



## STRIKEPOINT GOLD INC.

### Management's Discussion and Analysis

#### Three and Nine Months Ended September 30, 2019

This management's discussion and analysis ("MD&A") reviews the significant activities of Strikepoint Gold Inc. ("Strikepoint" or the "Company") and compares the financial results for the three and nine months ended September 30, 2019. This MD&A should be read in conjunction with the accompanying unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2019 and the related notes thereto, prepared in accordance with International Accounting Standard No.34, Interim Financial Reporting. This MD&A should also be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2018 and the related notes thereto. All documents previously mentioned are available for viewing on [www.sedar.com](http://www.sedar.com).

All financial information in this document is prepared in accordance with International Financial Reporting Standards ("IFRS") and presented in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is November 27, 2019.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including that within the Company's financial statements and MD&A, is complete and reliable.

This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be accurate and actual results may differ materially from those anticipated in the statements made. Additional information on the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.strikepointgold.com](http://www.strikepointgold.com).

#### **CORPORATE SUMMARY**

StrikePoint is an exploration-stage Company engaged in the acquisition, exploration and development of mineral properties of merit in Canada with the aim of developing them to a stage where they can be exploited at a profit or arranging joint ventures whereby other companies provide funding for development and exploitation.

The Company's head office is located at Suite 300- 1055 W Hastings St. Vancouver, BC V6E 2E9.

The Company trades on the TSX Venture Exchange under the trading symbol "SKP". In May 2017, the Company began trading in the United States on the OTCQB under the symbol "STKXF".

### **Property Acquisition**

During April 2019, the Company acquired a 100% interest in the Willoughby property, located in northwestern British Columbia, from ArcWest Exploration Inc. ("ArcWest") (formerly Sojourn Exploration Inc.), a Canadian public company, for a cash payments of \$10,000 (paid) and \$75,000 (paid) and the issuance of 3,000,000 common shares (issued and valued at \$420,000). See Willoughby Property section below.

### **Private Placements**

In July 2019, the Company completed the first of two tranches of a non-brokered private placement for gross proceeds of \$2,090,490 consisting of 6,945,000 flow-through units at \$0.16 per unit and 8,902,636 non-flow-through units at \$0.11 per unit. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at \$0.20, for a three-year period. Finders' fees payable in connection with the financing consisted of \$43,706 cash and 275,347 finder's warrants. The finders' warrants were valued at \$39,000 using the Black-Scholes option pricing model.

In July 2019, the Company completed the second of two tranches of a non-brokered private placement for gross proceeds of \$481,000 consisting of 1,562,500 flow-through shares at \$0.16 per share and 2,100,000 non-flow-through units at \$0.11 per unit. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable at \$0.20, for a three-year period. Finders' fees payable in connection with this tranche consisted of \$38,205 cash and 290,500 finder's warrants. The warrants were valued at \$38,800 using the Black-Scholes option pricing model.

In April 2019, the Company completed a non-brokered private placement for gross proceeds of \$1,271,920 consisting of 11,562,908 common share units at \$0.11 per unit. Each unit was comprised of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.20 per share for a two-year period. Finder's fee payable in connection with the financing consisted of \$57,077 cash and 518,880 finder's warrants which are exercisable on the same terms as the unit warrants.

In July 2018, the Company completed a private placement for gross proceeds of \$510,000 consisting of 2,550,000 common share units at \$0.20 per unit. Each unit was comprised of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.30 per share for a two-year period. There was no finder's fee payable in conjunction with this private placement.

In April 2018, the Company completed a private placement for gross proceeds of \$830,000 consisting of 4,150,000 common share units at \$0.20 per unit. Each unit was comprised of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.40 per share for a two-year period. Finder's fee payable in connection with the financing consisted of \$52,500 cash and 262,500 finder's warrants.

### **British Columbia Properties**

#### **Willoughby Property**

During April 2019, the Company acquired a 100% interest in the Willoughby property, situated approximately 30 kilometres east of Stewart, B.C., and 20 kilometres northeast of Strikepoint's Porter property, from ArcWest Exploration Inc. ("ArcWest") (formerly Sojourn Exploration Inc.), a Canadian public company, for cash payments totalling \$85,000 (paid) and the issuance of 3,000,000 common shares (issued). ArcWest will retain a 1.5% net smelter return, which can be reduced by 0.50% for an additional \$1,000,000 cash payment.

The acquisition of the Willoughby property complements the Porter project and other ground staked in 2018 by strengthening the known mineral inventory and providing significant exploration upside all within a localized and accessible area of British Columbia. The Willoughby property provides an opportunity for exploration without significantly expanding established camp infrastructure or other overhead costs.

