North Peak Resources Ltd. Management's Discussion and Analysis
For the Three and Six Months Ended June 30, 2022
Expressed in Canadian Dollars
Dated: August 29, 2022

The following management's discussion and analysis ("**MD&A**") of the financial condition and results of operations of North Peak Resources Ltd. ("**North Peak**", or the "**Company**") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and six month periods ended June 30, 2022. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2021, as well as the unaudited condensed interim consolidated financial statements for the three and six month periods ended June 30, 2022, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. Information contained herein is presented as at August 29, 2022 unless otherwise indicated.

Description of Business

The Company is incorporated and organized under the laws of Alberta, Canada and is a Canadian based gold and silver exploration and development company that is is listed on the TSX Venture Exchange (the **"Exchange**") under the symbol "NPR".

The Company holds options to acquire 100% interest in two properties: (1) an option (the "**Kenogami Option**") to acquire the Kenogami Lake Project located 15 kilometres southwest of Kirkland Lake, Ontario consisting of twenty-seven (27) mineral claims totaling approximately 500.3 hectares SW of Kirkland Lake, Ontario (the "**Kenogami Property**"); and (2) an option (the "**Black Horse Option**") to acquire the 2,733 acre Black Horse gold and silver property located approximately 50 miles east of Ely, Nevada (the "**Black Horse Property**").

The Company continues to assess the Kenogami Property to determine the most effective and efficient path towards completing the remaining $150,000 work commitment.

On December 6, 2021, the Company signed a binding definitive agreement with Minex LLC ("**Minex**") for the Black Horse Option. An initial payment to Minex of a combination of US$1million in cash ($1,281,200 - paid) and 1,250,000 Common Shares (issued on December 13, 2021, ascribed a fair value of $2,250,000) initiated the Black Horse Option.

The Company has completed initial drilling and sampling programs on the Black Horse Property and reported initial assay results and those results have yet to confirm the historic drilling results on the Black Horse Property in either grade or mineralized intercept. A review of those work programs and associated results is ongoing.

Highlights

During the six months ended June 30, 2022, the Company started up operations in Nevada and completed initial drilling and sampling programs on the Black Horse Property. Highlights included:

- Following drilling permits being secured in January 2022, core and RC drilling programs commenced in Q1 2022. A total of 5,170 feet was drilled prior to the end of June 2022, of which eight (8) were core holes totaling 2,230 feet and 10 RC holes totaling 2,940 feet. The Company worked with three different drilling companies during the six months and all of them experienced various operational challenges including staffing and accessibility issues, recovery rates and mechanical issues, resulting in costs above those projected.

- A total of $1,575,834 was incurred in exploration activity during this period, of which $942,991 was directly attributable to drilling and an additional $419,466 to project management and camp support, which ranged from road building through to provision of supporting technical assistance. Whilst being within the budget set aside for this campaign, less drilling footage was achieved than budgeted.

In Q1 2022, the Company completed a non-brokered private placement (the "**Private Placement**") for gross proceeds of $5.75 million, pursuant to which it issued 2,499,996 equity units of the Company ("**Units**") at a price of $2.30 per Unit. Each Unit was comprised of one (1) common share of the Company ("**Common Share**") and one half of one (1/2) Common Share purchase warrant. Each whole warrant entitles the holder to acquire one Common Share for a period of 12 months from the date of issue at a price of $3.50 per Common Share. The net proceeds from this Private Placement are to be used towards exploration drilling programs, continued development of the Company's business and for general and administrative expenses.

Leni Keough was also appointed to the Board of the Directors of the Company, during the second quarter. Ms. Keough brings over 35 years' experience in the mining industry, focused on mineral exploration, and combined with expertise in project management, public company management, finance and capital markets, communications, and business development. In addition, Chelsea Hayes, was appointed an officer of the Company, taking on the role of Director of Business Development.

As at June 30, 2022, the Company reported a cash position of $8,319,181 and working capital of $8,421,683.

Outlook

As set forth above, the reviews undertaken by the Company in respect of the work and drilling by the Company on each of the Kenogami Property and the Black Horse Property continue and will inform the Company's decisions regarding next steps to be taken with respect to those properties.

The Company also continues to evaluate other mining properties that may have the potential to fulfil its key criteria of targeting historic mining assets, with strategic exploration potential, at an appropriate acquisition price.

