs at the Ruby Creek Property and to possibly complete the Phase 1 program at the Metla Property. In order to proceed with the Company's Phase 2 exploration program on the Metla Property, the Company will be required to raise additional financing, which may be done through any combination of equity or debt financing from the sale of the Company's securities, through private loans, or possible joint ventures. Although the Company has succeeded in raising funds as needed, this trend is not guaranteed to continue into the future. Many factors, including, but not limited to, a downturn of the economy, or a significant decrease in the price of minerals, could affect the willingness of potential investors to invest in grass-roots exploration projects. If the Company is unable to generate sufficient cash flow as and when needed, the Company may be required to curtail, or even to cease, its operations.

TRANSACTIONS WITH RELATED PARTIES

During the years ended February 29, 2020 and February 28, 2019, the Company had the following transactions with related parties:

	February 29, 2020	February 28, 2019
Consulting fees paid to the Company's CEO	\$ 18,710	\$ -
Accounting fees paid to the Company's CFO	\$ 6,000	\$ 6,000
Consulting fees paid to the Company's Corporate Secretary	\$ 14,423	\$ -
Consulting fees paid to an entity controlled by a Director	\$ 6,000	\$ -
Mineral exploration fees paid to an entity controlled by a Director	\$ 6,000	\$ -
Project management fees paid or accrued to an entity controlled by the common-law spouse of the Company's co-founder and majority shareholder	\$ 18,710	\$ 10,860
Share-based compensation for options granted to directors and officers	\$ 63,632	\$ 13,129

Amounts due to related parties consist of amounts owed directly to the officers and directors of the Company for the professional services or for the expenses incurred on behalf of the Company. These amounts are unsecured, non-interest bearing, and due on demand. At February 29, 2020, the amount payable to related parties was \$48,841 (February 28, 2019 - \$73,720), of which \$17,533 (February 28, 2019 - \$57,471) represented reimbursable expenses.

On September 14, 2018, the Company's CEO advanced the Company \$50,000 under a loan agreement (the "First Bridge Loan"). The First Bridge Loan was unsecured, payable on demand, and accrued interest at 0.5% per month. During the year ended February 29, 2020, the Company recorded \$888 in interest expense associated with the First Bridge Loan. The Company repaid the First Bridge Loan together with interest accrued up to February 28, 2019, on June 12, 2019. Remaining \$888 in interest accumulated on the First Bridge Loan accrued up to June 12, 2019, were repaid during the quarter ended November 30, 2019. The outstanding interest did not accrue additional interest and was included in the amount payable to related parties.

On January 23, 2019, the Company's Corporate Secretary advanced the Company \$60,000 under a loan agreement (the "Second Bridge Loan"). The Second Bridge Loan was unsecured, payable on demand, and accrued interest at 0.5% per month. During the year ended February 29, 2020, the Company recorded \$1,055 in interest expense associated with the Second Bridge Loan. The Company repaid the Second Bridge Loan together with interest accrued thereon on June 12, 2019.

OUTSTANDING SHARE DATA

As at the date of this MD&A, the following securities were outstanding:

Type	Amount	Conditions
Common Shares	15,093,000	Issued and outstanding.
Stock options	380,000	Exercisable into 380,000 Common Shares at a price of \$0.20 per share expiring on May 21, 2021
Stock options	600,000	Exercisable into 600,000 Common Shares at a price of \$0.20 per share expiring on August 6, 2024. The options vest quarterly beginning on November 6, 2019, in equal portions of 150,000 shares per vesting date.
Stock options	425,000	Exercisable into 425,000 Common Shares at a price of \$0.25 per share expiring on February 28, 2025. The options vest quarterly beginning on May 28, 2020, in equal portions of 106,250 shares per vesting date.
Stock options	50,000	Exercisable into 50,000 Common Shares at a price of \$0.25 per share expiring on My 15, 2022.
Compensation options	230,840	Compensation options granted to the agent and members of its selling group as part of the IPO. The Options are exercisable into 230,840 common shares at \$0.20 per share expiring on May 21, 2021.
	16,778,840	Total shares outstanding (fully diluted).

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards and interpretations have been published and are fully disclosed in Note 3 of the audited financial statements for the year ended February 29, 2020. Management is assessing the impact of these new standards on the Company's accounting policies and financial statement presentation.

RISKS AND UNCERTAINTIES

The Company's activity of natural resource exploration is considered to be very high risk. Companies in this industry are subject to many and varied kinds of risks, including, but not limited to, environmental, commodity prices, political and economic, with some of the most significant risks and uncertainties affecting the Company being the following in addition to other risks disclosed in this MD&A:

- Substantial expenditures are required to explore for mineral reserves and the chances of identifying economical reserves are extremely small;
- The Company expects to continue to incur losses from operations unless and until such time as any of its mineral properties enter into commercial production and generate sufficient revenues to fund its continuing operations;
- The junior resource market, where the Company raises funds, is extremely volatile and there is no guarantee that the Company will be able to raise funds as and when required;
- Although the Company has taken steps to verify title to the mineral properties in which it has an interest, there is no guarantee that such properties will not be subject to title disputes or undetected defects;
- The Company is subject to the laws and regulations relating to environmental matters, including provisions relating to reclamation, discharge of hazardous material and other matters. The Company conducts its exploration activities in compliance with applicable environmental protection legislation and is not aware of any existing environmental problems related to its properties that may cause material liability to the Company; and

- The Company is cognizant of the rapid expansion of the COVID-19 pandemic and the resulting global implications. To date, there have been no significant disruptions to the Company's day-to-day operations, although the SkyTEM geophysical survey was delayed by several weeks and the Company's field season has been delayed by a similar number of weeks. Along with its regular safety and environmental program, the Company has implemented a Covid-19 Response Plan and is monitoring the situation. However, the Company cautions that the potential future impact of any restrictions on the Company's operations is currently unknown but could be significant.

FINANCIAL INSTRUMENTS

Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of cash and marketable securities is measured based on Level 1 inputs of the fair value hierarchy.

The estimated fair value of financial liabilities approximates their carrying values due to the short-term nature of these instruments.

Capital Management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, to ensure future benefits to stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in share capital 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 the capital structure, the Company may issue new shares through short-term prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. As at the date of this MD&A, the Company does not have any debt that is subject to externally imposed capital requirements.

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, and market risk. Where material, these risks are reviewed and monitored by the Board of Directors.

a) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due or can only do so at excessive cost. The Company maintains sufficient cash balances to meet current working capital requirements. The Company is considered to be in the exploration stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is invested in business accounts with quality financial institutions, is available on demand for the Company's programs, and is not invested in any asset backed commercial paper.

b) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, prepaid expenses, and GST receivable. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and other assets with high-credit quality financial institutions.

c) *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as foreign exchange rates, interest rates, and commodity and equity prices.

i. Currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company is not exposed to foreign currency risk.

ii. Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash. In order to maintain liquidity, the Company plans to invest its cash at floating rates of interest in cash equivalents. There is a minimal risk that the Company would recognize a loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash, restricted cash and reclamation bond as they are generally held with large financial institutions.

iii. Price risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the levels of equity indices and the value of individual stocks. The Company is not exposed to equity price risk.

CONTINGENCIES

The Company has no contingent liabilities.

ADDITIONAL INFORMATION

Additional information concerning the Company and its operations is available on SEDAR at www.sedar.com.