



# **MOUNTAIN BOY MINERALS LTD.**

**MOUNTAIN BOY MINERALS LTD.**  
*(An Exploration Stage Company)*  
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED NOVEMBER 30, 2022**

## **INTRODUCTION**

This is Management's Discussion and Analysis ("MD&A") for Mountain Boy Minerals Ltd. ("Mountain Boy" or the "Company") and has been prepared based on information known to management as of March 17, 2023. This MD&A is intended to help the reader understand the financial statements of Mountain Boy.

The following information should be read in conjunction with the audited financial statements as at November 30, 2022 and 2021 and the related notes thereto, prepared in accordance with International Financial Reporting Standards ("IFRS"). The MD&A provides a review of the performance of the Company for the year ended November 30, 2022. Additional information relating to the Company can be found on SEDAR [www.sedar.com](http://www.sedar.com).

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures, and internal controls. Management also ensures that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable.

The Company's board of directors follows recommended corporate-governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management regularly to review the financial statements, including the MD&A, and to discuss other financial, operating and internal-control matters.

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

## **FORWARD LOOKING STATEMENTS**

Certain sections of this MD&A provide, or may appear to provide, a forward-looking orientation with respect to the Company's activities and its future financial results. Consequently, certain statements contained in this MD&A constitute express or implied forward-looking statements. Terms including, but not limited to, "anticipate", "estimate", "believe" and "expect" may identify forward-looking statements. Forward-looking statements, while they are based on the current knowledge and assumptions of the Company's management, are subject to risks and uncertainties that could cause or contribute to the actual results being materially different than those expressed or implied. Readers are cautioned not to place undue reliance on any forward-looking statement that may be in this MD&A.



The following forward-looking statements have been made in this MD&A:

- Impairment of long-lived assets;
- The progress, potential and uncertainties of the Company's mineral properties in British Columbia; and
- Expectations regarding the ability to raise capital and to continue its exploration and development plans on its properties.

### **ADDITIONAL INFORMATION**

Financial statements, MD&A's and additional information relevant to the Company and the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com), and/or on the Company's website at [www.mountainboyminerals.ca](http://www.mountainboyminerals.ca).

### **SUMMARY AND OUTLOOK**

During the year ended November 30, 2022, the Company continued to manage its cash and corporate overhead activities carefully in order to provide capital to fund exploration in subsequent periods. Detailed Mineral Property information, including 2022 activity, can be found in Section 3.

Management's overall expectations for the Company are positive, owing in part to the following factors:

- On December 30, 2021, the Company completed a non-brokered private placement, issuing 7,587,057 flow-through units for gross proceeds of \$1,289,800 and 882,353 units for gross proceeds of \$150,000.
- On January 14, 2022, the Company issued 200,000 common shares with a fair value of \$34,000 to the optionors for the DOK property.
- On February 25, 2022, the Company issued 200,000 common shares with a fair value of \$33,000 to the optionor for the Dorothy property.
- On April 29, 2022, the Company issued 100,000 common shares with a fair value of \$16,000 to the optionor for the DOKX-Yeti property.
- On July 29, 2022, the Company completed a non-brokered private placement, issuing 8,333,334 non-flow-through units for gross proceeds of \$1,000,000.
- On August 26, 2022, the Company completed a non-brokered private placement, issuing 5,841,667 flow-through units for gross proceeds of \$701,000 and 582,000 units for gross proceeds of \$69,840.
- On December 15, 2022, the Company completed a non-brokered private placement, issuing 10,362,324 flow-through units for gross proceeds of \$1,347,102 and 2,561,667 units for gross proceeds of \$307,400.

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## **1. Background**

The Company is a publicly listed company incorporated on April 26, 1999 with limited liability under the legislation of the Province of British Columbia.

Mountain Boy Minerals Ltd. is a Canadian based mineral exploration company with a property portfolio of gold and silver projects in the Stewart area within the highly prolific Golden Triangle of northwestern British Columbia. It holds a 35% interest in the Red Cliff gold project, 100% of the high-grade American Creek silver-gold project, 100% of the Theia silver-gold project, 100% of the Southmore gold-copper project and is acquiring 100% of the Barbara and Surprise Creek volcanic massive sulphide (VMS) copper-lead-zinc-silver projects. The Company received 3.7 million shares of Ascot Resources Ltd. in 2018 for selling its minority interest in the Silver Coin project.

The Company's head office is 410-325 Howe Street, Vancouver, BC V6C 1Z7. The Company's common shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "MTB" and on the OTCQB under the symbol "MBYMF".

## **2. Overview**

### **2(a) Company Mission and Focus**

The Company is focused on exploring and developing economic mineral projects in the province of British Columbia.

### **2(b) Qualified Person**

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

### **2(c) Description of Metal Markets**

Market interest for all metals such as gold and copper is volatile and the Company will monitor its resources relative to its opportunities during the coming fiscal year.

### **2(d) Use of the terms "Mineral Resources" and "Mineral Reserves"**

The reader is referred to the document entitled "CIM DEFINITION STANDARDS - For Mineral Resources and Mineral Reserves", published by the Canadian Institute of Mining, Metallurgy and Petroleum at: [https://mrmr.cim.org/media/1092/cim\\_definition\\_standards\\_20142.pdf](https://mrmr.cim.org/media/1092/cim_definition_standards_20142.pdf).

Any reference in this MD&A to Mineral Resources does not mean Mineral Reserve.

A Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral





Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

### **2(e) Historical estimates are not NI 43-101 compliant**

The historical estimates contained in this MD&A have not been calculated in accordance with the mineral resources or mineral reserves classifications contained in the CIM Definition Standards on Mineral Resources and Mineral Reserves (*op. cit.*), as required by National Instrument 43-101 ("NI 43-101"). Accordingly, the Company is not treating these historical estimates as current mineral resources or mineral reserves as defined in NI 43-101, and such historical estimates should not be relied upon. To date, no qualified person has done sufficient work to classify the historical estimates as current mineral resources or mineral reserves.

### **3. Mineral Projects**

Mountain Boy is engaged in the exploration and evaluation of a portfolio of mineral properties located in the prolific Golden Triangle of north-western British Columbia.

The seven projects in the Golden Triangle are: (a) American Creek (silver-zinc-lead-copper-gold); (b) BA; (c) Surprise Creek; (d) Red Cliff; (e) Southmore; (f) Telegraph and (g) Theia. The Manuel Creek project located in the Osoyoos mining district was sold in return for cash and a production royalty.

#### **3(a) American Creek Project**

The 2,602-hectare **American Creek Project** collectively consists of three properties, the **MB-Silver**, **Dorothy** and **Silver Crown** properties. It is located 22 kilometres north of the town and deep-water port of Stewart, B.C. and is a part of the Stewart camp in British Columbia's Golden Triangle.

**MB-Silver Property;** the Company owns a 100% interest in the 649-hectare MB Silver property.

**Dorothy Property;** on March 1, 2019, the Company entered into an option agreement to acquire a 100% interest in the Dorothy property. The 587-hectare property is contiguous with the Company's MB Silver property located to the south.

Pursuant to the terms of the agreement, the following share issuances and payments are required:

	Cash		Shares		Cumulative Exploration Work Commitments	
5 days from TSXV approval	\$ 5,000	Paid	100,000	Issued	\$ -	
March 1, 2020	15,000	Paid	100,000	Issued	\$ 50,000	Met
March 1, 2021	25,000	Paid	150,000	Issued	\$ 125,000	Met
March 1, 2022	25,000	Paid	200,000	Issued	\$ 200,000	Met
March 1, 2023 <sup>(1)</sup>	50,000		250,000		\$ 500,000	Subsequently met
<b>TOTAL</b>	<b>\$ 120,000</b>		<b>800,000</b>			

<sup>(1)</sup> The Company and the optionors are currently working on ensuring the claims are in the proper names before making the cash and share payments.

**Silver Crown Property;** on March 17, 2019, the Company entered into an option agreement to acquire a 100% interest in a portion of the Silver Crown property covering 1,366 hectares. Under the agreement with AUX Resource Corporation (“AUX”), the Company participated in an underlying option agreement, by which the two companies divide the property based on the relative areas, each taking portions adjacent to existing projects, with AUX being responsible for 15% of the payments to the underlying owners and the Company being responsible for 85% of the payments. The Silver Crown option property is contiguous with the MB Silver and Dorothy projects located to the east.

AUX and the Company, at the time the agreement was entered into, had one director in common with the decision on this agreement determined by the other directors. The underlying AUX option of the Silver Crown property is an arm's-length transaction.

In March 2021, the Company completed the acquisition of a 100% interest in a portion of the Silver Crown property by reimbursing AUX its 85% of the required \$120,000 cash payments and 500,000 common shares to the underlying owners. The underlying owners retain a 2% net smelter return royalty, of which one-half can be purchased for \$1 million until 90 days after the start of commercial production, with an advance royalty commencing in 2026.

## Current Exploration

Management is encouraged by the continuing progress of Ascot Resources’ proposed restart of the historic Premier mine, located just west of Mountain Boy’s American Creek Property. On December 12, 2022, Ascot Resources announced it “has entered into non-binding letters of intent for a total of approximately C\$200 million in project financing for construction of the Premier Gold Project. The proposed finance package will consist of a US\$110 million gold and silver streaming with Sprott Resource Streaming and Royalty Corp and a strategic equity investment by Ccori Apu S.A.C of C\$45 million. Ccori Apu’s shareholders are the majority shareholders of Compañía Minera Poderosa S.A., which owns and operates a high-grade gold mine in northern Peru and produces approximately 300,000 ounces of gold per year”. The news release further stated: “Assuming completion of this new funding package totalling approximately C\$200 million, the Company anticipates delivering the project in-line with the most recently guided timeframe, with first gold pour expected in early 2024.”.



This important announcement on the neighbouring property should add investor interest to our American Creek project. Work on our project demonstrates that it has a similar geological setting to the Premier camp. The property is centered on the historic Mountain Boy silver mine and encompasses several other past-producing mines and prospects.

### **3(b) BA and Surprise Creek Projects**

The 10,658-hectare **BA Project** is located 20 kilometres north-east of the town and deep-water port of Stewart, B.C. and is a part of the Stewart camp in British Columbia's Golden Triangle. Highway 37A and a power line runs through the northern portion of the property.

The 7,466-hectare **Surprise Creek Project** is located 30 kilometres north-east of Stewart, B.C. at headwaters of Surprise Creek. It is also part of the Stewart camp in British Columbia's Golden Triangle. It is to the north and across Highway 37A from the BA Project. A 12-kilometre gravel road from Highway 37A accesses the south-east corner of the property.

