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**GAIA METALS CORP.**  
(FORMERLY 92 RESOURCES CORP.)

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**As at and for the Three Months Ended June 30, 2020**

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August 14, 2020

## **OVERVIEW**

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The following is a management's discussion and analysis ("MD&A") of Gaia Metals Corp. (the "Company" or "Gaia Metals"), prepared as of August 14, 2020. This MD&A should be read together with the unaudited financial statements for the three months ended June 30, 2020 and related notes which are prepared in accordance with International Financial Reporting Standards ("IFRS") and the audited financial statements for the year ended March 31, 2020, and related notes which are prepared in accordance with IFRS, copies of which are filed on the SEDAR website: [www.sedar.com](http://www.sedar.com).

## **FORWARD-LOOKING STATEMENTS**

Certain information included in this MD&A may constitute forward-looking statements. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements.

Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

It is the Company's policies that all forward-looking statements are based on the Company's beliefs and assumptions that are based on information available at the time these assumptions are made. The forward-looking statements contained herein are as of August 14, 2020 and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws. Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate.

Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and other factors such as those described above and in "Risks and Uncertainties" below. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

## **NATURE OF BUSINESS**

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The Company was incorporated on May 10, 2007, under the British Columbia *Business Corporations Act*. On June 10, 2014, the Company's common shares were consolidated on a five old for one new share basis and the Company's name was changed from Rio Grande Mining Corp. to 92 Resources Corp. On October 7, 2019, the Company's common shares were consolidated on a ten old for one new share basis and the Company's name was changed from 92 Resources Corp. to **Gaia Metals Corp.**

The Company is domiciled in Canada and is a reporting issuer in British Columbia and Alberta, with its common shares publicly traded on the TSX Venture Exchange (the "Exchange") under the stock symbol "GMC" (effective October 17, 2019). The address of its head office and records office is Suite 500, 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 3P6.

The principal business of the Company is the identification, evaluation and acquisition of exploration and evaluation properties, as well as exploration of those properties once acquired. At June 30, 2020, the Company had not yet determined whether any properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and future profitable production from the properties or realizing proceeds from their disposition.

## MINERAL PROPERTY INTERESTS

The technical information in this disclosure has been reviewed by Darren L. Smith, M.Sc., P.Geo., Vice President of Exploration for the Company, a Permit holder with the Ordre des Géologues du Québec and Qualified Person as defined by National Instrument 43-101.

### Hidden Lake Lithium Property

On February 16, 2016, and as amended on November 27, 2017, the Company entered into an Agreement (the "Agreement") with three arm's length parties for an option to acquire interest in two mineral claims consisting of 1,100 hectares, located northeast of Yellowknife, Northwest Territories. Under the terms of the Agreement, the Company could earn 100% interest by paying cash of \$85,000, issuing 400,000 (pre-consolidation - 4,000,000) common shares and completing \$500,000 in exploration expenditures as follows:

	Common Shares*	Cash	Exploration Expenditures
	#	\$	\$
Upon closing (paid)	-	5,000 <sup>(1)</sup>	-
Upon regulatory approval of the Agreement (issued) <sup>(2)</sup>	200,000 <sup>(2)</sup>	-	-
30 days after regulatory approval of Agreement (paid)		45,000 <sup>(3)</sup>	-
12 months after regulatory approval of the Agreement (issued; paid)	200,000 <sup>(2)</sup>	35,000 <sup>(3)</sup>	-
On or before September 30, 2016 (incurred)	-	-	250,000
On or before May 31, 2018 (incurred)	-	-	250,000
<b>Total</b>	<b>400,000</b>	<b>85,000</b>	<b>500,000</b>

<sup>(1)</sup> Non-refundable deposit paid to an arm's length party upon execution of the Agreement

<sup>(2)</sup> Issuable 50% to an arm's length party, 25% to each one of two arm's length parties

<sup>(3)</sup> Payable to an arm's length party

\*Shares were adjusted to reflect the share consolidation on October 17, 2019

The regulatory approval related to the Hidden Lake Lithium Agreement was obtained from the Exchange on April 21, 2016.

Hidden Lake Property is subject to 2% Net Smelter Royalty with respect to the production of all material from the property, 1% of which can be purchased back from an arm's length party by the Company within 5 years of the regulatory approval for \$2,000,000 (the "Royalty").

### *Government Grant*

In 2017, the Government of the Northwest Territories conditionally approved a grant of \$140,000 relating to the Mining Incentive Program (the "Northwest Territories Grant"). A condition of the Northwest Territories Grant was to incur \$280,000 eligible expenses in the Northwest Territories, consisting of 2 phases of work, channel sampling and diamond drilling, during the period from April 1, 2017 to March 31, 2018.

During the year ended March 31, 2018, the Company received \$119,000 as an advance from the Northwest Territories Grant, which was recorded as a reduction to the carrying amount of the Hidden Lake Lithium Property. As at March 31, 2018, the Company has not completed the second phase of the program within the required timeframe, and as a result, is required to repay a portion of the grant. On May 18, 2018, the Company repaid \$81,590 to the Government of the Northwest Territories related to the Northwest Territories Grant.

Throughout 2017 and early 2018, a scoping metallurgy program was completed by the Company on material from the Hidden Lake Pegmatites. Results culminated in a mini-pilot plant which produced over 40 kg of 6.11% Li<sub>2</sub>O mineral concentrate at high recovery (>80%).

On January 12, 2018, the Company announced the completion of a channel sampling program at Hidden Lake. The program returned channel samples up to 2.57% Li<sub>2</sub>O and identified significant grades of tantalum, including 1 m of 233 ppm Ta<sub>2</sub>O<sub>5</sub>.

