

**PRECIPITATE GOLD CORP.**  
**Management Discussion and Analysis (“MD&A”)**  
**for the six months ended May 31, 2021**

The following discussion and analysis of the operations, results, and financial position of Precipitate Gold Corp. (“the Company”) for the six months ended May 31, 2021, should be read in conjunction with the Company’s unaudited financial statements and related notes for the three and six months ended May 31, 2021, and the audited financial statements and related notes for the year ended November 30, 2020 which have been prepared in accordance with International Financial Reporting Standards. The effective date of this report is July 28, 2021. All figures are presented in Canadian dollars, unless otherwise indicated.

**COMPANY OVERVIEW**

The Company was incorporated pursuant to the provisions of the *Business Corporations Act* of British Columbia completed an initial public offering (“IPO”) on the TSX Venture Exchange (“TSX-V”) and commenced trading under the symbol PRG. The Company is in the business of exploration, development and exploitation of mineral resources in Canada and the Dominican Republic, with the primary objective to explore mineral properties to a stage where they can be developed profitably or sold to a third party.

The Company is primarily focused on gold and base metal exploration in the Dominican Republic. The Company has three distinct Dominican properties, Pueblo Grande, Juan de Herrera and Ponton, covering a combined 25,922 hectares. The Pueblo Grande Property adjoins the world class, high sulphidation epithermal Pueblo Viejo gold-silver mine, owned by Barrick (60%) & Newmont Goldcorp (40%), in the heart of the Dominican Republic’s most active and mining-friendly district. The Juan de Herrera Project is located within the prospective Tireo Gold Trend of western Dominican Republic, directly adjoining GoldQuest Mining Corp. on the south and west sides of its Tireo Gold Project. The Ponton Property, located 25 kilometres east of Pueblo Grande, is an early-stage gold epithermal exploration target hosted in the similar Los Ranchos Formation volcanic rocks as found at Barrick’s Pueblo Viejo.

**MINERAL PROPERTIES**

The Company is conducting exploration activities and evaluating possible new opportunities in the Dominican Republic. The Company’s mineral property interests are as follows:

**a) Pueblo Grande, Dominican Republic**

On October 24, 2018 the Company announced entering into a purchase-sale agreement with Everton Resources Inc. (“Everton”) to acquire a 100% interest in all of Everton’s Dominican Republic exploration concessions, including two highly prospective concessions, making up the “Pueblo Grande Property” surrounding the world-class Pueblo Viejo gold-silver-copper mine. As consideration the Company delivered to Everton CDN\$25,000 cash and 7,000,000 common shares of Precipitate subject to resale restrictions for up to 3 years.

On January 9, 2020, the Company facilitated the sale and transfer of 4,500,000 common shares of the Company previously registered to Everton Resources and transferred and re-registered the shares to a new shareholder group (the “Purchasers”). The Company has removed the re-sale restrictions on the 2,500,000 shares owned by Everton. The Company agreed to amend the re-sale restriction on the re-registered shares such that 1,500,000 of the Purchasers’ shares will be free-trading at transfer, 1,500,000 will be restricted from re-sale for 3 months from the date of transfer, and 1,500,000 will be restricted from re-sale for 9 months from the date of transfer.

Pre-existing advanced stage or mining-related commitments to a third party include (i) a sliding scale NSR royalty ranging from 1%, where gold is under US\$1,000/oz, to 2%, where gold is over US\$1,400/oz and (ii) sum of cash or shares valued at the greater of \$5,000,000 or the value of

5,000,000 common shares based on a 20 day VWAP, in the event a resource of 1,000,000 gold equivalent ounces or greater are delineated at certain grades and in various indicated and inferred categories.

On April 13, 2020 the Company announced that it had signed a definitive earn-in agreement (the "Agreement") with Barrick Gold Corporation whereby Barrick has the right to earn a 70% interest in the Company's Pueblo Grande Property by incurring a minimum US\$10.0 million in exploration expenditures and delivering a qualifying pre-feasibility study prior to the sixth anniversary of the Agreement.