By an agreement dated September 21, 2006, the Company acquired a 50% interest in the BA property which at the time consisted of 10 mineral claims situated in the Skeena Mining Division of British Columbia. The Company was required to complete an 800-metre drill program on the property (completed). The property is subject to a 2% net smelter return royalty to a former director of the Company of which 1% may be purchased for \$500,000. During the year ended November 30, 2007, the Company acquired the remaining 50% interest in the property.

On January 28, 2010, the Company entered into an option and joint venture agreement with Great Bear Resources Ltd. ("Great Bear") which granted Great Bear the option to acquire up to a 70% interest in the Barbara, Stro, Booze and George Copper properties ("BA Properties"). On April 1, 2010, the Company received TSX-V approval for the agreement and issued 120,000 common shares valued at \$1.00 per share as a finder's fee with respect to this transaction. The agreement gave Great Bear the option to earn an initial 50% interest in the BA Properties by paying \$158,000 (paid) and incurring \$5,500,000 in exploration expenditures on or before December 31, 2013 (incurred).

The option and joint venture agreement was amended on October 25, 2010, such that Great Bear could earn an additional 20% interest by completing a bankable feasibility study on or before December 31, 2015. Great Bear did not complete a bankable feasibility study by December 31, 2015 and therefore did not execute their option to acquire an additional 20% interest in the properties. In consideration of the amendment, Great Bear included the Surprise Creek Property under the terms of the agreement and the acquisition costs for the Surprise Creek Property were borne entirely by Great Bear, and were applied against the earn-in requirement towards the Barbara Property. The Surprise Creek Property consists of 19 mineral claims situated in the Skeena Mining Division of British Columbia.

On October 18, 2016, the Company and Great Bear amended their agreement and entered into separate joint venture agreements for the BA and Surprise Creek properties. The joint venture agreements set Great Bear as the operator of the BA property and set the Company as the operator of the Surprise Creek property. Both the Company and Great Bear retain a 50% ownership interest in the Surprise Creek and BA properties.

On June 1, 2017, the Company and Great Bear entered into an additional option agreement in which the Company was granted the option to acquire Great Bear's 50% interest in the BA and Surprise Creek properties by issuing a total of 2,000,000 common shares and paying \$1,300,000 to Great Bear in stages between the date of TSX-V acceptance of the agreement and August 20, 2020 as follows:

- On signing, Great Bear will receive 500,000 shares (issued)
- \$150,000 by August 20, 2017 (paid);
- \$150,000 by November 20, 2017 (paid);
- 500,000 shares by April 15, 2018 (issued) and \$300,000 by August 20, 2018 (deferred to March 20, 2019 by issuing 120,000 shares; the Company transferred 323,000 common shares of Ascot to Great Bear in lieu of making the \$300,000 cash payment);
- 500,000 shares by April 15, 2019 (issued) and \$350,000 by August 20, 2019 (the Company transferred 425,000 common shares of Ascot to Great Bear in lieu of making the \$350,000 cash payment);
- 500,000 shares by April 15, 2020 (issued) and \$350,000 by August 20, 2020 (the Company issued 620,000 common shares to Great Bear in lieu of making the \$350,000 cash payment).

In addition, the Company will make cash payments to Great Bear on achieving certain milestones toward establishing an economic resource, which could amount to as much as \$3,700,000 were both properties to go into production.

With the final issuance of the 620,000 common shares in lieu of the \$350,000 payment in August 2020, the Company has no further obligations to Great Bear other than the payments related to reaching certain milestones (including completing a resource estimate, completing a prefeasibility study and the commencement of mine development).

#### ***(i) BA Project***

The BA Project collectively consists of several historic mineralized zones including the Red Top, George Gold-Copper, Grand View, Superior and MG zones. More recently, exploration in the high country to the south led to the discovery of the Barbara, BOD, Nelson and Sarah zones.

#### **Current Exploration**

On January 10, 2022, the Company announced further results from its 2021 field program on the BA project.

The MJ target was identified through mapping and prospecting and was followed up with limited channel sampling. The zone occurs approximately 3 kilometres to the northeast of the Barbara zone, which has been partially outlined by 182 diamond drill holes. This new zone is at the contact of the underlying Lower Hazelton volcanic rocks and the overlying Upper Hazelton sediments.

Polymetallic mineralization is hosted in a quartz-carbonate stockwork and as disseminations in the volcanic rocks. Several samples assayed high grade silver values with multi percent combined lead and zinc values (see Table 1 for surface sample highlights). This new zone is significant as it establishes another manifestation of the VHMS mineralization and highlights the potential scale of the system.

**Table 1**

Sample No	Target	Samp Type	AgEq (gpt)	ZnEq (%)	Au (gpt)	Ag (gpt)	Cu (%)	Pb (%)	(Zn %)
C0033349	MJ	grab	6745.42	141.41	1.40	5602.00	2.423	16.710	4.030
C0033347	MJ	grab	1034.27	21.68	0.07	274.00	0.007	15.810	5.580
C0033956	MJ	proximal float	1015.62	21.29	0.02	936.00	0.230	1.010	2.350
C0033339	MJ	float	192.61	4.04	-0.01	116.00	0.016	1.570	5.810
C0033147	MJ	proximal float	158.80	3.33	-0.01	138.00	0.061	0.278	0.777
C0034397	MJ	grab	147.33	3.09	0.01	128.00	0.063	0.221	7.880
C0033338	MJ	float	137.48	2.88	0.01	56.77	0.001	1.670	2.320
C0033346	MJ	grab	107.73	2.26	-0.01	43.86	0.057	1.190	0.343
C0033348	MJ	grab	65.25	1.37	-0.01	27.58	0.005	0.785	2.470
C0034146	MJ	channel	54.56	1.14	-0.01	11.81	0.000	0.903	0.828
C0033149	MJ	subcrop grab	53.80	1.13	-0.01	30.83	0.025	0.422	1.470
C0033141	MJ	float	40.31	0.84	-0.01	23.26	0.003	0.358	0.703
C0033150	MJ	composite	38.87	0.81	-0.01	23.91	0.006	0.304	0.391
C0033146	MJ	select grab	23.13	0.48	-0.01	16.48	0.005	0.134	0.894
C0033350	MJ	grab	22.97	0.48	0.01	17.30	0.007	0.089	0.102
C0033340	MJ	grab	22.83	0.48	0.27	1.12	0.001	0.014	0.059
C0033342	MJ	float	18.93	0.40	-0.01	9.45	0.005	0.193	0.153
C0033959	MJ	grab	18.04	0.38	0.16	5.07	0.000	0.003	0.006
C0033336	MJ	float	14.90	0.31	-0.01	7.60	0.003	0.152	0.265

\*Silver-equivalent and zinc-equivalent values are calculated using the current commodity spot prices for December 24<sup>th</sup>, 2021. For the purposes of exploration targeting, metal recoveries are assumed to be 100%. Metal price assumptions are US\$23.00 /oz silver, US\$1805.55 /oz gold, US\$4.40 /lb copper, \$1.05/lb lead and US\$1.60/lb zinc.

The North Nelson Zone was also discovered in the 2021 field season and is located approximately 4 km to the east from the Barbara Zone. The new discovery occurs along a structure that trends to the south, towards the Nelson Zone. This new zone is highlighted by two soil geochemistry lines that are anomalous in copper, lead and zinc and a grab sample that assayed 1157 g/t silver, 0.35% copper, 0.79% lead and 0.42% zinc.

An area located at the toe of the Nelson glacier, approximately 7 km east from the Barbara zone has returned a grab sample assaying 11.3 g/t gold and 0.2% copper.

The BA Project consists of a cluster of VHMS (volcanic hosted massive sulphide) occurrences. Historic work included drilling on the Barbara, the BA North and BOD VHMS occurrences and



has outlined an extensive area of silver-lead-zinc mineralization. Recent work by Mountain Boy continues to extend the Barbara Zone and has also identified other targets in the area. The VHMS cluster spans at least 12 kilometers.

As part of the 2022 exploration program, Mountain Boy was sponsoring a Masters thesis through the Mineral Deposit Research Unit at the University of British Columbia. The thesis is examining the stratigraphy, alteration and mineral zonation of the Barbara VHMS system. Field work included stratigraphic mapping, assay rock sampling, re-logging of drill core, geochronology and SWIR analysis. The Barbara zone is located just 4 kilometers from a paved highway and a powerline.

### ***(ii) Surprise Creek***

Ten mineralized zones have been defined on the project. The zones are: Ataman (SURP 6 North), Conglomerate Ridge, SURP 3,4, SURP 5 North, SURP 5 South, SURP 7, Jagiello, Grunwald (SURP 6 South, SURP 8), QSP, and Sage.

### **3(c) Red Cliff Property**

The **Red Cliff** property is a former producing copper and gold property located 20 kilometres north of Stewart, B.C. It consists of 8 Crown granted mineral claims. The Company owned a 100% interest in the Red Cliff property. The Red Cliff property was subject to a 2% net smelter return royalty of which the Company may purchase 1% for \$1,000,000. On January 18, 2022, the Company exercised its right of first refusal and acquired the 1.0% NSR for \$375,300.

On November 19, 2008, the Company entered into an option agreement with Decade Resources Ltd. ("Decade"), a company with a former director in common with the Company to option Decade a 60% interest in the Red Cliff claims by incurring \$1,250,000 in exploration expenditures on the Red Cliff Claims. Decade became the operator of the property..

On October 31, 2011, the Company informed Decade that the Company could not finance its share of exploration expenditures and therefore would have its interest diluted under the terms of the joint venture agreement. As of October 31, 2011, the Company owed Decade \$435,785 in exploration expenditures related to its 40% interest in the Red Cliff property. Effective November 1, 2011, the Company agreed to dilute its interest by 5% in lieu of the \$435,785 thereby reducing its interest to 35%.

On October 23, 2017, Decade and the Company purchased a 1% NSR in the Red Cliff claims whereby the Company paid \$3,500 in cash and issued 34,286 common shares for the Company's 35% interest in the NSR.

On March 28, 2019, Decade and the Company signed a settlement and amending agreement to settle the amount owed by the Company to Decade (net of the receivable from Decade) up to the date of the agreement being \$925,000 and such amount shall be paid on or before June 30, 2019. As a result, the Company recorded a gain on settlement of debt of \$172,757 during the year ended November 30, 2019. As of November 30, 2022, the Company had a balance



payable to Decade of \$34,419 for joint venture exploration costs on Red Cliff which was included in due to joint venture partner.

During the year ended November 30, 2022, the Company incurred \$4,235 (2021: \$35,101) in joint venture exploration costs to Decade on the Red Cliff property.

