



MOUNTAIN BOY MINERALS LTD.
(An Exploration Stage Company)
MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE NINE MONTHS ENDED AUGUST 31, 2021

OVERVIEW AND INTRODUCTORY COMMENT

Mountain Boy Minerals Ltd. (“Mountain Boy” or the “Company”) is a Canadian based mineral exploration company listed on the TSX Venture Exchange under the trading symbol “MTB”. The Company is a Canadian based mineral exploration company with extensive property holdings in the Stewart Camp in the very prolific Golden Triangle of British Columbia.

The Company has six active projects, namely the flagship American Creek project, the BA project, the Surprise Creek project, the Theia project, the Southmore project and the Telegraph project.

This MD&A is dated October 22, 2021 and discloses specified information up to that date. Unless otherwise noted, all currency amounts are expressed in Canadian dollars. The following information should be read in conjunction with the unaudited condensed interim financial statements and the related notes for the nine months ended August 31, 2021 and the Company’s audited financial statements as at November 30, 2020 and the related notes thereto, prepared in accordance with International Financial Reporting Standards (“IFRS”).

Additional information relevant to the Company and the Company’s activities can be found on SEDAR at www.sedar.com, and/or on the Company’s website at www.mountainboyminerals.ca.

All currency amounts are expressed in Canadian dollars unless otherwise noted.

MAJOR QUARTERLY OPERATING MILESTONES

a) American Creek Project

On February 24, 2021, the Company announced the results from its 2020 exploration program on the American Creek Project. The program, which wrapped up in early November 2020, included 2,100 metres of a planned 4,000-metre drill campaign. Drilling will resume in the spring with the additional information in hand from the program just completed. Three target areas spanning 2.5 kilometres were tested, two for the first time.

On July 19, 2021, the Company announced the upcoming drill program targeting four areas: the High-Grade zone, the newly discovered extension of the High-Grade zone, the Four Bees zone and the Maybee zone to the north. Drilling of the High-Grade zone will be at a different azimuth with the intention of testing the intersection of the shallow westward-dipping thrust fault and the east-to-west-cutting cross structures.



On July 22, 2021, the Company reported assay results from the extension of the High-Grade zone and confirmed that drilling was set to commence at the end of July.

On August 16, 2021, the Company announced that five drill holes were completed on the High-Grade zone and two holes were completed on the High-Grade extension. The drill at the Maybee Zone had commenced. Core samples were shipped to the lab from the High-Grade and High-Grade extension pads and assays were pending. The Company included the results from the surface sampling completed earlier in the season in that announcement.

b) BA and Surprise Creek Projects

On March 31, 2021, the Company announced that channel sampling on its BA property has further extended the silver-lead-zinc volcanogenic massive sulphide mineralization beyond the zone previously drilled. The mineralized zone is located 4 kilometres (km) south of the Stewart highway. This newly uncovered area occurs at the northern end of the main Barbara zone and has never been drill tested. Assays of up to 601 grams per tonne silver, 1.98 grams per tonne gold, 3.31% lead and 9.96% zinc have been returned from the channel sampling in the 2010, 2016 and 2020 programs. To date, drilling and channel sampling has confirmed 700 metres of strike length to the Barbara Zone and it remains open.

On August 4, 2021, the Company announced that detailed mapping as well as channel sampling on the BA project was underway in support of drilling which was set to commence at the end of August.

c) Southmore Project

On March 3, 2021, the Company announced results from its 2020 exploration program on the project. The 2020 program continued the prospecting and mapping that was initiated in 2019 in order to broaden the geological understanding, including the structural controls for mineralization. The Southmore project was explored in the late 1980s and early 1990s, resulting in several significant mineral occurrences being identified, but there was no follow-up until the Company consolidated the property in 2019 through staking and acquisition. Key findings from the recent program include the identification of several small intrusive bodies with locally associated mineralization as well as other mineralized structures. Historic and current results, as well as the prospective geological setting are encouraging.

On June 3, 2021, the Company announced that it had scheduled a SkyTEM airborne geophysical survey over the project. Following this geophysical program, a field program would be planned to ground truth geophysical results and expand on the current exploration results with the intention of developing future drill targets.

d) Theia Project

On December 22, 2020, the Company announced the acquisition, through staking and purchase of another highly prospective property in the Golden Triangle – the Theia project. The Company paid \$10,000 and 50,000 shares for the Rouge claim, with an NSR of 1.5% retained



by the seller. This NSR may be purchased at any time for \$1,500,000. The Razzle/Dazzle group was purchased for \$12,500. All tenures are now held 100% by the Company.