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At the end of July, the Company commenced its phase I drilling program of 1,000 metres at the North zone on the property. On August 13, 2019, the Company commenced its Phase II drilling program of 1,000 metres. The objective of the programs was to expand and test the North zone, following up and stepping out from multiple high-grade historic intercepts. Previous explorers, which included limited underground drifting and drilling was locally focused, dominantly within only 50 metres of surface, with holes oriented toward the east. New mineralized exposure from melting alpine glaciers, coupled with an improved understanding of the structural geological setting, has helped refine the drill plan, including westerly oriented drill holes.

Results were received from six holes from the North zone, with assays for another six holes currently pending from the North and Wilby zones. Additionally, assay results are still pending from a property-wide prospecting and channel sampling:

| Hole ID        | From<br>(metres) | To<br>(metres) | Length<br>(metres) | Gold<br>(g/t) | Silver<br>(g/t) |        |
|----------------|------------------|----------------|--------------------|---------------|-----------------|--------|
| <b>W19-090</b> | 46.08            | 49.00          | 2.92               | 2.20          | 8.16            |        |
|                | 75.00            | 79.50          | 4.50               | 3.96          | 74.55           |        |
|                | incl.            | 75.96          | 76.49              | 0.53          | 13.80           | 297.00 |
| <b>W19-099</b> | 120.55           | 132.25         | 11.70              | 3.87          | 3.52            |        |
|                | incl.            | 126.3          | 126.8              | 0.50          | 20.90           | 5.00   |
|                | 144.30           | 147.00         | 2.70               | 3.65          | 10.56           |        |
|                | 146.00           | 162.55         | 16.55              | 1.66          | 32.10           |        |
|                | incl.            | 146.50         | 147.00             | 0.50          | 9.15            | 37.00  |
|                | incl.            | 154.25         | 155.75             | 1.50          | 2.96            | 37.67  |
|                | incl.            | 154.25         | 162.55             | 8.30          | 1.80            | 53.01  |
|                | incl.            | 159.80         | 162.55             | 2.75          | 2.29            | 96.45  |
| <b>W19-091</b> | 27.55            | 29.15          | 1.60               | 1.36          | 6.62            |        |
|                | 66.00            | 66.70          | 0.70               | 5.57          | 4.20            |        |
|                | 85.05            | 87.30          | 2.25               | 1.41          | 4.11            |        |
|                | 103.30           | 104.75         | 1.45               | 2.78          | 101.07          |        |
| <b>W19-092</b> | 77.50            | 81.67          | 4.17               | 1.56          | 52.52           |        |
| <b>W19-094</b> | 124.23           | 129.50         | 5.27               | 1.17          | 0.80            |        |
|                | 146.00           | 150.00         | 4.00               | 26.28         | 95.00           |        |
|                | 149.00           | 150.00         | 1.00               | 102.00        | 356.00          |        |
| <b>W19-096</b> | 60.00            | 61.50          | 1.50               | 1.52          | 18.00           |        |

Drill hole W19-094 tested a new area of exposed mineralization that was covered with glacial ice during exploration programs in the mid-1990s. A high-grade interval of 102 g/t gold and 356 g/t silver over 1.0 metre within 26.28 g/t Au and 95.00 g/t Ag over 4.0 metres. It is located northeast of the North zone, observed during the 2019 field mapping and drone survey program. This potentially new mineralized structure has a similar orientation as the North zone, located over 100 metres to the southwest. The high-grade mineralization occurs within a massive galena-pyrite-sphalerite-chalcopyrite vein with visible gold.

The Company, due to encouraging new exposures of sulphide mineralization and prospective alteration and intrusive rocks, commenced an expanded surface sample program of hand-trenching and channel sampling. Significant melting of alpine glaciers has occurred since the last significant exploration program over 20 years ago, particularly on the north and west sides of the Property. The company received assay results from 86 grab samples from the 2019 surface program. Assay results range from trace to 67.3 g/t Au and trace to 281 g/t Ag. A total of 18 samples assayed over 1.0 g/t Au. Samples from the Willoughby nunataq that comprise the North-North, North, Edge, Wilkie, Wilby, Lower & Upper Icefall zones range from 0.07 to 67.3 g/t Au and 2 to 281.00 g/t Ag. The thirty-two samples were collected along installed via Ferrata routes and areas of ice recession, notable area of mineralization around the Wilkie zone, returned 67.3 g/t Au and 164 g/t Ag grab sample. Forty of these samples are from the Willow zone area, where extensive ice recession occurred to the North. A sampling of the newly exposed ground uncovered massive to semi-massive pyrite-pyrrhotite-galena in veins and replacement-style mineralization. Samples range from 0.07 to 16.5 g/t Au and 2 to 136 g/t Ag.

