



BOUNDARY GOLD AND COPPER MINING LTD.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED NOVEMBER 30, 2020**

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the condensed interim consolidated financial statements for the three months ended November 30, 2020 and audited consolidated financial statements of Boundary Gold and Copper Mining Ltd. (the "Company" or "Boundary") for the year ended August 31, 2020, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts included in this MD&A are expressed in Canadian dollars unless otherwise noted. All information contained in this MD&A is current as of January 29, 2021. These documents along with other information related to Boundary are available for viewing on SEDAR at www.sedar.com or on the Company's website at www.prizemining.com.

Information provided in this MD&A, including financial information extracted from the Condensed Interim Consolidated Financial Statements, is the responsibility of management. In the preparation of the Condensed Interim Consolidated Financial Statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying Condensed Interim Consolidated Financial Statements.

DESCRIPTION OF BUSINESS

Boundary was incorporated under the *Business Corporations Act* (Alberta) on August 16, 1996. The completion of the acquisition of 1994854 Alberta Ltd ("199") and the April 2017 Financing resulted in the reactivation and graduation of Boundary to the TSX Venture Exchange ("TSXV") as a Tier 2 mining issuer effective April 27, 2017. Prior to its reactivation and graduation, Boundary did not hold any interest in any mineral projects and had not carried on active business operations for a number of years. The common shares (the "Common Shares") of Boundary have been listed for trading on the TSXV since April 27, 2017 under the trading symbol "PRZ". The Common Shares are also listed on the OTCQB under the trading symbol "PRZFF" and on Frankfurt Exchange under the trading symbol MQSP:GR.

On October 16, 2019, the Company changed its name from "Prize Mining Corporation" to "Boundary Gold and Copper Mining Ltd." Effective at the opening of markets on October 17, 2019, the Company commenced trading of its Common Shares on the TSX Venture Exchange under the new name: Boundary Gold and Copper Mining Ltd. The Company's stock symbol is now "BDGC".

Boundary's principal business activity is the acquisition, and exploration of mining properties. The following table highlights Boundary's acquisitions during the 2019, 2020 and 2021 fiscal years. See "Significant Company Events" below for a description of these acquisitions.

Date	Acquired Legal Entity	Project	Location
April 11, 2017	1994854 Alberta Ltd. ⁽¹⁾	Kena Project	South-eastern British Columbia, Canada
July 4, 2017	N/A - asset acquisition	Toughnut Property	South-eastern British Columbia, Canada
December 6, 2017	Scion Mines S.A. de C.V. ⁽¹⁾	Manto Negro Copper Project	State of Coahuilla, Mexico

(1) Previously a privately held company.

SIGNIFICANT COMPANY EVENTS

199 Acquisition

Effective December 23, 2016, the Company entered into a pre-acquisition agreement (the "Pre-acquisition Agreement") with 199 pursuant to which the Company agreed to make an offer to acquire all of the outstanding shares of 199 on a one-for-one share exchange basis (the "199 Acquisition"). The sole asset of 199 was an option to earn an 80% interest in Kena and Daylight Gold-Copper Properties (the "Kena Project") located in the Nelson area of south-eastern British Columbia, Canada by making annual cash and share payments and completing \$3,000,000 in Kena Project related exploration expenditures over four years (the "Kena Option").

The Kena Project covers approximately 8,000 hectares of mineral claims and has been assigned estimated indicated mineral resources of 24,890,000 t at 0.60 g/t Au (481,000 oz Au) and estimated inferred mineral resources of 85,790,000 t at 0.48 g/t Au (1,318,000 Au). The Kena Project consists of the Kena Gold, Gold Mountain and Copper King showings together with the historic Euphrates and Gold Cup gold mines. The Daylight Property is a contiguous land package located in the northwest corner of the Kena Project and is the location of the historic Daylight, Starlight, Victoria and Great Eastern gold mines.

On April 11, 2017, the Company completed its acquisition of 1994854 Alberta Ltd. ("199"). 199 entered into an option agreement with Apex, as amended on June 26, 2019, pursuant to which it has an option (the "Option") to earn an 80% interest in Apex's Kena and Daylight properties located in the Nelson area of British Columbia, Canada. The Option has a term of 4 years commencing from October 3, 2016 (the "Effective Date"). The obligations and rights of 199 under the Option have been assigned to the Company. To exercise the Option and earn its 80% interest in the Kena Project, the Company will:

- i. make the following cash option payments to Apex:
 - a. \$500,000 within 5 business days from the Effective Date (paid by 199 prior to Acquisition);
 - b. an additional \$250,000 within twelve months from the Effective Date (paid October 4, 2017);
 - c. an additional \$250,000 within twenty-four months from the Effective Date (paid September 28, 2018); and
 - d. an additional \$250,000 within thirty-five months from the Effective Date (paid September 27, 2019).

for total cash option payments of \$1,250,000. Under the Option Agreement, a final cash payment of \$250,000 was to be made within thirty-six months from the Effective Date. Pursuant to the Amending Agreement, the final cash payment of \$250,000 is to be paid one month earlier, within thirty-five months from the Effective Date.;

- ii. issue common shares to Apex as follows:
 - a. 75,000 shares within 5 business days from the Effective Date (issued by 199 prior to the Acquisition);
 - b. an additional 75,000 shares within twelve months from the Effective Date (issued with value of \$106,876);
 - c. an additional 75,000 shares within twenty-four months from the Effective Date (issued with a value of \$39,375); and
 - d. an additional 75,000 shares anytime before July 31, 2019 (issued with a value of \$7,500).

for a total of 300,000 shares. Under the Option Agreement, the Company had an obligation to issue a final allocation of 75,000 shares to Apex within thirty-six months from the Effective Date. Pursuant to the Amending Agreement, the Company is required to issue the 75,000 shares anytime before July 31, 2019 (issued July 5, 2019); and

- iii. incur exploration expenditures on the Kena Project as follows:
 - a. \$100,000 within twelve months from the Effective Date (completed);
 - b. an additional \$400,000 within twenty-four months from the Effective Date (completed);
 - c. an additional \$1,000,000 within sixty months from the Effective Date; and
 - d. an additional \$1,500,000 within seventy-two months from the Effective Date.

for total exploration expenditures of \$3,000,000. Pursuant to the Amending Agreement item 1(c) above has been extended by two years to sixty months from the Effective Date and item 1(d) above has been extended by two years to seventy-two months from the Effective Date.

All other provisions of the Option Agreement remain unamended.

After earning its 80% interest in the Kena-Daylight Project, the Company has a second option to earn and acquire up to an additional 20% undivided interest in the Kena-Daylight Project by making a \$2,000,000 cash payment to Apex and granting a 1% net smelter returns royalty (the "NSR Royalty") on the Kena-Daylight Project to Apex on or before the date that is 180 days following the date of exercise of the 80% option. 199 has the right to purchase one half of the 1% NSR for a purchase price of \$5,000,000 on or before the date in which commercial production commences. If the 20% option is not exercised, 199 and Apex will establish an 80:20 joint venture for the further management, exploration and development of the Kena-Daylight Project.

On November 10, 2020, the Company signed a non-binding letter of intention with West Mining Corp. ("West") and the Company's wholly-owned subsidiary 1994854 Alberta Ltd., which contemplates a transaction under which West will have an option to earn up to a 100% undivided right, title and interest in the Kena and Daylight gold-copper properties. Upon signing the LOI, West paid a non-refundable \$25,000 cash deposit to the Company as consideration for the 30-day exclusivity and due diligence period granted to West under the LOI.

On December 24, 2020 ("execution date"), the Company entered into an option agreement respecting the Kena and Daylight Gold-Copper Properties (the "Property") with 199 and West Mining Corp. ("West"), pursuant to which West has the option to earn a 100-per-cent undivided right, title and interest in and to the property, comprising 174 mineral claims and 11 Crown grants located in the Nelson mining district in the province of British Columbia, and covering 8,810 hectares. On January 25, 2021, the parties have amended and restated their previously announced option agreement. The economic terms of the amended and restated agreement are the same as those previously announced, with the difference being that the agreement is now structured as an option to acquire the shares of the registered owner of the properties, 199, a wholly owned subsidiary of the Company, rather than as an option for West to acquire the properties from 199. As such, West has the right to acquire all of the issued and outstanding shares of 199 from the Company.

In order to exercise the option and acquire an undivided 100% interest in the 199, West shall:

- a) on the execution date, issue 1,805,556 common shares (received) to the Company and pay an aggregate of \$325,000 in cash to the Company, less the \$25,000 previously paid to the Company as a deposit (received);
- b) on or before June 24, 2021, issue 1,805,556 common shares to the Company and pay an aggregate of \$325,000 to the Company;
- c) on or before December 24, 2021, issue 1,805,556 common shares to the Company and pay an aggregate of \$325,000 in cash to the Company;
- d) on or before June 24, 2022, issue 1,944,444 common shares to the Company and pay an aggregate of \$350,000 in cash to the Company;
- e) on or before October 3, 2021, spend a cumulative minimum amount of \$711,000 on exploration expenditures on the Property; and
- f) on or before October 3, 2022, spend a cumulative minimum amount of \$2,211,000 on exploration expenditures on the Property.