### *Option-out Agreement*

On January 22, 2018, the Company entered into an agreement to option out up to 90% of their interest in the Hidden Lake Property to Far Resources Ltd. ("Far") (the "Hidden Lake Option Out Agreement"), except for the Royalty. The Company then received 500,000 common shares of Far having an aggregate amount equal to \$500,000 at an issue price of \$0.90 per share. During the year ended March 31, 2018, 555,555 common shares were issued to the Company with a fair value of \$227,777 (Note 7). In addition, expenditures of \$500,000 were incurred on or before February 28, 2019 as part of the original agreement.

On May 16, 2019, the Company announced that Far Resources Ltd. had formally notified them of its intention to terminate its remaining earn-in for the Hidden Lake Property, originally announced January 23, 2018, and therefore maintains a 60-per-cent interest earned through satisfying the year 1 conditions of the Option Agreement. Therefore, the Company maintains a 40-per-cent interest in Hidden Lake and a joint venture between the companies will be formed for future exploration of the property. In addition, under the terms of the agreement, Far Resources will remain as Operator and is responsible for financing the Joint Venture's initial \$1 million in expenditures.

No field exploration was completed at Hidden Lake in 2019 and no field work is planned for 2020, primarily due to current lithium market conditions. The Hidden Lake claims are in good standing until June 30<sup>th</sup>, 2026.

### **Upper Ross Lake Property**

On July 7, 2016, the Company staked 2 claims totaling 57 hectares in Upper Ross Lake, Northwest Territories. The Company decided to strategically focus on its other lithium assets and the Property has since lapsed. During the year ended March 31, 2020, the Company recognized impairment loss of \$18,592 relating to this property.

### Pontax Lithium - Gold Property

On July 25, 2016, and as amended on November 27, 2017, the Company entered into an agreement (the "Pontax Agreement") with two arm's length parties for an option to acquire 100% interest in 104 mineral claims consisting of 5,536 hectares near Eastmain, Quebec by paying cash of \$50,000 and issuing 300,000 common shares (3,000,000 – pre-consolidation) as follows:

	Common Shares*	Cash
	#	\$
Upon execution (paid)	-	12,500 <sup>(1)</sup>
Upon regulatory approval of the agreement (issued)	150,000 <sup>(2)</sup>	-
Within 60 days of regulatory approval (paid)	-	12,500 <sup>(3)</sup>
On or before May 31, 2018 (issued; paid)	150,000 <sup>(2)</sup>	25,000 <sup>(3)</sup>
<b>Total</b>	<b>300,000</b>	<b>50,000</b>

<sup>(1)</sup> Non-refundable deposit paid to an arm's length party upon execution of the Pontax Lithium Agreement

<sup>(2)</sup> 100,000 (pre-consolidation - 1,000,000) issuable to an arm's length party and 50,000 (pre-consolidation - 500,000) issuable to an arm's length party

<sup>(3)</sup> Payable to an arm's length party

\* Shares were adjusted to reflect the share consolidation on October 17, 2019

Regulatory approval for the Pontax Agreement was obtained on September 20, 2016.

The Pontax Agreement is subject to a 3% Net Smelter Royalty ("NSR"). The Company can purchase 1.5% NSR within 5 years of regulatory approval by paying \$2,000,000 to an arm's length party.

On June 12, 2018, the Company announced that it had completed a 1,094 line-km high-resolution magnetic survey over the entire Pontax Property. The survey was completed at a tight line spacing of 60 m with lines oriented northwest-southeast, crossing perpendicular to the geology. The survey was successful and numerous target features identified. Subsequent to the survey, the Company expanded its land position, though online map designation, with the Pontax Property now comprised of 146 claims totaling 7,773 ha.

On October 25, 2018, the Company announced results of its 2018 surface exploration program. The program resulted in the discovery of a new lithium-bearing pegmatite occurrence on the Property (claim Block C). Two grab samples (129364 and 129366) of the pegmatite returned assays of 0.94% Li<sub>2</sub>O and 520 ppm Ta<sub>2</sub>O<sub>5</sub>, and 0.72% Li<sub>2</sub>O and 87 ppm Ta<sub>2</sub>O<sub>5</sub>, respectively. Spodumene is indicated to be the primary lithium-bearing mineral present based on other occurrences in the area. Initial reconnaissance-scale prospecting of gold targets was also carried out during the program. Assay results ranged from nil to 141 ppb Au with the peak assay returned from a gossanous wacke rock type. Several areas of the Property, as well as geophysical targets, remain to be assessed.

No surface exploration was completed on the Pontax Property in 2019 and no field work is planned for 2020. Due to restrictions as a result of COVID-19, the Quebec Minister of Energy and Natural Resources has extended the expiry date of all active mineral claims in the province by 12 months. This includes the Pontax claims, which now all have expiry dates in 2021.

### Golden Silica Property (formerly referred to as "ZimFrac" or "Golden Frac Sand")

On January 27, 2014, the Company entered into a sale and purchase agreement (the "ZimFrac Agreement") with two arm's length parties (collectively, the "Vendors") and purchased from the

Vendors a 100% interest in certain silica claims located near Golden, BC (the "ZimFrac Property"). In consideration, the Company issued 400,000 common shares (20,000 common shares to each one of two arm's length parties issued on February 6, 2014 – 200,000 each – pre-consolidation), subject to a 2% Net Smelter Royalty ("NSR"). The Company also issued 40,000 common shares (400,000 – pre-consolidation) in 2014 with a fair value of \$0.25 per share as finder's fee.

The Company can purchase up to 1% NSR by paying an aggregate sum of \$1,000,000 (\$500,000 to each of two arm's length parties).

