

**BITTERROOT RESOURCES LTD.**  
**MANAGEMENT DISCUSSION & ANALYSIS**

For the period ended July 31, 2020  
As of September 29, 2020

**INTRODUCTION**

Bitterroot Resources Ltd. is a mineral resource company engaged directly and indirectly through its wholly-owned subsidiaries, (collectively referred to herein as “the Company” or “Bitterroot”), in the acquisition and exploration of mineral properties.

In the Upper Peninsula of Michigan, Bitterroot’s wholly-owned subsidiary Trans Superior Resources, Inc. (Trans Superior) holds a leasehold interest in the LM Property, which hosts a compelling nickel-copper-PGM target. The LM Property is located 25 kilometres west of the Eagle nickel-copper-PGM mine, in a similar geologic setting. In February 2020, the Company entered into an option/joint venture agreement whereby privately-held Below Exploration, Inc. has funded drilling and related costs of US\$285,000 to earn a 49% interest in the LM property. Initial drill results have been encouraging. Further drilling is planned, subject to financing.

Also in the Upper Peninsula of Michigan, Trans Superior owns a 49.9% interest in mineral titles covering approximately 360 square miles. In September 2015, Bitterroot entered into an agreement with Altius Minerals Corporation (“Altius”), whereby Altius has earned a 50.1% interest in these mineral rights and has an option to earn up to an 80% interest by incurring expenditures of C\$7.5 million. Altius is seeking a joint venture partner to fund the project.

In Nevada, Trans Superior has entered into an option agreement with Ely Gold Royalties Inc. (ELY, TSX-V) to purchase a 100% interest in the Castle West gold/silver property in the Walker Lane mineralized trend in Esmeralda County. In July 2020, Trans Superior entered into a mining lease with option to purchase on the Coyote Sinter gold/silver project, located 50 kilometers north of Elko, NV, in the Independence Mining District of Elko County.

Between November 1, 2019 and September 23, 2020, gold prices increased approximately 23%, copper prices increased approximately 15% and the S&P/TSX Venture Composite Index increased approximately 25%. The Company is exposed to commodity price and equity market risk due to the cyclical nature of commodity prices and the mineral exploration business. The Company’s management minimizes exploration costs and political risk by operating in mining-friendly, road-accessible parts of Michigan and Nevada.

The following Management Discussion and Analysis (MD&A) should be read in conjunction with Bitterroot Resources Ltd.’s condensed consolidated interim financial statements for the period ended July 31, 2020 and the audited annual consolidated financial statements for the year ended October 31, 2019 and the related notes contained therein which have been prepared under International Financial Reporting Standards (“IFRS”). This information and exploration results are presented in news releases and project summaries available at [www.sedar.com](http://www.sedar.com) or on the Company’s website [www.bitterrootresources.com](http://www.bitterrootresources.com).

All financial information in this MD&A related to 2020 and 2019 have 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

Certain information in this MD&A, including all statements that are not historical facts, constitutes forward-looking information within the meaning of applicable Canadian securities laws. Such forward-looking information may include, but is not limited to, information which reflect management's expectations regarding the Company's future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial) and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities. Often, this information includes words such as "plans", "expects" or "does not expect", "is expected", "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.

In making and providing the forward-looking information included in this MD&A the Company's assumptions may include among other things: (i) assumptions about the price of metals; (ii) that there are no material delays in the optimisation of operations at the properties; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; (v) that there is no unanticipated fluctuation in foreign exchange rates; and (vi) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of metals; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; (v) adverse fluctuations in foreign exchange rates; and (vi) environmental risks and changes in environmental legislation.

This MD&A (See "Risks and Uncertainties") contains information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

## **SUMMARY OF ACTIVITIES**

In November 2019, the Company closed a non-brokered private placement of 1,425,000 shares priced at \$0.025 per unit for gross proceeds of \$35,625 and 2,125,000 flow-through shares priced at \$0.04 for gross proceeds of \$85,000. Finder's fees paid in conjunction with the private placement consist of \$560 in cash and the issuance of 14,000 broker warrants at a fair value of \$304, exercisable at \$0.05 for two years from the date of issuance.