The exploration expenditures to be made by West under the share option agreement will fulfill 199's obligations to earn an 80% interest in the Property. Upon successfully earning an 80% interest, 199 (which will be a wholly-owned subsidiary of West), will have the right to earn an additional 20% interest in the Property by making an additional cash payment of \$2,000,000 to Apex on or before the date that is 180 days following the date of exercise of the 80% option; and granting a 1% NSR in favour of Apex (199 will have the right to repurchase one-half of Apex's 1% NSR for \$5,000,000 on or before the date on which commercial production on the Property commences). If West earns an 80% interest in the Property but does not successfully earn a 100% interest in the Property, then West will be required to enter into a joint venture agreement with Apex respecting the Property on terms to be negotiated by West and Apex, each acting reasonably.

Any interest that 199 earns in the Property will be subject to the following third party NSR royalties on certain claims comprising the Property: (a) Daylight Crown Grants – 3% NSR on gold and silver and 1.5% NSR on all other metals (subject to the right to purchase 66 2/3% of the NSR for \$1,000,000 upon or prior to commencement of commercial production and the issuance of 200,000 shares upon completion of a positive feasibility study); (b) Great Western Claim Group – 3% NSR on gold and silver and 1.5% NSR on all other metals (subject to the right to purchase 66 2/3% of the NSR for \$1,000,000 upon commencement of commercial production and the issuance of 20,000 shares upon completion of a positive feasibility study); (c) Starlight Crown Grants – 1% NSR (subject to the right to purchase the NSR for \$1,000,000 upon commencement of commercial production); (d) Tough Nut Claims - 3% NSR on gold and silver and 1.5% NSR on all other metals (subject to the right to purchase 66% of the NSR for \$2,000,000 upon commencement of production); and (e) Kena Claims - 3% NSR on gold and silver and 1.5% NSR on all other metals (subject to the right to purchase 50% of the NSR for the greater of 7,000 ounces gold or \$2,000,000).

Toughnut Property

On June 21, 2017, the Company entered into an option agreement to acquire 100% interest in the Toughnut Property, located in south-eastern British Columbia (the "Toughnut Option"). The 1,010 hectare Toughnut Property lies contiguous to the west side of Boundary's Daylight Property. The Toughnut claims strategically cover over 3.5 kilometer strike length of the Silver King shear including most of the mineralized land between Boundary's main Starlight-Daylight block and Boundary's Sand block to the northwest. To exercise the Toughnut Option and acquire the Toughnut Property, the Company must, on an aggregate-basis, pay \$150,000, issue 50,000 Common Shares, and incur \$750,000 of exploration expenditures over a five-year period. The Toughnut Property is subject to a 2% NSR on its acquisition by the Company. The Company has the right to purchase one-half of the 2% NSR for the purchase price of \$2,000,000 on or before the date on which commercial production commences. Option payments of \$120,000 and 40,000 Common Shares to the optionors of the Toughnut Property have been made.

As at August 31, 2019, the Company estimated the fair value of the Kena-Daylight-Toughnut project to be \$3,035,000, resulting in an impairment charge of \$9,940,704.

As of November 30, 2020, the Company has reclamation bond deposit of \$174,700 (August 31, 2020 - \$174,700) related to potential environmental rehabilitation work for the Kena-Daylight-Toughnut project.

Manto Negro Copper Project

On December 5, 2017, the Company completed the acquisition of Scion Mines S.A. de C.V. ("Scion.") and now indirectly owns a 100% interest in the Manto Negro Copper Project, which consists of seven mining concessions covering a total of 17,959 hectares and is located in the State of Coahuila approximately 315 km northwest of Monterrey, Mexico and 100 km west of Monclova. The Company issued 1,200,000 Common Shares in exchange for all of the shares of Scion. These Common Shares are subject to a 3-year lock-up and restricted resale period during which they may not be sold or otherwise transferred. 10% of these Common Shares will be released from the lock-up upon closing of the transaction and an additional 15% will be released on each of the 6, 12, 18, 24, 30 and 36-month anniversaries of the closing date. The Company has agreed to issue up to an additional 1,200,000 Common Shares (the "Bonus Shares") to Scion's shareholders upon the satisfaction of the following conditions:

- 400,000 Bonus Shares if the estimated copper resource of the Manto Negro Copper Project (as determined in accordance with NI 43-101 and set out in a technical report prepared in accordance with NI 43-101) is equal to or greater than 500 million pounds.
- 400,000 Bonus Shares if the estimated copper resource of the Manto Negro Copper Project (as determined in accordance with NI 43-101 and set out in a technical report prepared in accordance with NI 43-101) is equal to or greater than 750 million pounds.
- 400,000 Bonus Shares if the estimated copper resource of the Manto Negro Copper Project (as determined in accordance with NI 43-101 and set out in a technical report prepared in accordance with NI 43-101) is equal to or greater than 1 billion pounds.

