

PRECIPITATE GOLD CORP.
Management Discussion and Analysis (“MD&A”)
for the year ended November 30, 2021

The following discussion and analysis of the operations, results, and financial position of Precipitate Gold Corp. (“the Company”) for the year ended November 30, 2021 should be read in conjunction with the Company’s audited financial statements and related notes for the year ended November 30, 2021 which have been prepared in accordance with International Financial Reporting Standards. The effective date of this report is March 28, 2022. 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 common shares also trade on the US trading platform OTCQB Venture Marketplace (“OTC”) under the symbol PREIF.

The Company is in the business of exploration, development and exploitation of mineral resources in the jurisdictions of Newfoundland, Canada and the Dominican Republic, with the primary objective to explore mineral projects to a stage where they can be developed profitably or sold to a third party.

The Company’s two Newfoundland Canada gold exploration properties, Motherlode and Ace are located on the south and north coasts of the Island, respectively, covering a combined 14,850 hectares. The Motherlode Gold Project includes eight gold showings hosted in a late Proterozoic ophiolite complex of the Burin Peninsula of southern Newfoundland, Canada. Ace Gold Project gold mineralization is hosted in Ordovician-Silurian aged mixed sedimentary and volcanic rocks of the eastern portion of the Exploits Subzone (Dunnage Tectonostratigraphic Zone), where claims cover the majority of Change Island, on the north-central coast of Newfoundland.

The Company’s three Dominican Republic gold exploration properties, Pueblo Grande, Juan de Herrera and Ponton, cover a combined 25,797 hectares. The Pueblo Grande Project adjoins the world class, high sulphidation epithermal Pueblo Viejo gold-silver mine, owned by Barrick (60%) & Newmont Goldcorp (40%). The Juan de Herrera Project is located within the prospective Tiroo Gold Trend of western Dominican Republic, directly adjoining GoldQuest Mining Corp on the south and west sides of its Tiroo Gold Project. The Ponton Project, located 25 kilometres east of Pueblo Grande, is an early-stage gold epithermal exploration target hosted in 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 and Newfoundland, Canada. The Company’s mineral property interests are as follows:

a) Motherlode Gold Project, Newfoundland Canada

In August 2021, the Company secured exclusive rights to 100% interest in the Motherlode Gold Project mineral exploration licenses by way of a combination of direct staking (6,250 hectares) and two option agreements (6,100 hectares); totalling 12,350 hectares. The Company entered into two project option agreements to acquire 100% exclusive rights to mineral exploration licenses (the “Projects”) by fulfilling certain elective annual cash and share payments over a 4-year option term, as follows:

Date	Consideration	Common Shares
On August 24, 2021 (paid and issued)	\$ 26,000	370,000 ⁽¹⁾
August 24, 2022	52,000	650,000
August 24, 2023	74,000	990,000
August 24, 2024	84,000	1,270,000
August 24, 2025	107,000	1,800,000

⁽¹⁾ issued at a value of \$37,000

Upon completion of the cash and share payments, the Company will own a 100% interest in the Motherlode Gold Project, subject to certain NSR of 1.5% to Vendor Group 1 and 2.5% to Vendor Group 2. Portions of the NSR's can be repurchased by the Company at any time up to 1.0%. In addition, the Company retains a right of first refusal to purchase the balance of all NSR's at any time.

The Motherlode Gold Project is located approximately 3.5 hours by road from Gander and St. John's within the southeastern part of Newfoundland's Burin Peninsula. The Burin Peninsula an active gold exploration region that includes other notable gold exploration projects such as Root & Cellar (Northern Shield Resources), Heritage (Golden Ridge Resources) and Hickey's Pond (Burin Resources).

The Project is located within the western portion of the major Avalon Tectonostratigraphic Zone, where claims are underlain by late Neoproterozoic ophiolite complex Burin Group of rocks, consisting of northeast trending, mixed oceanic volcanics with interbedded with clastic and carbonate-rich sedimentary rocks, which are intruded by multi-phase sill-like gabbroic rocks. Burin Group lithologies have a pervasive greenschist facies deformation, ranging from moderate fracture cleavage to a strong and discrete shear fabric.