### **3(d) Southmore Project**

The 5,038-hectare **Southmore Project** is located in the “Golden Triangle” within the Skeena Mining Division of British Columbia; 40 km northwest of the historic Eskay Creek Mine, 7 kilometres south of the completed Galore Creek access road and 30 kilometres west of highway 37 and the Northwest high-voltage transmission line.

On August 23, 2019, the Company acquired 100% interest in this property through staking and a purchase agreement with a third party by issuing 160,000 common shares of the Company.

### **Current Exploration**

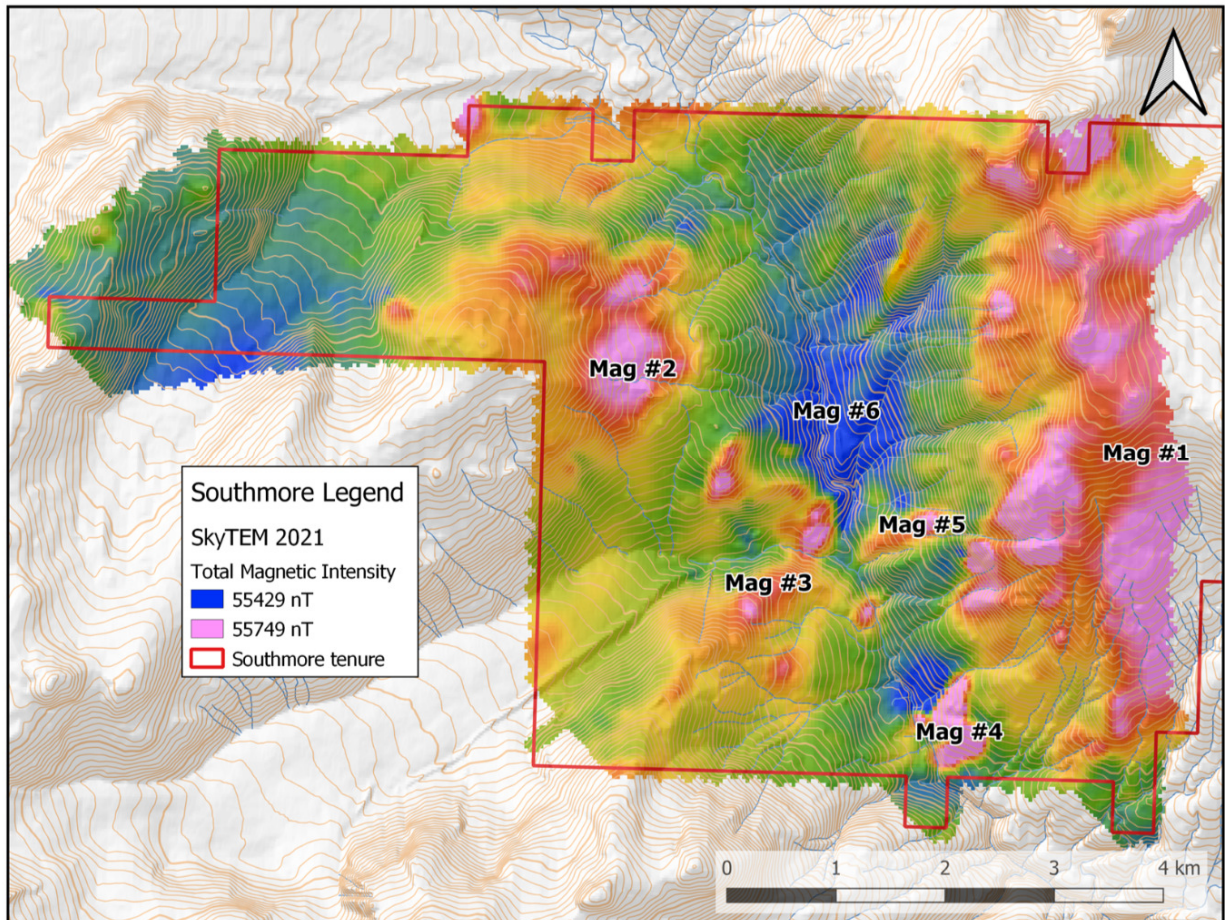
On June 3, 2022, the Company reported that results from the geophysical survey further support the large-scale porphyry potential of the project. Information from the SkyTEM survey flown last fall has been interpreted together with results from work in the early 1990s and from two field seasons by Mountain Boy’s geologists.

Results from the geophysics are as follows:

1. In the eastern end of the property, a large magnetic high is associated with intrusive rocks of the More Creek plutonic suite. The magnetic anomaly indicates that the western boundary of the plutonic suite is oriented in approximately a north-south direction.
2. In the northwestern part of the property, a semi-circular magnetic high coincides with multiple outcrops of dykes that are interpreted to be part of the More Creek plutonic suite and suggests that the extent of this intrusive is much larger than indicated in the current mapping. The west flank of this high magnetic anomaly also has a north/northwest oriented shallow, high conductivity anomaly.
3. In the southwest part of the property is a series of magnetic highs that form linear anomalies. These anomalies are generally oriented northeast and appear to be broken in multiple places.
4. In the south-southeast side of the property, on the east facing slope above the river, is a very high amplitude, localized magnetic anomaly. This is the strongest magnetic response on the survey grid. The anomaly consists of two narrow, linear bodies, oriented north to northeast and each approximately 300-350 m in length. This anomaly is also associated with a high conductivity anomaly.
5. Situated between the magnetic anomaly #4 above and the high magnetic anomaly #2 associated with intrusive rocks of the More Creek plutonic suite, is a discrete northeast oriented high magnetic anomaly. The anomaly is approximately 800m in length and is bounded by major north-south structures on both sides.
6. In the central part of the survey block is an extensive magnetic low situated between the two high magnetic responses associated with intrusive rocks of the More Creek plutonic

suite. The magnetic low corresponds to mapped intermediate to felsic tuffs, breccia, and flow rocks and is interpreted as being lithological in nature.

*Figure 1 – Map of Total Magnetic Intensity and Identified Features*



Assays of up to 3.6 grams per tonne gold, 111 grams per tonne silver, 20.2% copper, 2.85% lead and 12.4% zinc have been returned from the property. Three styles of mineralization have been recognized.

The first style is base and precious metal skarns peripheral to quartz-porphyritic biotite granite of the More Creek Plutonic Suite. The Dundee skarns include garnet, epidote, quartz, potassium feldspar, carbonate with rare pyroxenes and wollastonite. Mineralization comprises massive and veined magnetite with variable amounts of pyrite, pyrrhotite, chalcopyrite, sphalerite, and gold. The westernmost skarn is characterized by semi-massive lenses of pyrrhotite. The Dundee skarns are garnet-rich exoskarns that replace limestone: they differ from many other skarns in the district in being locally pyrrhotite-rich. The 800-metre-long high magnetic anomaly #5 above corresponds to the Dundee skarn and suggests it has some size potential. Magnetic high anomaly #4 with the coincident high conductivity anomaly is interpreted to represent a similar



setting and its strength and size is compelling and warrants some detailed prospecting and mapping to confirm the source of the anomaly.

The second style of mineralization consists of structurally controlled precious and base metal mineralization hosted within a large silicified and sericitic northeast striking gossan found in the southwestern part of the property as well as other veins to the north. The southwestern zone is of average magnetic intensity however drapes the northwest side of the #3 high magnetic anomaly and may possibly be a zone of magnetite destruction. No obvious conductivity anomalies are associated with this area, and it is considered a potential buried porphyry target. The third style of mineralization consists of bedded massive sulphide that has been found in float.

For the 2022 field program, magnetic and conductive anomalies from the 2021 SkyTEM airborne geophysical survey were ground truthed through mapping, prospecting, surface rock sampling and contour soil sampling. At three of the target areas, magnetite skarn mineralization was identified with chalcopyrite (copper) and sphalerite (zinc) mineralization identified within the skarn. Assays from rock samples are pending.

The presence of skarn mineralization is postulated to result from the interaction of metal-bearing intrusive bodies within the host calcareous rocks. Intrusive bodies in this region may be associated with porphyry deposits. Southmore is just 12 kilometers south of the completed portion of the Galore access road.

### **3(e) Telegraph Project**

The 23,627-hectare **Telegraph Project** was consolidated by the Company by signing two option agreements and staking open ground. The Telegraph Project is located in BC's Golden Triangle, in the vicinity of several large porphyry deposits including Galore Creek (Teck - Newmont), Schaft Creek (Teck - Copper Fox), Big Red (Liberio Copper and Gold), Saddle and Saddle North (Newmont) and the operating Red Chris copper-gold mine (Newcrest - Imperial Metals). Access to the property is via helicopter or fixed wing plane to an airstrip on the eastern part of the claim block. The Stikine River, 3 km to the west of the property, is navigable from the ocean port of Wrangell, Alaska. The Barrington Road, from Telegraph Creek, comes to within 15 km of the northern part of the claims.

On April 30, 2021, the Company entered into an option agreement to earn 60% interest in the Telegraph (DOK) Property. To earn the 60% interest, over a five-year period the Company is to pay a total of \$230,000 to the optionor, issue 1,500,000 common shares as purchase consideration to the optionor and incur a cumulative \$2,500,000 exploration work. The underlying owners of the property have a 3% NSR with the optionor having the right to purchase 2% of the NSR for \$2 million.

	Cash		Shares		Cumulative Exploration Work Commitments	
5 days from signing agreement	\$ 10,000	Paid			\$ -	
Upon the TSXV approval	-		100,000	Issued	\$ -	
January 15, 2022	20,000	Paid	200,000	Issued	\$ 150,000	Met
		Paid		Issued		
January 15, 2023	20,000	subsequently	200,000	subsequently	\$ 650,000	
January 15, 2024	50,000		200,000		\$ 1,150,000	
January 15, 2025	60,000		200,000		\$ 1,750,000	
January 15, 2026	70,000		600,000		\$ 2,500,000	
<b>TOTAL</b>	<b>\$ 230,000</b>		<b>1,500,000</b>			

On April 30, 2021, the Company entered into an option agreement to earn 100% interest in the Telegraph (DOKX-Yeti) Property. To earn the 100% interest, over a four-year period the Company is to pay a total of \$150,000 to the optionor, issue 500,000 common shares as purchase consideration to the optionor and incur a cumulative \$500,000 exploration work. The underlying owner of the property has a 1% NSR and the optionor has a 0.1% NSR. The Company has the right to buy back 0.5% NSR from the underlying owner for \$500,000 if cumulative \$500,000 exploration work has been met.