As at August 31, 2019, the Company decided not to pursue exploration of the Manto Negro Copper Project and accordingly recorded an impairment charge of \$5,701,819.

Carscallen Property

On April 11, 2019, the Company entered into a performance-based option agreement with Denton Resources Inc., a private corporation, to acquire a 100% interest in the 62 mineral claims comprising the Carscallen property in the district of Cochrane near Timmins, Ontario.

In consideration of the Company having the option to acquire a 100% interest in the Carscallen property, subject to TSX-V approval, the following terms apply:

- The Company commits to the drilling of at least four holes in areas defined as geophysical anomalies by Denton in a program consisting of phase 1 (two drill holes) and phase 2 (two drill holes) for a total commitment of 3,200 metres and pay Denton \$15,000 per anomaly for a total of \$30,000 (paid) within five days after TSX-V approval.
- If either of these anomalies has successfully met the test criteria for success, which means "the discovery intersecting meaningful mineralization of targeted metals of a grade and thickness that would be worthy of follow-up drilling, having the potential to be economic to mine and seen by the public market as high grade," then in order for the company to exercise the option under the option agreement, the Company will be obligated to issue 200,000 common shares and 200,000 warrants in the Company per successful anomaly. The warrants will have a term of 24 months and have an exercise price of \$0.25 per share. Any shares and warrants issued pursuant to the exercise of the option will have a restrictive legend for four months and one day from the date of issuance.
- In addition to the option exercise consideration, should the Company decide to exercise the option and acquire a 100% interest in the Carscallen property, the Company grants to Denton, or its nominee, a 3% royalty on net smelter returns on production from the Carscallen property; 2.5% of the royalty will be registered to Denton and 0.5% will be assigned to Generation Portfolio Management Corp.
- Furthermore, upon the company exercising the option and completing a technical report compliant with the requirements of National Instrument 43-101, Standard of Disclosure for Mineral Projects, that indicates a minimum of two million ounces of an inferred resource, as defined in accordance with the CIM (Canadian Institute of Mining, Metallurgy and Petroleum) Definition Standards on Mineral Resources and Reserves, advance royalty payments in the amount of \$50,000 per anomaly that meets the test criteria (as defined herein) shall begin to accrue to the benefit of the grantee, with the first such advance payment being due three months after the date upon which such technical report is completed.

As at August 31, 2019, the Company decided not to pursue exploration of the Carscallen Project and accordingly recorded an impairment charge of \$30,000.

2018 Financing

On October 2, 2018, the Company closed the final tranche of a brokered private placement of 697,000 flow-through shares at a price of \$0.85 per share for gross proceeds of \$592,450. In connection with the offering, the Company paid the agent a cash fee of \$41,471 and issued 48,790 brokers warrants at an exercise price of \$0.75 per share, exercisable up to any time on or before October 1, 2019.

2019 Financing

On May 24, 2019, the Company closed its non-brokered private placement of 5,040,000 common shares at a price of \$0.125 per share for gross proceeds of \$630,000. The Company incurred share issue costs of \$750 related to a private placement.

On June 19, 2019, the Company closed its non-brokered private placement of 1,560,000 common shares at a price of \$0.125 per share for gross proceeds of \$195,000.

Share Consolidation

Effective November 26, 2019, the Company consolidated its common shares on the basis of five (5) pre-consolidated share for one (1) post-consolidated share.

Pre-legal Action Against a Former Director

On November 27, 2019, the Company commenced pre-legal action against the former director, David Schmidt, claiming gross negligence and breach of fiduciary duties as a director that has resulted in significant shareholder value loss.

On February 11, 2020, the Company decided to put in a request to the British Columbia Securities and Commission and Investment Industry Regulatory Organization in Canada in regards to Mr. Schmidt and his related parties' trading in regards to the Company.

Director and Officer Changes

On November 5, 2018, the Company announced the appointment of Ms. Yuying Liang as Chief Financial Officer and Mr. Tom Pierce resigned as Chief Financial Officer of the Company on the same day.

Effective December 27, 2018, Feisal Somji, David Schmidt and Robert Archer resigned as directors and Dallas Pretty was appointed as a director of the Company.

