PRECIPITATE GOLD CORP.
Management Discussion and Analysis ("MD&A")
for the year ended November 30, 2019

The following discussion and analysis of the operations, results, and financial position of Precipitate Gold Corp. ("the Company") for the year ended November 30, 2019 should be read in conjunction with the Company's audited financial statements and related notes for the year ended November 30, 2019 which have been prepared in accordance with International Financial Reporting Standards. The effective date of this report is March 26, 2020. 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 on January 31, 2011 and is based in Vancouver, British Columbia, Canada. On May 24, 2012, the Company 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, Juan de Herrera, Pueblo Grande and Ponton, covering a combined 25,967 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 30 kilometres east of Pueblo Grande, is an early stage, low to intermediate sulphidation epithermal copper-gold (and possibly porphyry copper-gold) exploration target hosted in the same Los Ranchos Formation volcanic rocks as found at 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. On January 15, 2019, the Company announced the completion of its due diligence and the acceptance of necessary government and regulatory approvals to close the transaction. As consideration for complete title to Everton's three Dominican exploration concessions totalling 9,583 hectares, and an extensive geochemical, geophysical, geological and drill data base, on January 15, 2019 the Company delivered to Everton the following:

- CDN $25,000 cash (paid);
- 7,000,000 common shares of the Company subject to resale restrictions for up to 3 years, expiring as follows (issued):

Number of shares	**Restriction expiry dates**	**Restriction removal on volume weighted average price (“VWAP”) achievement**
700,000	July 15, 2019	$0.20 per share for 10 consecutive days
700,000	January 15, 2020	$0.20 per share for 10 consecutive days
700,000	July 15, 2020	$0.20 per share for 10 consecutive days
1,050,000	January 15, 2021	$0.40 per share for 10 consecutive days
1,050,000	July 15, 2021	$0.40 per share for 10 consecutive days
2,800,000	January 15, 2022	$0.60 per share for 10 consecutive days

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.

The road-accessible and logistically-favourable Pueblo Grande property adjoins Barrick’s Pueblo Viejo mine site on the west, north and east sides, covering approximately 9,863 contiguous hectares. The sizeable historical property and regional dataset gives the Company an excellent starting point to benefit from past exploration work and to immediately focus on priority gold and base metal prospects identified through geophysics, geology, geochemistry and past drill intercepts with limited follow-up.

The Company’s near-term exploration plan has focused on the priority Loma Cuaba Lithocap Alteration Zone west of the Pueblo Viejo mine. This area is interpreted to be an advanced argillic lithocap alteration type environment which lacks significant known gold-silver mineralization but has the same highly anomalous trace element suite that typifies the adjacent Pueblo Viejo deposit. The lithocap alteration is dominated by pervasive quartz-pyrophyllite-pyrite and locally extensive surface silica zones. Silicification, mapped structures and various pathfinder elements associated with Pueblo Viejo style-high sulphidation epithermal gold-silver-copper mineralization offer key exploration vectors within the extensive altered lithocap zone. Past drill testing has focused mainly on coincident geochemical and induced polarization chargeability anomalies on the eastern extents of the lithocap, in close proximity to the mine site, largely overlooking the sizable magnetic anomalies (high and low), located near surface and at depth, within the central lithocap region, leaving much of this target untested.

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 more recent exploration has expanded to include several other geochemically anomalous areas, such as the Ginger Ridge East, Southeast, South Jengibre, Peak and Melchor zones.

Exploration completed at the Ginger Ridge Zone includes geological mapping, rock sampling, gridded soil sampling, trenching, induced polarization ('IP') geophysical surveying, ground magnetics geophysical surveying and 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 sulphide-silica alteration combined with anomalous gold-copper-zinc metal enrichment is encouraging, as they appear to show 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.

<u>Ginger Ridge East Zone</u>

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 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 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 at all six trench locations.

The mid-2017 first phase of drilling at the 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.

<u>Southeast Zone</u>

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 and X-ray fluorescence ("XRF") scanning survey over the Southeast Zone (and multiple other zones within the project). Results from the latest soil sampling survey have strengthened the anomalous base metal component of this zone. The Southeast copper showing is located within a northwest trending, 650m by 125m multi-element soil anomaly which is currently open in all directions, except to the southeast. The zone is underlain by mixed andesitic and dacitic volcanic rocks with moderate high and locally variable IP chargeability and resistivity geophysical anomalies and a magnetic low signature. See the Company's news release dated September 19, 2017.