In February 2020, the Company issued 3,481,365 shares to settle outstanding debt of \$475,083 to arm's-length lenders and non-arm's length service providers and recorded a gain of \$370,641 on the settlement.

In May 2020, the Company closed a non-brokered private placement of 1,428,571 units of the Company at a price of \$0.035 per unit for total proceeds of \$50,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable to purchase one common share of the Company at \$0.06 until May 8, 2022.

In May 2020 and June 2020, the company granted 1,150,000 stock options expiring May 19, 2025 and 200,000 stock options expiring June 4, 2025 to consultants and directors of the Company.

In June 2020, drilling commenced on the LM Property in the Upper Peninsula of Michigan. Four holes (1,411 total metres) were drilled to test the LM nickel-copper-PGM target. This program lasted until mid-August and was funded by privately-held joint venture partner Below Exploration, Inc. Additional drilling is planned.

Also in June 2020, the Company announced that Mr. Rick Streiff, CPG, joined the Technical Advisory Board. Mr. Streiff is a western US-based geologist with over 35 years of experience exploring low- and intermediate-sulfidation epithermal precious metals systems. Mr. Streiff led the OceanaGold Corporation team that discovered the blind WKP low-sulfidation gold deposit in Waihi, New Zealand. Prior to working for OceanaGold, Mr. Streiff spent 18 years with Newmont Corporation and its predecessor companies. Mr. Streiff will provide consulting services and advise Bitterroot Resources' management on future property acquisitions and execution of exploration programs on epithermal precious metals systems in Nevada.

In July 2020, the Company entered into a mining lease, with an option to purchase the 31-claim Coyote Sinter gold/silver project in Elko County, NV. The Coyote Sinter property hosts a fully preserved epithermal (hot spring) system which has not been tested in the optimal 200-400 metres depth range.

## **OVERALL PERFORMANCE**

### **Results of Operations**

#### ***LM Nickel-Copper-PGM Property, Upper Peninsula of Michigan***

Commencing in June 2020, Bitterroot Resources Ltd. and its joint venture partner Below Exploration, Inc., ("Below") completed 1,411 metres of drilling in four (4) core holes on the LM Property in Baraga County, Michigan. The LM Property is being explored for conduit-hosted nickel-copper-platinum-palladium mineralization similar to Lundin Mining Corporation's Eagle and Eagle East orebodies, which are located 25 kilometers to the east.

Bitterroot's drilling at the LM Property has intersected a magma conduit which hosts an upper olivine gabbro unit and a basal, copper/nickel/PGM-mineralized mafic/ultramafic unit. The deepest mineralized interval intersected to date is a 5.3-metre-long (approximately 4.8 metres true thickness) interval with disseminated blebs of chalcopyrite, pentlandite and pyrrhotite, between 253.8 – 259.1 metres down-hole in LM 20-01. Details of the assay results are included in the table below. Photographs of the disseminated magmatic mineralization are available at [www.bitterrootresources.com](http://www.bitterrootresources.com). Management is encouraged by the relatively high nickel/copper/PGM content of this disseminated mineralization.

#### LM-20-01

From (m)	To (m)	Interval (m)	Logged Rock Type	Cu (%)	Ni (%)	S (%)	Au (ppm)	Pt (ppm)	Pd (ppm)
253.8	254.7	0.9	Melatroctolite	0.32	0.28	1.30	0.026	0.079	0.058
254.7	255.4	0.8	Melatroctolite	0.50	0.53	2.04	0.048	0.156	0.112
255.4	255.9	0.5	Feldspathic peridotite	0.76	0.73	3.40	0.088	0.253	0.164
255.9	256.9	1.0	Melatroctolite	0.82	0.74	3.77	0.045	0.156	0.116
256.9	258.0	1.1	Melatroctolite	0.95	0.73	4.36	0.061	0.135	0.085
258.0	258.5	0.5	Olivine gabbro	0.24	0.28	2.24	0.028	0.070	0.051
258.5	259.1	0.6	Olivine gabbro	0.54	0.63	4.47	0.097	0.324	0.265
<b>253.8</b>	<b>259.1</b>	<b>5.3</b>	<b>Weighted Average</b>	<b>0.62</b>	<b>0.58</b>	<b>3.13</b>	<b>0.054</b>	<b>0.159</b>	<b>0.114</b>
		<b>4.8</b>	<b>Estimated true thickness</b>						