Events Occurring After the Reporting Period

On July 5, 2022, the Company reported first assay results from the drilling programs undertaken on the Black Horse Property in H1 2022. Full details of the results are set forth in the Company's July 5, 2022 press release.

Expressed in Canadian Dollars

Summary of Quarterly Results

For the Period Ended	Revenue ($)	Net (Loss) Income		Total assets ($)
		Total ($)	Basic and diluted earnings per share ($)	
2022 – June 30	Nil	(3,133,761)	(0.13)	10,174,696
2022 – March 31	Nil	(1,633,259)	(0.07)	13,265,448
2021 – December 31	Nil	(765,727)	(0.04)	8,982,068
2021 – September 30	Nil	(348,612)	(0.02)	6,983,024
2021 – June 30	Nil	(265,532)	(0.01)	7,294,293
2021 – March 31	Nil	(187,604)	(0.01)	7,521,168
2020 – December 31	Nil	(468,082)	(0.03)	7,065,059
2020 – September 30	Nil	(750,854)	(0.04)	6,855,530
2020 – June 30	Nil	(401,724)	(0.03)	7,178,571

Three Months Ended June 30, 2022 vs Three Months Ended June 20, 2021

The Company reported a net loss of $3,133,761 for the three months ended June 30, 2022, compared with a loss for the three months ended June 30, 2021 of $265,532 as it commenced the drilling & sampling programs on the Black Horse Property.

The reported loss consists primarily of the following as the Company is expensing its expenditures on the exploration programs on its optioned mineral properties:

- During the three months ended June 30, 2022, the Company incurred drilling and exploration expenses of $515,255 at the Black Horse Property contrasted with $14,978 for the three months ended June 30, 2021. See note 11 in the Company's June 30, 2022 condensed interim consolidated financial statements for a detailed breakdown of the Company's period over period exploration expenses

- Contractor fees of $7,286 for the three months ended June 30, 2022, compared to $4,654 during the comparative three months ended June 30, 2021. During the current and comparative periods, the Company's contractor fees consisted of outsourced geological and support staff.

- Travel expenses increased to $84,622 during the three months ended June 30, 2022, up from $628 during the three months ended June 30, 2021. Travel expenses consisted of marketing and executive travel, which declined during the COVID19 global pandemic, recovering as travel restrictions eased. With the Company's drilling and sampling programs commencing on the Black Horse Property, management oversight drove increased travel to operational and administrative sites.

- Professional fees were $82,583 during the three months ended June 30, 2022, increasing from $51,466 for the comparative three months ended June 30, 2021, with legal fees pertaining to general matters driving the variance. Additionally, the Company's quarter ended June 30, 2022 was reviewed by the Company's auditors.

- Stock-based compensation decreased to $162,333 for the three months ended June 30, 2022, from $446,608 in the comparative period in 2021, with the variance driven by residual vesting of stock options issued in current and prior periods. The comparative period saw vesting charges related to options previously granted with higher valuations.

- Office and general expenses declined to $153,549 for the three months ended June 30, 2022, from $162,863 for the three months ended June 30, 2021. Significant variances are as follows:

    - Directors fees declined to $86,541, for the three months ended June 30, 2022 from $97,374 primarily due to $12,000 paid in director compensation for Mr. Gordon Chmilar during the comparative period whereas no director fees were paid to Mr. Chmilar in fiscal 2022.
    - Directors health insurance for the three months ended June 30, 2022 declined marginally to $8,857 from $10,603 for the comparative three months ended June 30, 2021 primarily due to minor foreign exchange variances and timing of ancillary charges..
    - Directors and officers liability insurance increased marginally to $16,170 from $15,984 in the comparative period. The increase is market driven.
    - During the three months ended June 30, 2022, the Company incurred a foreign exchange gain of $26,044 over a $453 loss for the comparative three months ended June 30, 2021, driven by a volatility in realized foreign exchange as the Company engages US vendors for the Black Horse Property as well as settling the fees of two directors with one in UK pounds and the other in US dollars.
    - During the three months ended June 30, 2022, the Company has experienced increases in office supplies, computer support and postage as the costs of servicing the Black Horse Property operations increases. During the three months ended June 30, 2022, the Company saw an increase in in software subscription expenses to $6,944 from $600 in the comparative period, as the Company brought on additional software resources to support the increase in operations.
    - Office supplies increased to $1,150 during the current period from $nil in the comparative period, as the Company began supporting operations in Nevada for the Black Horse exploration project, resulting in additional administrative costs being borne for consumable supplies.
    - Phones, internet and computer support declined marginally to $6,025 during the three months ended June 30, 2022 from $6,176 in the comparative period, driven by the costs of communicating with and supporting the Nevada operations began as the Company commenced operations at the Black Horse Property.