Effective December 31, 2018, Dallas Pretty resigned as a director and Jose Aviña was appointed as a director of the Company. On February 25, 2019, the Company reappointed Dallas Pretty as a director of the Company.

On July 16, 2019, the Company appointed Dino Minichiello to the board of directors.

On September 18, 2019, the Company announced the resignation of Michael McPhie as CEO, President and Director of Boundary. Glary Claytens has been appointed as CEO, President and Director on an interim basis.

On September 20, 2019, the Company announced the appointment of Yuying Liang to the board of directors following the resignation of Jose Aviña.

On September 27, 2019, the Company announced the appointment of Russell Van Skiver to the board of directors following the resignation of Gary Claytens and Dallas Pretty from the board. Mr. Van Skiver assumed the role of interim CEO from Mr. Claytens who has resigned for personal reasons.

On November 7, 2019, the Company announced the resignation of Raul Ramirez Morton from the board of directors.

On July 13, 2020, the Company announced the appointment of David Jenkins to the board of directors following the resignation of Dino Minichiello.

MINERAL PROPERTIES

Boundary's portfolio of mineral properties is located in Canada. The following section discusses Boundary's mineral properties. As at November 30, 2020, the Company has capitalized the following acquisition, exploration and evaluation costs to its mineral properties.

Exploration and evaluation assets

	Kena-Daylight- Toughnut
Acquisition Costs	
Balance, at August 31, 2020 and at November 30, 2020	\$ 10,883,892
Deferred Exploration Costs	
Balance, at August 31, 2020 and at November 30, 2020	2,373,744
Cash proceed on option agreement	(25,000)
Impairment	(9,940,704)
Total exploration and evaluation assets	\$ 3,291,932

	Kena-Daylight- Toughnut
Acquisition Costs	
Balance, beginning at August 31, 2019	\$ 10,603,592
Incurred during the year	280,300
Balance, ending at August 31, 2020	10,883,892
Deferred Exploration Costs	
Balance, beginning	2,372,112
Project preparation and support	489
Report and data compilation	1,750
Miscellaneous	(607)
Balance, ending at August 31, 2020	2,373,744
Impairment	(9,940,704)
Total exploration and evaluation assets	\$ 3,316,932

Kena Project - British Columbia, Canada

The Company acquired the Kena Option through the 199 Acquisition. The Company has the right to earn up to a 100% undivided interest in the Kena Project under the Kena Option.

An amended technical report for the Kena Project entitled "Technical Report for the Kena Project, Nelson, BC" dated June 2, 2017 (the "Technical Report") prepared for Boundary by Vivian Park, P. Geo., VPG Geosciences, and Gary H. Giroux, P.Eng. of Giroux Consultants Limited (Ltd.) was filed by the Company on SEDAR on June 7, 2017 and is available under the Company's SEDAR profile. The Kena Project has been assigned estimated indicated mineral resources of 24,890,000 t at 0.60 g/t Au (481,000 oz Au) and estimated inferred mineral resources of 85,790,000 t at 0.48 g/t Au (1,318,000 Au). These resources are in respect of the Kena Property, using gold intercepts from 176 drill holes in the Gold Mountain, Kena Gold and High-Grade zones and was prepared according to CIM 2014 guidelines.

The Kena Project also has a copper porphyry target that remains untested by exploration.

The Company's 1,550-hectare contiguous Daylight Property, located on the northwest corner of Boundary's Kena Project, has various high-grade gold showings and four historical mines.

The four historical mines situated on the Daylight Property have historical grades as set out below.

- Great Eastern mine area with historical grades of 37.53 g/t gold and 52.2 g/t silver (B.C. Minfile 082FSW172).
- Starlight mine area with historical grades of 28 g/t gold and 140 g/t silver (B.C. Minfile 082FSW174).
- The Daylight mine area with historical grades of 27 g/t gold and 15 g/t silver (B.C. Minfile 082FSW175).

- Victoria mine area with grades reported of 28.9 g/t silver and 2.56 per cent copper (B.C. Minfile 082FSW173).

Historical mining on these mines took place in the early 1900s. Based on the Company's understanding of historical practices, it is likely that hand sorting of ore took place and that the actual grades varied.

Toughnut Property - British Columbia, Canada

The Company has the option to acquire a 100% interest in the Toughnut Property, located in south-eastern British Columbia. The 1,010-hectare Toughnut Property lies contiguous to the west side of Boundary's Daylight Property. The Toughnut claims strategically cover over 3.5 kilometres of strike length on the Silver King shear, including most of the mineralized land between Boundary's main Starlight-Daylight block and Boundary's Sand block to the northwest.