Forty meters of channel sample assays are pending, collected further along and across mineralization strike in the northern Willow area.

**Porter Idaho**

During August 2018, (and amended February 11, 2019), the Company completed an acquisition agreement regarding the Porter Idaho property, near Stewart, British Columbia, from Skeena Resources Limited (TSXV: SKE) ("Skeena") (the "Porter Idaho Transaction"), whereby the Company will purchase the property indirectly through the acquisition of all of the shares of Mount Rainey Silver Inc., a wholly-owned subsidiary of Skeena.

The terms of the Transaction were as follows:

- \$1,500,000 payable in cash to Skeena (\$250,000 was paid on completion of the Porter Idaho Transaction and \$500,000 was paid during the nine months ended September 30, 2019), with the final \$750,000 to be paid by December 31, 2019 in cash or in the equivalent value of common shares or special warrants of the Company, at the Company's election;
- issuance to Skeena of 7,100,000 Strikepoint common shares (issued August 15, 2018) ;
- issuance to Skeena of 2,400,000 special warrants of Strikepoint (issued August 15, 2018 and converted July 30, 2019). The special warrants had a five-year term. Each special warrant was convertible into one common share of the Company for no additional consideration at the time of conversion.
- grant of 1% NSR on the property with the option to buy back 0.5% at a price of \$750,000.

The acquisition of Mount Rainey Silver Inc. will close once the final \$750,000 payment is made.

The Porter Idaho Property contains two shear hosted silver-rich vein systems: the Silverado and Prosperity-Porter Idaho. The showings are 2 kilometres apart, located on opposite sides of Mt. Rainey, overlooking the town of Stewart. The Project is strategically located at the head of the Portland Canal, a deep-water port with year-round, ice-free access.

Since the initial discovery of silver mineralization on Mt. Rainey in the early 1900's, most of the work was focused on the Prosperity-Porter Idaho veins, where mineralization is hosted in six dipping parallel shear zones tracked on surface for 200 meters and one kilometre down dip with widths between 2 and 13 meters. The vein system was mined between 1929 and 1931 and produced 27,123 tonnes with recovered grades of 2,542 grams per tonne ("g/t" silver (73.8 oz/ton) and 1 g/t gold (yielding approximately 2.2 million ounces of silver). The ore was shipped to the port at Stewart via aerial tramway.

The Porter Idaho Project contains an historical Indicated Resource of 394,700 tonnes grading 868 g/t silver, 3.37% lead and 1.41% zinc (435,000 tons @ 25.2 oz/ton silver or a contained 11 million ounces) and an Inferred Resource of 88,900 tonnes grading 595 g/t silver (97,900 tons @ 17.3 oz/ton silver or a contained 1.7 million ounces).

| <b>Porter Idaho Project Historical Resource Estimate</b> |               |                    |                        |
|--|---------------|--------------------|------------------------|
| <b>@ 170 g/t Ag cut-off</b>                              |               | <b>Avg. Grades</b> | <b>Contained Metal</b> |
| <b>Category</b>  | <b>Tonnes</b> | <b>Ag (g/t)</b>    | <b>Ag (oz)</b>         |
| <b>Indicated</b>   | 394,700       | 868                | 11,000,000             |
| <b>Inferred</b>  | 88,900        | 595                | 1,700,000              |

Estimates of mineral resources are dated March 10, 2008 and were prepared by independent consulting geologist N.C. Carter, Ph.D., P. Eng. for Raimount Energy Inc. and re-stated for Mount Rainey Silver Inc. on May 15, 2012. The foregoing estimates made use of an extensive database detailing results of both underground sampling programs as well as surface and underground diamond drilling and were prepared pursuant to CIM Standards on Mineral Resources and Reserves. Nevertheless, the reader is cautioned that a Qualified Person on behalf of StrikePoint has not done sufficient work to verify either the underlying sampling data or the calculation methodology to consider this to be a current resource and as a result, StrikePoint is treating this mineral resource as an Historical Estimate, as defined in National

Instrument 43-101. StrikePoint has not yet determined what work needs to be completed in order to upgrade or verify the Historical Estimate.

The property has a three-year exploration permit in place which, upon completion of an environmental assessment, allows for exploration work on the site, including surface mapping, sampling and diamond drilling. The permit also allowed for the establishment of a 15-person exploration camp on the property.

Refer to the Company's news release dated January 9, 2019 for the full results for the 2018 drilling campaign.