<u>Other Zones</u>

The Company has carried out property wide exploration on targets derived from the integrated Precipitate and GoldQuest Mining Corp. database and respective field work. Crews have focused on areas which evidence compelling gold, copper, lead and zinc values identified in soil or rock grab samples gathered in areas underlain by magnetic and induced polarization anomalies, all within the favoured Tireo formation volcanic rock units. The most recent work included a near property-wide soil sampling and XRF scanning survey throughout the project. Crews collected over 17,000 individual soil samples on 25 metre by 50 metre spacings. Over 14,000 of the soil samples were scanned by the Company using a portable XRF unit for indications of various base metal and pathfinder elements.

To-date, the full scope of JDH property exploration work has successfully identified multiple combined geological, geophysical, and geochemical anomalous areas which require modest additional work to refine and prioritize future drill targets. These additional early-stage zones include the Southeast, Jengibre South, Peak and Melchor areas, as well as several other un-named anomalous zones in the northern part of the project. These new target areas are part of an expanding and developing prospective regional mineral trend that cuts through several portions of Precipitate and GoldQuest Mining Corp's Tireo Gold Camp landholdings.

c) Ponton Project, Dominican Republic

The Ponton Property 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).

d) Reef Property, Yukon

On February 9, 2017 the Company entered into a mineral Property Option Agreement (the "Agreement") with Golden Predator Mining Corp. ("Golden Predator") pursuant to which Golden Predator had the right to acquire Precipitate Gold's 100% interest in the claims comprising the Reef property. The Reef claims are located immediately adjacent to the northern boundary of Golden Predator's 3 Aces Project. In the year ended November 30, 2019, Golden Predator completed the Agreement's payment obligations and acquired a 100% interest in the claims comprising the Reef property.

Golden Predator completed staged cash payments, and issuances of common shares and warrants as follows:

a) Cash payments totalling $600,000:
- $400,000 on February 9, 2017 (received)
- $150,000 on February 9, 2018 (received)
- $50,000 on or before June 30, 2019 (received)

b) Common shares of Golden Predator:
- 100,000 common shares on February 9, 2017 (received at a value of $143,000)
- 100,000 common shares on February 9, 2018 (received at a value of $66,000)
- 950,000 common shares on or before April 1, 2019 (received at a value of $218,500)

c) Warrants of Golden Predator:
- 100,000 warrants on February 9, 2017 at an exercise price of $1.59 per share with a 3 year term (received)
- 100,000 warrants on February 9, 2018 at an exercise price of $2.00 per share with a 3 year term (received)
- 450,000 warrants on April 1, 2019 at an exercise price of $0.40 per share with a 4 year term (received)

Golden Predator grants the Company a 2% net smelter return ("NSR") royalty on the claims that are not subject to a pre-existing royalty, and a 1% NSR royalty on claims that are subject to a pre-existing royalty. Golden Predator may purchase 25% of the Company's NSR royalty at any time for $1,000,000 and an additional 25% of the Company's NSR royalty at any time for $1,500,000.

In addition, if Golden Predator at any time elects to abandon any one or more of the claims, Golden Predator must provide Precipitate 30 days advance written notice of its intention to abandon the claims. Upon receipt of such notice Precipitate may, within 30 days of receipt of notice, request assignment of such claims and Golden Predator will re-transfer such title to Precipitate at Golden Predator's expense. For greater certainty, any NSR Royalty payable by Golden Predator to Precipitate with respect to such abandoned claims will be void and no longer payable.

e) Island Zinc Property, British Columbia

On April 18, 2017, the Company entered into an Option Agreement to earn a 100% interest in the Island Zinc Property. On April 16, 2018, the Company terminated the agreement. As a result, the Company wrote off $10,000 of mineral property interests as at November 30, 2018.

OPERATIONS UPDATE

The Company's current exploration work is ~~focussed~~ focused on its Pueblo Grande property 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:

- Pueblo Grande Project: Follow up exploration work has included surface geochemical sampling, geological mapping, ground magnetic surveying, and a detailed desktop data review, resulting in the identification of eight prioritized drill test target areas located within the Loma Cuaba lithocap alteration zone, west of the Pueblo Viejo mine site. A proposed initial phase of drill testing is expected to commence in the coming months. Additional surface sampling and prospecting is planned for the northern and eastern portions of the Pueblo Grande property to refine additional future drill targets for subsequent programs.

- 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;

- Ponton: The Company commenced review of a modest geochemical database compiled by prior operators. Management is reviewing as assessing this data for any prospective target areas for future follow up.

- 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.

