



**HIGHGOLD MINING INC.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the three months ended March 31, 2023



## HIGHGOLD MINING INC.

Management's Discussion and Analysis  
For the Three Months Ended March 31, 2023  
(Expressed in Canadian Dollars)

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### GENERAL

The information in this Management's Discussion and Analysis ("MD&A") is intended to assist the reader in the understanding and assessment of the trends and significant changes in the results of operations and financial conditions of HighGold Mining Inc. (the "Company" or "HighGold"). This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three months ended March 31, 2023 and the audited consolidated financial statements of the Company for the year ended December 31, 2022, and other information relating to the Company on file with the Canadian provincial securities regulatory authorities on SEDAR at [www.sedar.com](http://www.sedar.com). The Company's consolidated financial statements for the three months ended March 31, 2023 and for the year ended December 31, 2022 have been prepared in accordance with International Financial Reporting Standards ("IFRS").

This MD&A contains forward-looking statements. Please refer to the cautionary language at the end of this document.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

HighGold is a mineral exploration company focused on premier high-grade gold projects located in North America. HighGold's flagship asset is the high-grade Johnson Tract Gold (Zn-Cu) Project, a gold-dominant polymetallic deposit, located in an accessible area of south-central coastal Alaska, USA. The Company also controls an extensive portfolio of quality gold projects in the greater Timmins gold camp, Ontario, Canada that includes the Munro-Croesus Gold property, which is renowned for its very high-grade mineralization, and the large, early-stage exploration properties, Golden Mile and Timmins South (formerly Golden Perimeter). Currently, HighGold holds one of the largest land positions among the junior gold mining companies in the Timmins Camp. HighGold also has 100% ownership of a group of properties in the Selwyn Basin of the southeastern Yukon, collectively referred to as HighGold's Yukon Gold Properties. HighGold is in the final stages of spinning out the Timmins and Yukon properties into a new entity called Onyx Gold Corp. ("Onyx Gold"), while retaining the Alaska property as it moves toward the advanced stage of exploration. HighGold's experienced Board and senior management team, are committed to providing shareholder value through discovery, careful stewardship of capital, and environmentally and socially responsible mineral exploration activities.

The Company is a reporting issuer in British Columbia, Alberta and Ontario and trades on the TSX Venture Exchange ("TSX-V") under the symbol HIGH and US Over-the-Counter market under the symbol HGGOF.

In October of 2022, HighGold relocated to its offices in order to meet the need for additional space for technical and corporate staff. The new head office and principal business address of the Company is Suite 405 – 375 Water St., Vancouver, BC, V6B 5C6.

This MD&A has taken into account information available up to and including May 25, 2023.



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### HIGHLIGHTS

#### **\$9.25 Million Private Placement Completed**

In April 2023, the Company completed a non-brokered private placement, consisting of 14,029,243 shares at a price of \$0.66 per share for aggregate gross proceeds of \$9,259,300.

#### **Spin-out of Canadian Mineral Properties**

In March 2023, the Company announced that it entered into an arrangement agreement for the spin-out of its Ontario and Yukon exploration properties to its wholly-owned subsidiary, Onyx Gold Corp ("Onyx Gold"). The proposed spin-out will be conducted by way of a plan of arrangement (the "Arrangement") under the British Columbia Business Corporations Act. Pursuant to the Arrangement and subject to shareholder approval, the shareholders of the Company will be entitled to receive one Onyx Gold share for every four shares of the Company held, distributed on a pro rata basis. The Company will also be issued 5,000,000 shares of Onyx Gold. Upon completion of the Arrangement, the total number of outstanding Onyx Gold shares is projected to be approximately 27 million shares. A special meeting of shareholders has been called for May 30, 2023, at which the shareholders of record as of April 25, 2023 will be asked, among other things, to consider and approve the proposed spin-out.

The spin-out will allow HighGold to dedicate 100% of the Company's effort on the important next steps at Johnson Tract of advanced exploration and aggressive exploration drilling to continue expanding the resource base along with initial permitting-related activities. At the same time, the spin-out is expected to daylight value for the Company's Ontario and Yukon gold assets. Onyx Gold will provide existing HighGold shareholders with exposure to a new discovery-focused exploration company with an exciting portfolio of Canadian assets. The intention is for Onyx Gold to continue to maintain an association with HighGold, leveraging the strength and efficiency of our in-house technical teams under one umbrella. HighGold will retain a 5,000,000 share ownership (approximately 14% upon completion of spinout and proposed financing).