In accordance with the terms of the Agreement, to earn a 70% interest in the Project, Barrick must (the "Earn-in Conditions"):

- Incur a minimum of US\$10.0 million in qualifying work expenditures prior to the sixth anniversary of the entering into of the Agreement as follows:
  - US\$2.0 million in aggregate before the second anniversary, with a US\$1.0 million guaranteed minimum expenditure if Barrick elects to terminate the Agreement before the second anniversary;
  - US\$3.5 million in aggregate before the third anniversary;
  - US\$5.0 million in aggregate before the fourth anniversary;
  - US\$7.0 million in aggregate before the fifth anniversary; and
  - US\$10.0 million in aggregate before the sixth anniversary;
- Complete a minimum of 7,500 metres of drilling before the sixth anniversary of the entering into of the Agreement; and
- Deliver a qualifying pre-feasibility study before the sixth anniversary of the entering into of the Agreement

Shortfalls in required work expenditures may be paid by Barrick to Precipitate as cash in lieu to satisfy the work expenditures' requirement. Barrick may at any time accelerate any or all of the work expenditures and excess work expenditures in any year shall apply against any future years' obligations.

Upon satisfaction of the Earn-in Conditions and delivery of an exercise notice, Barrick and Precipitate will form a joint venture to be owned 70% by Barrick and 30% by Precipitate. At Precipitate's election, which must be made within 120 days of the approval by the joint venture of a feasibility study, Barrick will be obligated to provide Precipitate's portion of any debt financing or arrange for third party financing of Precipitate's portion of any debt financing required to construct a mine on the Pueblo Grande Property described in the feasibility study in consideration for the transfer by Precipitate to Barrick of a 5% interest in the joint venture. Dilution of the Company's interest in the joint venture below 10% will result in the conversion of Precipitate's interest to a 1.5% net smelter return ("NSR") royalty on any concessions without pre-existing NSRs as of the date hereof, and a 1.0% NSR royalty on any concessions with pre-existing NSRs as of the date hereof, applicable to all recovered products.

As part of the agreement, the Company closed a non-brokered private placement by Barrick on April 17, 2020 of 12,713,636 common shares at \$0.11 per share for gross proceeds of \$1,398,500.

As operator of the Pueblo Grande Property, Barrick will prepare programs and budgets in respect of the Pueblo Grande Property and provide Precipitate copies of each approved program and budget within 30 days of its approval. In addition, Barrick will prepare and provide to Precipitate, by the 45th day after the end of each calendar quarter, a quarterly report in respect of the preceding quarter that describes all work conducted on the Pueblo Grande Property, including all data and results derived from such work.

In the event Barrick elects to withdraw from the Agreement prior to having earned a 70% interest or fails to fulfill the qualifying work expenditures, including delivery of a qualifying pre-feasibility study before the sixth anniversary, Barrick will forfeit all rights and interests in the Pueblo Grande Property to Precipitate with all concessions in good standing.

**b) Juan de Herrera Project, Dominican Republic**

Precipitate, through 0945044 B.C. Ltd., acquired 100% of certain concessions within the Juan de Herrera Project. The properties are subject to a 3% NSR royalty on any base and precious metal commercial production. The Company may purchase 50% of the NSR royalty by paying \$2,000,000.

The Company has completed multiple phases of regional and local scale exploration work on its Juan de Herrera Project (“JDH”), since acquiring the property in late 2012. The JDH Project concessions cover approximately 12,754 hectares, directly adjoining the “Tireo Gold Trend” holdings of GoldQuest Mining Corp. on the south and west sides. Much of the Company’s initial exploration work focused on the Ginger Ridge zone, however subsequent exploration expanded to include several other geochemically anomalous areas, such as the Ginger Ridge East, Southeast, South Jengibre, Peak and Melchor zones.

To-date, the full scope of JDH property exploration work has successfully identified multiple combined geological, geophysical, and geochemical anomalous areas with VMS style mineralization affinities, which require modest additional work to refine and prioritize future drill targets, particularly the Ginger Ridge East, Southeast, Jengibre South, Peak and Melchor areas. There are a number of early-stage un-named anomalous zones in the northern part of the project which require follow up exploration.

Exploration completed at the Ginger Ridge Zone includes geological mapping, rock sampling, gridded soil sampling, trenching, geophysical surveying (induced polarization (‘IP’) and magnetics) two diamond drilling programs consisting of 15 holes, totalling 3,274 metres. See the Company’s September 23, 2014 and select 2016-2017 news releases for more drill program related details. Results for follow up holes 7 to 15 reported intervals of compelling sulphide-silica alteration combined with anomalous gold-copper-zinc metal; characteristics commonly associated with a volcanogenic massive sulphide (“VMS”) setting. See the Company’s news releases dated January 19, 2017 and August 1, 2017 for full details.