SELECTED ANNUAL INFORMATION

	As at and year ended November 30, 2019	As at and year ended November 30, 2018	As at and year ended November 30, 2017
	$	$	$
Revenue	Nil	Nil	Nil
Loss for the year	545,688	940,884	1,745,133
Loss per common share, basic and diluted	0.01	0.01	0.02
Weighted Average number of common shares outstanding	82,479,412	75,692,575	75,637,780
Statement of Financial Position Data			
Working capital	1,522,250	793,045	1,538,732
Total assets	3,367,145	1,767,303	2,511,911

SUMMARY OF QUARTERLY RESULTS

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

	Nov 30, 2019	Aug 31, 2019	May 31, 2019	Feb 28, 2019	Nov 30, 2018	Aug 31, 2018	May 31, 2018	Feb 28, 2018
Expenses	$297,225	$138,578	$299,915	$234,592	$482,993	$152,405	$213,245	$267,896
Loss/ (income) for the period	$351,703	($124,960)	$88,325	$230,620	$484,555	$167,788	$261,908	$26,633
Weighted average shares outstanding	82,479,412 [L1]	82,692,575	82,692,575	79,114,797	75,692,575	75,692,575	75,692,575	75,692,575
Loss per share	$0.00	$0.00	$0.00	$0.00	$0.01	$0.01	$0.00	$0.00
Mineral property acquisition costs	-	-	-	$900,000	$5,278	-	-	-
Mineral property write-off	-	-	-	-	-	-	-	($10,000)
Mineral property exploration costs	$143,812	$56,254	$188,225	$140,552	$112,479	$33,777	$96,414	$176,361

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 May 31, 2019 and February 28, 2018 are significantly lower due to a gain on the sale of the Reef property. 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 92,867,395 shares outstanding. The following table summarizes the maximum number of common shares outstanding as at November 30, 2019 and as of the date of this MD&A, if all outstanding warrants were converted to shares:

	November 30, 2019	As of the date of this MD&A
Common shares	92,867,395	92,867,395
Warrants	5,187,610	5,187,610
	98,055,005	98,055,005

RESULTS OF OPERATIONS

Three months ended November 30, 2019 ("Q4 2019") compared to the three months ended November 30, 2018 ("Q4 2018")

The loss for the quarter ended November 30, 2019 was $351,703 compared to $484,555 for the quarter ended November 30, 2018. The decrease in net loss is mainly due to a decrease in salaries and wages share-based compensation expense increase in salaries and wages and share-based compensation expense, [L2]offset by an increase in exploration and evaluation costs, marketing, conferences and shareholder relations and unrealized loss on investments. Major variances are explained as follows:

- Exploration and evaluation costs of $143,812 were incurred on the Company's properties during Q4 2019 compared to $112,479 in Q4 2018. Most of the costs incurred in Q4 2019 were consulting, geological consulting, maps orthophotos and report, and site office expenses relating to the Juan de Herrera, Escalibur, Pueblo Grande and Artur properties. The increase in costs from Q4 2018 to Q4 2019 was due to the fact that there were increased exploration activities in Q4 2019 on the Pueblo Grand and Artur Properties;

- Marketing, conferences and shareholder relations costs increased from $26,565 in Q4 2018 to $57,750 in Q4 2019. The increase was due to increased marketing and advertising efforts made in Q4 2019;

- Salaries and wages decreased from $65,036 in Q4 2018 to $40,073 in Q4 2019. The decrease was due to a bonus paid during Q4 2018 and no bonus was paid during Q4 2019;

- Share-based compensation expense was $190,475 in Q4 2018 compared to $Nil in Q4 2019. The share-based compensation expense incurred during Q4 2018 related to the 3,075,000 options granted on November 20, 2018. There were no options issued during Q4 2019; and

- During Q4 2019, an unrealized loss on investments of $39,000 compared to $5,000 in Q4 2018 was recorded to reflect the decrease in the value of the warrants received from Golden Predator as part of the option agreement for the Reef property.

Year ended November 30, 2019 (“2019”) compared to the year ended November 30, 2018 (“2018”)

The loss for the year ended November 30, 2019 was $545,688 compared to $940,884 for the year ended November 30, 2018. The decrease in net loss is mainly due to decrease in property investigation costs, share-based compensation expense, increase in gain on sale of mineral property interests, increase in gain on sale of investments, increase in unrealized gain on investments, offset by an increase in exploration and evaluation costs. Major variances are explained as follows:

- Exploration and evaluation costs of $528,843 were incurred on the Company’s properties during 2019 compared to $419,031 in 2018. Most of the costs incurred in 2019 were consulting, geological consulting, maps orthophotos and report, and site office expenses relating to the Juan de Herrera, Escalibur, Pueblo Grande and Artur properties. The increase in costs from 2018 to 2019 was due to the fact that there were more exploration activities in 2019 on the Pueblo Grand and Artur Properties compared to 2018;

- Property investigation costs decreased from $66,875 in 2018 to $Nil in 2019. During 2018, there were increased efforts by management to search for new mineral properties;

- Share-based compensation expense decreased from $190,475 in 2018 to $Nil in 2019. The share-based compensation expense incurred during 2018 related to the 3,075,000 options granted on November 20, 2018. There were no options issued during 2019;