	Cash		Shares		Cumulative Exploration Work Commitments	
2 days from signing agreement	\$ 5,000	Paid			\$ -	
45 days from signing agreement	5,000	Paid	50,000	Issued	\$ -	
April 30, 2022	20,000	Paid	100,000	Issued	\$ 50,000	Met
April 30, 2023	25,000		100,000		\$ 150,000	
April 30, 2024	25,000		100,000		\$ 300,000	
April 30, 2025	70,000		150,000		\$ 500,000	
<b>TOTAL</b>	<b>\$ 150,000</b>		<b>500,000</b>			

On January 18, 2022, the Company acquired 100% interest in two additional tenures in the Telegraph Property from a vendor for \$4,000.

### Current Exploration

On December 13, 2021, the Company announced the results from its 2021 field program on the Telegraph Project.

### Dok, Nirvana, Red Creek and Border Zones

A significant new discovery, approximately three kilometres southeast of the DOK Main Zone, produced 19 surface samples that assayed 0.5% copper and greater. This new zone is traceable over 400 metres and assayed up to 17.9% copper. The zone straddles what



historically would have been two separate claim blocks owned by different companies. It is also on the margin of the known Red Creek copper-gold soil geochemistry anomaly.

A second new zone was discovered a further one kilometre from the above-mentioned zone, along the same south-easterly trend. This zone also yielded several samples over 1% copper.

On the eastern portion of the property, a third new zone of elevated copper values was discovered. This zone, called Yeti West, also produced several samples that assayed greater than 1% copper, with the highest assaying 3.6% copper (sample C0034000). This zone trends over 700 metres.

Several samples also produced elevated values of molybdenum (up to 980 ppm), lead and zinc (24.6% lead and 25.7% zinc).

In addition to mapping and prospecting, 2014 drill core samples and surface samples were selected for short wave near infrared ("SWIR") analysis. The SWIR analysis was performed by Dr. Farhad Bouzari from the Mineral Deposits Research Unit ("MDRU"), at the University of British Columbia ("UBC"). The purpose of this analysis is to identify alteration minerals and characterize the style of mineralization. Initial results from the SWIR analysis confirm the presence of porphyry-style alteration minerals and suggest that multiple hydrothermal pulses have altered and mineralized the host rocks in both the DOK Main and Yeti areas.

The findings from field work further confirm the potential for large copper-gold porphyry systems on the property and outlined new prospective areas for future exploration.

Eighty drill core and forty-three surface samples from the Telegraph project have been included in a Federal Government funded research program known as the Targeted Geoscience Initiative (TGI-6). Dr. Christopher Lawley is a gold metallogenist and geochemist who has been working with the Geological Survey of Canada (GSC) since 2012. Last summer, the Targeted Geoscience Initiative (TGI) program was renewed with a particular focus on critical raw materials. Research will focus on the concentrations of Re, Bi, Te, Se, and PGE in porphyry and epithermal mineral systems in the Golden Triangle. These elements are poorly understood because of their complexity and the superposition of many mineralizing events. Copper is also included in this study as it is defined as a critical metal. This research has practical applications in identifying ore controls and ore guides. This research is being conducted in collaboration with the British Columbia Geological Survey and MDRU at UBC. Preliminary results are anticipated in the new year.

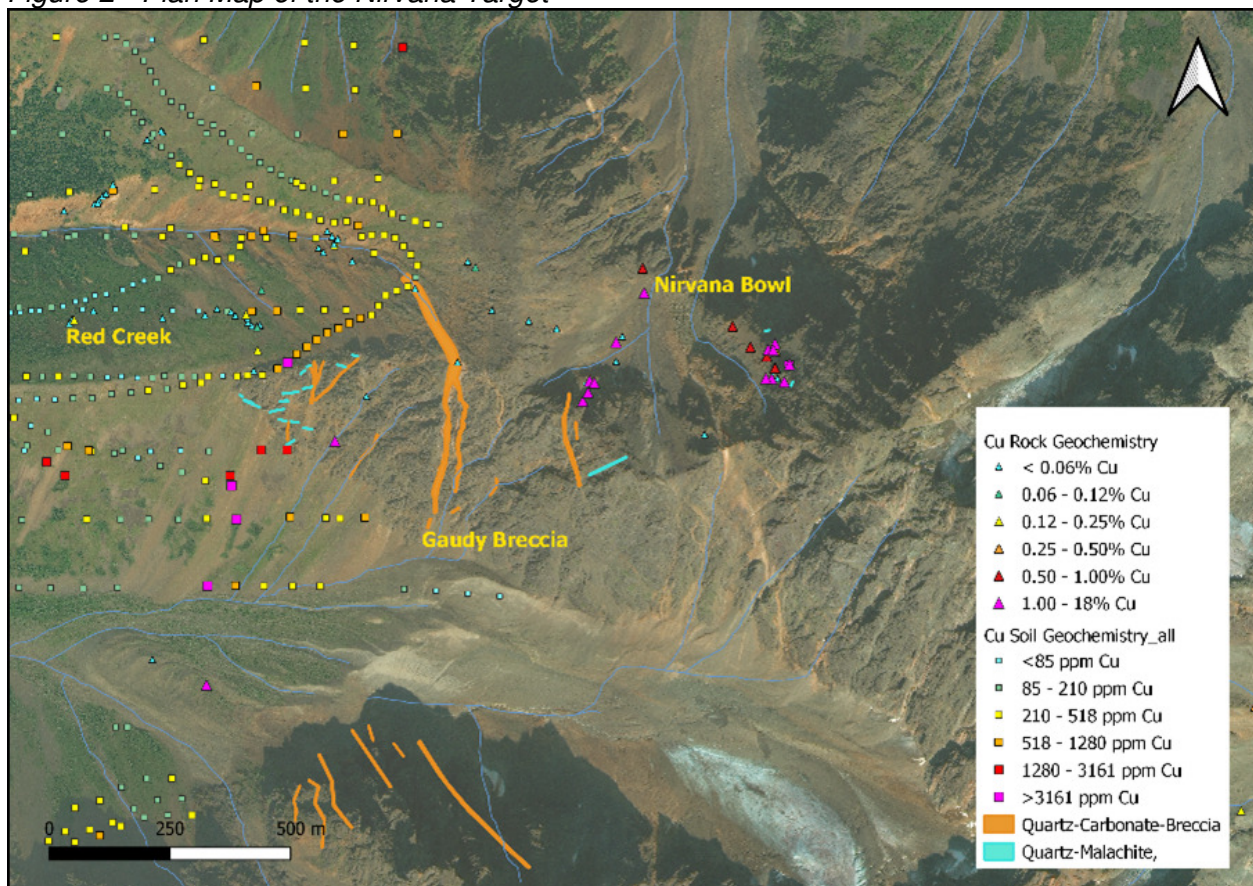
Additional samples collected in the latter part of the 2021 field season are being sent in for SWIR analysis. Results and interpretation of these results will be integrated with the other available data (geochemistry, geophysics, radiometric) to help evolve Mountain Boy's understanding of the mineralizing systems underlying the Telegraph property

On July 8, 2022, the Company announced that the field work commenced on the project in June and the geophysical survey was underway.

On July 20, 2022, the Company announced that the field work underway was expanding the copper mineralized zones discovered last year. During the 2021 field season, numerous outcrop and talus samples grading more than 0.5% copper (up to 17.9%) were discovered 3.7 km southeast of the historic drilling at DOK in an area now known as Nirvana Bowl. (See the News Release December 13, 2021.) Work this season had discovered a series of epithermal-style veins up to 750 m west of Nirvana Bowl (Figure 2). The veins were interpreted to be related to an underlying porphyry system.

Two main styles of vein mineralization were observed, including quartz-carbonate hydrothermal breccia veins and quartz-malachite-sulfide veins. The veins were hosted in a porphyritic to aphanitic andesite.

*Figure 2 - Plan Map of the Nirvana Target*



On August 8, 2022, the Company reported that the on-going exploration program at its Telegraph copper-gold project continued to indicate the presence of extensive mineralization. Observations and interpretations supported a metallogenic model of one or more mineralized porphyry systems.





On September 21, 2022, the Company reported that results of the recent geophysical program further highlight the prospectivity of the project to host one or more mineralized porphyry systems.

The ground-based geophysical program identified two compelling anomalies which correlate well with geological and geophysical results in a part of the property that has seen minimal prior work.

### **Geophysical Survey**

The Volterra 3D Induced Polarization (3DIP) survey consisted of 19.6-line kms and measured the resistivity and chargeability of the subsurface rocks. A magnetotelluric (MT) survey conducted in tandem measured the electromagnetic properties of the rocks at greater depth.

The 3DIP survey expanded on the chargeability anomalies identified on the southeastern two lines from the 2012 2D-Induced Polarization (IP) survey and resulted in better defining both the shape and extent of the anomalies identified in the 2012 survey.

The recent survey identified two compelling anomalies, referred to as the NW 3DIP anomaly and the E 3DIP anomaly (Figure 3). The NW 3DIP anomaly occurs in the northwest portion of the survey grid and consists of a chargeability high shaped like a donut with its northwest side cut off. The donut is cored by a resistivity low. The most prominent chargeability high within the donut occurs at the north of the grid. Limited historic soil geochemistry within this area found anomalous soils of up to 1,220 ppm Cu and 129 ppb Au.