- As at June 30, 2022, the Company assessed the carrying of its interest in the Black Horse Property, resulting in an impairment charge of $2,148,890 being recognized on the statements of loss and comprehensive loss for the three and six months ended June 30, 2022 (three months ended June 30, 2021 - $nil).

- Interest income $20,758 was earned on the Company's cash balances during the three months ended June 30, 2022 compared with $8,435 in the comparative period. Strengthening interest rates and variances in cash balances drive the variance in interest earned.

Six Months Ended June 30, 2022 vs Six Months Ended June 30, 2021

The Company reported a net loss of $4,767,020 for the six months ended June 30, 2022, compared with a loss for the six months ended June 30, 2021 of $453,136. The variance of $4,313,884 is driven primarily by a $2,148,890 impairment charge on the Company's interest in the Black Horse Property, and exploration expenses of $1,594,364 representing costs associated with the drilling programs at the Black Horse Property, with multiple contractors providing core and RC drilling as well as surveying and mapping work. For a detailed breakdown of exploration costs, please see note 11 of the Company's condensed interim consolidated financial statements.

The reported loss consists primarily of the following as the Company is expensing its expenditures on the exploration programs on its optioned mineral properties:

- During the six months ended June 30, 2022, the Company incurred drilling and exploration expenses of $1,594,364 at the Black Horse Property contrasted with $111,818 for the six months ended June 30, 2021. See note 11 in the Company's June 30, 2022 condensed interim consolidated financial statements for a detailed breakdown of the Company's period over period exploration expenses.

- Contractor fees of $12,078 for the six months ended June 30, 2022, compared to $9,891 during the comparative six months ended June 30, 2021. During the current and comparative periods, the Company's contractor fees consisted of outsourced geological and support staff.

- Travel expenses increased to $122,307 during the six months ended June 30, 2022, from $4,108 during the six months ended June 30, 2021. Travel expenses consisted of marketing and executive travel, which declined during the COVID19 global pandemic, recovering as travel restrictions eased. With the Company's drilling and sampling programs commencing at the Black Horse Property, management oversight drove increased travel to operational and administrative sites.

- Professional fees were $110,929 during the six months ended June 30, 2022, increasing from $74,475 for the comparative six months ended June 30, 2021, with costs associated with the incorporation of the Company's new Nevada subsidiary in February 2022 driving the increase.

- Stock-based compensation decreased to $446,608 for the six months ended June 30, 2022, from $87,563 in the comparative period in 2021, with the variance driven by residual vesting of stock options issued in current and prior periods. The Comparative period saw vesting charges related to options previously granted with higher valuations.

- Office and general expenses increased to $358,474 for the six months ended June 30, 2022, from $330,954 for the six months ended June 30, 2021. Significant variances are as follows:

    - Directors fees declined to $173,325, for the six months ended June 30, 2022 from $188,021 primarily due to $12,000 paid in director compensation for Mr. Gordon Chmilar during the comparative period whereas no director fees were paid to Mr. Chmilar in fiscal 2022.
    - Directors health insurance for the six months ended June 30, 2022 declined marginally to $20,889 from $21,261 for the comparative six months ended June 30, 2021 primarily due to minor foreign exchange variances.
    - Directors and officers liability insurance increased marginally to $33,015 from $31,958 in the comparative period. The increase is market driven.
    - During the six months ended June 30, 2022, the Company incurred a foreign exchange gain of $26,993 over a $490 loss for the comparative six months ended June 30, 2021, driven by a volatility in realized foreign exchange as the Company engages US vendors for its Black Horse

Property as well as settling the fees of two directors with one in UK pounds and the other in US dollars.