- During 2019, there was a gain on sale of mineral property interests of $310,500 compared to $241,000 in 2018. During 2019, the gain on sale of mineral property interests consists of $50,000 of cash, 950,000 common shares of Golden Predator valued at $218,500 and 450,000 warrants of Golden Predator valued at $42,000 as part of the option agreement relating to the Reef property. During 2018, the gain on sale of mineral property interests consists of $150,000 of cash, 100,000 common shares of Golden Predator valued at $66,000 and 100,000 warrants of Golden Predator valued at $25,000;

- During 2019, the Company recorded a gain on the sale of investments of $99,934 as compared to a loss of $24,684 in 2018. The gain on the sale of investments in 2019 was due to an increase in share price of Golden Predator at date of sale as compared to the share price as the acquisition date during the year whereas there was a decrease in the share price of Golden Predator 2018; and

- During 2019, an unrealized gain on investments of $9,000 was recorded to reflect the increase in the value of the shares and warrants received from Golden Predator as part of the option agreement for the Reef property, compared to an unrealized loss of $47,000 during 2018.

LIQUIDITY AND CAPITAL RESOURCES

The Company generates cash through financing activities and the sale of mineral property interests and investments. During the year ended November 30, 2019, the Company completed a private placement of 10,174,820 units at $0.13 per unit for gross proceeds of $1,322,727. Each unit consisted of one common share and one half share warrant. Each whole warrant entitles the holder to purchase an additional common share at $0.20 per share until November 6, 2021. The Company paid $22,834 of costs associated with the private placement. During the same year, the Company paid $25,000 of cash option payments for the Pueblo Grande property, received $50,000 of cash option payment from Golden Predator and received $318,434 from the sale of common shares of Golden Predator.

The Company’s working capital is being used to fund, among other things, exploration of the Pueblo Grande 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 $1,400,000 during the next fiscal year on exploration and evaluation costs, and property investigation.

SUBSEQUENT EVENTS

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.

In January 2020, the Company, in partnership with GoldQuest Mining Corp. ("GoldQuest"), purchased drills and mining equipment to be used on its mineral properties in the Dominican Republic. The Company and GoldQuest each paid US$40,000 for the equipment.

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.

Subsequent to November 30, 2019, 170,000 stock options were exercised for gross proceeds of $17,600.

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, 2019, the Company had not achieved profitable operations, had an accumulated deficit and had working capital of $1,522,250. 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.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel consist of directors, former 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	2019	2018
Jeffrey Wilson	Salaries and wages	$ 155,000	$ 180,000
Michael Moore	Geological consulting	134,200	149,500
Michael Moore	Consulting and directors' fees	5,215	-
Michael Moore	Property investigation costs	-	32,400
Adrian Fleming	Directors' fees	-	5,000
Alistair Waddell	Directors' fees	-	5,000
Lon Shaver	Directors' fees	-	5,000
Quinton Hennigh	Directors' fees	-	5,000
CDM Capital Partners	Office and administration	24,000	28,000
VC Consulting Corp.	Accounting	18,000	18,000
Total		$ 336,415	$ 427,900

Total fair value of the share-based payments made to directors and officers is $Nil (2018 - $151,141) for the year ended November 30, 2019.

The accounts payable and accrued liabilities of the Company as at November 30, 2019 and 2018 include the following amounts due to related parties:

	2019	2018
Key management personnel	$ -	$ 4,725

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. Cash is measured using level I of the fair value hierarchy. Investment in Golden Predator 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 Unites 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

The following standards and amendments to existing standards have been adopted by the Company effective December 1, 2018:

IFRS 9 *Financial Instruments* – The Company retrospectively adopted IFRS 9. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. Prior periods were not restated and there was no material impact to the Company’s financial statements as a result of transitioning to IFRS 9. IFRS 9 introduced a revised model for classification and measurement, and while this has resulted in financial instrument classification changes, there were no quantitative impacts from adoption. Cash has changed classification from FVTPL to amortized cost. The carrying value is equal to its fair value given the short-term nature of the asset, therefore, there is no change in the carrying value as a result of the change in classification. There are no transitional impacts regarding financial liabilities in regards to classification and measurement.

The adoption of the ECL impairment model had a negligible impact on the carrying amounts of the Company's financial assets given the nature of the items and that receivables are substantially all current and there is a minimal level of default.

IFRS 15 *Revenue from Contracts with Customers* – establishes principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. There was no impact on the financial statements as a result of adopting this standard.

The following standards, amendments to standards and interpretations have been issued but are not effective for annual periods beginning on or after January 1, 2019:

IFRS 16 *Leases* – This standard sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. It eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. The Company has determined the impact of this new standard will be increased disclosure.

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, 2019. Additional information about the Company can also be found on www.sedar.com.

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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

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