#### **Johnson Tract Project**

During the first and early second quarters of 2023, HighGold's technical team has been advancing several aspects of the Johnson Tract Project. This work has included planning and preparations for the 2023 exploration season, as well as desktop engineering and environmental studies to support permitting of an expanded airstrip and 2.5 mile road connecting the camp and airstrip to a potential exploration portal site for underground access to the JT Deposit.

The Company plans to open the Johnson Tract camp in June with the drill program scheduled to commence in July. The 2023 drill program drilling will include two drill rigs with plans for testing the Ellis Zone at the Difficult Creek prospect, the JT Deposit, and the South Valley target to the south of the JT Deposit, which is overburden covered with little historic drilling and no recent drilling. One of the goals of the 2023 program is to complete sufficient drilling to prepare an initial mineral resource estimate at the Ellis Zone.

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**Timmins, Ontario Projects**

During the first and early second quarters of 2023, a NI43-101 Technical Report was prepared and filed for Munro-Croesus Project in the Timmins region, Ontario. Other work included planning for future exploration programs in late 2023 to be completed by Onyx Gold following completion of the spin-out.

**Yukon Gold Projects**

Since its inception, HighGold held a 50% stake in a suite of properties in the Selwyn Basin, Yukon Territory. In September 2022, HighGold purchased the remaining 50% interest in the four properties in this package, totaling 1023 claims and 21,000 hectares (210 square kilometers), with a payment of \$75,000 and the issuance of 200,000 shares of the Company. This suite of properties has gained increasing significance due to its very close proximity to the new '*Reduced Intrusive Related Gold*' discovery made by Snowline Gold. The most advanced of HighGold's Yukon gold properties is the **King Tut property**, where past exploration work outlined multi-kilometer long gold-in-soil anomalies including an open-ended one-kilometer by one-kilometer gold anomaly associated with the interpreted upper carapace of an intrusive body with no prior drilling. During the first and early second quarters of 2023, work on the Yukon Gold properties has included data compilation, desktop studies, permitting and planning for future exploration programs.

**COMPANY BACKGROUND**

HighGold was listed on the TSX Venture Exchange in September 2019 under the ticker "HIGH". A history of the Company's financings is listed in the table below:

Date	Amount \$C	Shares Issued	Price \$C	Warrants
August 20, 2019 <sup>(1)</sup>	\$200,000	1,000,000	\$0.20	½ @ \$0.45, 5-year term
September 23, 2019	\$7,650,000	17,000,000	\$0.45	½ @ \$0.70, 2-year term
December 5, 2019 <sup>(2)</sup>	\$2,304,000	1,280,000	\$1.80	N/A
December 5, 2019	\$7,000,000	5,600,000	\$1.25	N/A
July 28, 2020	\$13,800,166	7,976,975	\$1.73	N/A
July 28, 2020 <sup>(3)</sup>	\$772,445	446,500	\$1.73	N/A
December 23, 2020 <sup>(2)</sup>	\$3,000,000	1,500,000	\$2.00	N/A
December 23, 2020 <sup>(2,3)</sup>	\$700,000	350,000	\$2.00	N/A
October 27, 2021 <sup>(4)</sup>	\$18,800,000	12,750,000	\$1.60	N/A
April 12, 2023 <sup>(5)</sup>	\$9,259,300	14,029,243	\$0.66	N/A

(1) Seed round completed by management and directors.

(2) Flow-through financing at premium to market.

(3) Side-car financing pursuant to existing investor rights agreement with strategic shareholder.

(4) Two-part financing – a \$13,800,000 prospectus offering bought deal and \$5,000,000 private placement to an existing strategic shareholder.

(5) Non-brokered private placement.