Project claims cover a 16.5 kilometre long, highly prospective gold exploration trend that hosts structurally related orogenic gold style mineralization, with gold enriched quartz veins and quartz-silica stockworks that are strongly associated with high strain rocks (i.e. shears, faults, schists, folds) containing a generally low sulphide concentration. The presence of strong silica alteration with pyrite + arsenopyrite sulphide mineralization (+5%) are favourable indicators for gold enrichment, particularly when hosted within metavolcanic or gabbro rocks.

Motherlode Gold Project Highlights

On December 1, 2021, the Company announced results and interpretation of its' airborne geophysical survey conducted over the entire Motherlode Gold Project. Analysis of the high sensitivity magnetic and radiometric geophysical survey data, in tandem with the recently completed project-wide analysis of surface geochemical samples (soil, rock, till and lake) and surface structural lineaments, delineated numerous exploration target areas: 7 high priority targets, 11 secondary targets and 7 lower priority targets.

Select Historical Sampling Results *

- High grade gold rock grab samples: 25.0 g/t Au, 15.7 g/t Au, 11.6 g/t Au, 6.3 g/t Au & 4.5 g/t Au
- Trench/Channel Results: 0.5m of 4.5 g/t Au, 1.5m of 10.1 g/t Au, 6.2m of 3.6 g/t Au (incl. 0.9m of 7.7 g/t Au)
- 2007 Diamond Drill Results (8 holes, 902m): 0.7m of 3.2 g/t Au, 10.4m of 0.82 g/t Au, 1.5m of 2.8 g/t Au

Gold Mineralization, Geology, Regional Geochemistry

- 11 historical mineral occurrences, including 8 gold showings;
- District-scale potential within an estimated 16.5 kilometre long exploration trend hosted in late Proterozoic-age Burin Group volcanic and ultramafic rocks;
- Major northeast trending, sub-vertical dipping shear-fault zones up to 30 metres wide;

- Gold enriched quartz veins and quartz-silica stockworks hosted in shear, fault, schist and fold structures; and
- Project regional government till, lake & stream sample geochemistry anomalies include gold, arsenic, antimony, copper, nickel and zinc.

*High grade rock grab samples are selective by nature and are unlikely to represent average grades on the Project.

b) Ace Gold Project

On October 1, 2021, the Company entered into an option agreement to acquire a 100% interest in three contiguous mineral exploration licenses totalling 2,500 hectares, making up the Ace Gold Project, located in north-central Newfoundland, Canada by fulfilling certain elective annual cash and share payments over a 4-year option term, as follows:

Date	Consideration	Common Shares
Within 5 days of October 14, 2021 (completed)	\$15,000	200,000
October 14, 2022	20,000	250,000
October 14, 2023	25,000	300,000
October 14, 2024	30,000	350,000
October 14, 2025	40,000	500,000
	\$ 130,000	1,600,000

The Company has reimbursed the Vendors for staking costs of \$5,700. Upon completion of the elective cash and share payments as set out above, the Company will have a 100% interest in the Project, subject to a NSR of 1.5% granted to the Vendors by the Company. The Company will have the exclusive right to purchase up to 1.0% of the NSR from the Vendors at any time for \$500,000 per 0.5% and retain a right of first refusal to purchase the balance of all NSR's at any time.

The Project forms a single contiguous claim block, with an area measuring roughly about 12 km by 2.5 km covering most of Change Island. It is located approximately 85 kilometers north, via combined road and 20-minute government vehicle ferry departing hourly, from the community of Gander and its international airport. Change Island is bisected, in a north-south direction over a distance of 12 kilometres, by a paved road and a paralleling electrical power line. The general region is part of an active gold exploration camp that includes current high profile gold exploration projects such as Queensway (New Found Gold Corp), Kingsway (Labrador Gold Corp), Dog Bay (Exploits Discovery Corp) and Toogood (Ethos Gold Corp).