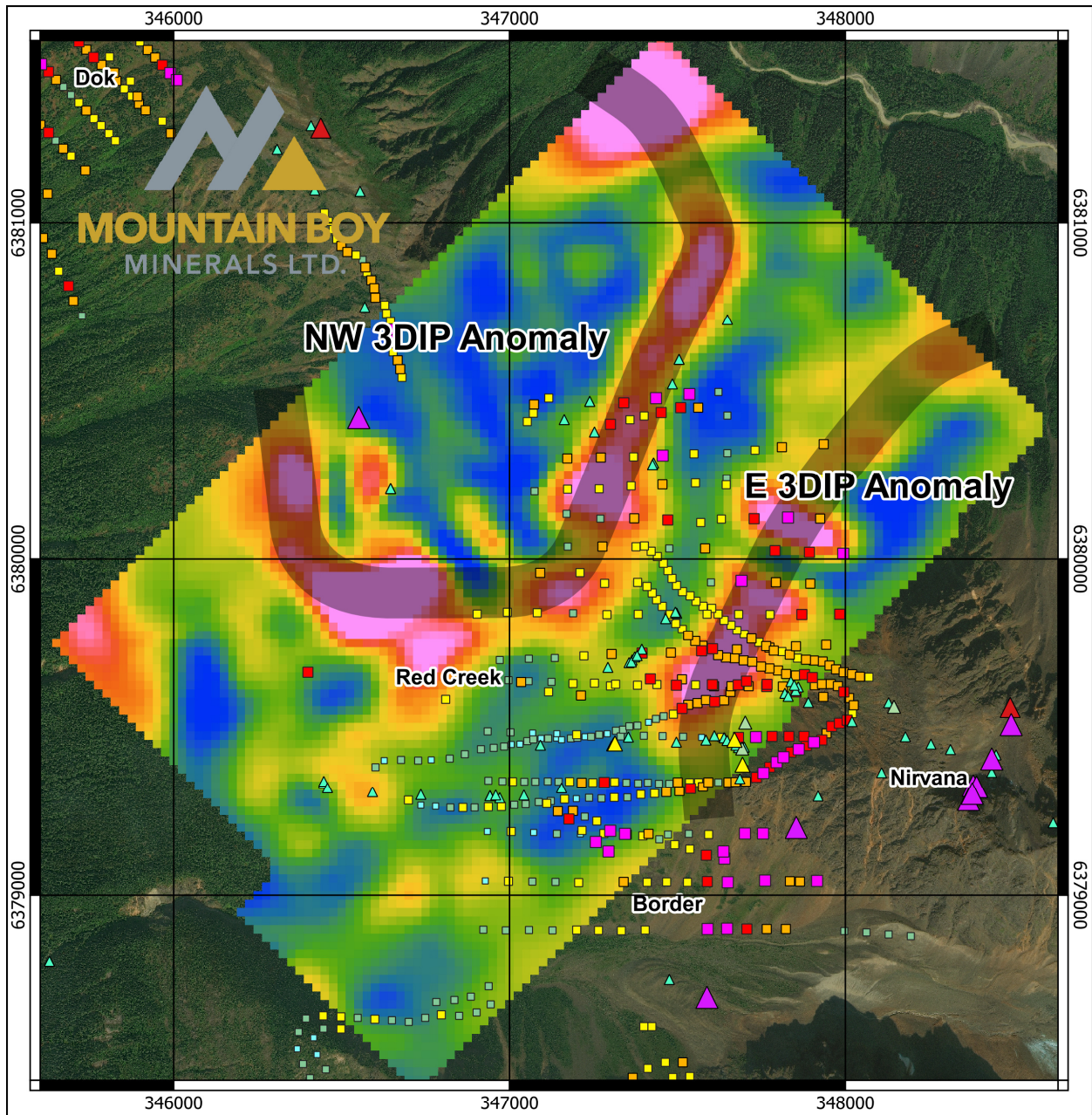
The E 3DIP anomaly occurs within the eastern portion of the grid. The anomaly consists of a chargeability high flanking a resistivity low to the immediate east. Anomalous soil geochemistry occurs within the chargeability high with the strongest values being on trend of the chargeability high, east of the IP grid with values up to 2% Cu and 1,905 ppb Au in soil. The chargeability anomaly also appears to be coincident with a low Th/K ratio from an airborne radiometric survey flown in 2018, indicating the likelihood that this is associated with potassic alteration.

The two anomalies are separated by a distinct north to northeast trending zone characterized by non chargeability and moderate resistivity. This zone appears to be related to a rhyolitic porphyritic unit that has been mapped on surface.

After the 3DIP survey was completed, crews collected soil samples along portions of the 3DIP grid which were not covered by historic soil sampling. Results are pending.

On October 19, 2022, the Company reported the first assays from recent field work on the Telegraph copper-gold porphyry project.

Results confirm copper mineralization in four distinct areas within a large gossanous trend, both in high grade copper veins as well as disseminations and stockwork. Trace element geochemistry, geological mapping and alteration patterns suggest several areas of upper-level porphyry style mineralization with possible overprinting.



**Figure 3 - Interpreted Volterra 3DIP Chargeability Inversion Model at 150 metres below surface and copper geochemistry**

Rock Geochemistry	Soil Geochemistry	chargeability (milli-seconds)
▲ < 0.06% Cu	■ <50 ppm Cu	■ < 0
▲ 0.06 - 0.12% Cu	■ 50 - 100 ppm Cu	■ > 40.6
▲ 0.12 - 0.25% Cu	■ 100 - 200ppm Cu	
▲ 0.50 - 1.00% Cu	■ 200 - 400 ppm Cu	
▲ 1.00 - 18% Cu	■ 400 - 800 ppm Cu	
	■ >800 ppm Cu	

### **Assay Results from Surface Samples**

Assays reported here are from surface samples that were collected in the beginning of the field season. Work focused on four of the areas of interest. Figure 4 shows copper values from surface grab samples in the mentioned prospective areas.

Follow up work at the Nirvana and Border Zones, including detailed mapping of alteration and structure. The program yielded several high-grade copper samples and areas of local potassic alteration and local sodic-calcic alteration. This area is located in the middle of the 6 km Dok Trend.

*Table 2: Select surface samples from the Nirvana and Border Zones*

<b>SampleID</b>	<b>Prospect</b>	<b>Target</b>	<b>SampType</b>	<b>SamType</b>	<b>Cu (%)</b>	<b>Au (ppm)</b>	<b>Ag (ppm)</b>	<b>Mo (ppm)</b>
B987565	Dok	Border	composite	Rock	19.7	0.05	69.8	31.5
B987656	Dok	Border	talus	Rock	19.5	0.05	71.4	4.1
B987563	Dok	Border	composite	Rock	18.0	0.02	227.0	4.0
B987564	Dok	Border	composite	Rock	12.5	0.05	84.7	7.8
B987664	Dok	Border	composite	Rock	9.4	0.02	40.4	21.0
B987667	Dok	Border	composite	Rock	8.7	0.06	143.0	3.7
B987660	Dok	Border	talus	Rock	8.6	0.42	63.1	5.2
B987663	Dok	Border	composite	Rock	7.6	0.01	30.0	5.3
B987666	Dok	Border	composite	Rock	5.8	0.07	72.4	5.2
B987558	Dok	Border	grab	Rock	5.2	0.11	51.5	2.9
B987581	Dok	Border	select grab	Rock	4.4	0.05	28.1	3.3
B987559	Dok	Border	grab	Rock	3.8	0.04	32.8	2.9
B987655	Dok	Border	talus	Rock	3.0	0.06	26.5	7.4
B987589	Dok	Border	grab	Rock	2.7	0.07	90.2	2.7
B987665	Dok	Border	composite	Rock	1.9	0.02	70.0	2.4
B987580	Dok	Border	select grab	Rock	1.8	0.02	35.3	2.2
B987562	Dok	Border	grab	Rock	1.8	0.03	20.6	5.0
B987585	Dok-X	Nirvana	grab	Rock	1.5	0.03	13.0	5.2
B987577	Dok	Border	grab	Rock	1.4	0.01	6.6	0.7
B987670	Dok-X	Nirvana	grab	Rock	0.6	0.04	1.3	2.0
B987555	Dok	Red Creek	grab	Rock	0.3		1.6	2.1
B987651	Dok	Border	composite	Rock	0.3	0.01	1.8	2.8



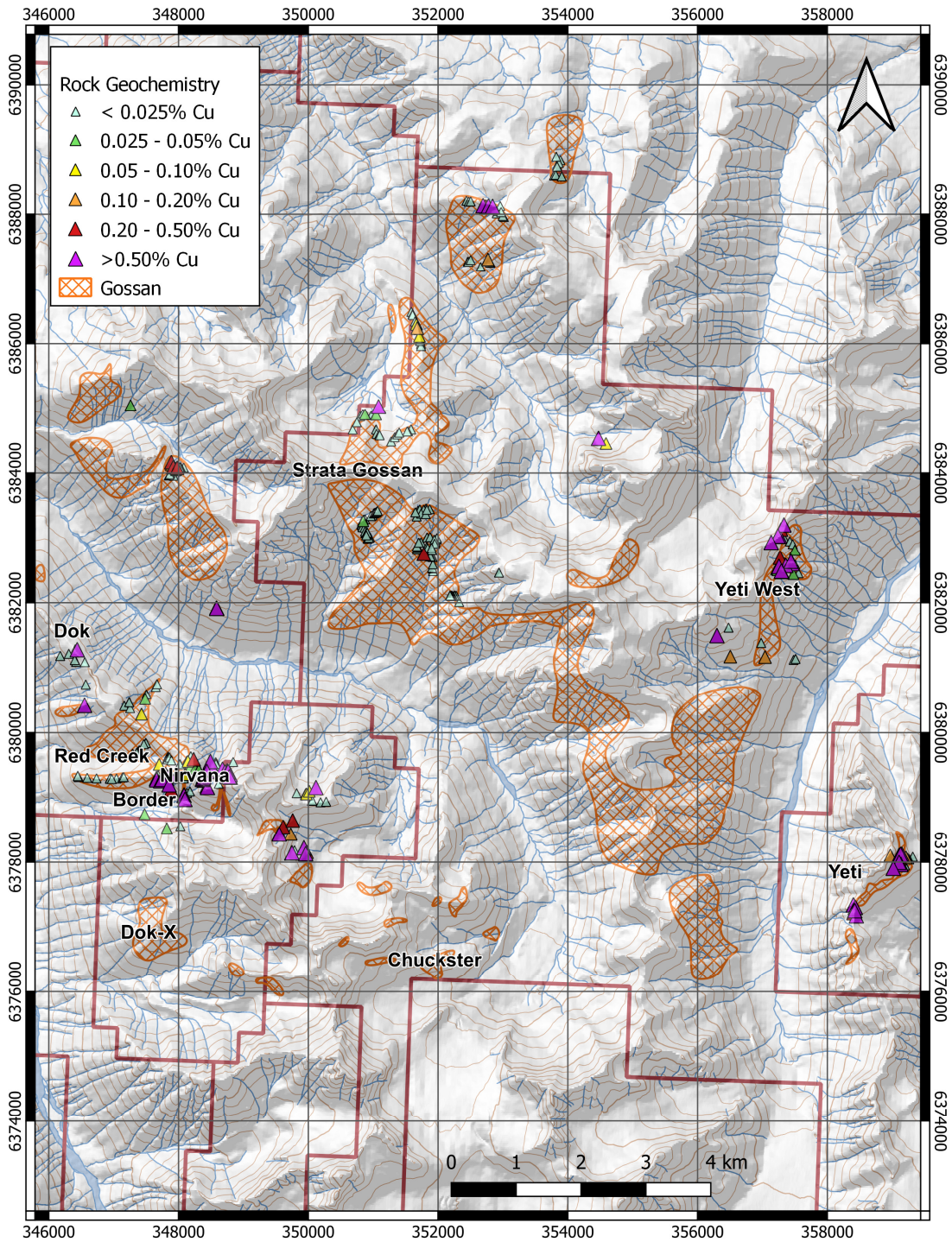


Figure 4: The Telegraph Project; Gossan marked by orange cross hatch and surface grab samples as triangles.