Ginger Ridge East Zone

Subsequent to the completion of the late 2016 Phase 2 drilling at Ginger Ridge, the Company shifted its exploration focus to the Ginger Ridge East zone, located approximately 1.0 km east of the main Ginger Ridge zone. The Ginger Ridge East zone emerged as a prospective target following the announcement of GoldQuest Mining’s Cachimbo discovery which identified a new gold-rich polymetallic discovery approximately 3.0km northwest of Ginger Ridge East. The Ginger Ridge East Zone’s multi-element soil anomaly (gold, lead, zinc, copper, arsenic, antimony, plus other elements) strikes approximately 1 kilometre in a northwest direction and is coincident with induced polarization gradient geophysical anomalies of elevated resistivity and moderate chargeability. Trench sampling within the anomaly returned consistent gold, lead, zinc, and copper mineralization over substantial lengths.

The mid-2017 first phase of drilling at the Ginger Ridge East Zone consisted of 8 shallow drill holes totalling 812 metres. Highlight core sampling results include mineralized drill intercepts yielding 10.47m of 0.83 g/t gold, and 0.20% zinc (hole EA17-03) and 3.04m of 2.1% zinc and 0.2% copper, including 1.50m of 3.18% zinc and 0.4% copper (hole EA17-06). Subsequent to the completion of the 2017 drill program, results were received for the expanded continuous chip sampling of the Zone’s Trench 6; including highlight values of 22.0m of 1.79 g/t gold, including 8.0m of 3.52 g/t gold (see August 09, 2017 news release). Several immediate follow up targets, including a sizable untested area in and around the newly expanded Trench 6, are the anticipated focus of follow up drilling.

### Southeast Zone

The Company's continuous rock chip channel sample results from Trench 7 at the high-grade copper showing at the Southeast Zone, located approximately 6 kilometres southeast of the Ginger Ridge Zone, has yielded a highlight interval of 3.0m of 2.78% copper within 8.0m of 1.28% copper, within a broader 18.0m of 0.70% copper. Surface rock grab samples collected up to 60 metres to the southwest report copper values up to 0.76%. In late 2017, crews conducted an extensive soil sampling with extensive X-ray fluorescence ("XRF") soil sampling analyses over the Southeast Zone and multiple other zones within the project area. At the Southeast Zone, the XFR soil sample analyses have outlined a northwest trending multi-element soil anomaly measuring about 650m by 125m which is open in all directions, except to the southeast. See the Company's news release dated September 19, 2017.

### Other Zones

The Company has carried out property wide exploration on various targets that evidence compelling gold, copper, lead and zinc values identified in soil or rock grab samples collected in areas which area underlain by magnetic and induced polarization geophysical anomalies; all within the favoured Tiroo formation volcanic rock units. The most recent work included a near property-wide soil sampling and XRF analyses throughout the project. Crews collected over 17,000 soil samples on 25 metre by 50 metre spacings, of which ~14,000 of the soil samples were XRF scanned.

### **c) Ponton Project, Dominican Republic**

The Ponton Project was acquired 100% as part of the October 24, 2018 purchase-sale agreement with Everton Resources Inc., which subsequently closed on January 15, 2019 (see Pueblo Grande Property above).

The Ponton Project is located about 20 kilometres east of the Company's Pueblo Grande gold project or 45 kilometres north of Santo Domingo, the capital of Dominican Republic. The Project covers 3,250 hectares, has excellent access road access, is bisected by a high power electrical line and importantly is underlain by the similar prospective Cretaceous to lower Tertiary aged Los Ranchos Formation volcanic rocks that host Barrick's Pueblo Viejo Gold-Silver Mine. Project work completed by past operators includes both property-wide reconnaissance scale exploration and detailed follow up work on two of the three surface geochemically anomalous zones identified on the Project. The three exploration zones are (i) Copey Hill, an epithermal gold target, (ii) Majagual Hill, a copper-gold porphyry target and (iii) a broad area of early stage rock and stream sediment anomalies, which require follow up investigation. At the Majagual Hill copper-gold porphyry zone prior work includes surface trenching, 4.7 line-kilometers of induced polarization (IP) geophysical surveying, and 1,666 metres of diamond drilling (5 holes in 2017).