Ace Gold Project mineralization is hosted in mixed Ordovician-Silurian aged sedimentary and volcanic rocks of the east portion Exploits Subzone (Dunnage Tectonostratigraphic Zone). Gold mineralization identified to date is hosted in mixed felsic volcanic and sedimentary rocks occurring as variably gossanous, likely bedding conformable shears, that are up to 20 metres wide and traced on surface to distances exceeding 400 metres. Sheared rocks are commonly sericite-carbonate-quartz altered, with associated pyrite and arsenopyrite sulphide mineralization (with lesser galena and sphalerite).

Ace Gold Project Highlights

On November 23, 2021, the Company announced the completion of first phase prospecting and rock sampling exploration field work on the Ace Gold Project. To date, the Company has identified six areas of visually compelling surface mineralization, including the recently discovered Ace Zone where rock grab samples report up to 5.4 g/t gold. Much of the late 2021 first-pass prospecting, geological mapping and rock sampling work was carried out on accessible coastlines and roads, with limited prospecting carried out in the central project regions. These under-explored regions will be examined in detail during the next work phase. Rock samples have been shipped to the laboratory for multi-element analysis.

- Preliminary exploration identifies six areas of compelling surface mineralization;
- Ace Zone: A recent discovery of a 10-20 metre wide altered shear zone that trends northeastward, with select grab rock samples up to 5.4 g/t gold;
- About 13 kilometres northeast along trend from Ethos Gold Corp's Toogood Project;
- Historical reported visible gold and select rock grab samples up to 164 g/t gold at the 'Change Island' mineral occurrence located about 1 kilometre to east of Project border.
- Underlain by highly prospective Exploits Subzone rocks that host significant gold mineralization across central Newfoundland, including Marathon Gold Corp's Valentine Project (3.14 Moz M&I at a grade of 1.72 g/t gold.(1))
- Paved highway and high voltage electrical power lines bisects island in a north-south direction.

(1) Reference: Marathon Gold Corp website; marathon-gold.com/valentine-gold-project

c) Pueblo Grande Project, Dominican Republic

The Company owns a 100% interest in the Pueblo Grande Project which surrounds the world-class high sulphidation epithermal Pueblo Viejo gold mine on the west, north and east sides. Project exploration concessions form a single contiguous claim block covering about 9,819 hectares.

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 Project 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 ("Earn-in Conditions"), to earn a 70% interest in the Project, Barrick must:

- 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; (completed subsequent to November 30, 2021)
 - 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 meters 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 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 Project 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% NSR royalty on any concessions without pre-existing NSR's

as of the date hereof, and a 1.0% NSR royalty on any concessions with pre-existing NSR's 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 Project, Barrick will prepare programs and budgets in respect of the Pueblo Grande Project 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 Project, 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 Project to Precipitate with all concessions in good standing.

Pre-existing advanced stage or mining-related commitments to a third party for certain concessions 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.

d) Juan de Herrera Project, Dominican Republic

The Company, through 0945044 B.C. Ltd., has 100% ownership of the JDH exploration concessions, which 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's Juan de Herrera Project ("JDH") is located within the highly prospective Tireo Gold Trend in western Dominican Republic, directly adjoining GoldQuest Mining Corp on the south and west sides of its Tireo Gold Project (Romero, VMS-style gold deposit). Covering about 12,727 hectares, the JDH Project is variably road accessible and covers an estimated 40 kilometers of prospective strike length of target Tireo Formation lithologies. The Tireo Formation is an upper Cretaceous aged package of volcanic and sedimentary rocks that bisects central Hispaniola, trending northwesterly through the Dominican-Haitian border.

The Company has completed multiple phases of regional and local scale exploration work on Juan de Herrera, since acquiring the Project in 2012. The Company's early exploration work focused on the Ginger Ridge Zone and with subsequent work programs exploration focus expanded to include several other geochemically and geophysically anomalous areas, with gold-enriched VMS mineralization style affinities. Most of these compelling exploration targets require modest additional work to refine and prioritize drill targets, particularly the Ginger Ridge East, Southeast, Jengibre South, Peak and Melchor areas. Additionally, there are a number of early-stage un-named anomalous zones in the northern part of the project which require follow up exploration.

e) Ponton Project, Dominican Republic

The Ponton Project, 100% owned by the Company, 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, consisting of a single exploration concession covering 3,250 hectares, has excellent 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 high sulphidation epithermal gold-silver mine. The Ponton Project includes three exploration zones: (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. The main 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. The Company has completed extensive soil and rock sampling surveys, detailed geological mapping, ground magnetic geophysics, and two diamond drill holes (totalling 263 metres), of a planned 10-hole 2,000m program. Drilling is currently on hold as the Company addresses certain local community sensitivities.