Based on the drilling completed to date, the mineralized mafic/ultramafic unit appears to be thickening at depth. Additional drilling is required to confirm the dip of the mineralized unit and test the potential for the LM Property to host massive or semi-massive mineralization.

The Mid-Continent Rift region hosts several conduit-style orebodies and high-grade resources. These discoveries all started with intersections of disseminated magmatic mineralization in the early drill programs. At Eagle and Eagle East, zones of disseminated chalcopyrite, pentlandite and pyrrhotite form a halo around semi-massive and massive sulphide orebodies. Other relevant examples of conduit-style magmatic nickel/copper/PGM deposits are Talon Metals'/Rio Tinto's Tamarack deposits in Minnesota, Vale's Voisey's Bay deposits in Newfoundland and Labrador and the giant deposits of the Noril'sk region in Siberia.

Drilling is expected to resume following compilation and geochemical analysis of the drill data, equity financing and the Fall hunting season. Below has funded US\$285,000 of exploration expenditures to earn a 49% joint venture interest. Bitterroot is the project operator. The LM lease is not subject to the joint venture with Altius Minerals Corporation as described below. Under the terms of the Company's lease on the LM Property, the 2020 advance royalty payment was US\$6,000 (paid). The lessors have granted the Company the option to reduce the current 3% net smelter returns royalty (NSR) to a 2% NSR by paying US\$1,000,000 prior to December 31, 2064.

Mr. Glenn Scott, CPG, is the Qualified Person responsible for the technical content of this disclosure.

### ***Michigan Nickel-Copper-PGM Lands, Upper Peninsula of Michigan***

The Bitterroot/Altius joint venture was formed to explore for conduit-hosted, high-grade magmatic nickel-copper-PGM deposits similar to Lundin Mining's Eagle and Eagle East deposits. Altius acquired a 50.1% interest in the joint venture by incurring \$600,000 of exploration expenditures. This was achieved mainly through funding a 4,590 line-kilometre VTEM Plus airborne magnetic and electromagnetic survey. Altius and Bitterroot's analysis of the VTEM Plus data and subsequent Maxwell modelling has resulted in the selection of nine (9) high-priority targets for follow-up. Prospecting around the VTEM Plus targets has identified a previously undocumented ultramafic high-level intrusion or flow, which enhances the exploration potential of several adjacent, overburden-covered, high-priority VTEM Plus and aeromagnetic targets. The Bitterroot/Altius joint venture is seeking sources of joint venture funding to drill-test these targets.

Altius has the right to acquire an additional 19.9% of the Properties by completing \$2.5 million in exploration spending by September 29, 2021, plus the right to acquire an additional 10% of the Properties by completing exploration spending of a further \$5 million, or completing an NI 43-101 compliant pre-feasibility study on a mineral resource on the Properties, both before September 29, 2025. Altius is currently the Operator of the project. Altius retains a 2% net smelter returns (NSR) royalty on the Voyageur Lands (covering approximately 250 square miles of mineral rights) and the right to repurchase a 1% NSR held by a third party on the Copper Range Lands (covering approximately 100 square miles of mineral rights). The Company and Altius also hold State of Michigan metallic minerals leases covering an additional 3,050.87 contiguous acres.

Dr. Jules J. Lajoie, P.Eng is the Qualified Person responsible for the technical content of this disclosure.