The ZimFrac Agreement received regulatory approval on February 6, 2014.

On March 3, 2017, the Company entered into an agreement (the "Golden Frac Sand Agreement") with two arm's length parties to purchase a 100% interest in certain mineral claims located near Golden, BC (the "Golden Frac Sand Property") to expand the size of the ZimFrac Property. In consideration, the Company paid \$40,000 (\$20,000 payable to Dahrouge and \$20,000 payable to an arm's length party) within five days of signing the Golden Frac Sand Agreement on March 17, 2017.

The Property has a Gross Over-Riding Royalty of 2% payable to an arm's length party in the revenue from the sale of the production. The Company can purchase 1% of the GORR for \$2,000,000 at any time.

Between July 25 and 28, 2018, the Company completed a geologic mapping and sampling program on the property targeting the Mount Wilson Formation. A total of 18 samples of quartzite were collected with 8 returning greater than 98% SiO<sub>2</sub> and 5 returning less than 0.1% Fe<sub>2</sub>O<sub>3</sub>. Large areas of the property remain to be assessed.

No field exploration was completed at Golden Silica in 2019 and no field work is planned for 2020. Due to restrictions as a result of COVID-19, British Columbia's Ministry of Energy, Mines, and Petroleum Resources has extended the expiry date of all active mineral titles in the province until December 31<sup>st</sup>, 2021, and therefore includes the Golden Silica claims.

### Quebec Properties

On September 18, 2017, the Company entered into an agreement (the "Quebec Properties Agreement") with three arm's length parties for an option to acquire interest in 115 mineral claims comprising the Eastmain Property, Lac Du Beryl Property, and Corvette Property, located in the James Bay Region, Quebec. Under the terms of the Agreement, the Company earned 100% interest by making a cash payment of \$45,000 to an arm's length party and issuing 150,000-share purchase warrants (50,000 each to three arm's length parties – 500,000 each – pre-consolidation) as follows:

	Warrants*	Cash
	#	\$
Upon closing (paid)	-	12,500 <sup>(1)</sup>
Earlier of regulatory approval or within 60 days of closing (paid)	-	32,500 <sup>(1)</sup>
Upon regulatory approval (issued)	150,000 <sup>(2)</sup>	-
<b>Total</b>	<b>150,000</b>	<b>45,000</b>

<sup>(1)</sup> Payable to an arm's length party

<sup>(2)</sup> Issuable 50,000 each to three arm's length parties

\* Warrants were adjusted to reflect the share consolidation on October 17, 2019

The regulatory approval related to the Quebec Properties Agreement was obtained from the Exchange on September 26, 2017.

On October 19, 2017, in connection with the Quebec Properties Agreement, the Company paid reimbursement costs to an arm's length party of \$2,220 incurred on the properties 2 months prior to signing the Quebec Properties Agreement.

The Quebec Properties Agreement is subject to a 2% Net Smelter Return with respect to the production of all materials from the properties.

Both the Eastmain and Lac du Beryl properties were preliminarily assessed in 2017/2018 by the Company using a surface prospecting reconnaissance approach with pegmatite confirmed present on each, although not spodumene bearing. Areas of both properties remain to be assessed, including the gold potential of Lac du Beryl. Since the initial property agreement, the Lac du Beryl Property had been expanded to comprise an additional 12 claims; however, these 12 claims were allowed to lapse in early 2020 and the Property is currently comprised of the original 18 claim block.

On October 5, 2017, a one-day site visit to the Corvette Property confirmed the presence of spodumene-bearing pegmatite. Two sub-parallel trending pegmatites were found with the largest estimated at 150 m in length by 30 m in width. Samples returned 3.48% Li<sub>2</sub>O from the larger pegmatite, and 1.22% Li<sub>2</sub>O from the smaller one.

On September 11, 2018, the Company announced channel sampling results from Corvette, including 2.28% Li<sub>2</sub>O over 6 m and 1.54% Li<sub>2</sub>O over 8 m, with a new spodumene-bearing discovery on the Property returning 1.61% Li<sub>2</sub>O. The discovery prompted the acquisition of additional claims and the Corvette Property is now comprised of 172 claims totaling 8,808 ha, forming one contiguous claim block. The program also identified significant grades of tantalum from the pegmatites. The 2018 program focused on lithium exploration and not the gold or base metal potential of the Property.

No surface exploration was completed on the Eastmain or Lac du Beryl properties in 2019 and no field work is planned for 2020. Due to restrictions as a result of COVID-19, the Quebec Minister of Energy and Natural Resources has extended the expiry date of all active mineral claims in the province by 12 months. This includes the Eastmain and Lac du Beryl claims, which now all have expiry dates in 2021.

#### FCI Property (East and West blocks)

On August 27, 2018, the Company entered into an Option Agreement (the "Agreement") with Osisko Mining Inc. ("Osisko") to acquire up to a 75% interest in 28 mineral claims ("FCI East") directly adjoining the Company's 100% owned Corvette Property. The claims comprise the eastern portion of Osisko's FCI Property and located in the James Bay Region of Quebec, approximately 10 kilometers' south of the all-season Trans-Taiga Road and powerline infrastructure corridor.