- During the six months ended June 30, 2022, the Company has experienced increases in office supplies, computer support and postage as the costs of servicing the Nevada operations increases. During the six months ended June 30, 2022, the Company saw a modest increase in in software subscription expenses to $7,929 from $6,695 in the comparative period, as the Company brought on additional software resources to support the increase in operations.
- During the six months ended June 30, 2022, the Company received a credit from its transfer agent arising from a billing error. Accordingly, the Company reported transfer agent fees for six months ended June 30, 2022 of $186 compared with $5,276 in the comparative period.
- Office supplies increased to $9,452 during the current period from $nil in the comparative period, as the Company began supporting operations in Nevada, resulting in additional administrative costs being borne for consumable supplies.
- Phones, internet and computer support increased to $25,856 during the six months ended June 30, 2022 from $9,312 in the comparative period, driven by the costs of communicating with and supporting the Nevada operations that began as the Company commenced drilling and sampling at the Black Horse Property.
- Exchange fees increased to $12,702 during the six months ended June 30, 2022 from $5,800 during the comparative six months ended June 30, 2021. With the fee fundamentally based upon the market capitalization of the Company, the rise in share price of the Company's common shares increased the Company's market capitalization.

● On February 24, 2021, the Company sold four United States issued patents, ongoing related patent applications in China and related development work to Helix Applications Inc. ("**Helix**"). The Company prepared and applied for these patents prior to its current status as mining company, as part of a broader application for the technology it was developing at the time within the blockchain sector. As part of the transaction, the Company received $150,000 and a 5% royalty on any profits generated by Helix and its affiliates from any commercial applications derived from the patents that Helix may develop as it seeks to evaluate the growing interest in the networks of digital token economics. Accordingly, the Company has recognized a gain on disposition of patents of $150,000 on its condensed interim consolidated statement of loss and comprehensive loss for the six months ended June 30, 2021.

● As at June 30, 2022, the Company assessed the carrying value of its interest in the Black Horse Property, resulting in an impairment charge of $2,148,890 being recognized on the statements of loss and comprehensive loss for the three and six months ended June 30, 2022 (six months ended June 30, 2021 - $nil).

● Interest income $26,631 was earned on the Company's cash balances during the six months ended June 30, 2022 compared with $16,173 in the comparative period. Strengthening interest rates and variances in cash balances drive the variance in interest earned.

Liquidity and Capital Resources; Commitments

The Company reported working capital as at June 30, 2022 of $8,421,683 (December 31, 2021 - $5,182,580), and cash of $8,319,181(December 31, 2021 - $5,115,374).

The cash on hand as at June 30, 2022 is expected to be sufficient to meet the Company's liquidity requirements for the next twelve months.

The Company completed the Private Placement on March 11, 2022 for gross proceeds of $5.75 million, pursuant to which it issued 2,499,996 Units at a price of $2.30 per Unit. Each Unit was comprised of one Common Share and one half of one Common Share purchase warrants. Each whole warrant entitles the holder to acquire one Common Share for a period of 12 months from the date of issue at a price of $3.50 per Common Share.

The Company's major focus in H1 2022 was the execution of drill programs at the Black Horse Property, where as indicated above, $1,575,834 was incurred in exploration activity during this period, of which $942,991 was directly attributable to drilling and an additional $419,466 to project management and camp support. Given those drill programs have been completed and the assessment of results continue to take place, the Company does not expect spending levels in the remainder of 2022 to be at the same levels as those incurred in H1 2022.

The Company has posted a bond with the Bureau of Land Management totalling US$21,949 in respect of reclamation activities required on the Black Horse Property resulting from the Company's initial drilling programs completed in Q2 2022.

Critical Accounting Estimates

Application of the Company's accounting policies in compliance with IFRS requires the Company's management to make certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

<u>Share-based Payments</u>

Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock-based compensation in the statement of operations based on estimates of forfeiture and expected lives of the underlying stock options.

Several variables are used when determining the value of stock options using the Black-Scholes valuation model:

- The expected term: the Company used the expected term of the stock of five years, which is the maximum term ascribed to these stock options, for the purposes of calculating their value. The Company chose the maximum term because it is difficult to determine with any reasonable degree of accuracy when these stock options will be exercised.

- Volatility: the Company used historical information of the Company on the market price of its Common Shares to determine the degree of volatility at the date the stock options were granted. Therefore, depending on when the stock options were granted and the period of historical information examined, the degree of volatility can be different when calculating the value of different stock options.

- Risk-free interest rate: the Company used the interest rate available for government securities of an equivalent expected term as at the date of the grant of the stock options. The risk-free interest rate would vary depending on the date of the grant of the stock options and their expected term.

- Dividend yield: the Company has not paid dividends in the past because it is in the development stage and has not yet earned any sufficient operating income. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the stock options.