Many of the recent samples are described as vein-hosted sulphide mineralization. At least two hydrothermal phases are recognized in the veins. The veins also occur immediately southeast of the chargeability anomaly identified in the recently announced 2022 3D Induced Polarization survey. The survey did not cover the location of the veins due to the ruggedness of the terrain. Table 2 lists highlighted samples from these zones.

### Strata Gossan Zone

The geologic team spent several weeks examining an extensive area of gossan referred to as the Strata Gossan, located northeast of the Dok trend. The Strata Gossan extends for over 8 kilometres and is related to the oxidation of pyrite. It is the result of alteration and is interpreted to be the footprint a porphyry hydrothermal system with possibly several centres. On the basis of the initial interpretation, the property was extended to fully encompass the gossanous area. Assay results from this new area of interest include copper values up to 7.7%.

The Strata Gossan area has seen minimal exploration as the earlier work in the area focused on the Dok trend. Many of the samples are described as gossanous with variable amounts of limonite, goethite and jarosite comprising the iron oxides of the gossan. Sericite alteration is common in the gossanous zone and intrusive dykes commonly exhibit potassic alteration. Samples locally host disseminated and vein related pyrite, chalcopyrite, bornite and malachite. Table 3 lists highlighted samples from the Strata Gossan.

*Table 3: Select surface samples from the Strata Gossan*

SampleID	Prospect	Target	SampType	Cu (%)	Au (ppm)	Ag (ppm)	Mo (ppm)
E078044	Strata	Fossil North	proximal float	7.7		30.7	5.3
E078042	Strata	Fossil North	proximal float	3.7		2.9	2.5
B987644	Strata	Fossil	talus	2.2		5.7	67.7
B987711	Strata	Fossil North	talus	1.8		3.5	3.0
B987586	Strata	Strata South	grab	0.8	0.16	48.1	20.2
B987633	Strata	Fossil	talus	0.8	0.03	1.1	56.5
E078027	Strata	Forgotten	talus	0.5	0.04	243.0	14.1
B987634	Strata	Fossil	talus	0.4	0.01	0.8	56.3
B987587	Strata	Strata South	grab	0.3		3.9	2.6
B987712	Strata	Fossil North	subcrop	0.3		0.2	2.6
B987538	Strata	Forgotten	talus	0.3	0.15	7.6	87.5
B987549	Strata	Forgotten	grab	0.3	0.18	6.3	7.1
E078048	Strata	Fossil North	proximal float	0.3		1.0	2.4

SampleID	Prospect	Target	SampType	Cu (%)	Au (ppm)	Ag (ppm)	Mo (ppm)
B987540	Strata	Strata East	talus	0.2	0.08	11.7	7.3
B987607	Strata	Fossil North		0.2		0.2	4.3
B987550	Strata	Forgotten	grab	0.1	0.03	2.1	8.9
B987544	Strata	Fossil	talus	0.1	0.11	2.3	71.1

### **Trace Element Geochemistry at Telegraph**

The newly acquired rock geochemical results were incorporated into the existing Telegraph database. The available four acid data from surface grab samples was analyzed to evaluate certain trace elements or element ratios as vectors for porphyry mineralization.

In a porphyry setting, trace elements are typically zoned upward and outward from the copper-rich core of a porphyry in the general sequence of Mo, W, Sn, Sc, Te, Bi, Sb, As, Li, Tl. The zonal pattern of the metals can be used for targeting zones to explore (Halley, 2015, 2020). Trace element geochemistry map patterns at Telegraph demonstrate zoning of the hotter to cooler elements. Map patterns also suggest that there has been at least one subsequent hydrothermal event that has overprinted the primary alteration assemblage. Several pathfinder elements yielded values that are considered 'Deep Sericitic', as per Halley, consistent with the style of alteration above or in some cases peripheral to an ore body.

Further assay results are pending and include rock samples from the Yeti and Chuckster areas and soil samples from the Dok IP grid and contour soil samples from the Strata, Dok-X and Chuckster areas. Short Wave Infrared (SWIR) analysis of rock samples and other analytical work is also pending.

The geological team is now focused on interpretation of the geochemical, geophysical and geological results. The primary objective in the coming months will be to review all the information to prioritize the various targets as a basis for the next phase of work, which will include drilling.

The Yeti Zone is also an encouraging area and contains some of the highest historic gold values on the Telegraph Property.

### **3(f) Theia Property**

The 9,059-hectare **Theia Project** is located 30 km east-southeast of Stewart, BC and 35 km north of the historic mining towns of Kitsault and Alice Arm; approximately 25 kilometres west of highway 37 and the Northwest high-voltage transmission line; logging roads within 10 km of the eastern boundary of the claims; the proposed Homestake Ridge Road 12 km to the west.



The property has seen several limited exploration programs that were targeting many different areas of interest. Seven documented Minfile occurrences (103P 298; 103P 299; 103P 300; 103P 324; 103P 269; 103P 230; 103P 323) occur on the claims.

On December 22, 2020, the Company announced the acquisition, through staking and purchase of another highly prospective property in the Golden Triangle – the Theia property. 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.

### **Current Exploration**

Field work on the Theia Project followed-up on several anomalous samples from the past two years as well as examination of historic Minfile showings in the northern part of the claim group. In addition, samples were taken for geochronology. The Theia Project is adjacent to Hecla's Kinskuch Project and Dolly Varden Silver's Homestake Ridge. Goliath Resources' Golddigger property is 20 km to the southwest. Goliath has also recently acquired claims adjacent to the Theia Property.

### **3(g) Manuel Creek Property**

The **Manuel Creek Property** consists of 42 mineral tenures (2,625 acres) overlaying the Manuel Creek zeolites zones. The Manuel Creek zeolite property is located in the headwater area of Manuel Creek between 1160 and 1360 metres elevation, centred 7 kilometres northeast of Keremeos. Access to the property is 10 kilometres south of the Twin Lakes turnoff from Highway 3A via the Twin Lakes and Grand Oro roads. A power transmission line runs through the property.

On December 9, 2016, the Company acquired a 100% interest in the Manuel Creek zeolite property located northeast of Keremeos, British Columbia for \$15,000.

In April 2018, the Company acquired two claims covering the Manuel Creek zeolite property for \$3,500.

On March 5, 2020, the Company signed an agreement to sell its interest in the Manuel Creek property for \$30,000. As of November 30, 2020, the Company received \$15,000 from this purchaser and has transferred the title to the purchaser while retaining a 3% net smelter royalty ("NSR"). The purchaser may purchase 2% NSR with each 1% of the NSR for an additional \$100,000. The remaining \$15,000 payment from the purchaser is due on or before March 5, 2022. The Company continues to follow up with the purchaser regarding this payment.

### **3(h) West George Copper Property**

The **West George Copper Property** consists of 288 hectares adjacent to the Company's 100% owned George Copper property. The project has a silica cap over highly sericite altered



andesitic rocks containing sulphide-bearing quartz stockworks. High copper values with two to three grams per tonne gold have been obtained on the talus slopes below the silica cap.

On August 30, 2017, the Company entered into an option agreement with AUX Resource Corporation ("AUX") whereby the Company can earn a 60% interest in West George Copper property as follows:

- On signing, AUX received \$700,000 in portable assessment credits;
- \$10,000 cash (paid) and \$30,000 of work expenditures before the second anniversary (amended and extended to August 30, 2020 - met);
- \$20,000 cash (paid) and \$50,000 (met) of work expenditures before the third anniversary;

The Company has earned a 60% interest in the George Copper West property, with AUX holding a 40% interest, carried through exploration, and a 2% royalty which is subject to buy-down provisions of 1% for \$1,000,000.



The Company's exploration expenses for the year ended and as at November 30, 2022 are:

	Barbara and Surprise Creek	Red Cliff	American Creek West	Southmore	Telegraph	Other Properties	Total
<b>Property acquisition costs</b>							
Balance November 30, 2021	\$ 2,129,995	\$ 201,974	\$ 1,179,982	\$ 35,876	\$ 52,000	\$ 102,619	\$ 3,702,446
Property payments	-	375,300	58,000	-	94,000	-	527,300
Balance November 30, 2022	2,129,995	577,274	1,237,982	35,876	146,000	102,619	4,229,746
<b>Deferred exploration costs</b>							
Balance November 30, 2021	4,921,623	5,313,007	4,588,238	222,741	298,633	531,850	15,876,092
Assays	-	-	3,480	-	14,027	-	17,507
Camp costs	72,581	-	33,511	4,424	174,933	4,269	289,718
Claim Fees and licenses	-	-	-	-	3,963	-	3,963
Community engagement	-	-	-	-	40,000	-	40,000
Data Processing	-	-	-	-	6,530	-	6,530
Drilling	-	1,000	4,375	-	1,194	-	6,569
Equipment rental	-	4,200	8,730	1,130	38,715	-	52,775
General and administration	-	-	-	-	1,473	-	1,473
Geological	50,607	18,150	43,406	34,408	389,679	30,637	566,887
Geophysics	-	-	-	-	153,603	-	153,603
Maps	7,500	-	-	-	68,938	-	76,438
Helicopter	63,544	-	48,980	-	421,962	13,905	548,391
Training	-	-	-	-	858	-	858
Labour	-	-	-	-	89,159	-	89,159
Permitting	1,230	-	240	240	550	240	2,500
Road clearing	-	-	1,500	-	-	-	1,500
Storage	51	-	5,345	-	239	-	5,635
Supplies and miscellaneous	-	3,500	5,616	-	39,587	-	48,703
Survey	-	683	-	-	30,579	-	31,262
Freight	-	-	389	-	1,322	-	1,711
	195,513	27,533	155,572	40,202	1,477,311	49,051	1,945,182
Balance November 30, 2022	5,117,136	5,340,540	4,743,810	262,943	1,775,944	580,901	17,821,274
<b>Less:</b>							
Mining tax credit BC METC	(45,453)	(303,997)	(77,884)	(18,853)	(34,270)	(9,987)	(490,444)
<b>Total</b>	<b>\$ 7,201,678</b>	<b>\$ 5,613,817</b>	<b>\$ 5,903,908</b>	<b>\$ 279,966</b>	<b>\$ 1,887,674</b>	<b>\$ 673,533</b>	<b>\$ 21,560,576</b>

#### **4. Risks and Uncertainties**

The Company is engaged in the exploration for mineral deposits. These activities involve significant risks which even with careful evaluation, experience and knowledge may not, in some cases, be eliminated. The Company's success depends on a number of factors, many of which are beyond its control. The primary risk factors affecting the Company include inherent risks in the mineral exploration and mining industries and metal price fluctuations.