Under the terms of the Agreement, the Company would earn an initial 50% interest by issuing 200,000 common shares (2,000,000 pre-consolidated) to Osisko and incurring \$2,250,000 work exploration expenditures as follows:

	Common Shares*	Work exploration expenditures
	#	\$
Upon closing date of the Agreement (issued)	100,000	-
On or before the 1st anniversary date of closing (issued)	100,000	250,000
<i>To earn an initial 25% undivided interest</i>		
On or before the 2nd anniversary date of closing	-	800,000
<i>To earn an additional 25% undivided interest (50% interest in total)</i>		
On or before the 3rd anniversary date of closing	-	1,200,000
<b>Total</b>	<b>200,000</b>	<b>2,250,000</b>

Osisko will act as Operator of the FCI Property for the term of the 50% earn-in, with a Steering Committee of equal representation formed to provide advice and direction to the Operator. Upon completion of the 50% earn-in (third anniversary of TSX-V approval (or closing), a Joint Venture Corporation will be formed with the Company retaining an Option to acquire a further 25% interest, for a total of 75% undivided interest, through funding of the next \$2,000,000 in exploration expenditures. The Company may become Operator upon notice to Osisko that it intends to incur the \$2,000,000 in work expenditures for a final undivided interest of 75%. Osisko's remaining 25% interest may be further reduced through dilution if they elect to not fund their portion of subsequent exploration/development. If ownership falls below 10%, Osisko will have the right to convert this remaining interest into a 1% Net Smelter Royalty (NSR), of which, the Company retains the right to buy for \$5,000,000 (cash or shares), and thereby, would obtain a 100% undivided interest in the FCI Property.

The FCI Property is subject to a 1.5% to 3.5% sliding scale NSR royalty from the production of precious metals. The royalty is primarily based on amount of production with 1.5% on the first 1M oz, 2.5% on the next 1M oz and 3.0% on the next 1M oz of and above. The remaining 0.5% royalty is based on the spot gold price starting at US\$1,000 / oz and reaches the maximum at \$2,000 / oz.

A 2.0% NSR royalty is present on all other products; provided however that if there is an existing royalty applicable on any portion of the property, then the percentages noted above (i.e. the sliding scale NSR) shall, as applicable, be adjusted so that the aggregate maximum royalty percentage on such portion shall not exceed and be capped to 3.5% at any time.

On April 24, 2019, the Company and Osisko entered into an amended agreement to include an additional 83 claims ("FCI West") under the same terms and conditions as the original agreement. No additional shares, cash, or work commitment is required by the Company, apart from general claim maintenance (i.e. renewal fees). Therefore, the FCI Property (East and West blocks) is currently comprised of 5,687 ha over 111 claims.

The FCI East, FCI West, and Corvette properties are contiguous and, collectively, are referred to as the Corvette-FCI Property and extend for more than 25 kilometres along the Lac Guyer Greenstone Belt within the James Bay Region of Quebec.

Subsequent to the Agreement, the FCI Property was included in a corporate restructuring and spin-out of assets from Osisko into a new public company called O3 Mining Inc. ("O3 Mining"), which



began trading on the TSX Venture Exchange on July 9<sup>th</sup>, 2019. The FCI Agreement was transferred from Osisko to O3 Mining at this time. Therefore, O3 Mining is now the Optionor and Operator of the Property and all other terms and conditions of the Agreement remaining unchanged.

During the year ended March 31, 2020, the Company provided a total of \$297,701 (total from the start cumulative of \$414,698) as cash call to Osisko/O3 Mining. Both parties have completed sufficient work expenditures to satisfy Year 1 of the Agreement. On September 19, 2019, the Company issued 100,000 common shares (1,000,000 – pre-consolidation) at \$0.30 per share.

#### Exploration of the Corvette and FCI Properties

On June 19, 2019, the Company announced its exploration plans for the Corvette and FCI properties (collectively, the “Corvette-FCI Property”), consisting of surface exploration comprised primarily of prospecting, rock sampling, and soil sampling along the gold and copper exploration trends identified from historical work

On September 10<sup>th</sup>, 17<sup>th</sup>, and 24<sup>th</sup>, 2019, the Company announced assay results for its 2019 summer field program at Corvette-FCI, along with several significant discoveries. The primary objectives of the program were to sample, expand upon, and rank the known historical prospects/showings, and to discover new areas of mineralization. Program highlights include:

1. Elsass copper-gold-silver prospect -- new discovery of well-mineralized outcrops over an approximate 350-m strike length with assays including 3.63% Cu, 0.64 g/t Au and 52.3 g/t Ag;
2. Lorraine copper-gold-silver prospect -- new outcrop discovery approximately 2.3 km along trend of the Elsass Prospect with assays including 8.15% Cu, 1.33 g/t Au and 171 g/t Ag;
3. Several new high-grade copper-gold-silver areas discovered, including the Black Forrest Showing with 1.13% Cu, 0.05 g/t Au and 19.5 g/t Ag, and the Hund Showing with 3.28% Cu, 0.78 g/t Au and 30.1 g/t Ag.
4. Lac Bruno gold prospect -- new outcrop discovery assaying 1.4 g/t Au located up-ice of boulder field (2019 sample of 11.9 g/t Au) with soil sample results providing further vectoring toward a potential source;
5. Golden Gap prospect -- potential western extension identified through several new gold discoveries in outcrop with assays including 1.87 g/t Au and 2.81 g/t Au.
6. Numerous lithium-bearing pegmatites occur within a corridor exceeding 25 kilometres in length;
7. Southwest of CV1-2, newly discovered CV5 and CV6 pegmatites include a large, well-mineralized exposure of approximately 220 m by 20 to 40 m (CV5), with eight samples averaging 3% Li<sub>2</sub>O and 154 ppm Ta<sub>2</sub>O<sub>5</sub>, including a peak assay of 4.06% Li<sub>2</sub>O and 564 ppm Ta<sub>2</sub>O<sub>5</sub>;
8. CV7 -- discovery to the northwest of CV1 with assay of 4.44% Li<sub>2</sub>O and 195 ppm Ta<sub>2</sub>O<sub>5</sub>;
9. CV8 -- large area of outcrop exposure with assay of 4.44% Li<sub>2</sub>O and 205 ppm Ta<sub>2</sub>O<sub>5</sub>;
10. CV9 and CV10 -- located in northwest area of FCI West, with mineralized outcrops present over at least a 300 m strike length and multiple assays greater than 2% Li<sub>2</sub>O to a peak of 4.72% Li<sub>2</sub>O;
11. CV11 -- high-grade tantalum pegmatite with assay of 0.66% Li<sub>2</sub>O and 386 ppm Ta<sub>2</sub>O<sub>5</sub>