Qualified Person

The technical information regarding the Company's mineral properties 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:

- Motherlode Gold Project: Company interpretation of the Motherlode Project-wide heliborne high sensitivity magnetics-radiometrics geophysical survey and complementing Project geological and geochemical dataset has delineated 7 high priority targets, 11 secondary targets and 7 lower priority target areas for follow up exploration. The Company plans to conduct an exploration program of prospecting, mapping and sampling over prioritized target zones, concurrent with induced polarization ('IP') geophysical surveying, as an important vectoring tool for planned diamond drill testing.
- Ace Gold Project: The Company's first pass Ace Gold Project prospecting and geological mapping program has identified six visually compelling surface mineralized zones, including the high priority Ace zone. The pending laboratory results for rock samples collected from this work phase will guide the planned follow up exploration work. The Company intends to carryout project-wide airborne geophysical and geochemical (till and lake) sampling surveys and also focused exploration programs of prospecting, mapping and sampling over prioritized target zones, concurrent with induced polarization ('IP') geophysical surveying. Collectively, these surveys will provide critical vectoring information for refining prospective drill targets for an initial first phase of drill testing.
- Pueblo Grande Project: As a result of the earn-in agreement, Barrick Gold Corporation is operator of the Pueblo Grande Project. In July 2021, the Company announced modest gold 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. Barrick has advised the Company that it will continue exploration and will focus on other prospective zones located elsewhere within the Pueblo Grande Project.
- Juan de Herrera & Ponton Projects: Both the Juan de Herrera and Ponton gold exploration properties are in a period of assessment and reduced exploration attention by the Company. At Juan de Herrera modest scale follow up surface exploration work is planned. The Company has paused the Copey Hill (Ponton Project) drill testing program to allow for additional dialogue with local stakeholders.
- Continue the evaluation and assessment of other prospective mineral exploration properties in geologically and geopolitically attractive jurisdictions, as opportunities are presented to the Company.
- 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.

SELECTED ANNUAL INFORMATION

	As at and year ended November 30, 2021	As at and year ended November 30, 2020	As at and year ended November 30, 2019
	\$	\$	\$
Revenue	Nil	Nil	Nil
Loss for the year	1,717,632	1,720,688	545,688
Loss per common share, basic and diluted	0.02	0.02	0.01
Weighted Average number of common shares outstanding	106,553,606	101,087,475	82,479,412
Statement of Financial Position Data			
Working capital	400,879	1,544,509	1,522,250
Total assets	2,505,671	3,483,041	3,367,145

SUMMARY OF QUARTERLY RESULTS

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

	Nov 30, 2021	Aug 31, 2021	May 31, 2021	Feb 28, 2021	Nov 30, 2020	Aug 31, 2020	May 31, 2020	Feb 29, 2020
Expenses	\$483,670	\$210,705	\$241,839	\$763,843	\$325,715	\$365,790	\$645,565	\$383,552
Loss/ (income) for the period	\$487,624	\$219,372	\$243,315	\$767,321	\$368,415	\$351,475	\$625,884	\$374,914
Weighted average shares outstanding	106,553,606	106,486,428	106,469,770	101,087,475	101,087,475	105,933,418	99,052,449	92,930,692
Loss per share	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.00
Mineral property acquisition costs	\$25,300	\$83,650	-	-	-	-	-	-
Mineral property exploration costs	\$201,295	\$105,480	\$148,467	\$203,449	\$164,923	\$130,114	\$77,279	\$239,990

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 November 30, 2021, 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.