The Toughnut Showing (MF 092FSW294) which includes old pits, shafts and trenches had grab samples from Pacific Sentinel in 1989 that returned 6.64 g/t, 8.65 g/t, and 32.8 g/t Au with associated silver ranging between 33 and 175 g/t Ag. Follow up diamond drilling by Valterra Resources in 2010 returned a best intercept of 6.9 g/t Au and 143 g/t Ag over 2.0m, and 4.05 g/t Au over 8.0m in hole VTN10-005.

The Gold Eagle Showing (no recorded Minfile) located 500m north of the Toughnut Showing was drilled by US Borax in 1988 who reportedly returned a strongly anomalous intercept of 90 g/t Au over 1.53m (RC hole S88-43) (AR 19503). In 2010 Valterra Resources also drilled the property with its best results being 4.02 g/t Au and 9.52 g/t Ag over 24.33m (inc. 4.0m of 14.47 g/t Au and 3.46 g/t Ag). The zone has been tested to 73m and remains open and along strike and down dip.

A three-phase exploration program was undertaken on the Toughnut Property in the 2017 field season. Based on the results of the 2017 field program, an exploration diamond drilling program was conducted on the Toughnut claims in 2018 and tested four zones of interest along the Silver King shear system. The 2018 program was finished in October 2018.

Daylight and Toughnut Properties 2017 Exploration Program

In July 2017, the Company announced the completion of its Phase 1 exploration program on the Daylight and Toughnut Properties completing a total of 1,289 soil samples over 32.23 line kilometres and increasing the density of soil samples in both properties to 50 metres by 25 metres. In addition, 326 grab and composite rock samples were collected.

In August 2017, the Company announced the results of the sampling program which included an 8,009 ppb (8g/t) Au soil sample on the Daylight-Starlight Trend, and rock samples showing as high as 20.6 g/t Au and 188 g/t Ag from the Toughnut adit.

A statistical analysis of the 4,152 historical results was carried out in August 2017 and indicates the historical gold grades are of comparable quality with the 2017 results. The net combined database, comprising 5,418 soil sample results has been utilized to define 41 gold soil anomaly targets on the Toughnut and Daylight Properties.

In September 2017, the Company announced an expanded program on the Daylight and Toughnut Properties increasing the number of soil and rock samples collected as well as the number of ground geophysical line kilometers surveyed. The Company also announced the start of an environmental baseline study with a long-term view towards potential mine planning.

In November 2017, the Company announced that it had completed its initial drilling program on the Daylight Property. A total of 18 diamond drill holes were completed totaling 2,694.74 metres from 11 drill pad locations, with encouraging assay results obtained. A second drilling program was carried out on the first of four high-priority targets on the Toughnut Property in November and December 2017, with a total of 11 diamond drill holes totaling 1,730 metres of diamond drilling on 7 drill pads, including one helicopter pad.

Highlights from the first two drilling programs at Daylight included:

- Hole DL17005 on the Great Western zone intersected a 0.9 metre interval which assayed 63.7 g/t gold encountered at 46.4 metres depth. Above this interval, results returned 32.6 metres of 1.16 g/t gold, including 0.5 metres of 20.9 g/t gold, 0.79 metres of 11.6 g/t gold and 0.6 metres of 10.3 g/t gold.
- Hole DL17007 on the Great Western zone intersected a 71.22 metre interval of 1.09 g/t gold at 74.28 metres, including 0.5 metres of 7.36 g/t gold and 4.91 metres of 4.39 g/t gold with a 0.48 metre spike of 21.2 g/t gold.
- Hole DL17016 on the Daylight zone intersected a 5 metre intercept of 2.76 g/t gold, including 1 metre of 5.77 g/t gold.

Toughnut 2018 Exploration Program

In July 2018, an exploration drilling program commenced on the Toughnut Property focusing on targets contained within the Silver King Shear system. The Phase I program totaling 2,531 metres in 13 holes was designed to test the Toughnut Ridge zone. The Phase II program commenced in September 2018 and consisted of 1,355 metres of drilling in 7 holes that focused on testing two target areas: the Gold Eagle showing and the Toughnut Crown Grant workings. Results from both 2018 drilling phases were announced in December 2018.

SELECTED ANNUAL INFORMATION

The following is a summary of selected audited financial information of the Company for the last three completed fiscal years.