On December 11<sup>th</sup>, 2019, the Company announced that it had initiated a review and re-processing of IP-resistivity data using modern techniques for historical surveys completed at the Corvette-FCI

Property. In addition to the IP resistivity work, a structural analysis of the 2005 airborne magnetic survey would also be completed to identify primary and secondary structures that may control gold mineralization.

On February 4<sup>th</sup>, 2020, the Company announced that a historical data compilation had outlined a strong potential for platinum group element (PGE) mineralization on the FCI Property. This was highlighted by the Lac Long Sud Showing with a historical outcrop sample assay of 3.10 g/t Au, 1.06 g/t Pd, 0.005 g/t Pt, 7.5 g/t Ag, 0.24% Cu, 0.19% Ni, and 411 g/t Co.

On April 16<sup>th</sup>, 2020, the Company announced several significant findings had been made following the re-processing of historical ground IP-resistivity data collected from the Golden Gap area on the FCI Property. The work highlighted - 1) A distinctly different and yet to be drill tested trend of mineralization at Golden Gap, compared to the historical interpretation; 2) Additional strike extensions are present; and 3) Additional parallel to sub-parallel trends are present.

On July 6, 2020, the Company declared Force Majeure on the FCI Property due to COVID-19 and the agreement was paused for a period of approximately 50 days, resulting in a revised Anniversary Date of November 5, 2020 for Year 2. The Company notes that it has already incurred approximately \$160,000 of the \$800,000 in exploration expenditures which are required under the current Option Agreement, to be spent by the Year 2 anniversary date.

In addition, due to restrictions as a result of COVID-19, the Quebec Minister of Energy and Natural Resources has extended the expiry date of all active mineral claims in the province by 12 months. This includes the Corvette and FCI claims, which now all have expiry dates in 2021 or later.

### **Silver Sands Vanadium Property**

On November 13, 2018, the Company entered into an agreement with an arm's length party to acquire 100% interest in Silver Sands Vanadium Property (the "Silver Sands"), located in the Pine Pass area of eastern British Columbia. The Silver Sands Vanadium Property covers 3735 hectares directly east of the Pine Pass Vanadium Project held by Ethos Gold Corp., which is located about 200 km north of Prince George, British Columbia.

The Silver Sands Vanadium Property contains the same geological formations prospective for vanadium mineralization that is known within the region. Silver Sands is within close proximity to the well-established infrastructure corridor of Pine Pass, which includes the Highway 97, Canadian National Railway and high-voltage powerlines and natural gas pipelines.

Pursuant to the agreement, the Company will acquire a 100% interest in Silver Sands by paying staking costs of \$15,000. The vendor will retain a 2% Net Smelter Return on the Property.

As at June 30, 2020, the Company has incurred \$14,776 (March 31, 2019 - \$12,643) mineral expenditures pursuant to the agreement.

In March 2019, the Company was informed by the Province of British Columbia that it was an impacted stakeholder with respect to Silver Sands through a recently negotiated agreement between several local First Nations, and the Provincial and Federal governments. The agreement outlines proposed measures for conservation and recovery efforts for caribou and includes the area of Silver Sands. The Company is assessing the potential impacts/resolutions. Silver Sands is considered a non-core asset by the Company.

No field exploration was completed at Silver Sands in 2019 and no field work is planned for 2020. Due to restrictions as a result of COVID-19, British Columbia's Ministry of Energy, Mines, and

Petroleum Resources has extended the expiry date of all active mineral titles in the province until December 31<sup>st</sup>, 2021, and therefore includes the Silver Sands claims.

### Freeman Creek Property

On July 24, 2020, the Company signed an Option Agreement with arm's length vendors whereby the Company may acquire a 100% undivided interest in the Freeman Creek Property. Under the terms of the Agreement, the Company may acquire a 100% interest in the Property by paying a total of \$90,000, issuing an aggregate 4,000,000 common shares (the "Consideration Shares") and 2,000,000 transferable common share purchase warrants, exercisable at \$0.10 and expiring three years from issuance (the "Consideration Warrants") as follows:

- \$10,000 upon signing of an option agreement (paid);
- \$40,000, 2,000,000 common shares and 1,000,000 common share purchase warrants upon receipt of TSX Venture Exchange ("Exchange") approval of the Option Agreement; and
- \$40,000, 2,000,000 common shares and 1,000,000 common share purchase warrants on the one-year anniversary of Exchange approval of the Option Agreement.

In the event that a gold equivalent resource of more than 1 million ounces is outlined within a NI 43-101 Resource Estimate on the Property, the Company shall pay \$1,000,000, payable in shares or cash or a combination of both, at the Company's discretion. In the case of a share issuance, the shares shall be issued at a price using the average market price of the previous 30 trading days preceding the share issuance.

The vendors shall retain a 2.5% net smelter return royalty ("NSR") on the Property, of which the Company shall have the right to purchase half (1.25%) for \$1,500,000.