DISCLOSURE OF OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 129,716,808 shares outstanding. The following table

summarizes the maximum number of common shares outstanding as at November 30, 2021 and as of the date of this MD&A, if all outstanding warrants were converted to shares:

	November 30, 2021	As of the date of this MD&A
Common shares	107,068,031	129,716,808
Warrants	-	12,095,388
Stock options	10,210,000	10,210,000
	<u>117,278,031</u>	<u>152,022,196</u>

RESULTS OF OPERATIONS

For the Three Months Ended November 30, 2021

For the three months ended November 30, 2021, the Company recorded a net loss of \$487,624 as compared to net loss for the prior comparative period of \$368,415. Major variances are explained as follows:

- Exploration and evaluation costs have increased to \$201,295 (2020: \$164,923) due to increased exploration work on the Ponton Project and initial geological and geophysics work on the newly acquired Motherlode and Ace Gold projects.
- Marketing, conferences and shareholder relations costs decreased to \$918 (2020: \$38,567) as there were decreased marketing efforts during 2021.
- Share-based compensation expense increased to \$135,000 (2020: \$8,000) due to an increased number of options granted.
- Unrealized loss on investments decreased to \$5,000 (2020: \$47,000) due to a lesser decrease in the fair value of the warrants in Sabre Gold Mines Corp. held by the Company.

For the Year Ended November 30, 2021

For the year ended November 30, 2021, the Company recorded a net loss of \$1,717,632 as compared to net loss for the prior comparative year of \$1,720,688. Major variances are explained as follows:

- Exploration and evaluation costs have increased to \$658,691 (2020: \$612,306) due to increased exploration work on the Ponton Project and initial geological and geophysics work on the newly acquired Motherlode and Ace Gold projects.
- Marketing, conferences and shareholder relations costs decreased to \$5,785 (2020: \$191,198) as there were decreased marketing efforts during 2021.
- Repairs and maintenance decreased to \$Nil (2020: \$103,151). During 2020, the repairs and maintenance costs incurred were in relation to the drills and equipment that were acquired during that year.
- Share-based compensation expense increased to \$596,000 (2020: \$384,000) due to an increased number of options granted.

LIQUIDITY AND CAPITAL RESOURCES

The Company generates cash through financing and investing activities. During the year ended November 30, 2021, the Company received \$12,000 from the exercise of options and spent \$51,450 on acquisition of mineral properties. During the year ended November 30, 2020, the Company received

\$1,398,500, paid \$57,588 in share issue costs from a private placement, received \$54,000 from the exercise of options and received \$38,400 from the exercise of warrants.

The Company's working capital is being used to fund, among other things, exploration of the Ponton, Juan de Herrera properties in the Dominican Republic and Motherlode Gold and Ace Gold projects in Canada, evaluation of potential new projects, and general corporate expenses of the Company. The Company expects to spend approximately \$1,600,000 during the next fiscal year on exploration and evaluation costs, and property investigation.

SUBSEQUENT EVENT

On December 30, 2021, the Company closed a non-brokered private placement of 15,850,000 flow-through units at \$0.10 per unit and 6,604,333 non flow-through units at \$0.09 per unit for gross proceeds of \$2,179,390. Each flow-through unit consisted of one flow-through common share and one-half warrant. Each non flow-through unit consisted of one non flow-through common share and one-half warrant. Each warrant is exercisable for one additional non flow-through common share at \$0.15 per share until December 30, 2023.

The Company paid share issue costs of \$56,984, issued 194,444 non flow-through units and issued 771,000 finders' fee warrants associated with the private placement. Each non flow-through unit consisted of one non flow-through common share and one-half warrant. Each warrant is exercisable for one additional non flow-through common share at \$0.15 per share until December 30, 2023. Of the 771,000 finders' fee warrants issued, 123,000 finders' fee warrants entitles the holder to purchase one additional non flow-through share at \$0.09 per share, 486,000 finders' fee warrants entitles the holder to purchase one additional non flow-through share at \$0.10 per share, and 162,000 finders' fee warrants entitles the holder to purchase one additional non flow-through share at \$0.15 per share, all exercisable until December 30, 2023.