The Golden Triangle is an area of northwestern British Columbia that has seen extensive historic mining and prospecting activity, and has recently been the site of modern discoveries, including the Premier Gold, Snip and Eskay Creek Mines. The area has seen a resurgence in infrastructure investment which supports exploration activities, including upgraded transmission lines supplying clean, affordable and reliable hydroelectric power. Other recent improvements include highway upgrades, new ocean port infrastructure at the ice-free port of Stewart and the commissioning of three hydroelectric facilities.

### **Handsome Jack**

During August 2018, the Company completed an acquisition agreement with Trifecta Gold Ltd. (TSXV: TG) ("Trifecta") to purchase the Handsome Jack property, adjacent to the Porter Idaho property, near Stewart, British Columbia (the "Transaction"). The terms of the Transaction were as follows:

- \$25,000 payable in cash to Trifecta (paid on closing of the Transaction);
- issuance to Trifecta of 250,000 Strikepoint common shares (issued on closing of the Transaction); and
- grant of 1% NSR on the property with the option to buy back 0.5% at a price of \$500,000.

The Handsome Jack property forms a contiguous land package adjacent to the eastern border of the recently acquired Porter Idaho property. The main known feature within the property is the Melvin adit which was last worked in the 1920s and is assumed to intersect the northerly strike extension of the Angelo vein within the Porter Idaho property. Ore from this adit returned up to 4,286 g/t silver during its production, but outside of this exploration work has been cursory. Both the Melvin and Angelo veins are visible at surface, but the area between them was historically obscured by ice and so the apparent alignment has never been prospected in the field.

Additionally, a two-day program in 1991 identified a 300-metre by 200-metre gossanous zone with anomalous silver, lead and zinc referred to as the GEE2 showing. Commercially available aerial imagery shows additional gossanous areas of interest within the Handsome Jack property that have never been explored, largely due to the extensive ice coverage that existed up until the last decade.

This was a strategic acquisition for the Company as it allows for expansive exploration of the area, including prospective parallel systems to Prosperity-Porter as well as the supposed connections with the Silverado mine.

### **Big, Bada and Boom**

During September, 2018, the Company acquired, by staking, the Big, Bada and Boom properties contiguous to its Porter Idaho and Handsome Jack properties near Stewart, BC. Staking costs totaled \$2,547.

These new blocks of claims total 20.5 square kilometres and bring the entire property to 33 square kilometres. Acquiring this additional property also gives Strikepoint access to all the major exposures of rocks around the periphery of this section of the Cambria icefield. Ice cover in this area has reduced by 30 to 40 per cent since the 1980s, and so many of these exposures have never been prospected.

### **Yukon Properties**

In January 2017, the Company entered into a Definitive Agreement ("Agreement") with IDM Mining Ltd. ("IDM") to acquire its portfolio of Yukon properties. In March 2017, the Company completed the purchase of the Yukon

properties. As consideration, the Company paid \$150,000 in cash, issued 10,500,000 common shares and granted IDM an equity participation right, allowing IDM to maintain its pro-rata interest in the Company and a right of first refusal for two years on the sale of any of the Yukon properties. These properties are subject to certain other underlying royalties.

The Yukon portfolio consists of 14,031 claims covering 22 properties in 46 claim groups totalling 282,000 hectares and are grouped together under the following sections:

- Pluto
- Golden Oly
- Mahtin
- Kluane
- Dawson
- Ross River

The Yukon properties cover multiple tectonic and metallogenic environments as well as a variety of mineral deposit styles common in Yukon. The properties were previously held by Ryan Gold Corp. ("Ryan Gold") and its subsidiaries, and received significant exploration work, with approximately \$25 million (as disclosed in Ryan Gold's 2014 year end MD&A) in expenditures incurred. The properties have limited holding costs. Previous work by Ryan Gold included significant exploration drill programs on two of the properties, with tens of thousands of rock and soil samples collected during grass-roots exploration programs in several districts throughout Yukon. Additionally, geophysical surveys and geologic mapping programs have outlined many anomalous areas that have not received follow-up work.

The company filed a National Instrument 43-101 technical report on the Mahtin property, Yukon, on SEDAR on March 15, 2017.

In the later part of 2018, the Company was awarded Class 3 Exploration Permit for each of the Golden-Oly, PPM and Pluto property. Along with the Mahtin property in the Mayo region all major exploration targets within the Yukon portfolio now hold five year exploration permits for work.

### **Golden-Oly**

Golden-Oly is a large assemblage of claims, measuring 45 by 30 kilometres in size and has six targets identified through an aerial geophysical program conducted in 2012. It lays along the North Canal Road and is close to the border with the Northwest Territories. Traditionally, this area has been explored with a focus more on tungsten and zinc, but from the work undertaken across the project, there are several gold targets.