##### *General Risk Associated with the Mining Industry*

Mineral exploration is an inherently risky business with no guarantees that the exploration will result in the discovery of an economically viable deposit. Among the risks faced are title risk, financing risk, permitting risk, commodity price risk and environmental regulation risk.

Mining activities involve risks which careful evaluation, experience and knowledge may not eliminate. The commercial viability of any mineral deposit depends on many factors not all of which are within the control of management. Management attempts to mitigate its exploration risk through a strategy of joint ventures with other companies which balances risk while at the same time allows properties to be advanced.

##### *Inherent risks within the mining industry*

The commercial viability of any mineral deposit depends on many factors, not all of which are within the control of management. Some of the factors that will affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure and use, environmental protection and reclamation and closure obligations could also have a profound impact on the economic viability of a mineral deposit.

Mining activities also involve risks such as unexpected or unusual geological operating conditions, floods, fires, earthquakes, other natural or environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or for other reasons. The Company does not currently maintain insurance against political or environmental risks. Should any uninsured liabilities arise, they could result in increased costs, reductions in profitability, and a decline in the value of the Company's securities.

There is no assurance at this time that the Company's current mineral properties will be economically viable for development and production.

##### *Prices for metals*

Metals prices are subject to volatile price fluctuations and have a direct impact on the commercial viability of the Company's exploration properties. Price volatility results from a variety of factors, including global consumption and demand for metals, international economic and political trends, fluctuations in the US dollar and other currencies, interest rates, and inflation. The Company has not hedged any of its potential future metal sales. The Company

closely monitors metal prices to determine the appropriate course of action to be taken by the Company.

#### *Dependence on Key Personnel*

Loss of management personnel or key operational leaders could have a disruptive effect on the implementation of the Company's business strategy and on the running of day-to-day operations until their replacement is found. Recruiting personnel is expensive and the competition for professionals is intense. The Company may be unable to retain its key employees or attract other qualified employees which may restrict its growth potential.

#### *Impact of COVID-19*

In March 2020, the World Health Organization declared a global pandemic known as COVID-19. The impact on global commerce continues to be far reaching. Material uncertainties may come into existence that could influence management's going concern assumption. The duration and impact 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. The Company continues to closely evaluate the impact of COVID-19 on its operations.

### **5. Impairment of Long-lived Assets**

The Company completed an impairment analysis as at November 30, 2022 and concluded that no impairment charge was required because:

- there have been no significant changes in the legal factors or climate that affects the value of the properties;
- all properties in British Columbia remain in good standing; and
- the Company has flow-through fund to continue its exploration and development plans on the properties.

## **6. Material Financial and Operations Information**

### **6(a) Selected Annual Financial Information**

#### **Selected Annual Information**

	<b>Year Ended November 30, 2022</b>	<b>Year Ended November 30, 2021</b>	<b>Year Ended November 30, 2020</b>
Total revenues	\$ -	\$ -	\$ -
Income (loss) for the year	(1,585,879)	487,961	(541,915)
Earnings (loss) per share	(0.02)	0.01	(0.01)
Total assets	22,428,816	20,427,253	21,120,894
Total long-term financial liabilities	2,752,721	2,564,000	3,199,000
Cash dividends declared – per share	N/A	N/A	N/A

### **6(b) Summary of Quarterly Results**

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

	<b>Three months ended</b>			
	<b>November 30, 2022</b>	<b>August 31, 2022</b>	<b>May 31, 2022</b>	<b>February 28, 2022</b>
Total revenues	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Net loss and comprehensive loss	\$ (201,563)	\$ (551,154)	\$ (551,070)	\$ (282,092)
Loss per share	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.00)

	<b>Three months ended</b>			
	<b>November 30, 2021</b>	<b>August 31, 2021</b>	<b>May 31, 2021</b>	<b>February 28, 2021</b>
Total revenues	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Net (loss) income and comprehensive (loss) income	\$ 306,620	\$ 358,507	\$ (165,421)	\$ (11,745)
(Loss) earnings per share	\$ 0.01	\$ 0.01	\$ (0.00)	\$ (0.00)

### **6(c) Review of Operations and Financial Results**

For three months ended November 30, 2022 and three months ended November 30, 2021

During the three months ended November 30, 2022, the Company reported net loss of \$201,563 (\$0.00 loss per share) (2021 – net income of \$306,620 (\$0.01 earnings per share)).



Excluding the non-cash share-based payment of a negative amount \$36,610 (2021 – \$124,988), the Company's general and administrative expenses amounted to \$128,415 during the three months ended November 30, 2022 (2021 – \$174,373), a decrease of \$45,958 mainly due to decreases in (a) accounting and audit fees (from 2021's \$78,100 to 2022's \$19,039); (b) investor relations (from 2021's \$12,432 to 2022's \$nil); (c) shareholder communications (from 2021's \$22,150 to a negative amount of \$12,935); while being offset by increases in (d) consulting fees (from 2021's \$16,000 to 2022's \$77,775). 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 November 30, 2022, compared with November 30, 2021 were:

- Fair value gain on marketable securities of \$19,707 (2021 – fair value loss of \$29,153);
- Other income of \$13,272 (2021 – \$135); and
- Deferred income tax expense of \$188,721 (2021 - deferred income tax recovery of \$635,000).

For the year ended November 30, 2022 and year ended November 30, 2021

During the year ended November 30, 2022, the Company reported net loss of \$1,585,879 (\$0.02 loss per share) (2021 – net income of \$487,961 (\$0.01 earnings per share)).

Excluding the non-cash share-based payment of \$229,287 (2021 – \$124,988), the Company's general and administrative expenses amounted to \$706,557 during the year ended November 30, 2022 (2021 - \$534,637), an increase of \$211,920 from the year ended November 30, 2021 as a result of the increases in (a) consulting fees (from 2021's \$35,216 to 2022's \$196,056) and (b) shareholder communications (from 2021's \$73,082 to 2022's \$173,218); while being offset by decreases in (c) investor relations (from 2021's \$77,101 to 2022's \$47,005) and (d) office and miscellaneous (from 2021's \$53,571 to 2022's \$33,753). The Company has been actively engaged in its shareholder communications and supporting the Company's exploration programs.

The other major items for the year ended November 30, 2022, compared with November 30, 2021 were:

- Settlement of flow-through premium liability of \$nil (2021 - \$399,120);
- Fair value loss on marketable securities of \$479,582 (2021 – fair value gain of \$65,800);
- Realized gain on marketable securities of \$3,200 (2021 – \$32,584); and
- Deferred income tax expense of \$188,721 (2021 - deferred income tax recovery of \$635,000).

#### **6(d) Liquidity and Capital Resources**

As at November 30, 2022, the Company's working capital was \$522,511 (November 30, 2021 – \$822,562). With respect to working capital, \$306,628 was held in cash and cash equivalents (November 30, 2021 – \$191,573). The increase in cash and cash equivalents was mainly due to the proceeds from sale of marketable securities of \$21,200 and cash received from the net proceeds from issuance of common shares of \$3,099,009; while being offset by the \$766,134 used in operations, \$2,210,563 used in the exploration and evaluation assets, and \$28,457 used in increasing its reclamation bonds.

During the year ended November 30, 2022, the Company issued:

- 200,000 common shares with a fair value of \$34,000 to the optionor for the DOK property on January 14, 2022.
- 200,000 common shares with a fair value of \$33,000 to the optionors for the Dorothy property on February 25, 2022.
- 100,000 common shares with a fair value of \$16,000 to the optionor for the DOKX-Yeti property on April 29, 2022.

On December 30, 2021, the Company completed a non-brokered private placement by issuing 7,587,057 flow-through units ("FT Unit") at a price of \$0.17 per FT Unit for gross proceeds of \$1,289,800. Each FT Unit consists of one common share and one-half of one warrant for the total of 3,793,530 warrants issued. Each full warrant is exercisable at \$0.26 for two years expiring on December 30, 2023. The Company also completed a non-brokered private placement by 882,353 units ("Units") at a price of \$0.17 per Unit for the gross proceeds of \$150,000. Each Unit consists of one common share and one-half of one share purchase warrant for the total of 441,177 warrants. Each full warrant is exercisable at \$0.20 for a period of two years expiring on December 30, 2023. The residual value of the warrants associated with the unit offering was \$84,694 or \$0.02 per warrant. In connection with the financing, the Company paid \$50,933 as a cash finder's fee and issued 303,104 finder's warrants exercisable at \$0.17 for two years expiring on December 30, 2023.

On July 29, 2022, the Company completed a non-brokered private placement by issuing 8,333,334 non-flow-through units ("Unit") at a price of \$0.12 per Unit for gross proceeds of \$1,000,000. Each Unit consists of one common share and one common share purchase warrant for a total of 8,333,334 warrants issued. Each warrant is exercisable at \$0.12 for two years expiring on July 29, 2024. The residual value of the warrants associated with the unit offering was \$83,333 or \$0.01 per warrant.

On August 26, 2022, the Company completed a non-brokered private placement by issuing 5,841,667 flow-through units ("FT Unit") at a price of \$0.12 per FT Unit for gross proceeds of \$701,000. Each FT Unit consists of one common share and one warrant for a total of 5,841,667 warrants issued. Each warrant is exercisable at \$0.18 for 29 months expiring on January 26, 2025. The Company also completed a non-brokered private placement by issuing 582,000 units ("Units") at a price of \$0.12 per Unit for the gross proceeds of \$69,840. Each Unit consists of



one common share and one common share purchase warrant for a total of 582,000 warrants issued. Each warrant is exercisable at \$0.12 for a period of two years expiring on August 26, 2024. The residual value of the warrants associated with the unit offering was \$64,237 or \$0.01 per warrant. In connection with the financing, the Company paid \$33,883 as a cash finder's fee and issued 253,166 finder's warrants exercisable at \$0.18 for 29 months expiring on January 26, 2025, and 29,190 finder's warrants exercisable at \$0.12 for two years expiring on August 26, 2024.

Subsequent to the year-end, on December 15, 2022, the Company completed a non-brokered private placement by issuing 10,362,324 flow-through units ("FT Unit") at a price of \$0.13 per FT Unit for gross proceeds of \$1,347,102. Each FT Unit consists of one common share and one share purchase warrant. Each full warrant is exercisable at \$0.18 for two years expiring on December 15, 2024. The Company also completed a non-brokered private placement by issuing 2,561,667 units ("Units") at a price of \$0.12 per Unit for the gross proceeds of \$307,400. Each Unit consists of one common share and one share purchase warrant. Each full warrant is exercisable at \$0.18 for a period of two years expiring on December 15, 2024. In connection with the financing, the Company paid \$99,510 as a cash finder's fee and issued 771,388 finder's warrants exercisable at \$0.12 for two years expiring on December 15, 2024.