### ***Coyote Sinter Gold/Silver Property, Nevada***

In July 2020, Bitterroot Resources Ltd.'s US subsidiary entered into a mining lease, with an option to purchase, with Geological Services, Inc. ("GSI") on the 31-claim Coyote Sinter gold/silver project in Elko County, Nevada.

The Coyote Sinter property is located 9 kilometres east of the historic Tuscarora mining district, on the southern edge of the Jerritt Canyon (Independence) Mining District. The property hosts a fully-preserved low sulfidation epithermal (hot spring) system, with outcropping silica sinter, which defines the original paleosurface. Geochemical surveys of soil and rock chips across the sinter area host highly anomalous antimony, mercury, gold and arsenic. Four shallow angle holes drilled by Chevron Minerals in the 1980's confirmed the favourable epithermal geochemical signature. The Chevron holes were not drilled deep enough to test the high-grade precious metals-bearing zones at the optimal depth, which is estimated to be 200 to 400 meters below the current surface.

The Coyote Sinter claims are located on Federal (BLM-administered) lands. Initial low-cost field work will include alteration mapping and ground geophysics to define further targets beneath the outcropping sinter. Core drilling to test below the historic Chevron drill holes is planned in 2021, subject to financing.

In order to maintain the lease and option to purchase, and subject to the approval of the TSX Venture Exchange (TSX-V), Bitterroot is required to make the following advance minimum royalty (AMR) payments and share issuances to GSI;

(i) \$10,000 USD (paid) and the issuance of 100,000 common shares (issued) in the capital of Bitterroot within 10 days of the TSX-V Acceptance Date;

(ii) \$10,000 USD on the 6-month anniversary of the Acceptance Date;

(iii) \$30,000 USD and the issuance of 100,000 common shares in the capital of Bitterroot on or before the first annual anniversary of the Acceptance Date;

(iv) \$40,000 USD and the issuance of 50,000 common shares in the capital of Bitterroot on or before the second annual anniversary of the Acceptance Date;

(v) \$60,000 USD and the issuance of 50,000 common shares in the capital of Bitterroot on or before the third annual anniversary of the Acceptance Date;

(vi) \$100,000 USD on or before the fourth annual anniversary of the Acceptance Date;

(vii) \$125,000 USD on or before the fifth annual anniversary of the Acceptance Date;

(viii) \$125,000 USD on or before each annual anniversary of the Acceptance Date after the fifth anniversary as long as the Agreement remains in effect, adjusted for inflation from that date.

At any time while the Agreement remains in effect, Bitterroot has the exclusive right and option to purchase the Coyote Sinter property from GSI by paying two million dollars (\$2,000,000 USD), less the sum of all AMR payments already paid to GSI, up to the date of exercise.

GSI will retain a two (2) percent net smelter returns (NSR) royalty, less previous AMR payments, on the Coyote sinter property and on any Bitterroot-located federal mining claims within a one (1)-mile area of interest (AOI). Bitterroot has the option to purchase half (1%) of the 2% NSR for \$2,000,000 USD. GSI will also retain a one (1) percent NSR royalty on any mineral rights acquired from 3rd parties within the AOI. Bitterroot has the option to purchase half (0.5%) of this 1% NSR for \$500,000 USD. The royalty purchase options are exercisable at any time prior to commercial production.

Bitterroot's technical advisor, Mr. Rick Streiff, CPG, stated "the Coyote Sinter property hosts a highly prospective, well-preserved epithermal system, which has never been tested at the appropriate levels for bonanza-grade gold/silver mineralization".

Rick Streiff, CPG, is the Qualified Person responsible for the technical content of this news release.

### ***Castle West Gold/Silver Property, Nevada***

The Company has entered into an option agreement with Ely Gold Royalties Inc. (ELY, TSX-V) and its subsidiary Nevada Select Royalty Inc. ("Ely Gold"), to purchase a 100% interest in the Castle West gold/silver property in the Walker Lane mineralized trend in western Nevada's

Gilbert mining district. The Castle West property is located in Esmeralda County, on BLM-managed lands approximately 45 km west of Tonopah, NV.