### Copey Hill Zone

The Copey Hill Zone hosts the region's strongest multi-element geochemical anomaly (gold, silver, arsenic, mercury, antimony) which is indicative of a near surface epithermal gold system. Since June 2020, the Company has completed extensive soil-rock sampling surveys, detailed geological mapping, ground magnetic geophysics, and two initial diamond drill holes (totalling 263 metres), of a planned 10-hole 2,000m program. The two holes were drilled at the south end of the lower-priority North Zone geochemical anomaly, which bisected two separate and parallel intervals of strong 'massive' silica alteration + weak to moderate argillic alteration with a low pyrite concentration (<5%) measuring from 7.4 metres to 13.5 metres wide; both of which reported weakly anomalous gold analytical values. The South Zone geochemical anomaly, where multiple higher grade gold surface outcrop rock samples were identified with a coincident strong magnetic low anomaly remains undrilled. Drilling is currently on hold as the Company is addressing certain local community issues.

## **OPERATIONS UPDATE**

The Company's current exploration work is focused on its Ponton Project in the Dominican Republic.

### ***Qualified Person***

The technical information regarding the Company's mineral property contained in this MD&A has been reviewed by Michael Moore (P. Geo.). Mr. Moore is a Qualified Person ("QP") as defined in the "Canadian Institute of Mining, Metallurgy and Petroleum, CIM standards on Mineral Resources and Reserves" and NI 43-101.

## **PLAN OF OPERATIONS AND FUNDING**

The Company's plan of operations for the next twelve months is as follows:

- Ponton Project: The Company has identified and prioritized areas of high potential gold exploration. Completed field exploration work includes geological mapping, ground magnetic geophysical surveys and surface geochemical sampling. Drilling at Copey Hill commenced in February of 2021. After completion of the first two holes of the program, the Company elected to pause the program to allow for additional dialogue and transparency with local stakeholders;
- Pueblo Grande Project: Past Company exploration work includes surface geochemical sampling, geological mapping, ground magnetic surveying (with 3D inversions), and a detailed desktop data review, resulting in the identification of prioritized drill target areas located within the Loma Cuaba Lithocap alteration zone, west of Barrick's Pueblo Viejo mine site. As a result of the earn-in agreement, Barrick Gold Corporation is now operator of the Pueblo Grande Project. In July 2021, the Company received results from Barrick's initial 10-hole (2,514 metres) diamond drill testing of a limited portion of the Lithocap Zone located immediately west and northwest of the Pueblo Viejo mine. Barrick's drilling tested several targets previously contemplated by the Company prior to the execution of the earn-in agreement. Laboratory data as reported by Barrick includes the following highlight results: 17.0m @ 0.22 grams per tonne gold (g/t Au) (from 61.5m down hole number 21-05) and 10.2m @ 0.44 g/t Au (from 185.5m down hole number 21-07). All other drill holes reported weak or sub-anomalous gold values. Barrick has advised the Company that it will continue exploration and shift focus to other prospective zones located elsewhere within the Pueblo Grande Project, specifically La Lechoza (Au epithermal replacement or veins) and Tres Bocas (volcanogenic massive sulphide (VMS) Au-Ag-Cu-Zn).
- Juan de Herrera Project: Modest scale follow up exploration work includes a combination of surface geological mapping and selective sampling, particularly focused on lesser-known peripheral anomalous areas on trend with the higher priority Ginger Ridge East, Southeast and Peak zones;
- Continue the evaluation and assessment of other prospective mineral exploration projects in geologically and geopolitically attractive jurisdictions, as opportunities are presented to the Company; and
- Monitor and evaluate the capital markets for possible equity financing opportunities attainable under favourable terms to fund the Company's on-going operations and exploration activities.

## SUMMARY OF QUARTERLY RESULTS

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

	May 31, 2021	Feb 28, 2021	Nov 30, 2020	Aug 31, 2020	May 31, 2020	Feb 29, 2020	Nov 30, 2019	Aug 31, 2019
Expenses	\$241,839	\$763,843	\$325,715	\$365,790	\$645,565	\$383,552	\$297,225	\$138,578
Loss/ (income) for the period	\$243,315	\$767,321	\$368,415	\$351,475	\$625,884	\$374,914	\$351,703	(\$124,960)
Weighted average shares outstanding	106,469,770	101,087,475	101,087,475	105,933,418	99,052,449	92,930,692	82,479,412	82,692,575
Loss per share	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.00	\$0.00	\$0.00
Mineral property exploration costs	\$148,467	\$203,449	\$164,923	\$130,114	\$77,279	\$239,990	\$143,812	\$56,254