The Freeman Creek Property is located approximately 15 km northeast of Salmon, Idaho, and is accessible via paved highway and a network of gravel roads and trails. The Property hosts two major advanced targets; the Gold Dyke Prospect, with an historical drill intercept of 1.5 g/t Au and 12.1 g/t Ag over 44.2 m, and the Carmen Creek Mine Prospect, with an historical outcrop sample assay of 14.15 g/t Au, 63 g/t Ag, and 1.2% Cu.

### SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the eight most recent quarters:

Quarter Ended	Revenue	Loss for the period	Basic and diluted loss per share
September 30, 2018	-	(329,336)	(0.04)
December 31, 2018	-	(175,444)	(0.02)
March 31, 2019	-	(307,989)	(0.04)
June 30, 2019	-	(218,090)	(0.00)
September 30, 2019	-	(38,738)	(0.00)
December 31, 2019	-	(74,087)	(0.01)
March 31, 2020	-	(198,041)	(0.04)
June 30, 2020	-	(69,540)	(0.00)

## **RESULTS OF OPERATIONS**

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### Operational activities:

The Company incurred a net loss of \$69,540 for the period ended June 30, 2020, as compared to \$218,090 for the period ended June 30, 2019. Total expenses of \$69,547 for the period ended June 30, 2020 (2019 - \$282,118), related primarily to consulting, management and administration fees, rent, professional fees, and transfer agent and filing fees.

The decreased loss in the period ended June 30, 2020 was primarily due to the decrease in consulting fees of \$49,586 (\$12,289 in 2020 vs. \$61,875 in 2019) and decrease in share-based compensation of \$119,041 (\$Nil in 2020 vs. \$119,041 in 2019), partly offset by the decrease in other income of \$63,985 due to the absence of flow-through income for the current year (\$Nil in 2020 vs. \$63,985 in 2019).

Consulting fees relate to the Company's current and prospective exploration projects as well as payments to the Corporate Secretary (see RELATED PARTY TRANSACTIONS). The decrease in share-based compensation was a result of no stock options being granted during the period ended June 30, 2020 as compared to the prior period during which 1,105,000 stock options were granted to officers, directors and consultants.

All other costs in the current period are comparable to that of the corresponding period in 2019.

### Cash flow activities:

For the period ended June 30, 2020, the Company experienced a net decrease in its cash position by \$8,567 (2019 – \$175,348). Cash inflows consisted of funds provided by financing activities totalling \$60,000 (2019 – \$10,000). The cash inflow is primarily attributed to the share subscription proceeds received relating to the private placement closed on July 17, 2020 (see Liquidity and Capital Resources). Last year, inflows for the same period were pursuant to proceeds received from options exercised.

Significant cash outflows consisted of the cash used in operating activities of \$68,567 (2019 – \$129,009). Cash used in investing activities amounted to \$Nil (2019 - \$56,339). The cash used in operating activities in 2020 decreased compared to 2019, primarily due to lower level of cash expenses as a result of decline in activity due to the restrictions placed to control the spread of the COVID-19 pandemic. The cash used in investing activities in 2020 decreased compared to 2019, primarily due to a decrease in mineral expenditures during the period.

As the Company is an exploration company, it does not receive, nor does it anticipate receiving any revenue in the next fiscal year. The Company's interests do not currently generate cash flow from operations and, in order to continue operations and fund its expenditure commitments, it is dependent on equity financing through existing and new shareholders, third party financing, and cost sharing arrangements to fund its work programs and operations.

## **LIQUIDITY AND CAPITAL RESOURCES**

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As at June 30, 2020, the Company had cash and cash equivalents of \$247,322 (March 31, 2020 - \$255,889) and working capital of \$229,469 (March 31, 2020 – \$239,009). Some of the factors affecting the Company's liquidity are:

- The Company will have to incur ongoing costs to maintain its properties and plans to undertake exploration programs that will consume cash.

- As disclosed in note 7 of the June 30, 2020 condensed interim consolidated financial statements, the Company has commitments to make option payments and complete minimum exploration expenditures if it is to retain its properties (see MINERAL PROPERTY INTERESTS).

As at June 30, 2020, there were 14,788,817 common shares, 1,340,000 stock options and 6,742,651 warrants outstanding. As of report date, the Company has 23,028,817 common shares, 2,132,400 stock options and 14,841,451 warrants outstanding.

As at June 30, 2020, the Company had not advanced its exploration and evaluation properties to commercial production. The Company's continuation as a going concern is dependent upon successful results from exploration activities on its mineral properties and its ability to attain profitable operations and generate cash from its operations in the foreseeable future. As at June 30, 2020, the Company has an accumulated deficit of \$8,182,243 since inception, and is expected to incur further losses in the development of its business. The Company will have to rely on the issuance of shares or the exercise of options and warrants to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

During and after the three months ended June 30, 2020, the COVID-19 pandemic has caused significant and negative impact to the global financial market. The approach to the Company's exploration activities for the year 2020 have been adapted to fit with this evolving situation. Fortunately, during the periods of March, April, May, and June, the Company did not have any ongoing or planned mineral exploration activities and planning for 2020 field programs continued without significant impact. Further, the exploration team is familiar with remote office work conditions as the exploration industry lends itself naturally to remote management. The Company is now in the late stages of planning its summer-fall field programs and with the COVID-19 conditions and restrictions for exploration of its properties now well known, the Company has been able to adapt its programs to ensure team safety, and local community safety, while maintaining its exploration objectives. The Company continues to monitor and assess the impact on its business activities. The full impact is uncertain, and it is difficult to reliably measure the extent of the effect of the COVID-19 pandemic on future financial results.