	Year Ended August 31, 2020	Year Ended August 31, 2019	Year Ended August 31, 2018
	\$	\$	\$
Total revenues	-	-	-
Loss and comprehensive loss	(1,270,510)	(18,524,576)	(7,329,451)
Loss per share - basic and fully diluted	(0.04)	(0.70)	(0.57)
Cash	17,663	54,526	2,433,373
Exploration and evaluation assets	3,316,932	3,035,000	15,621,815
Total assets	3,519,148	3,868,332	19,905,202
Working capital (deficiency)	(1,637,738)	(206,683)	3,594,522
Total long-term liabilities	16,837	40,906	-
Shareholders' equity	1,837,057	3,107,267	19,488,624

During the period commencing September 1, 2016 and ending April 11, 2017, the Company had no mineral properties or assets other than cash, marketable securities and loan receivable. During this period, the Company's activities were focused on the identification and evaluation of business assets with a view to the acquisition of same. On April 11, 2017, the Company completed the 199 Acquisition and the April 2017 Financing. The Company acquired the Toughnut Option in June 2017 and commenced exploration activities on the Daylight and Toughnut Properties in June 2017. The Company acquired Scion in December 2017 and commenced exploration activities on the Mexican properties in January 2018. During the year ended August 31, 2019, a drilling program commenced at Manto Negro. In addition, a drilling program was started on the Toughnut property in Q4 2018 and was finished in October 2018. As at August 31, 2019, the Company wrote-off the Manto Negro and Carscallen project and wrote down Kena-Daylight-Toughnut project and recognized an impairment loss of \$15,672,523.

To date, the Company has not yet realized profitable operations and has relied on debt and equity financings and trade credit to fund the losses. The Company will require additional financing to continue in business and there can be no assurances that such financing will be available or if available, will be on reasonable terms.

Net Loss

The Company generated a net loss and comprehensive loss of \$1,270,510 (2019 - \$18,524,576) during the year ended August 31, 2020. The net loss reflects general and administrative expenses of \$811,590, write-off of marketable securities of \$14,421, write-off of receivables of \$397,131 and write-off of equipment of \$50,198. For the year ended August 31, 2019, the net loss reflects impairment provision and write-off of exploration and evaluation of assets of \$15,672,523 (2018 - \$Nil), general and administrative expenses of \$2,980,344, settlement of flow-through premium liability of \$208,322 and an unrealized loss on marketable securities of \$20,942. For the year ended August 31, 2018, the net loss reflects general and administrative expenses of \$3,541,944, provision of prepaid expenses of \$4,260,000, settlement of flow-through premium liability of \$431,427 and an unrealized gain on marketable securities of \$19,747.

The Company reported general and administrative expenses for the year ended August 31, 2020 of \$811,590 (2019 - \$2,980,344). The decrease in general and administrative expenses during the year was largely attributed to lower investor relations, legal, property investigation costs, share-based payments and travel and related costs. Investor relations expenses of \$401,050 during the year ended August 31, 2019 were made up of services provided for marketing and investor relations services, conferences, news and media consultants and travel expenses, as well as US and Canadian marketing/investor relations companies for our local shareholders.

Cash

Cash decreased by \$36,863 in the year ended August 31, 2020 to \$17,663, as cash from financing activities was more than offset by cash used in operating and investing activities. As at August 31, 2019, cash decreased by \$2,378,847 to \$54,526, as cash from financing activities was more than offset by cash used in operating and investing activities.

Total Assets

Total assets decreased by \$349,184 to \$3,519,148 in the year ended August 31, 2020. The decrease was due to the decreases of marketable securities and receivables and write-off of equipment recognized during the year. Total assets decreased by \$16,036,870 between 2019 and 2018. The decrease was due to impairment of exploration and evaluation assets recognized during the year.

Dividends

The Company has not paid any dividends on its common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

SUMMARY OF QUARTERLY RESULTS

	November 30, 2020	August 31, 2020	May 31, 2020	February 29, 2020
	\$	\$	\$	\$
Total revenue	-	-	-	-
Loss and comprehensive loss	(49,544)	(172,142)	(525,786)	(170,908)
Total assets	3,511,056	3,519,148	3,567,854	4,014,345
Working capital deficiency	(1,665,389)	(1,637,738)	(1,476,014)	(992,527)
Shareholders' equity	1,787,513	1,837,057	2,008,899	2,534,685
Net loss per share - basic and fully diluted	(0.00)	(0.00)	(0.02)	(0.01)

	November 30, 2019	August 31, 2019	May 31, 2019	February 28, 2019
	\$	\$	\$	\$
Total revenue	-	-	-	-
Loss and comprehensive loss	(401,674)	(16,271,851)	(264,053)	(825,870)
Total assets	4,078,233	3,868,332	19,710,581	19,022,281
Working capital (deficiency)	(837,662)	(206,683)	471,611	272,030
Shareholders' equity	2,705,593	3,107,267	19,046,187	18,590,135
Net loss per share - basic and fully diluted	(0.01)	(0.52)	(0.01)	(0.03)