## EXPLORATION PROPERTIES

### Overview

HighGold holds a portfolio of gold assets in the well-established mining jurisdictions of USA (Alaska) and Canada (Timmins, Ontario and Yukon Territory). Alaska and Timmins have a history of high-grade gold results and substantial exploration upside, while the Yukon has a long and successful history of base and precious metal exploration and mining. The most advanced of these assets is the 21,000-acre Johnson Tract property ("Johnson Tract"), located in coastal southcentral Alaska, in the Cook Inlet region. The majority of the Company's exploration budgets are dedicated to the Johnson Tract property, focusing on expansion of the high-grade JT Deposit, discovering additional zones of mineralization, and advancing the project through pre-development activities. The Company's extensive portfolio of quality gold projects in the greater Timmins gold camp, Ontario includes the Munro-Croesus Gold property ("Munro-Croesus"), renowned for its high-grade mineralization, plus two additional earlier-stage large exploration properties, Golden Mile and Timmins South (formerly known as Golden Perimeter). Currently, most of the Company's activity in Ontario is on discovery-focused exploration drilling of the Munro-Croesus property. The Company owns a 100% interest in four southwest Yukon Territory properties in an area of the Selwyn Basin, which are currently gaining significance through recent discoveries in the area.

### Johnson Tract Property

#### *JT Deposit*

The large, 21,000-acre Johnson Tract property is located near tidewater on Cook Inlet, 125 miles (200 kilometers) southwest of Anchorage. It includes the high-grade Johnson Tract Gold (Zn-Cu) Deposit ("JT Deposit") along with excellent exploration potential indicated by several other prospects over a 12-kilometer mineralized trend. Prior to HighGold, the project was explored in the mid-1990s by a mid-tier mining company that evaluated direct shipping gold mineralized material from Johnson to the Premier Mill near Stewart, British Columbia.

HighGold acquired Johnson Tract through a lease agreement with Cook Inlet Region, Inc. ("CIRI"), an Alaska Native regional corporation that is the largest private landowner within the Cook Inlet region. The Johnson Tract property is an inholding in Lake Clark National Park and was conveyed to the CIRI Native Corporation under the terms of the Alaskan Native Claims Settlement Act ("ANSCA") and the Cook Inlet Land Exchange. Ratified by an act of Congress CIRI is entitled to transportation and port easements through Park lands for mineral extraction.

#### *JT Deposit Mineral Resource (July 2022)*

- Indicated Resource of 3.49 million tonnes ("Mt") grading 9.39 g/t gold equivalent ("AuEq") for 1,053,000 oz AuEq
- Inferred Resource of 0.71 Mt grading 4.76 g/t AuEq for 108,000 oz AuEq
- Indicated resource averages 40-meter horizontal width, roughly 10 times the mineable width of most high-grade (+5 g/t) underground gold deposits
- Open to expansion along strike/down-dip/down-plunge with numerous high-priority property-wide targets

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***JT Deposit Mineral Estimate at 3.0 g/t AuEq Cut-off***  
*(effective date July 12, 2022)*

Category	Tonnes (000s)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	AuEq (g/t)
<b>Indicated</b>	3,489	5.33	6.0	0.56	0.67	5.21	9.39
<b>Inferred</b>	706	1.36	9.1	0.59	0.30	4.18	4.76

Contained Metal							
Category	Au (k oz)	Ag (k oz)	Cu (M lb)	Pb (M lb)	Zn (M lb)	AuEq (k oz)	
<b>Indicated</b>	598	673	43.1	51.5	400.8	1,053	
<b>Inferred</b>	31	207	9.2	4.7	65.1	108	

**Notes**

- Includes all drill holes completed at JT Deposit, with drilling completed between 1982 and as recently as October 2021
- Assumed metal prices are US\$1650/oz for gold (Au), US\$20/oz for silver (Ag), US\$3.50/lb copper (Cu), US\$1/lb lead (Pb), and US\$1.50/lb for zinc (Zn)
- Gold Equivalent ("AuEq") is based on assumed metal prices and payable metal recoveries of 97% for Au, 85% for Ag, 85% Cu, 72% Pb and 92% Zn from metallurgical testwork completed in 2022
- AuEq equals = Au g/t + Ag g/t × 0.01 + Cu% × 1.27 + Pb% × 0.31 + Zn% × 0.59
- Average bulk density value of 2.84 used as determined by conventional analytical methods for assay samples
- Capping was applied to assays to restrict the impact of high-grade outliers, resulting in the removal of 8.4% Au, 10.1% Ag, 2.8% Cu, 6.2% Pb, and 1.3% Pb from the resource block model as compared to an uncapped version
- The economic underground mining cut-off is estimated to be 2.5 g/t AuEq derived from assumed operating cost of \$65/t for long hole open stopes mining, \$35/t processing and \$20/t G&A and accounting for transport and smelter charges. HighGold elected to report this mineral resource at a higher cut-off grade of 3.0 g/t Au, given the high-grade nature of the deposit.
- Preliminary underground constraints were applied, including the elimination of isolated or scattered blocks above cut-off grade to define the "reasonable prospects of eventual economic extraction" for the Mineral Resource Estimate
- Mineral resources as reported are undiluted
- Mineral resource tonnages have been rounded to reflect the precision of the estimate
- Readers are cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability

In addition to attractive grades and favourable metallurgy, the JT Deposit has several attributes that are considered attractive for underground development, including: (i) excellent thickness (avg. 40m); (ii) strong continuity; (iii) subvertical geometry; and, (iv) geotechnically competent mineralization.

For additional details, see the NI 43-101 Technical Report titled "*Updated Mineral Resource Estimate and NI 43-101 Technical Report for the Johnson Tract Project, Alaska*" dated August 25, 2022 authored by Ray C. Brown, CPG, Lyn Jones P.Eng. and James N. Gray, P.Geo.

***Ellis Zone, DC Prospect***

The DC Prospect is located four (4) kilometers northeast of the JT Deposit and is characterized by a series of large gossan alteration zones similar in style to the +1Moz AuEq JT Deposit that collectively extend over a 1.5 km x 3.0 km area in a broad northeasterly trend.

Drilling in late 2021 resulted in the discovery of near-surface bonanza-grade mineralization, which returned **577.9 g/t Au and 2,023 g/t Ag over 6.40 meters** in hole DC21-010. Subsequent geological

modeling during the 2021-2022 off-season inferred an east-west striking, steeply north-dipping trend to the mineralization that became the focus for the initial 2022 drill program at what is now referred to as the 'Ellis Zone'.

A total of 39 holes (5,455 m) were drilled in 2022 defining the Ellis Zone mineralization over a strike length of 125 meters and from surface to a depth of 225 meters with an average true thickness of 10 to 15m within the plunging core of the zone. An apparent shallow plunge to the west to northwest is now implied by the higher-grade intercepts. The Ellis Zone remains open along strike to the west and down-dip/down-plunge.

Mineralogy, veining and alteration of the Ellis Zone are similar to the main JT Deposit, which has been defined from surface to a vertical depth of more than 300 meters, over a strike length of 600 meters and has an average true thickness of 40m.

### **Timmins, Ontario Properties**

HighGold has 100% ownership of three properties in the Timmins, Ontario gold camp: the Munro-Croesus property; the Golden Mile property; and the Timmins South Property. The properties can be explored year-round, with winter months particularly favorable for drilling when frozen conditions enhance access.

The Timmins Gold camp is Canada's top gold jurisdiction based on total ounces produced. The Company has been executing a strategy of consolidating large, underexplored sections of the camp with high geological potential, followed by systematic exploration and targeting.

The eastern portion of the Timmins gold camp has recently experienced a resurgence in activity and public profile. Major drilling campaigns and resource updates by neighboring exploration and mining companies include those of Moneta Gold Inc at the Tower Gold Project, McEwen Mining at the Black Fox mine and Gray Fox deposit, and Mayfair Gold at the Fenn-Gib deposit. The recent merger between Agnico Eagle Mines Limited and Kirkland Lake Gold Inc. (with neighboring properties to HighGold) highlights the strategic importance of the Abitibi in Ontario as a preferred gold mining jurisdiction.

### ***Munro-Croesus Property***

The Munro-Croesus Gold Project is located approximately 75 kilometers (47 miles) east of Timmins, Ontario along Highway 101. For the past several years, HighGold has continued a strategy to consolidate the patchwork of underexplored 1911 to 1950 era patented and unpatented mining claims surrounding the historic Croesus Mine. To date, the Company has completed 18 separate land deals in pursuit of this goal, bringing the strategic Munro Croesus land position total size to 57 square kilometers (22 square miles).