On March 8, 2020, the Company announced that field work in 2020 was spent following up on the high-grade silver occurrences identified in the 1990's. The team confirmed the historic occurrences and extended the mineralized trend to 500 metres and provided some results from recent grab samples.

The geological team continues to assemble the results of previous work conducted by numerous companies over various parts of this extensive property. An airborne geophysical survey was flown in 2010, involving magnetics and versatile time domain electromagnetics (VTEM). The survey identified a number of EM and magnetic trends of interest. The Company plans a more thorough interpretation of this geophysical survey and will use the results in guiding future field work. Receding glaciers in the area have also exposed ground that has never been explored. A follow-up program was being designed for 2021 to further evaluate the Theia project and an application for a drill permit had been submitted.

On June 15, 2021, the Company announced the exploration program on the project to define drill targets in multiple areas on the property. The exploration program would include reinterpretation of previous geophysics, detailed mapping and sampling, as well as channel sampling.

On September 19, 2021, the Company released the results from the fieldwork. These latest results extend previously known mineralized areas, some of which were discovered 30 years ago but passed over until Mountain Boy consolidated the property in 2020. The results also included some new discoveries, further confirming the highly prospective nature of this extensive and well-located project.

e) Telegraph Project

On May 10, 2021, the Company announced the consolidation of the Telegraph project by signing two option agreements and staking open ground. The Telegraph project is highly prospective for porphyry copper-gold deposits.

Mountain Boy has optioned a 60% interest in the Telegraph (DOK) property from ExGen Resources Inc. ("ExGen"). That agreement calls for Mountain Boy to spend \$2.5-million, deliver 1.5 million shares and pay \$230,000 to earn a 60% interest. The first-year requirement is \$30,000 cash, 300,000 shares and \$150,000 of work, with the balance of the earn-in requirements spread over another four years. The core of the DOK property was staked by an individual in 2004 and subsequently expanded with a partner before being optioned to a predecessor of ExGen in 2011. ExGen has substantially completed the earn-in requirements, with the remaining requirement being a further expenditure of \$500,000 before April 30, 2025. There is a 3% royalty payable in the underlying agreement.

Mountain Boy has also optioned a 100% interest, subject to 2% royalty (with buy-down provisions), in the Telegraph (DOKX-Yeti) property. That agreement calls for Mountain Boy to spend \$500,000, deliver 500,000 shares and pay \$150,000 to acquire a 100% interest. The first-



year requirement is \$25,000 of cash, 150,000 shares and \$50,000 of work with the balance of the earn-in requirements spread over three years. The DOKX-Yeti property was initially staked in 2007, explored briefly by a public company and is presently held by an individual.

On July 19, 2021, the Company announced that the first phase of a field program was carried out on the Telegraph project. Field crews conducted mapping and sampling and also examined the 2014 drill core. Mountain Boy's Telegraph project now has a compiled and digitized data set of historic work and a newly acquired fine resolution satellite orthophoto, both of which help with mapping structural and geochemical trends. The Company is collaborating with the Geological Survey of Canada, the British Columbia Geological Survey and the Mineral Deposit Research Unit at the University of British Columbia in an upcoming research program which would be helpful for the next stage of exploration on the Telegraph project.

QUATERLY FINANCIAL CONDITION

Capital Resources

On December 23, 2020, the Company issued 50,000 common shares with a fair value of \$20,500 for the Rouge claim pursuant to the Theia property acquisition.

On February 26, 2021, the Company issued 100,500 common shares with a fair value of \$27,750 to the optionors for the Dorothy property.

The Company issued a total of 12,600 common shares for proceeds of \$4,325 pursuant to the exercise of finder's warrants.

On June 14, 2021 and June 22, 2021, a total of 150,000 common shares with a fair value of \$30,000 were issued for the Telegraph project.

On September 14, 2021, the Company announced the appointment of Fraser Ruth as Manager of Investor Relations. Mr. Ruth was granted 200,000 stock options exercisable at \$0.21 per share for a period of five years with a fair value of \$33,800. These options vest 25% immediately and 25% every quarter following the date of grant.

On September 14, 2021, the Company announced the appointment of Kirsti Mattson as a media relations consultant. Ms. Mattson was granted 350,000 stock options exercisable at \$0.21 per share for a period of five years with a fair value of \$59,150. These options vest 25% immediately and 25% every quarter following the date of grant.

On October 12, 2021, the Company announced that Dorian L. (Dusty) Nicol has joined the Board of Directors. Mr. Nicol was granted 450,000 stock options exercisable at \$0.21 per share for a period of five years with a fair value of \$65,250, vested immediately.

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.