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 November 30, 2021, the Company had not achieved profitable operations, had an accumulated deficit and had working capital of \$400,879. Management estimates that the Company has sufficient financial resources, which includes the private placement closed subsequent to November 30, 2021, 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	2021	2020
Jeffrey Wilson	Salaries and wages	\$ 155,000	\$ 155,000
Michael Moore	Geological consulting	145,875	147,500
Michael Moore	Property investigation	-	7,500
Michael Moore	Consulting	-	6,250
VC Consulting Corp.	Accounting services	30,000	18,000
		\$ 330,875	\$ 334,250

Total fair value of the share-based payments made to directors and officers is \$505,695 (2020 - \$286,082) for the year ended November 30, 2021.

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

	2021	2020
Key management personnel	\$ 18,661	\$ 14,864

FINANCIAL INSTRUMENTS

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2: Pricing inputs are other than quoted prices in active markets included in level 1. Prices in level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3: Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The fair value of cash, amounts receivable, and accounts payables and accrued liabilities approximates their carrying value due to their short term maturity. Investment in Sabre Gold Mines Corp. warrants is measured using level 3 of fair value hierarchy.

The Company is exposed to potential loss from various risks including credit risk, liquidity risk, interest rate risk, political risk and foreign currency fluctuation risk. These risks are described in more detail in the Risk and Uncertainties section of this MD&A.

RISK AND UNCERTAINTIES

The exploration and development of mineral properties are highly speculative activities and are subject to significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size

to return a profit from production. The Company's ability to realize on its investments in exploration projects is dependent upon a number of factors: management's ability to continue to raise the financing necessary to complete the exploration and development of those projects and the existence of economically-recoverable reserves within the projects.

At the present time the Company does not hold any interest in a mining property in commercial production. The Company has incurred net losses since inception, and has limited financial resources and no positive mineral operating cash flow. No assurance can be given that additional funding will be available for further exploration and development of the Company's projects or to fulfill the Company's obligations under any applicable agreements. Other risks and uncertainties include:

Competitive industry

Mining industry is intensely competitive and the Company will compete with other companies that have far greater resources.

Exploration risks

Mineral exploration is highly speculative in nature. The Company's exploration projects involve many risks, and success in exploration is dependent upon a number of factors including, but not limited to, quality of management, quality and availability of geological expertise and availability of exploration capital. The Company cannot give any assurance that its future exploration efforts will result in the discovery of mineral resources or mineral reserves.

Foreign Countries and Political Risk

The Company's Juan de Herrera property is located in the Dominican Republic where mineral exploration and mining activities may be affected in varying degrees by political instability, expropriation of property and changes in government regulations such as tax laws, business laws, environmental laws and mining laws, affecting the Company's business in that country. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business, or if significant enough, may make it impossible to continue to operate in the country. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, foreign exchange restrictions, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

Fluctuating metal and share prices

Factors beyond the control of the Company may affect the marketability of precious any other metals or minerals discovered. Commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control whose effect cannot accurately be predicted.

In recent years, the securities markets in the United States and Canada have experience a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploratory and development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying assets values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.

The following are risks related to the Company's financial instruments:

(i) Credit Risk – Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. Cash is held with a major Canadian financial institution and the receivables are from Government entities. Management is of the view that all amounts are fully collectible.

(ii) Liquidity Risk – Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company's financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year.

(iii) 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 has no interest-bearing debt. The Company's sensitivity to interest rates is minimal.

(iv) Political Risk – The Company has subsidiaries in the Dominican Republic, Mexico and the United States. These operations are potentially subject to a number of political, economic and other risks that may affect the Company's future operations and financial position.

(v) Foreign Currency Fluctuation Risk – The Company has vendors in Canada, the United States, the Dominican Republic and Mexico; therefore, the Company's operations are affected by the currency fluctuations in these jurisdictions.

CAPITAL MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of issued share capital, reserves and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as considered appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off balance sheet arrangements.

RECENT ACCOUNTING PRONOUNCEMENTS

IAS 16 – *Property, Plant and Equipment* - has been amended for periods beginning on or after January 1, 2022 for proceeds received before intended use. The amendment requires that during the development stage of a mineral property, all income received, and related costs incurred, be recorded through profit or loss. Previously such income was applied against the development asset.

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 year ended November 30, 2021. Additional information about the Company can also be found on www.sedar.com.

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

Members of the Audit Committee

Lon Shaver (Chair)
Adrian Fleming
Jeffrey Wilson

Members of the Compensation Committee

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