The 100% owned land package includes the past-producing Croesus Mine, which yielded some of the highest-grade gold ever mined in Ontario. The highly prospective geology is proximal to the Porcupine-Destor Deformation Fault Zone and Pipestone Fault and located approximately 1,500 meters northwest and along trend of Mayfair Gold's multi-million ounce Fenn-Gib gold deposit. Since discovery in 1914, the Croesus Mine property has spent the majority of its history in private hands, with limited modern

exploration conducted to date across the greater project area. Systematic exploration and targeting work has been completed on the consolidated land package that includes airborne magnetic-EM and LiDAR surveys, surface geophysical surveys, data compilation, geological and structural studies, which have yielded multiple high-priority drill targets.

Drilling in 2022 resulted in the discovery of bulk tonnage style gold mineralization at the **new Argus Zone** (e.g. **136m @ 0.54 g/t Au**, including 62.8 meters at 0.79 g/t Au) and new high grade vein discoveries, 100 meters northeast of the former Croesus Mine (e.g. 14.00 g/t Au over 0.6m and 13.40 g/t Au over 0.5m), both of which warrant follow-up. These discoveries are 'proof of concept' of the Company's geological and structural models.

### ***Golden Mile Property***

This 89 square kilometer (35 square mile) property is located nine kilometers (5.6 miles) northeast of Newmont-Goldcorp's multi-million-ounce Hoyle Pond deposit in the Timmins gold camp, northeast Ontario. The property covers the northwestern extension of the Pipestone Fault System on the north margin of the Timmins gold camp that has produced more than 55 million ounces of gold to date.

### ***Timmins South Property (formerly known as the Golden Perimeter Property)***

This 100%-owned, 128 square kilometer (49 square mile) property includes a several large claim blocks located south of the major gold producing mines in Timmins. The property covers several intrusive bodies hosted by Tisdale komatiites and mafic volcanic rocks and is prospective for both alkalic disseminated gold and orogenic vein-hosted gold mineralization.

### ***Yukon Gold Properties (Northwest Canada)***

HighGold has 100% of four (4) separate properties in the Selwyn Basin area of the east-central Yukon Territory, totaling 1023 claims and 21,000 hectares (210 sq. km). The most advanced of the properties is **King Tut**, located central to the land package owned by Snowline Gold and 50km from Snowline's recent high-grade 'Reduced Intrusive Related Gold' Valley discovery. HighGold's four assets include the following properties: King Tut, RGS, Canol and Stan. Past exploration work at the King Tut property outlined multi-kilometer long gold-in-soil anomalies including an open-ended one-kilometer by one-kilometer gold anomaly associated with the interpreted upper carapace of an intrusive body with no prior drilling. All four properties are situated in reasonable proximity to the North Canol Road, a main east-west route through this eastern part of the Yukon.

**RESULTS OF OPERATIONS*****Exploration and Evaluation Property Expenditures***

During the three months ended March 31, 2023, the Company recorded expenditure additions of \$1,143,984 (2022 - \$2,736,010) on exploration and evaluation properties. The Johnson Tract property, Munro-Croesus property and South Timmins (also known as Golden Perimeter) property accounted for \$815,163 (2022 - \$496,323), \$285,986 (2022 - \$2,128,549) and \$14,201 (2022 - \$89,589) of these expenditures, respectively.

***Operating Costs***

The net loss for the three months ended March 31, 2023 was \$582,749 (2022 - \$457,698). Significant expenses included:

- Advertising and promotion of \$73,880 (2022 - \$24,342), mainly consisting of advertising campaigns and the cost of participating in virtual and in person mining investment conferences and roadshows.
- Professional fees of \$81,502 (2022 - \$32,868), relating to legal fees of \$62,002 (2022 - \$13,368), and fees of \$19,500 (2022 - \$19,500) related to accounting services provided to the Company.
- Salaries, wages and benefits of \$154,412 (2022 - \$139,111) paid to directors, officers and employees of the Company. Please refer to "Transactions with Related Parties" section for additional information.
- Share-based compensation of \$74,626 (2022 - \$134,756), relating to the vesting of stock options that were granted during the prior years.

During the three months ended March 31, 2023, the Company recorded interest income of \$58,686 (2022 - \$16,209) related to the Company's investment in short-term bank certificates and an unrealized loss of \$40,000 (2022 - unrealized gain of \$24,305) related to 150,000 shares held in Fireweed and 100,000 shares held in Snowline. The shares of Fireweed and Snowline were acquired as partial consideration for the sale of certain Yukon mining claims under two separate agreements.