Recently-completed geological reconnaissance has determined that the Castle West property hosts a high-level, low sulphidation epithermal system, based on the presence of chalcedonic vein textures, silica /adularia and kaolinite clay alteration. Basement chert/quartzite units underlying the altered volcanic rocks are prospective for Hishikari-style bonanza-grade mineralization down dip from outcropping silicified veins or “ribs”. Additional planned work at Castle West will focus on developing drill targets using structural and alteration mapping. The best targets for bonanza-style mineralization are believed to be in the upper 100 metres of the underlying chert/quartzite, which outcrops in valley bottoms. Drilling is planned in 2021, subject to financing.

The Castle West property is comprised of 34 unpatented mining claims and three leased unpatented claims, covering approximately 282 hectares. In May 2020, the terms of the option with Ely Gold were amended, due to Bitterroot’s inability to conduct exploration during the period of Nevada’s COVID-19 stay-at-home orders. Under the amended option terms, Bitterroot would pay US\$15,000 on the first amended anniversary of Closing, which has been advanced to December 11, 2020. On each of the second, third and fourth anniversaries of the amended anniversary, Bitterroot must pay US\$40,000. A final payment of US\$105,000 must be made on the fifth amended anniversary for the conveyance of the 100% interest in the Property. Underlying lease payments covering three claims are to be refunded to Ely Gold by September 1, 2020. Bitterroot will make minimum advance royalty payments of US\$5,000 on the first and second anniversaries of exercising the option and US\$10,000 on subsequent anniversaries. Nevada Select will retain a 3% NSR on the 34 claims it staked. Bitterroot has the right to buy down 1% of this NSR for a payment of US\$1,000,000. Upon Option Exercise, Bitterroot will be assigned an underlying three-claim lease and Nevada Select will retain a 1% NSR on these claims.

Mr. Rick Streiff, CPG is the Qualified Person responsible for the technical content of this disclosure.

## **SUMMARY OF FINANCIAL RESULTS**

### ***Revenues***

Due to the Company’s status as an exploration and development stage mineral resource company and a lack of commercial production from its properties, the Company currently does not have any revenues from its operations.

### ***Expenses for the nine months ended July 31, 2020***

During the nine months ended July 31, 2020, the Company recorded income of \$206,480 (\$0.00 income per share) compared to a loss of \$337,387 (\$0.01 loss per share) for the period ended July 31, 2019.

Expenses details during the nine months ended July 31, 2020 are as follows:

- a) Foreign exchange gain of \$12,951 (2019 – loss of \$1,670) – the variance is due to fluctuations in the USD foreign currency.

- b) Management fees of \$22,500 (2019 - \$90,000) – the decrease is due to a reduction of management fees rates.
- c) Interest expense of \$6,215 (2019 – \$15,347) – the decrease is due to settlement of outstanding debt and accrued interest.
- d) Office expenses of \$21,077 (2019 - \$50,351) – the decrease is due the cost saving initiatives of the Company.
- e) Shareholder information of \$7,956 (2019 – 15,202) – the decrease is due to the cost saving initiatives of the Company.

During the period ended July 31, 2020, the Company wrote down \$85,726 (2019 - \$Nil) of exploration and evaluation assets, of which \$94,922 was related to the North Brenda property and \$9,197 was recovered on the previously written down PCM Claims.

During the period ended July 31, 2020, the Company settled outstanding debt of \$475,083 to arm's-length lenders and non-arm's length service providers and recorded a gain of \$370,641 on the settlement.

#### ***Expenses for the three months ended July 31, 2020***

During the three months ended July 31, 2020, the Company recorded a loss of \$9,131 (\$0.00 per share) compared to a loss of \$178,528 (\$0.00 per share) for the period ended July 31, 2019.