Critical Judgments Used in Applying Accounting Policies

In the preparation of the financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the financial statements.

Income taxes and recovery of deferred tax assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

Estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(a) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

Financial Risk Factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash consists of cash at banks and on hand. The cash has been invested and held with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether because of a downturn in market conditions generally or as a result of conditions specific to the Company. As at June 30, 2022, the Company had a cash balance of $8,319,181, to settle current liabilities of $135,529. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market volatility and stressed conditions resulting from COVID-19 and the measures implemented to control its spread could limit the Company's access to capital markets and its ability to generate funds to meet capital requirements. Sustained global economic uncertainty could result in more costly or limited access to funding sources. In addition, while the Company currently has sources of liquidity, such as cash balances, there can be no assurance that these sources will provide it with sufficient liquidity on commercially reasonable terms in the future. Extreme market volatility may leave the Company unable to react in a manner consistent with historical practices.

Market Risk

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances no debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks.

COVID-19

The pandemic and resulting economic downturn have created significant volatility and declines in financial and commodity markets. Central banks have announced emergency interest rate cuts, while governments are implementing unprecedented fiscal stimulus packages to support economic stability.

The pandemic could result in a global recessionary environment with continued market volatility, which may continue to impact the Company's financial condition.

Capital Management

The Company manages its capital with the following objectives:

(a) to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and

(b) to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, contributed surplus and deficit, which at June 30, 2022, totaled $10,011,052 (December 31, 2021 - $8,834,373). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the six months ended June 30, 2022.

Related Party Transactions

As at June 30, 2022, amounts due to related parties totaled $25,999 (December 31, 2021 - $23,882) pertaining to amounts payable for key management remuneration, and reimbursement of expenses paid on behalf of the Company included in accounts payable.

During the three and six months ended June 30, 2022, three directors were paid fees as follows: Mr. Brian Hinchcliffe: $38,260 and $76,224, respectively (three and six months ended June 30, 2021 - $36,398 and $74,931, respectively); Ms. Chelsea Hayes: $nil (three and six months ended June 30, 2021 - $39,274 and $79,929, respectively), and Mr. Gordon Chmilar: $nil (three and six months ended June 30, 2021- $12,000). As at June 30, 2022, $13,802 (December 31, 2021 - $nil) was included in accounts payable and accrued liabilities in relation to these fees.

During the three and six months ended June 30, 2022, Ms. Chelsea Hayes, a director of the Company was paid $48,282 and $97,101, respectively for management services rendered. Included in accounts payable and accrued liabilities at June 30, 2022 is $nil (December 31, 2021 - $nil) with respect to these services.

During the three and six months ended June 30, 2022, the Company expensed $15,681 and $26,824 (three and six months ended June 30, 2021 - $11,971 and $22,761) to Marrelli Support Services Inc. ("Marrelli Support") and DSA Corporate Services Inc. (the "DSA"), together known as the "Marrelli Group" for:

(a) Robert D.B. Suttie, President of Marrelli Support, to act as Chief Financial Officer of the Company;

(b) bookkeeping and office support services; and

(c) regulatory filing services.

The Marrelli Group is also reimbursed for out of pocket expenses.

Expressed in Canadian Dollars

As of June 30, 2022, the Marrelli Group was owed $2,914 (December 31, 2021 - $8,661). These amounts are included in accounts payable and accrued liabilities.

For the three and six months ended June 30, 2022, legal fees of $70,959 and $85,397, respectively, (three and six months ended June 30 2021 - $26,335) were paid to a law firm for which a director was a partner. The legal fees incurred pertained to general corporate matters. As at June 30, 2022, $9,283 (December 31, 2021 - $15,221) was included in accounts payable and accrued liabilities in relation to these fees.