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**SUMMARY OF QUARTERLY RESULTS**

The following is a summary of certain consolidated financial information of the Company since its inception:

	Quarter ended March 31, 2023	Quarter ended December 31, 2022	Quarter ended September 30, 2022	Quarter ended June 30, 2022
Revenue <sup>(1)</sup>	\$ -	\$ -	\$ -	\$ -
Net comprehensive loss	(582,749)	(65,265)	(388,672)	(589,354)
Total assets	61,405,906	61,547,699	62,828,258	61,417,915
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)

  

	Quarter ended March 31, 2022	Quarter ended December 31, 2021	Quarter ended September 30, 2021	Quarter ended June 30, 2021
Revenue <sup>(1)</sup>	\$ -	\$ -	\$ -	\$ -
Net comprehensive loss	(457,698)	(563,806)	(345,332)	(799,362)
Total assets	61,589,527	61,726,689	45,840,926	43,148,844
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)

(1) The Company has no sales revenues.

**Quarterly Results – General Trend**

The Company's operating expenses for the quarter ended March 31, 2023, not including share-based compensation, were \$534,309, compared to \$363,456 for the same period last year. The Company's operating costs are not expected to increase materially over the next quarter.

**FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES**

As at March 31, 2023, the Company had current assets of \$7,321,445 (December 31, 2022 - \$8,582,520), including cash and cash equivalents of \$6,143,923 (December 31, 2022 - \$7,637,197) and \$621,343 (December 31, 2022 - \$364,882) in total liabilities.

During the three months ended March 31, 2023, the Company used \$494,032 (2022 - \$495,477) in cash for operating activities and \$1,001,652 (2022 - \$2,560,661) in cash for exploration and evaluation expenses, spent primarily on the Johnson Tract and Munro-Croesus properties.

Total cash provided by financing activities was \$2,410 (2022 – \$Nil) related to a sublease of the Company's office in Vancouver and share subscriptions received in advance of \$20,000.

In April 2023, the Company completed a non-brokered private placement, consisting of 14,029,243 shares at a price of \$0.66 per share for aggregate gross proceeds of \$9,259,300 and 281,375 warrants were exercised into common shares of the Company for gross proceeds of \$126,619.

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The financial statements have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

**USE OF PROCEEDS**

The following table is a comparison of actual use of proceeds from financings to previous disclosures made by the Company in the three months ended March 31, 2023.

	<b>Gross Proceeds</b>	<b>Intended Use of Proceeds</b>	<b>Actual Use of Proceeds to Date</b>
Proceeds from bought deal offering and non-brokered private placement on October 27, 2021	\$18,800,000		
	<b>\$18,800,000</b>		
October 27, 2021 financing:			
Johnson Tract exploration and development		\$10,000,000	\$10,000,000
Expenditures on capital equipment		\$100,000	\$245,116
Cost of financing		\$1,038,275	\$1,038,275
General working capital		\$7,661,725	\$1,372,686
Cash balance from financing, as at March 31, 2023 <sup>[1]</sup>			\$6,143,923
<b>Total</b>	<b>\$18,800,000</b>	<b>\$18,800,000</b>	<b>\$18,800,000</b>

- (1) The balance of the proceeds remaining in treasury is intended to be applied towards ongoing exploration work on the Company's mineral properties and general corporate purposes.

**FINANCIAL INSTRUMENTS**
**Classification of financial instruments**

	Ref.	March 31, 2023	December 31, 2022
		\$	\$
Financial assets at FVTPL	(a)	407,000	447,000
Financial assets at amortized cost	(b)	6,213,825	7,637,197
Financial liabilities at amortized cost	(c)	504,919	234,466

(a) Comprised of marketable securities

(b) Comprised of cash and amounts receivable excluding sales taxes receivable

(c) Comprised of accounts payable and accrued liabilities

The fair value of the Company's financial assets and financial liabilities at amortized cost approximates the carrying amount.

The Company's marketable securities carried at fair value have been classified as Level 1 within the fair value hierarchy.