Expenses details during the three months ended July 31, 2020 are as follows:

- a) Foreign exchange gain of \$12,857 (2019 – loss of \$858) – the variance is due to fluctuations in the USD foreign currency.
- b) Management fees of \$7,500 (2019 - \$30,000) – the decrease is due to a reduction of management fees rates.
- c) Interest expense of \$697 (2019 – \$5,172) – the decrease is due to settlement of outstanding debt and accrued interest.
- d) Office expenses of \$4,956 (2019 - \$14,076) – the decrease is due the cost saving initiatives of the Company.
- e) Professional fees of \$978 (2019 - \$13,818) – the decrease is due the cost saving initiatives of the Company.

## SUMMARY OF QUARTERLY RESULTS

The following tables set forth a comparison of revenues, losses and assets for the previous eight quarters:

	July 31, 2020	April 30, 2020	January 31, 2020	October 31, 2019
Revenue	\$ nil	\$ nil	\$ nil	\$ nil
Income (loss) for the period	(9,131)	(44,335)	259,946	(160,575)
Exploration and Evaluation assets	4,330,689	4,160,838	4,172,634	4,171,592
Total assets	4,398,615	4,239,143	4,257,817	4,191,871
Income (loss) per share	(0.00)	(0.00)	0.01	(0.01)

  

	July 31, 2019	April 30, 2019	January 31, 2019	October 31, 2018
Revenue	\$ nil	\$ nil	\$ nil	\$ nil
Loss for the period	(178,528)	(94,097)	(64,762)	(1,865,095)
Exploration and Evaluation assets	4,210,857	4,268,832	4,225,177	4,299,888
Total assets	4,297,955	4,432,216	4,333,894	4,399,545
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)

During the quarter ended January 31, 2020, the Company wrote down exploration and evaluation assets of \$94,922 and recorded a gain of \$370,641 on settlement of debt.

During the quarter ended October 31, 2019, the Company wrote down exploration and evaluation assets of \$82,390.

During the quarter ended July 31, 2019, the Company wrote down exploration and evaluation assets of \$124,173.

During the quarter ended October 31, 2018, the Company wrote down exploration and evaluation assets of \$1,798,350.

## FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at July 31, 2020, the Company had cash of \$26,508 and a working capital deficiency of \$221,338. The accompanying condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The continuation of the Company is dependent upon the continuing financial support of creditors and stockholders, refinancing debts payable, obtaining additional long-term debt or equity financing, as well as achieving and maintaining a profitable level of operations. The Company will require additional working capital to meet operating and exploration costs for the upcoming year.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

In November 2019, the Company raised gross proceeds of \$85,000 from the issuance of 2,125,000 flow-through shares priced at \$0.04 per share and \$35,625 from issuance of 1,425,000 common shares priced at \$0.025 per share. The Company paid a finders' fee of \$560 and issued 14,000 common share purchase warrants of the Company at an exercise price of \$0.05 for 24 months.

During the period ended July 31, 2020, the Company issued 3,481,365 shares to settle \$475,083 of outstanding debt.

In May 2020, the Company raised gross proceeds of \$50,000 from the issuance of 1,428,571 priced at \$0.035 per share.

## **RELATED PARTY TRANSACTIONS**

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

The following is a summary of related party transactions and balances during the period ended July 31, 2020:

- (a) Management fees of \$22,500 (2019 - \$90,000) were incurred from a company controlled by a director of the Company.
- (b) Share-based payments include stock options granted to directors and officers recorded at a fair value of \$24,384 (2019 - \$Nil).

During the year ended October 31, 2018, the Company received loan proceeds of \$45,000 from a non-arm's length party. During the period ended July 31, 2020 recorded total interest payable of \$6,480 (October 31, 2019 - \$5,578. During the period ended July 31, 2020 the loan and accrued interest was settled in full through the issuance of 1,029,600 shares at the price of \$0.05 per share.

As at July 31, 2020, the Company owed \$14,978 (October 31, 2019 - \$220,500) in current liabilities and \$nil (October 31, 2019 - \$178,326) in non-current liabilities to a company controlled by a director for management fees and reimbursable expenses. During the period ended July 31, 2020, the Company settled debt of \$398,826 to this company through the issuance of 2,111,760 common shares.