During the summer of 2017, the Company completed extensive mapping and sampling (76 grab samples) focus was on Colossus target, one of the seven targets highlighted in 2012 on the Golden-Oly and PPM properties. During 2018, twenty-two grab from the 600-meter long Helio Vein, a 0.3 metre wide polymetallic quartz vein discovered in 2018, returned grades 1 to 3.75 g/t gold, trace to 1,150 g/t silver and one sample at 2.94% copper. Diamond drilling in 2018 at Colossus included 682 meters in three holes. The original program was to include a fence of nine holes across the intrusion to test mineralization across the margins and within the granodioritic body itself was but was cut short due to administrative delays in permitting from Yukon Government. The Company has now received the necessary permits for completion of the test fence at Colossus,

### **PDM**

The PDM property has had a history of exploration going back to 1967, although most of this has been basic soils and mapping with little consistency. Strategic Metals held the property between 2007 and 2008 and undertook a diamond drilling program, but it appears that each of the three holes missed the target area. The current land package is also more extensive than held in the past, so the additional data collected across a larger area have assisted in a broader understanding of the potential.

Additional surface work was completed in 2018 to expand on the results from 2017. A total of 96 surface samples were collected during the season, with results from trace to 3.39 g/t gold, trace to 94.5 g/t silver and trace to 2.67% copper. The combined 2017 and 2018 results highlight a strong copper-gold anomaly that is 500 meters by 500 meters in size, accompanied by intermittently mineralized veins projecting several kilometers out into the country rock.

## **Pluto**

The Pluto property is in the Kluane region and is one of the largest in this portfolio, approximately 40 by 30 kilometres in size. Pluto sits relatively close to the latest discoveries in the White Gold district and is aligned along strike with this group of projects, including Goldcorp's Coffee project, which was acquired from Kaminak for \$520-million, and Kinross's White Gold project, which was acquired from Underworld for \$140-million. Initial analysis of the geology seems to show a unique mineralizing system for the area, the formation of skarns in contact with large, regional ring dike volcanic features.

The presence of a shallowly dipping limestone unit in the local lithology has become a focus for mineralization when intercepted by dikes of rhyolitic/dacitic material. The skarns subsequently produce anomalous gold-in-soil results where they outcrop in the sides of the valleys, which indicate that there is volume potential of the mineralization, a hypothesis that was drill tested in 2017.

## **Quality assurance/quality control**

The Company maintains a rigorous QA/QC program with respect to the preparation, shipping, analysis and checking of all samples and data from the properties. Quality control for field sampling and drill samples at the Company's projects covers the complete chain of custody of samples, including sample handling procedures and analytical-related work, plus the insertion of standard and blank materials. The QA/QC program also includes data verification procedures. ALS Laboratories in Vancouver, Canada (ISO 17025:2005 accreditation), assayed all grab samples from the current field program using fire assay and ICP mass spectroscopy methods. Drill samples were processed by Bureau Veritas Labs in Vancouver, Canada (ISO 9001:2008 accreditation).

## **Qualified Person**

The technical information for the Company's Yukon and British Columbia properties included in this MD&A has been approved by Marilyne Lacasse, P. Geo. Ms. Lacasse is a qualified person as defined in National Instrument 43-101 Standards of Disclosure for Mineral Properties.

## **Lobstick Property – Ontario**

The Company owns a 100% interest in the Lobstick property located in the Lobstick area near Lake of the Woods, Ontario. The property is subject to a 3% net smelter return and may repurchase two-thirds for \$1,000,000 for each one-third repurchased. During the three months ended March 31, 2019, the Company incurred \$Nil (2018 - \$4,600) of geological consulting expenditures on the Lobstick Property.

The Company must pay and issue to the former Optionor:

- \$50,000 plus 100,000 common shares of the Company within 30 days of filing a technical report under National Instrument 43-101 demonstrating mineral resources on any part of the Lobstick Property; and
- \$50,000 plus 100,000 common shares of the Company within 30 days of filing a positive, bankable feasibility study (as defined under National Instrument 43-101) with respect to any part of the Lobstick Property.

The property is on care and maintenance.

## **Angelina Property – Manitoba**

The Company owns a 100% interest in the Angelina property. The property is on care and maintenance and no expenditures were incurred during the six months ended June 30, 2019 and the year ended December 31, 2018.

## **MANAGEMENT'S OUTLOOK FOR 2019**

Management will continue to focus its exploration and evaluation activities on its Willoughby property during the remainder of Calendar year 2019.