**Management of Industry and Financial Risk**

The Company's financial instruments are exposed to certain financial risks, which include the following:

***Credit risk***

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institutions and for trade receivables by performing standard credit checks. The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, that it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. As at March 31, 2023, the Company has working capital of \$6,756,189 (December 31, 2022 - \$8,284,288). There can be no assurance that the Company will be successful with generating and maintaining profitable operations or will be able to secure future debt or equity financing for its working capital and expansion activities.

***Foreign exchange risk***

The Company operates internationally and is exposed to foreign currency risk arising from currency exposures to Canadian dollars. The main currency to which the Company has an exposure is the U.S. dollar. The Company is exposed to currency risk to the extent of its cash and trade and other payables that are denominated in U.S. dollars. The Company does not currently hedge its exposure to fluctuations in the related foreign exchange rates.

Based on the Company's net US currency exposure as at March 31, 2023, and assuming all other variables remain constant, a 15% weakening or strengthening of the Canadian dollar against the US dollar would result in an increase/decrease of approximately \$35,000 in comprehensive income/loss for the period.

***Interest rate risk***

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not hold any assets or liabilities subject to variable interest rates, and as such, the Company is not exposed to significant interest rate risk.

***Equity price risk***

Equity price risk arises from market fluctuations in equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk is limited to declines in the values and volumes including those of its own shares, which could impede its ability to raise additional funds when required and movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors the individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. As at March 31, 2023, the Company's marketable securities of \$407,000 are subject to fair value fluctuations.

Based on the Company's marketable securities as at March 31, 2023, and assuming all other variables remain constant, a 10% increase/decrease in the fair value of marketable securities would result in an increase/decrease of approximately \$41,000 in comprehensive income/loss for the period.

***Capital management***

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at March 31, 2023, the Company's shareholders' equity totalled \$60,784,563 (December 31, 2022 - \$61,182,817). The Company's objectives when managing capital are to maintain financial viability and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company's current capital was received from the issuance of common shares, options and warrants. The Company plans to use a significant portion of the net proceeds raised to date for the development of its current mineral properties and for the acquisition of additional mineral properties or assets.

The Company is not subject to externally imposed capital requirements as at March 31, 2023 except when the Company issues flow-through shares for which the amount should be used for exploration work.



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(Expressed in Canadian Dollars)

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There were no changes to the Company's approach to capital management during the three months ended March 31, 2023.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements and no long-term debt obligations.

**TRANSACTIONS WITH RELATED PARTIES**

As at March 31, 2023, the Company had a total of \$Nil (December 31, 2022 - \$905) payable to Mr. Ian Cunningham-Dunlop, Senior VP Operations for outstanding expense reimbursements payable .

As at March 31, 2023, the Company had a total of \$Nil (December 31, 2022 - \$20,766) payable to Mr. Darwin Green, the Chief Executive Officer and a director for outstanding expense reimbursements payable.

As at March 31, 2023, the Company had a total of \$4,629 (December 31, 2022 - \$2,671) payable to Mr. Aris Morfopoulos, Chief Financial Officer for outstanding expense reimbursements payable.

As at March 31, 2023, the Company had a total of \$262,500 (December 31, 2022 - \$Nil) payable to a consulting firm partnership for financial, capital markets and strategic advisory services. Mr. Michael Gray, a director of the Company, is a partner of the firm, although he was not involved in providing any of its services to the Company.

During the three months ended March 31, 2023, the Company paid/accrued salaries, wages and benefits included in administrative expenses of \$15,000 (2022 - \$15,000), paid/accrued salaries, wages and benefits included in exploration and evaluation expenditures of \$45,000 (2022 - \$45,000) to Mr. Darwin Green, the Chief Executive Officer and a director of the Company.

During the three months March 31, 2023, the Company paid/accrued salaries, wages and benefits included in administrative expenses of \$24,000 (2022 - \$24,000) and paid/accrued management to Mr. Aris Morfopoulos, Chief Financial Officer and Secretary of the Company.

During the three months March 31, 2023, the Company paid/accrued salaries, wages and benefits included in exploration and evaluation expenditures of \$54,999 (2022 - \$54,999) to Mr. Ian Cunningham-Dunlop, Senior VP Exploration of the Company.