#### Transactions after June 30, 2020

On July 17, 2020, the Company closed a non-brokered private placement, pursuant to which the Company issued 8,040,000 units at a price of \$0.075 per unit for gross proceeds of \$603,000. Each unit is comprised of one common share and one transferable share purchase warrant, exercisable for a period of 24 months at a price of \$0.12 per share. In relation to this private placement, the Company paid finder's fees of 19,410 and issued 258,800 finder's warrants. Each finder's warrant is exercisable for a period of 24 months at a price of \$0.12 per share.

On July 27, 2020, the Company has granted 792,400 incentive stock options to officers, directors and consultants of the Company. The Options are exercisable at \$0.14 per share for a period of two years from the date of grant. The Options have been granted under and are governed by the terms of the Company's incentive stock option plan.

On July 28, 2020, 200,000 common shares were issued at \$0.09 for share purchase warrants exercised.

Three months ended June 30, 2020

Shares

During the three months ended June 30, 2020, the Company received \$60,000 in share subscriptions in relation to a private placement which closed on July 17, 2020. As at June 30, 2020, these funds have been appropriately classified as subscriptions received.

Options

On May 15, 2020, a total of 97,500 stock options expired unexercised.

Year ended March 31, 2020

Shares and Warrants

On December 2, 2019, the Company closed a non-brokered private placement financing for gross proceeds of \$412,200 by issuing 5,888,571 units at a price of \$0.07 per unit. Each unit is comprised of one common share and one transferable share purchase warrant, with each warrant entitling the holder to purchase one additional common share of the Company for a period of up to thirty-six months at a price of \$0.09 in the first year, \$0.15 in the second year and \$0.20 in the third year. In connection with the private placement, the Company paid a finder's fee of \$7,840 in cash.

On September 19, 2019, the Company issued 100,000 common shares (1,000,000 – pre-consolidation) at \$0.30 per share for the acquisition of the FCI Property (See MINERAL PROPERTY INTERESTS).

On August 1, 2019, 167,500 warrants (1,675,000 – pre-consolidation) expired unexercised.

On April 25, 2019, the Company issued 20,000 common shares (200,000 – pre-consolidation) for gross proceeds of \$10,000 for options exercised.

Options

On February 3, 2020, the Company has granted 80,000 incentive stock options to an officer of the Company. Each Option is exercisable into one additional common share at \$0.09 per share until February 3, 2023 and vested immediately on the date of grant. The fair value of the options was determined to be \$5,240. Share-based payments were estimated using the Black-Scholes pricing model with stock price of \$0.08, volatility 180.26%, risk-free rate 1.69%, dividend yield 0%, and expected life of 3 years.

On January 29, 2020, 80,000 stock options granted to a consultant were cancelled.

On January 13, 2020, 45,000 stock options granted to a former director were cancelled.

On January 14, 2020, the Company has granted an aggregate of 675,000 incentive stock options to officers, directors and consultants of the Company. Each Option is exercisable into one additional common share at \$0.09 per share until January 24, 2023 and vested immediately on the date of grant. The fair value of the options was determined to be \$60,268. Share-based payments were estimated using the Black-Scholes pricing model with stock price of \$0.10, volatility 181.45%, risk-free rate 1.69%, dividend yield 0%, and expected life of 3 years.

On September 4, 2019, the Company granted a total of 100,000 stock options (1,000,000 – pre-consolidation) to a consultant of the Company. Each stock option is exercisable into one additional common share at \$0.05 per share until September 4, 2020 and vested immediately on the date of

grant. The Company recognized \$26,624 as share-based payments on the statement of comprehensive loss on the grant of the stock options. The fair value of \$26,623 share-based payments was estimated using the Black-Scholes pricing model with estimated, stock price of \$0.05, volatility 144.07%, risk-free rate 1.35%, dividend yield 0%, and expected life of 1 year.

On August 1, 2019, 30,000 (300,000 – pre-consolidation) options expired unexercised.

On May 2, 2019, the Company granted a total of 250,000 (pre-consolidation - 2,500,000) stock options to a consultant, officers and directors of the Company. Each stock option is exercisable into one additional common share at \$0.60 per share until May 2, 2022 and vested immediately on the date of grant. The Company recognized \$119,041 as share-based payments on the statement of comprehensive loss on the grant of the stock options. The fair value of \$119,041 share-based payments was estimated using the Black-Scholes pricing model with estimated, stock price of \$0.60, volatility 144.22%, risk-free rate 1.61%, dividend yield 0%, and expected life of 3 years.

### RELATED PARTY TRANSACTIONS

During the period ended June 30, 2020, the Company incurred the following related party transactions measured at exchange amounts, which were the amounts agreed upon by the transacting parties and are on terms and conditions similar to those for arm's length transactions:

<b>Three months ended</b>	<b>June 30, 2020</b>	June 30, 2019
Expenses paid or accrued to directors of the Company, senior officers and companies with common directors:		
Management and administration fees	\$ 39,323	\$ 39,544
Consulting fees	7,500	7,500
Share based payments	-	102,375
<b>Total related party expenses by type</b>	<b>\$ 46,823</b>	<b>\$ 149,419</b>

The amounts due to related parties are amounts due to directors and officers. The balances are unsecured, non-interest bearing and have no specific terms for repayment.

As at June 30, 2020, the Company has \$3,004 (March 31, 2020 - \$379) due to related parties reported as part of accounts payable. As at June 30, 2019, no amounts were due to key management, directors of the Company or companies controlled by management or directors of the Company.

As at June 30, 2020, \$12,500 (March 31, 2020 - \$13,205) management fees and benefits were recorded as prepaid expenses.