## **RISKS AND UNCERTAINTIES**

Natural resources exploration, development, production and processing involve number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

- Operational risks include finding and developing reserves economically, marketing production and services, product deliverability uncertainties, changing government law and regulation, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks, but the Company is not fully insured against all risks, nor are all such risks insurable.
- Financial risks include commodity prices, interest rates and the Canadian dollar and the United States dollar, which are beyond the Company's control.
- Regulatory risks include the possible delay in getting regulatory approval to the transactions that the Board of Directors believe to be in the best interest of the Company, increased fees for filing, the introduction of ever more complex reporting requirements, the escalating cost of which the Company must meet in order to maintain its exchange listing and the resulting potential for accounting errors which may lead to fines, interest charges and cash calls.

The Company's ability to meet its ongoing financial obligations will be determined by management's success in acquiring exploration and evaluation assets, obtaining equity financing, negotiating joint venture arrangements and facilitating the exercise of outstanding share purchase warrants and options. There can be no assurance that the Company will be able to continue to raise funds, in which case it may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the realizable value of its assets may be materially less than the amounts recorded on the statements of financial position. Details of funding commitments on the Company's exploration and evaluation assets are disclosed in Note 6 of the condensed consolidated interim financial statements for the period ended July 31, 2020.

## **DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

A breakdown of the Company's general and administrative expenses is disclosed in the condensed consolidated interim financial statements for the period ended July 31, 2020 to which this MD&A relates. A breakdown of the exploration and evaluation assets of the Company is disclosed in Note 6 of the condensed consolidated interim financial statements for the period ended July 31, 2020 to which this MD&A relates.

## OUTSTANDING SHARES, STOCK OPTIONS AND WARRANTS

At the date of this report, the Company has the following outstanding:

- 47,456,985 common shares
- Stock options:

<b>Number of Options</b>	<b>Exercise Price (\$)</b>	<b>Expiry Date</b>
1,200,000	0.10	January 21, 2021
150,000	0.10	January 16, 2022
700,000	0.32	April 20, 2022
1,000,000	0.08	March 1, 2023
1,150,000	0.05	May 19, 2025
200,000	0.05	June 4, 2025
<b>4,400,000</b>		

- Warrants:

<b>Number of Warrants</b>	<b>Exercise Price (\$)</b>	<b>Expiry Date</b>
970,600	0.11	May 14, 2021
200,000	0.11	June 19, 2021
14,000	0.05	November 14, 2021
1,428,571	0.06	May 8, 2022
<b>2,613,171</b>		

## OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

## PROPOSED TRANSACTIONS

The Company continues to evaluate property acquisitions and dispositions, actively target sources of additional financing through alliances with financial, exploration and mining entities and to explore and develop its exploration and evaluation assets. Should it enter into agreements over new properties, it may be required to make cash payments and complete work expenditure commitments.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual reports could differ from management's estimates.

## **CONTINGENCIES**

There are no contingent liabilities.

## **INTERNAL CONTROLS OVER FINANCIAL REPORTING**

### **Changes in Internal Control over Financial Reporting (“ICFR”)**

In connection with National Instrument 52-109, Certification of Disclosure in Issuer’s Annual and Interim Filings (“NI 52-109”) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited condensed consolidated interim financial statements and the audited consolidated financial statements and respective accompanying Management’s Discussion & Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

## **MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL STATEMENTS**

Information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying condensed consolidated interim financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company’s assets are safeguarded and to facilitate the preparation of relevant and timely information.

## **OTHER MD&A REQUIREMENTS**

Additional disclosure of the Company’s technical reports, material change reports, news releases and other information can be obtained on SEDAR at [www.sedar.com](http://www.sedar.com).

## **RECENT ACCOUNTING POLICIES**

Please refer to the July 31, 2020 condensed consolidated interim financial statements on [www.sedar.com](http://www.sedar.com).

## **FINANCIAL INSTRUMENTS**

Please refer to the July 31, 2020 condensed consolidated interim financial statements on [www.sedar.com](http://www.sedar.com).