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During the three months March 31, 2023, the Company paid/accrued salaries, wages and benefits included in administrative expenses of \$45,000 (2022 - \$45,000) to Ms. Naomi Nemeth, VP Investor Relations of the Company.

During the three months March 31, 2023, the Company paid director fees of \$3,125 (2022 - \$3,125) to each of the non-executive directors of the Company (Michael Cinnamond, Michael Gray, Lance Miller and Anne Labelle).

During the three months March 31, 2023, the Company paid fees of \$262,500 (2022 - \$50,000) to a consulting firm partnership for financial, capital markets and strategic advisory services, of which \$Nil (2022 - \$25,000) was charged to consulting expense during the three months ended March 31, 2023 and \$262,500 (2022 - \$8,333) was recorded as a prepaid expense at March 31, 2023. Mr. Michael Gray, a director of the Company, is a partner of the firm, although he was not involved in providing any of its services to the Company.

During the three months ended March 31, 2023, the Company recorded total share-based compensation of \$77,133 (2022 - \$154,264), of which \$51,137 (2022 - \$101,119) is included in administrative expenses and \$25,996 (2022 - \$53,145) is included in exploration and evaluation assets, related to the vesting of stock options previously granted to officers and directors of the Company.

#### OUTSTANDING SHARE DATA

The following table shows the Company's share capital data as at March 31, 2023:

<b>Total issued and outstanding</b>	<b>73,370,210</b>
Stock options (\$0.45 - \$1.46 per share)	5,534,162
Warrants (\$0.45 - \$2.15 per share)	4,679,910
<b>Fully diluted</b>	<b>83,584,282</b>

In April 2023, the Company issued 14,029,243 shares at a price of \$0.66, pursuant to completion of a non-brokered private placement and 281,375 shares at a price of \$0.45, pursuant to the exercise of warrants.

The following table shows the Company's share capital data as of the date of this MD&A:

<b>Total issued and outstanding</b>	<b>87,680,828</b>
Stock options (\$0.45 - \$1.59 per share)	5,534,162
Warrants (\$0.45 - \$2.15 per share)	4,398,535
<b>Fully diluted</b>	<b>97,613,525</b>

***Future Cash Requirements***

The Company's future capital requirements will depend on many factors, including, among others, its ability to earn cash flow from operations. Should the Company wish to pursue current and future business opportunities, additional funding will be required. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's common stock. No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Company and its shareholders. If adequate funds are not available, the Company may not be able to meet its contractual requirements.

**CRITICAL ACCOUNTING ESTIMATES**

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates that, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

**RISKS AND UNCERTAINTIES**

Refer to the "Risk and Uncertainties" section of the annual MD&A for the year ended December 31, 2022. These factors remain primarily unchanged for the three months ended March 31, 2023.

**CORPORATE GOVERNANCE**

The Company's Board and its committees follow the recommended corporate governance guidelines for public companies while tailored to its size and operations to ensure transparency and accountability to shareholders. The current Board is comprised of five individuals, one of who is the Chief Executive Officer of the Company. The Audit Committee is comprised of three members, all of whom are independent directors of the Company.

**FORWARD-LOOKING STATEMENTS**

This MD&A contains certain statements that may constitute "forward looking statements". Forward looking statements include but are not limited to, statements regarding future anticipated business developments and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.



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This MD&A includes, but is not limited to, forward-looking statements regarding the Company's upcoming exploration plans for the year, the meeting of its Canadian flow-through expenditure obligations and its ability to meet its working capital needs for the next fiscal year.

Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.

### **FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES**

During the three months ended March 31, 2023, there has been no significant change in the Company's internal control over financial reporting since its inception on April 16, 2019.

The management of the Company is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. Management is also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's financial statements for the three months ended March 31, 2023 (together the "Interim Filings").

The management of the Company has filed the Venture Issuer Basic Certificate with the Interim Filings on SEDAR at [www.sedar.com](http://www.sedar.com).

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

### **APPROVALS**

The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Mr. Ian Cunningham-Dunlop, P. Eng., Senior Vice-President Exploration, and a qualified person as defined by Canadian National Instrument 43-101, has reviewed the technical information contained in this MD&A.

### **ADDITIONAL INFORMATION**

Additional information pertaining to the Company is available on the SEDAR website at [www.sedar.com](http://www.sedar.com).