### Key management personnel compensation

The Company considers its President, Chief Executive Officer and Chief Financial Officer and Corporate Secretary to be key management. During the period ended June 30, 2020, the Company incurred \$46,823 (2019: \$149,419) in compensation expenses broken down as follows.

Three months ended	June 30, 2020	June 30, 2019
Chief Executive Officer	\$ 23,423	\$ 59,268
Chief Financial Officer	15,900	51,700
Corporate Secretary	7,500	19,404
Directors	-	19,047
<b>Total related party expenses by key management personnel</b>	<b>\$ 46,823</b>	<b>\$ 149,419</b>

### COMMITMENTS

The Company has certain commitments related to key management compensation for \$12,500 per month with no specific expiry of terms.

The Company has certain commitments in connection with its mineral properties as described in Note 7 to the condensed interim consolidated financial statements.

On July 22, 2020, the Company entered into an agreement with consultants for strategic development activities for the Company. As a result, the Company will pay the Consultant for a six-month term of \$4,000 + GST monthly from July to December 2020.

### CHANGES IN ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

For a detailed summary of the Company's significant accounting policies, the readers are directed to Note 3 of the Notes to the audited consolidated financial statements for the year ended March 31, 2020 that are available on SEDAR at [www.sedar.com](http://www.sedar.com).

### OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements.

### PROPOSED TRANSACTIONS

The Company has no proposed transactions.

### CAPITAL DISCLOSURE

The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company's objectives when managing capital are to (i) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to finance its growth using internally-generated cash flow and debt capacity; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its



underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, or adjust the amount of cash and cash equivalents and receivables.

## **FINANCIAL INSTRUMENTS**

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The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at June 30, 2020 and March 31, 2020, the Company does not have any Level 3 financial instruments.

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

### **Credit Risk**

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high-quality financial institution.

### **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company considers its exposure to interest rate risk to be not significant.

### **Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's accounts payable and accrued liabilities are all current and due within 90 days of the balance sheet date. The Company ensures that it has sufficient capital to meet its short-term financial obligations.

### **Foreign exchange risk**

The Company does not have significant foreign exchange risk as the majority of its transactions are in Canadian dollars.

### **Interest rate risk**

The Company is not exposed to significant interest rate risk.

## **RISKS AND UNCERTAINTIES**

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The more significant risks and uncertainties not discussed elsewhere in this MD&A include:

### **Financing Risk**

The Company will need to continue raising funds to finance its operations and exploration activities. There is no certainty that the Company will be able to raise money on acceptable terms or at all.

### **Exploration Risk**

Exploration for mineral resources involves a high degree of risk. The cost of conducting exploration programs may be substantial and the likelihood of success is difficult to assess. Few explored properties are ultimately developed into producing mines. The Company attempts to mitigate its exploration risk by maintaining a diversified portfolio that includes several different exploration prospects in a number of favorable geologic environments.

### **Metal Price Risk**

Even if the Company's exploration programs are successful in locating economic deposits of minerals or precious metals, factors beyond the Company's control may affect the value and marketability of such deposits. Natural resource prices have wide historic fluctuations due to many factors, including inflation, currency fluctuations, interest rates, consumption trends and local and worldwide financial market conditions. The prices of such natural resources greatly affect the value of the Company and the potential value of its properties. This, in turn, greatly affects its ability to form joint ventures and the structure of any joint ventures formed.

### **Environmental Risk**

The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. Programs may also be delayed or prohibited in some areas. Although minimal at this time, site restoration costs are a component of exploration expenditures.

### **Public Health Crisis**

In March 2020, the World Health Organization declared a global pandemic known as COVID-19. The expected implications on global commerce are expected to be far reaching. This has already had some impact on the Company's exploration activities as mentioned above. However, mineral exploration activities have been allowed in the jurisdictions where the company operates, notably Quebec, Canada and Idaho, USA, and conditions/restrictions on such activities have been well defined. The Company is confident it can complete its exploration activities in compliance with all jurisdictional requirements. Part of this compliance and best practices includes an internal COVID-19 Management Plan with exploration activities adapted to comply (e.g. physical distancing, questionnaires). Management continues to closely evaluate the impact of COVID-19 on the Company's business. The duration and effect of the COVID-19 outbreak is unknown at this time and 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. However, based on the framework outlined in the current environment, the Company is confident it may operate safely to carry out its planned exploration activities in 2020.

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

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Detailed listing of exploration expenditures and a breakdown of general and administrative expenses are provided in the condensed interim consolidated financial statements for the three months ended June 30, 2020.

#### **DIRECTORS**

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Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

On May 14, 2019, the Company appointed Darren L. Smith as Vice President of Exploration for the Company.

On September 10, 2019, Mr. Robert Findlay resigned as a Director of the Company.

On January 13, 2020, the Company appointed Mr. Todd Hanas as a Director of the Company.

Current Directors and Officers of the Company are as follows:

Adrian Lamoureux, President/CEO and Director, Audit Committee member

Dusan Berka, CFO and Director

Paul Chung, Director, Audit Committee Chair

Todd Hanas, Director, Audit Committee member

Darren L. Smith, Vice President, Exploration

Kelly Pladson, Corporate Secretary

#### **OUTLOOK**

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The Company's primary focus for the foreseeable future will be on reviewing its financial position, raising funds to support exploration and operational activities, continuing exploration activities on its mineral properties and financing business ventures in the mineral resource industry.

#### **ADDITIONAL INFORMATION**

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Additional information related to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

**APPROVAL**

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The Audit Committee of the Company has approved the disclosure contained in this Management Discussion and Analysis. A copy will be provided to anyone who requests it.

On Behalf of Management,

*“Adrian Lamoureux”*

Adrian Lamoureux  
President, CEO and Director

August 14, 2020