The Company's operating losses are due to mineral exploration, share-based compensation and general and administrative expenses, such as audit and accounting fees, marketing, conferences and shareholder relations costs, salaries and wages, and office and administrative expenses incurred during the process of managing the Company's operations and to ensure regulatory compliance, and can vary from quarter to quarter based on planned exploration activities, resource constraints, and share-based compensation. The net loss in the three months ended February 28, 2021 and May 31, 2020 were significantly higher due to an increase in share-based compensation expense for options that were issued during those quarters. There was a net income in the three months ended August 31, 2019 due to a gain on the sale of investments and an unrealized gain on the fair value of investments in Golden Predator during the quarter.

## DISCLOSURE OF OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 106,473,031 shares outstanding. The following table summarizes the maximum number of common shares outstanding as at May 31, 2021 and as of the date of this MD&A, if all outstanding options were converted to shares:

	May 31, 2021	As of the date of this MD&A
Common shares	106,473,031	106,473,031
Warrants	4,995,610	4,995,610
Stock options	9,155,000	9,155,000
	120,623,641	120,623,641

## RESULTS OF OPERATIONS

### Six months ended May 31, 2021 ("2021 period") compared to the six months ended May 31, 2020 ("2020 period")

The loss for the six months ended May 31, 2021 was \$1,010,636 compared to \$1,000,798 for the six months ended May 31, 2020. The increase in net loss is mainly due to an increase in exploration and evaluation costs and share-based compensation expense, offset by a decrease in marketing, conferences and shareholder relations costs and repair and maintenance expenses. Major variances are explained as follows:

- Exploration and evaluation costs of \$351,916 were incurred on the Company's properties in the 2021 period compared to \$317,269 in the 2020 period. This was due to an increase in exploration activities on the Ponton property during 2021;
- Marketing, conferences and shareholder relations costs decreased from \$108,799 in the 2020 period to \$4,697 in the 2021 period. The decrease was due to a decrease in advertising and campaign activities from 2020 to 2021;
- Repair and maintenance expenses of \$68,304 were incurred during the 2020 period in relation to the drills and equipment that were acquired in 2020 compared to \$nil in the 2021 period.
- Share-based compensation expense increased from \$341,000 in the 2020 period to \$461,000 in the 2021 period. The share-based compensation expense in the 2020 period arose from the 2,670,000 stock options granted on May 25, 2020 to directors, officers, and consultants of the Company. The share-based compensation expense in the 2021 period arose from the 2,690,000 stock options granted on January 29, 2021 to directors, officers, and consultants of the Company.

### **Three months ended May 31, 2021 ("Q2 2021") compared to the three months ended May 31, 2020 ("Q2 2020")**

The loss for the quarter ended May 31, 2021 was \$243,315 compared to \$625,884 for the quarter ended May 31, 2020. The decrease in net loss is mainly due to a decrease in marketing, conferences and shareholder relations, repairs and maintenance, and share-based compensation expenses, offset by an increase in exploration and evaluation costs. Major variances are explained as follows:

- Exploration and evaluation costs of \$148,467 were incurred on the Company's properties in the Dominican Republic during Q2 2021 compared to \$77,279 in Q2 2020. This was due to an increase in exploration activities on the Ponton property during Q2 2021;
- Marketing, conferences and shareholder relations costs decreased from \$62,733 in Q2 2020 to \$420 in Q2 2021. The decrease was due to a decrease in advertising and campaign activities from 2020 to 2021;
- Repairs and maintenance of \$68,304 were incurred during Q2 2020 in relation to the drills and equipment that were acquired in 2020 compared to \$nil in Q2 2021.
- Share-based compensation expense decreased from \$341,000 in Q2 2020 to \$Nil in Q2 2021. During Q2 2020, the Company issued 2,670,000 stock options to directors, officers and consultants of the Company. No options were issued during Q2 2021.

### **LIQUIDITY AND CAPITAL RESOURCES**

The Company generates cash through financing and investing activities. During the six months ended May 31, 2021, there were no investing activities. During the six months ended May 31, 2020, the Company paid \$59,358 to purchase drills. During the six months ended May 31, 2021, the Company received \$12,000 from the exercise of options. During the six months ended May 31, 2020, the Company received \$1,398,500 and paid \$57,588 in share issue costs from a private placement and received \$17,600 from the exercise of options. As at May 31, 2021 the Company had cash of \$1,007,369 and working capital of \$1,013,968.