The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company's current treasury and the future cash flows from warrants and options, along with the planned developments within the Company as well as with its JV partners will allow its efforts to continue throughout 2021. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

Liquidity

As at August 31, 2021, the Company's working capital was \$1,668,880 November 30, 2020 - \$3,194,186). With respect to working capital, \$1,047,468 was held in cash (November 30, 2020 - \$3,288,321). The decrease in cash of \$2,240,853 was mainly due to \$611,400 used in operations, \$1,699,230 used in exploration and evaluation assets, \$10,353 used in reclamation bond, while being offset by \$77,583 from proceeds from sale of marketable securities and \$2,548 net proceeds from issuance of common shares.

Operations

During the three months ended August 31, 2021, the Company reported an income of \$358,507 (\$0.01 earnings per share) (2020 – a loss of \$12,847 (\$0.00 loss per share)).

Excluding the non-cash share-based payments of \$nil (2020 - \$499,375), the Company's general and administrative expenses amounted to \$111,530 during the three months ended August 31, 2021 (2020 – \$175,656), a decrease of \$64,126 mainly due to the decreases in (a) accounting and audit fees (from 2020's \$39,661 to 2021's \$21,000); (b) consulting fees (from 2020's \$42,590 to 2021's \$12,000); (c) management fees (from 2020's \$32,250 to 2021's \$26,400) and (d) shareholder communications (from 2020's \$29,454 to 2021's \$17,730); while being offset by an increase in transfer agent fees (from 2020's \$1,204 to 2021's \$6,562). The Company continues to monitor its use of cash and has been actively seeking ways to conserve cash.

The other major items for the three months ended August 31, 2021, compared with August 31, 2020 include:

- Settlement of flow-through premium liability \$283,789 (2020 – \$Nil);
- Fair value gain on marketable securities of \$172,337 (2020 – fair value gain of \$243,509); and
- Realized gain on marketable securities of \$Nil (2020 – realized gain of \$5,529).

During the nine months ended August 31, 2021, the Company reported an income of \$181,340 (\$0.00 earnings per share) (2020 – \$439,714 (\$0.01 loss per share)).

Excluding the non-cash share-based payments of \$nil (2020 - \$543,550), the Company's general and administrative expenses amounted to \$360,264 during the nine months ended August 31, 2021 (2020 – \$303,090), an increase of \$57,174 mainly due to the increases in (a)



investor relations fees (from 2020's \$35,000 to 2021's \$64,669); (b) management fees (from 2020's \$67,350 to 2021's \$77,100) because more of the Chief Executive Officer's amounts were being allocated to general administrative expenses as opposed to the properties; (c) office expenses (from 2020's \$13,960 to 2021's \$44,650); (d) shareholder communication fees (from 2020's \$41,124 to 2021's \$50,932); and (e) transfer agent fees (from 2020's \$4,461 to 2021's \$10,135); while being offset by decreases in (f) consulting fees (from 2020's \$42,590 to 2021's \$19,216); and (g) accounting and audit fees (from 2020's \$85,783 to 2021's \$76,000). The Company continues to monitor its use of cash and has been actively seeking ways to conserve cash.

The other major items for the nine months ended August 31, 2021, compared with August 31, 2020 include:

- Settlement of flow-through premium liability \$399,120 (2020 – \$Nil);
- Fair value gain on marketable securities of \$94,953 (2020 – fair value gain of \$490,076); and
- Realized gain on marketable securities of \$32,584 (2020 – realized loss of \$83,536).

SIGNIFICANT RELATED PARTY TRANSACTIONS

During the quarter, there was no significant transaction between related parties.

COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

As of the date of this MD&A, other than disclosed in this MD&A – Quarterly Highlights, the Company has does not have any commitments, expected or unexpected, or uncertainties.

RISK FACTORS

In our MD&A filed on SEDAR March 25, 2021 in connection with our annual financial statements (the "Annual MD&A"), we have set out our discussion of the risk factors *Exploration risks*, *Market risks* and *Financing risk* which we believe are the most significant risks faced by the Company. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company's undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company's outstanding share data as at August 31, 2021:

	Issued and outstanding	
	August 31, 2021	October 22, 2021
Common shares outstanding	54,142,151	54,142,151
Stock options	4,385,000	4,985,000
Warrants	5,575,000	5,575,000
Fully diluted common shares outstanding	64,102,151	64,702,151

QUALIFIED PERSON

Mr. Andrew Wilkins, P.Geo, is a Qualified Person, as defined by National Instrument 43-101. Mr. Andrew Wilkins has reviewed the technical contents of this MD& A.

Cautionary Statements

This document contains “forward-looking statements” within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our exploration programs, and our expectations of ongoing administrative costs. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company’s documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.