The above noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

Additional Disclosure for Venture Issuers Without Significant Revenue

Office and General expenses** for the six months ended June 30, 2022 and 2021 are comprised of the following:

Six Months Ended June 30	**2022**	**2021**
	($)	**($)**
Consulting and fees paid to Directors	173,325	188,021
Accounting fees	14,177	11,232
Chief Financial Officer fees	10,000	9,000
Transfer Agent expense	186	5,276
Insurance	53,904	53,119
Software subscriptions	7,929	6,695
Rent and utilities	15,699	13,200
Phones, internet and computer support	25,856	9,312
Office supplies	9,452	-
Stock exchange fees	12,702	5,800
Meals and entertainment	4,798	1,675
Foreign exchange (gain)/loss	(26,693)	490
Other	57,139	27,134
	358,474	330,954

*** see pages 5 and 6 for variance narrative*

Risks and Uncertainties

The success of the Company is dependent, among other things, on obtaining sufficient funding to enable the Company to acquire, develop or exploit its mining properties and assets. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further development. The Company will require new capital to continue to operate and there is no assurance that capital will be available when needed, if at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

The Company does not have a historical track record of operating upon which investors may rely. Consequently, investors will have to rely on the expertise of the Company's management. The Company does not have a history of earnings or the provision of return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

Potential for Additional Impairment of Exploration Assets

As the Company continues its assessment of the drilling results on the Black Horse Property, it may be necessary to recognize additional impairment charges in respect of this property.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Potential Dilution

The issue of Common Shares upon the exercise of the options will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional option and warrants or additional Common Shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Current Global Financial Conditions and Trends

Securities of mining companies in public markets have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include metals prices, macroeconomic developments in Canada and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of companies in the mining sector are also significantly affected by proposed and newly enacted laws and regulations, currency exchange fluctuation and the political environment in the local, provincial and federal jurisdictions in which the Company does business.

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat its spread. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods.

Due to the worldwide COVID-l9 outbreak, material uncertainties may come into existence that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- global metals prices;
- the severity and the length of potential measures taken by governments to manage the spread of the virus and their effect on labour availability and supply lines;
- availability of essential supplies;
- purchasing power of the Canadian dollar; and
- ability to obtain funding.

At the date of the approval of the MD&A, the Canadian government has not introduced measures which directly impede the activities of the Company. Management believes the business will continue and accordingly, the current situation bears no impact on management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods. To date, the impact on the Company by the Covid-19 pandemic has been nominal.

Critical Accounting Estimates

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Stock-Based Compensation

Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock-based compensation in the statements of loss based on estimates of forfeiture and expected lives of the underlying stock options.

Critical Accounting Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Impairment of Resource Property Costs

Management reviews the carrying values of exploration and evaluation assets whenever events or changes in circumstances indicate that their carrying values may not be recoverable. The recoverable amount of cash-generating units for an exploration stage company requires various subjective assumptions. These assumptions may change significantly over time when new information becomes available and may cause original estimates to change.

Income Taxes and Recovery of Deferred Tax Assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements. Judgment exists in relation to the eligibility of qualifying exploration and evaluation expenditures on properties in relation to flow-through share financing. Deferred tax assets require management to assess the likelihood that the Company will generate taxable income in future periods in order to utilize recognized deferred tax assets. As at June 30, 2022 and June 30, 2021, no deferred tax assets were recognized, as the Company is still in the exploration stage, and management is uncertain when sufficient taxable income will be available to realize the deferred tax assets.

Management’s Responsibility for Financial Information

The Company's financial statements are the responsibility of the Company's management and have been approved by the Board of Directors. The financial statements were prepared by the Company’s management in accordance with Canadian generally accepted accounting principles. The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

Disclosure of Outstanding Share Data

As of the date of this MD&A, the Company had 23,834,451 Common Shares, 2,132,500 options with exercise prices between $0.40 and $15,50, and 1,249,994 warrants exercisable at $3.50 per share.

Forward Looking Statements

Except for the historical statements contained herein, this MD&A presents “forward-looking statements” within the meaning of Canadian securities legislation that involve inherent risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to requirements for additional capital, government regulation of its operations, environmental risks, or claims and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “proposed” “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: (i) limited operating history; (ii) the impact of COVID-19 pandemic may significantly impact the Company; (iii) exploration, development and operating risks; (iv) substantial capital requirements and liquidity; (v) fluctuating mineral prices and marketability of minerals, the uncertainty in commodity prices and market volatility; (vi) regulatory, permit and license requirements; (vii) financing risks and dilution to shareholders; (viii) title to properties; (ix) competition; (x) reliance on management and key personnel; (xi) environmental risks; (xii) local resident concerns; (xiii) conflicts of interest; (xiv) uninsurable risks; (xv) litigation; and (xvi) other factors beyond the control of the Company. Although the management and officers of the Company believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward- looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Additional Information

Additional information relating to the Company is available on the SEDAR website www.sedar.com