The Company's working capital is being used to fund, among other things, exploration of the Pueblo Grande, Ponton and Juan de Herrera properties in the Dominican Republic, evaluation of potential new properties, and general corporate expenses of the Company. The Company expects to spend

approximately \$200,000 to the end of the current fiscal year on exploration and evaluation costs, and property investigation.

## GOING CONCERN

The recoverability of amounts shown as mineral property interests is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties and the ultimate realization of profits through future production or sale of the properties. Realized values may be substantially different than carrying values as recorded in these financial statements.

The Company's consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operation as a going concern for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. At May 31, 2021, the Company had not achieved profitable operations, had an accumulated deficit and had working capital of \$1,013,968. Management estimates that the Company has sufficient financial resources to carry out currently planned exploration and operations through the next twelve months.

Although the Company has been successful in the past in obtaining financing, there can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows from its future operations. If the Company is unable to obtain adequate additional financing, the Company would be required to curtail its planned operations, and exploration and development activities. These consolidated financial statements do not give effect to adjustments.

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

## TRANSACTIONS WITH RELATED PARTIES

Key management personnel consist of directors and senior management including the President, Chief Executive Officer, Vice President of Exploration and Chief Financial Officer. Key management personnel compensation includes:

Name of related party	Nature of transactions	Six months ended May 31	
		2021	2020
Jeffrey Wilson	Salaries and wages	\$ 77,500	\$ 77,500
Michael Moore	Geological consulting	81,000	67,500
Michael Moore	Property investigation	-	6,250
Michael Moore	Consulting	-	626
VC Consulting Corp.	Accounting services	12,000	9,000
		170,500	160,876

During the six months ended May 31, 2021, the Company incurred \$383,881 (2020: \$286,082) of share-based compensation expense for related parties.



The accounts payable and accrued liabilities of the Company as at May 31, 2021 and as at November 30, 2020 include the following amounts due to related parties:

	May 31, 2021	November 30, 2020
Key management personnel	\$ 33,619	\$ -

## RISK AND UNCERTAINTIES

Readers of this interim MD&A are encouraged to read the "Risk and Uncertainties" section of the Company's Annual MD&A dated March 29, 2021 under the Company's SEDAR profile on [www.sedar.com](http://www.sedar.com). Important risk factors to consider among others are:

- Competitive industry
- Exploration risks
- Foreign countries and political risks
- Fluctuating metal and share prices
- Ability to continue as a going concern

## FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental regulatory and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company to meet certain work commitments, and work plans to be conducted by the Company.

With respect to forward-looking statements listed above and contained in this MD&A, the Company has made assumptions regarding, among other things: the legislative and regulatory environment, the impact of increasing competition, unpredictable changes to the market prices for minerals, that costs related to development of mineral properties will remain consistent with historical experiences, anticipated results of exploration activities, and the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth in this MD&A: volatility in the market prices of minerals, uncertainties associated with estimating resources, geological problems, technical problems, exploration problems, processing problems, liabilities and risks including environmental liabilities and risks inherent in the exploration and mining, fluctuations in currency and interest rates, incorrect assessments of the value of acquisitions, unanticipated results of exploration activities, competition for capital, competition for

acquisitions of reserves, competition for undeveloped lands, competition for skilled personnel, political risks and unpredictable weather conditions.

**ADDITIONAL INFORMATION**

For further detail, see the Company's financial statements for the three and six months ended May 31, 2021 and 2020. Additional information about the Company can also be found on [www.sedar.com](http://www.sedar.com).

## **CORPORATE DIRECTORY**

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### **Officers and Directors**

Jeffrey Wilson (Chief Executive Officer, President, and Director)  
Michael Moore (Vice President, Exploration)  
Vivien Chuang (Chief Financial Officer)  
Adrian Fleming (Chairman of the Board, and Director)  
Lon Shaver (Director)  
Quinton Hennigh (Director)  
Alistair Waddell (Director)

### **Members of the Audit Committee**

Lon Shaver (Chair)  
Adrian Fleming  
Jeffrey Wilson

### **Members of the Compensation Committee**

Adrian Fleming (Chair)  
Alistair Waddell  
Lon Shaver

### **Legal Counsel**

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