## **RESULTS OF OPERATIONS**

### ***Three months ended September 30, 2019***

During the three months ended September 30, 2019 (the "current period"), the Company incurred a loss of \$1,618,365 compared to a loss of \$5,712,982 during the three months ended September 30, 2018 (the "comparative period"). The significant variances between the current period and the comparative period are as follows:

#### *Exploration costs*

During the current period, the Company incurred exploration expenses of \$1,471,951, primarily related to the Willoughby property. The Willoughby expenses were primarily comprised of \$410,319 for drilling and assaying costs, \$420,486 for field costs, \$225,501 for geological services and \$414,918 for helicopter and fuel costs.

During the comparative period, the Company incurred \$3,194,481 of exploration expenditures, primarily of which \$1,987,711 related to the Porter Idaho property and \$1,203,618 related to the Yukon properties. Total exploration expense incurred during the period were primarily comprised of \$747,741 for drilling and assaying costs, \$1,130,303 for field costs, \$332,223 for geological services and \$984,484 for helicopter and fuel costs.

#### *Property acquisition payments*

During the comparative period, the Company paid \$250,000, issued 7,100,000 common shares with a value of \$1,136,000 and issued 2,400,000 special warrants with a value of \$384,000 pursuant to the acquisition of the Porter Idaho property. In addition, the Company paid \$25,000 and issued 250,000 common shares with a value of \$42,500 pursuant to the acquisition of the Handsome Jack property. No property acquisition payments were incurred during the current period.

#### *Share-based payments*

During the current period, share-based payments expense of \$101,000 was recorded in conjunction with the granting of 1,200,000 stock options. Share-based payments expense of \$337,652 recorded during the comparative period relates to 2,000,000 stock options granted during the comparative period.

#### *Flow-through share premium reversal*

As a result of completing eligible exploration expenditures of \$1,361,200 during the current period, the Company reduced its flow-through share premium liability related to the July 2019 financings of \$204,875 to \$Nil and, consequently, recorded a flow-through share premium reversal of \$204,875.

### ***Nine months ended September 30, 2019***

During the nine months ended September 30, 2019 (the "current nine-month period"), the Company incurred a loss of \$3,662,946 compared to a loss of \$7,310,242 during the nine months ended September 30, 2018 (the "comparative nine-month period"). The significant variances between the current nine-month period and the comparative nine-month period are as follows:

#### *Exploration costs*

During the current nine-month period, the Company incurred \$1,746,324 of exploration expenditures, of which \$1,608,499 related to the Willoughby property, \$135,856 related to the Porter Idaho property and \$1,679 related to the Yukon properties. The Willoughby expenses were primarily comprised of \$410,319 for drilling and assaying costs, \$422,424 for field costs, \$359,194 for geological services and \$416,852 for helicopter and fuel costs.

During the comparative nine-month period, the Company incurred \$4,439,887 of exploration expenditures, of which \$1,658 related to the Willoughby property, \$1,987,711 related to the Porter Idaho property and \$2,445,918 related to the Yukon properties. Total exploration expense incurred during the period were primarily comprised of \$43,842 for claim renewal fees, \$875,149 for drilling and assaying costs, \$1,595,992 for field costs, \$654,870 for geological services, \$1,267,027 for helicopter and fuel as well as \$3,007 for report writing.

*Property acquisition payments*

During the current nine-month period, the Company incurred property acquisition payments totalling \$505,000 for the Willoughby property and \$521,000 for the Porter Idaho property.

During the comparative nine-month period, the Company paid \$250,000, issued 7,100,000 common shares with a value of \$1,136,000 and issued 2,400,000 special warrants with a value of \$384,000 pursuant to the acquisition of the Porter Idaho property. In addition, the Company paid \$25,000 and issued 250,000 common shares with a value of \$42,500 pursuant to the acquisition of the Handsome Jack property.

*Share-based payments*

During the current nine-month period, share-based payments expense of \$471,600 was recorded in conjunction with the granting and re-pricing of stock options.

Share-based payments expense of \$337,652 recorded during the comparative nine-month period relates to 2,000,000 stock options granted during the comparative nine-month period.

*Flow-through share premium reversal*

As a result of completing eligible exploration expenditures of \$1,361,200 during the current period, the Company reduced its flow-through share premium liability related to the July 2019 financings of \$204,875 to \$Nil and, consequently, recorded a flow-through share premium reversal of \$204,875.

**Liquidity and Capital Resources**

As at September 30, 2019, the Company had current assets of \$1,411,838 (December 31, 2018 - \$598,050) (which included cash and equivalents of \$1,213,688 (December 31, 2018 - \$533,703), total assets of \$1,461,200 (December 31, 2018 - \$609,207) and total liabilities of \$418,506 (December 31, 2018 - \$275,057). As at September 30, 2019, the Company had no long-term debt outstanding. There are no known trends in the Company's liquidity or capital resources.