The Company has \$194,764 as reclamation bonds.

As of the date of this MD&A, the Company has no outstanding commitments. The Company has not pledged any of its assets as security for loans.

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 2023. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

#### **6(e) Disclosure of Outstanding Share Data**

The authorized share capital of the Company consists of an unlimited number of common shares without par value. As at November 30, 2022, the Company's share capital was \$32,617,134 (November 30, 2021 - \$29,706,470) representing 77,868,562 common shares (November 30, 2021 – 54,142,151 common shares).

Stock option transactions and the number of stock options are summarized as follows:

Expiry date	Exercise price (\$)	November 30, 2021	Issued	Exercised	Expired / forfeited	November 30, 2022
July 10, 2023	0.40	2,160,000	-	-	(600,000)	1,560,000
July 10, 2024	0.21	400,000	-	-	-	400,000
March 17, 2025	0.25	250,000	-	-	-	250,000
August 5, 2025 *	0.455	1,175,000	-	-	(50,000)	1,125,000
September 14, 2026	0.21	550,000	-	-	(550,000)	-
October 12, 2026	0.21	450,000	-	-	-	450,000
March 23, 2027 *	0.17	-	1,230,000	-	(100,000)	1,130,000
July 12, 2027	0.17	-	600,000	-	-	600,000
Options outstanding		4,985,000	1,830,000	-	(1,300,000)	5,515,000
Options exercisable		4,572,500	1,830,000	-	-	5,515,000
Weighted average exercise price (\$)		\$ 0.35	\$ 0.17	\$ -	\$ 0.37	\$ 0.30

\* Subsequently, 40,000 options expired unexercised.

The continuity of warrants for the year ended November 30, 2022 is as follows:

Expiry date	Exercise price (\$)	November 30, 2021	Issued	Exercised	Expired	November 30, 2022
July 7, 2022	0.40	4,000,000	-	-	(4,000,000)	-
November 16, 2023	0.60	1,575,000	-	-	-	1,575,000
December 30, 2023	0.26	-	3,793,530	-	-	3,793,530
December 30, 2023	0.20	-	441,177	-	-	441,177
July 29, 2024	0.12	-	8,333,334	-	-	8,333,334
August 26, 2024	0.12	-	582,000	-	-	582,000
January 26, 2025	0.18	-	5,841,667	-	-	5,841,667
Warrants outstanding		5,575,000	18,991,708	-	4,000,000	20,566,708
Weighted average exercise price (\$)		\$ 0.46	\$ 0.17	\$ -	\$ 0.40	\$ 0.20

Subsequent to November 30, 2022, a total of 12,923,991 warrants were issued with an exercise price of \$0.18 expiring on December 15, 2024.

The continuity of finders' warrants for the year ended November 30, 2022 is as follows:

Expiry date	Exercise price (\$)	November 30, 2021	Issued	Exercised	Expired	November 30, 2022
December 30, 2023	0.17	-	303,104	-	-	303,104
August 26, 2024	0.12	-	29,190	-	-	29,190
January 26, 2025	0.18	-	253,166	-	-	253,166
Warrants outstanding		-	585,460	-	-	585,460
Weighted average exercise price (\$)		\$ -	\$ 0.17	\$ -	\$ -	\$ 0.17



Subsequent to November 30, 2022, a total of 771,388 finders' warrants were issued with an exercise price of \$0.12 expiring on December 15, 2024.

If the remaining options, warrants, finder's options, including the warrants associated with the finder's options, were exercised, the Company's available cash would increase by \$8,215,429.

As of the date of this MD&A, there were 90,792,553 common shares issued and outstanding and 131,115,100 common shares outstanding on a diluted basis.

### 6(f) Commitment and Contingency

None.

### 6(g) Off-Balance Sheet Arrangements

None.

### 6(h) Transactions with Related Parties

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the year ended November 30, 2022

	Short-term employee benefits	Post- employment benefits	Other long- term benefits	Termination benefits	Other expenses	Share-based payments <sup>(1)</sup>	Total
Lawrence Roulston Chief Executive Officer, Director	\$180,000	\$Nil	\$Nil	\$Nil	\$Nil	\$6,462	\$186,462
Rene Bernard Director	\$60,000	\$Nil	\$Nil	\$Nil	\$Nil	\$32,309	\$92,309
Dorian L. Nicol Director	\$63,812	\$Nil	\$Nil	\$Nil	\$Nil	\$12,923	\$76,735
Winnie Wong Chief Financial Officer	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$12,923	\$12,923
Lucia They VP Exploration	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$6,462	\$6,462
Mark T. Brown Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$6,462	\$6,462
Ron Cannan Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$6,462	\$6,462
Ben Whiting Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$6,462	\$6,462
<b>Total:</b>	<b>\$303,812</b>	<b>\$Nil</b>	<b>\$Nil</b>	<b>\$Nil</b>	<b>\$Nil</b>	<b>\$90,465</b>	<b>\$394,277</b>

For the year ended November 30, 2021

	Short-term employee benefits	Post- employment benefits	Other long- term benefits	Termination benefits	Other expenses	Share-based payments <sup>(1)</sup>	Total
Lawrence Roulston Chief Executive Officer, Director	\$145,000	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$145,000
Rene Bernard Director	\$60,000	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$60,000
Dorian Nicol Director	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	63000	\$63,000
<b>Total:</b>	<b>\$205,000</b>	<b>\$Nil</b>	<b>\$Nil</b>	<b>\$Nil</b>	<b>\$Nil</b>	<b>\$Nil</b>	<b>\$268,000</b>

(1) Share-based payments are the fair values of the stock options granted during the years ended November 30, 2022 and 2021 calculated using the Black-Scholes Option Pricing Model.

#### Related party assets / liabilities

Amounts in accounts payable:	Services for:	Years ended		As at	As at
		November 30 2022	November 30 2021	November 30 2022	November 30 2021
Lawrence Roulston	Management fee	\$ 180,000	\$ 145,000	\$ -	\$ -
Rene Bernard	Consulting fee	60,000	60,000	-	-
Dorian L. Nicol	Consulting fee	63,812	-	-	-
A private company controlled by a director of the Company <sup>(a)</sup>	Accounting, financing and management services	124,582	96,600	4,541	5,880
A private company controlled by a former officer of the Company <sup>(b)</sup>	Marketing services	-	46,000	-	-
A private company controlled by an officer of the Company <sup>(c)</sup>	Geological services	639,819	488,414	-	-
<b>Total</b>		<b>\$ 1,068,212</b>	<b>\$ 836,014</b>	<b>\$ 4,541</b>	<b>\$ 5,880</b>

(a) Mark T. Brown, a director of the Company, is the president of this private company.

(b) Nancy Curry, the Vice President Corporate Development, is the owner of this private company. Ms. Curry resigned on September 16, 2021.

(c) Lucia Theny, the Vice President Exploration effective April 23, 2019, is a co-owner of this private company where it employs several geologists to provide geological services to the Company.

## 6(i) Financial Instruments

The fair values of the Company's financial assets and liabilities approximate their carrying amounts because of their current nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash and cash equivalents, marketable securities, reclamation bonds, trade and other payables and due to joint venture partner. Cash and cash equivalents and marketable securities are measured at fair value through profit and loss. Reclamation bonds are measured at amortized cost. Trade and other payables and due to joint venture partner are measured at amortized cost.

The fair value of the Company's cash and cash equivalents and marketable securities is measured using level one of the fair value hierarchy.

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 that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness.

### 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's cash and cash equivalents are exposed to interest rate risk.

### Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's trade and other payables are all current and due within 90 days of the balance sheet date. At November 30, 2022, the Company had a working capital surplus of \$522,511 which will provide sufficient capital to meet its short-term financial obligations.



### Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The sale of financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company is exposed to market risk in trading its investments, and unfavourable markets conditions could result in dispositions of investments at less than favourable prices. The Company's investments are accounted for at estimated fair values and are sensitive to changes in markets prices, such that changes in market prices results in a proportionate change in the carrying value of the Company's investments.

### **6(j) Management of Capital Risk**

The Company manages its cash and cash equivalents, common shares, warrants and share purchase options as capital. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the 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 held.

In order to maximize ongoing operating efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry out its exploration and operations in the near term.

### **7. Subsequent Events**

On December 15, 2022, the Company completed a non-brokered private placement (see section 6(d)).

### **8. Policies and Controls**

#### **8(a) Significant Accounting Policies and Estimates**

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.



The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both. Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

a) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

b) Title to Mineral Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

c) Rehabilitation Provisions

Rehabilitation provisions have been determined to be \$Nil based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period.

d) Share-Based Payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

e) Recognition of Deferred Tax Assets and Liabilities

The carrying amounts of deferred tax assets and liabilities are reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Changes in estimates of future taxable income can materially affect the amount of deferred income tax assets and liabilities recognized.

f) Going Concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

## 8(b) Future Accounting Pronouncements

### Presentation of financial statements

An amendment to IAS 1 was issued in January 2020 and applies to annual reporting periods beginning on or after January 1, 2023. The amendment clarifies the criterion for classifying a liability as non-current relating to the right to defer settlement of a liability for at least 12 months after the reporting period. The Company does not expect this amendment to have a significant impact on the Company's financial statements.

## 8(c) Changes in Internal Controls over Financial Reporting ("ICFR")

### 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 interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and 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 NI52-109.



### Disclosure Controls and Procedures

The Company's CEO and CFO are responsible for establishing and maintaining the Company's disclosure controls and procedures. Management, including the CEO and CFO, have evaluated the procedures of the Company and have concluded that they provide reasonable assurance that material information is gathered and reported to senior management in a manner appropriate to ensure that material information required to be disclosed in reports filed or submitted by the Company is recorded, processed, summarized and reported within the appropriate time periods.

While management believes that the Company's disclosure controls and procedures provide reasonable assurance, they do not expect that the controls and procedures can prevent all errors, mistakes, or fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

### 9. Information on the Board of Directors and Management

#### **Directors:**

*Mark T. Brown*  
*Lawrence Roulston*  
*Rene Bernard*  
*Ron Cannan*  
*Ben Whiting*  
*Dorian L. Nicol*

#### **Audit Committee members:**

*Rene Bernard, Ron Cannan, Mark T. Brown*

#### **Management:**

*Lawrence Roulston – Chief Executive Officer, President*  
*Winnie Wong – Chief Financial Officer and Corporate Secretary*  
*Lucia They – VP - Exploration*