The Company has financed its operations to date primarily through the sale of mineral properties, issuance of common shares, and exercise of stock options and share purchase warrants. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The Company has not paid any dividends on its common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

During the nine months ended September 30, 2019, the Company raised gross proceeds of \$3,843,410 in conjunction with the closing of two non-brokered private placements (see Private Placements section above).

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and/or commence profitable operations in the future. The Company's current forecast indicates that it will have sufficient cash available for the next year to continue as a going concern.

**Summary of Quarterly Results**

| Three months ended (\$) | 2017 Q4   | 2018 Q1   | 2018 Q2     | 2018 Q3     | 2018 Q4   | 2019 Q1   | 2019 Q2     | 2019 Q3     |
|-------------------------|-----------|-----------|-------------|-------------|-----------|-----------|-------------|-------------|
| Loss                    | (549,684) | (412,478) | (1,184,782) | (5,712,982) | (889,677) | (319,220) | (1,672,961) | (1,618,365) |
| Loss per share          | (0.01)    | (0.01)    | (0.02)      | (0.08)      | (0.01)    | (0.00)    | (0.02)      | (0.02)      |

#### Fluctuations in quarterly results

- Loss for the Q4 2017 period is mainly comprised of \$397,892 for the realized loss on the sale of investments.
- Loss for the Q1 2018 period is mainly comprised of \$261,724 for exploration costs.
- Loss for the Q2 2018 period is mainly comprised of \$983,682 for exploration costs.
- Loss for the Q3 2018 period is mainly comprised of \$3,194,481 for exploration costs (as the Company's summer exploration season occurred mainly in Q3 2018), \$1,837,500 for property acquisition payments (relating to the acquisition of the Porter Idaho and Handsome Jack properties), and \$337,652 for share-based payments.
- Loss for the Q4 2018 period totalled \$889,677 and is mainly comprised of \$648,964 for exploration costs as well as operating costs, which were consistent with previous quarters within fiscal 2018, totalling \$240,713.
- Loss for the Q1 2019 period totalled \$319,220 and is mainly comprised of \$99,601 for exploration costs, \$60,000 for property acquisition costs as well as operating costs, which were consistent with previous quarters within fiscal 2018, totalling \$159,619.
- Loss for the Q2 2019 period totalled \$1,672,961 and is mainly comprised of \$174,772 for exploration costs, \$966,000 for property acquisition costs, \$318,200 for share-based payments expense as well as operating costs, which were consistent with previous quarters within fiscal 2018, totalling \$213,989.
- Loss for the Q3 2019 period totalled \$1,618,365 and is mainly comprised of \$1,471,951 for exploration costs, \$101,000 for share-based payments expense, a flow-through reversal of \$204,875, as well as operating costs, which were consistent with previous quarters within fiscal 2018, totalling \$250,289.

#### **Commitments**

The Company is required to incur exploration expenditures on its mineral claims to meet the conditions of holding its mineral rights and keep the mineral leases in good standing. Each provincial jurisdiction imposes expenditure requirements which vary from province to province and from year to year.

The Company has incurred sufficient exploration expenditures on the Angelina property to maintain the claims in good standing for the next 4 years and, as a result, there are no related commitments for this property over the next 4 years.

The Company is required to incur annual work commitments of \$12,000 per year (incurred during 2018) on the Lobstick property to maintain the claims in good standing.

The Company is required to incur a final payment of \$750,000 by December 31, 2019 in conjunction with the acquisition of the Porter Idaho property (see Property Acquisition – Porter Idaho section above), to be paid in cash or in the equivalent value of common shares or special warrants of the Company, at the Company's election.

#### **Transactions with Related Parties**

During the period ended September 30, 2019, the Company entered into the following transactions with related parties:

- a) Paid or accrued management fees of \$135,000 (2018 - \$135,000) to the CEO of the Company.
- b) Paid or accrued professional fees of \$58,500 (2018 - \$58,500) to iO Corporate Services Ltd., a company controlled by the Corporate Secretary of the Company and related to the Company's CFO.
- c) Paid or accrued consulting fees expense of \$Nil (2018 - \$27,000) to a company controlled by a director of the Company and \$Nil (2018 - \$62,000) to directors of the Company.
- d) Paid or accrued geological consulting fees of \$123,000 (2018 - \$nil) to companies controlled by two directors of the Company and \$99,569 (2018 - \$885,195) to a company controlled by the Company's former vice-president of exploration.

Key management personnel compensation disclosed above (including senior officers and certain directors of the Company):

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|                     | September 30, 2019 | September 30, 2018 |
|---------------------|--------------------|--------------------|
| Short-term benefits | \$ 416,069         | \$ 1,167,695       |

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### **Adoption of new accounting standard**

IFRS 16 Leases - IFRS 16 replaces IAS 17 to become the new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. This standard was adopted on January 1, 2019 and has not had a material impact on the Company's financial position or results as at, and for the nine months ended September 30, 2019.

### **Contingencies**

The Company has no contingencies as at the date of this MD&A.

### **Off Balance Sheet Arrangements**

The Company has no off Balance Sheet arrangements as at the date of this MD&A.

### **Proposed Transactions**

The Company has not entered into any undisclosed proposed transactions as at the date of this MD&A.

### **Investor Relations**

The Company has no investor relations contracts as at the date of this MD&A.

### **CURRENT DATA SHARE**

During the nine months ended September 30, 2019, the Company granted the following stock options;

- 1,500,000 stock options, exercisable at \$0.14 per share, expiring April 9, 2024
- 1,700,000 stock options, exercisable at \$0.20 per share, expiring June 12, 2024
- 1,200,000 stock options, exercisable at \$0.20 per share, expiring July 31, 2024

As of November 27, 2019, the Company has:

- a) 110,558,436 common shares issued and outstanding;
- b) 9,800,000 stock options outstanding with exercise prices between \$0.14 and \$0.20, expiring between April 26, 2021 and July 31, 2024; and
- c) 35,343,771 share purchase warrants with exercise prices between \$0.20 and \$0.40, expiring between April 27, 2020 and July 30, 2022.

### **INDUSTRY AND OPERATIONAL RISKS**

The Company is subject to a number of risks and uncertainties, the more significant of which are discussed below. Additional risks and uncertainties not presently known to the Company may impact the Company's financial results in the future.

### Financing Risks

Being a junior mining exploration company in Canada and in the exploration business means that the Company must raise the necessary financings for future exploration. Those financings depend to a large degree on commodity price trends, general investment sentiment for companies in the sector and the ability of the Company's ability to find and confirm the existence of minerals in sufficient quantities and qualities on its exploration lands. Management is of the view that these risks faced by the Company are not greater than those risk encountered by its peers in Canada.

The Company will require additional financing to conduct exploration on its mineral properties and to fund General and Administration costs. There is no assurance that the Company will be able to raise the required financing through equity financings, debt financings, divestment of its properties or joint venture arrangements. A lack of financing in the future could cause the Company to reduce or postpone exploration spending, reduce exploration and corporate personnel, reduce the size of its mineral property ownership and create going concern issues for the Company.

### General Economic Risks

As the Company continues to focus on its exploration in Canada, the operations will be subject to economic, political and social risks inherent in doing business in Canada. The risks come from matters based on policies of the government, economic conditions, changes in tax regime, changes in regulation, foreign exchange fluctuations and other factors that may change in the future.

### Environmental Risks

All phases of the Company's operations are subject to environmental regulations and potentially social licensing in the jurisdictions it operates in. World-wide environmental regulation is changing to require stricter standards and enforcement, increased fines for non-compliance, more assessment for projects, and a heightened degree of responsibility for companies and their officers, directors, employees and consultants. Although the company believes that it has taken the proper steps to protect the environment related to its operations, there is no assurance that future changes in environmental regulation in Canada will not adversely affect the Company's operations or result in substantial costs and liabilities in the future.

### Aboriginal Claims Risks

Aboriginal peoples have claimed aboriginal title and rights to portions of Canada. The Company is not aware that any claims have been made in respect of its properties and assets; however, if a claim arose and was successful, such claim may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

### **Forward-looking statements**

Certain information set forth in this MD&A, including management's assessment of the Company's future plans and operations, contains forward-looking statements, which are based on the Company's current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking statements may be identified by words such as "expects", "anticipates", "believes", "projects", "plans" and similar expressions. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause the Company's actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. The Company is a mineral exploration company and is exposed to a number of risks and uncertainties that are common to companies in the same business. These risks and uncertainties include, among other things, the speculative nature of mineral exploration and development activities, the Company's need for additional funding to continue its exploration efforts, operating hazards and risks incidental to mineral exploration, the Company's properties are in the exploration stage only and do not contain a known body of commercial ore, uncertainties associated with title to mineral properties, changes in general economic, market and business conditions; competition for, among other things, capital, acquisitions of mineral properties and skilled personnel; ability to obtain required mine licenses, mine permits and regulatory approvals required to proceed with mining operations; ability to comply with current and future environmental and other laws; actions by governmental or regulatory authorities including increasing taxes and changes in other regulations; and the occurrence of unexpected events involved in mineral exploration, development and production.