The net loss for the period ended February 29, 2020 was mainly due to general and administrative expenses of \$156,646 and unrealized loss on marketable securities of \$14,262. The net loss for the period ended May 31, 2020 was mainly due to general and administrative expenses of \$97,434, write-off of receivables of \$397,131 and write-off of equipment of \$34,471. The net loss for the period ended August 31, 2020 was mainly due to general and administrative expenses of \$125,417, write-off of marketable securities of \$14,421 and write-off of equipment of \$15,727. The net loss for the period ended November 30, 2020 was mainly due to general and administrative of \$63,131 and offset by gain on debt settlement of \$13,587.

The net loss for the period ended February 28, 2019 was mainly due to general and administrative expenses of \$900,970 and partially offset by the flow-through premium liability of \$78,249. The net loss for the period ended May 31, 2019 was mainly due to general and administrative expenses of \$286,792. The net loss for the period ended August 31, 2019 was mainly due to impairment provision and write-off of exploration and evaluation assets of \$15,672,523, general and administrative expenses of \$519,432 and unrealized loss on marketable securities of \$14,925. The net loss for the period ended November 30, 2019 was mainly due to general and administrative expenses of \$416,093 and partially offset by unrealized gain on marketable securities of \$14,408.

RESULTS OF CONTINUING OPERATIONS

	Three months ended November 30,	
	2020	2019
	\$	\$
GENERAL AND ADMINISTRATIVE EXPENSES		
Administration	-	15,000
Business development recovery	-	(15,000)
Consulting fees	15,000	-
Depreciation	-	11,283
Interest and bank charges	8,212	7,063
Investor relations	-	21,321
Legal	10,493	21,325
Management and directors' fees	21,000	299,500
Office and miscellaneous	2,766	10,037
Rent	-	29,500
Shareholder communications	-	1,220
Transfer agent and regulatory fees	2,021	14,154
Travel and related costs	3,639	690
	<u>(63,131)</u>	<u>(416,093)</u>
Gain on debt settlement	13,587	-
Interest income	-	11
Unrealized gain on marketable securities	-	14,408
	<u>13,587</u>	<u>14,419</u>
Net loss and comprehensive loss for the period	(49,544)	(401,674)

Three Months Ended November 30, 2020 Compared to Three Months Ended November 30, 2019

The Company reported a net loss of \$49,544 (2019 - \$401,674) during the three months ended November 30, 2020. The net loss for the period included general and administrative expenses, offset by gain on debt settlement of \$13,587 (2019 - \$Nil), unrealized gain on marketable securities of \$Nil (2019 - \$14,408) and interest income of \$Nil (2019 - \$11) and.

The Company reported general and administrative expenses for the period of \$63,131 (2019 - \$416,093). The decrease in general and administrative expenses during the period was primarily attributed to lower investor relations, management and directors' fees and rent.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

	Three months ended November 30,	
	2020	2019
CASH PROVIDED BY (USED IN)	\$	\$
Operating activities	(53,464)	(59,969)
Investing activities	25,000	(250,656)
Financing activities	51,778	296,778
Change in cash	23,314	(13,847)
Working capital deficiency	(1,665,389)	(837,662)
Cash beginning	17,663	54,526
Cash ending	40,977	40,679

The increase in cash from three months ended November 30, 2019 to three months ended November 30, 2020 was primarily due to \$53,464 cash used in operating activities, offset by \$25,000 cash provided by investing activities and \$51,778 cash provided by financing activities.

Operating Activities

Cash used in operating activities decreased by \$6,505 to \$53,464 during the three months ended November 30, 2020 compared to \$59,969 cash used in operating activities during the three months ended November 30, 2019. The decrease in cash used was primarily due to lower general and administrative expenses during the current period.

Investing Activities

Cash provided by investing activities increased by \$275,656 to \$25,000 during the three months ended November 30, 2020 compared to \$250,656 cash used during the three months ended November 30, 2019. The cash provided by investing activities was related to proceeds from non-refundable deposits paid by West to the Company in relation to the share option agreement respecting the Kena-Daylight properties during the current period. This is compared to cash used on exploration and evaluation expenditures of \$250,656 during the same period of the prior year.

Financing Activities

Cash provided by financing activities decreased by \$245,000 to \$51,778 during the three months ended November 30, 2020 compared to \$296,778 cash provided during the three months ended November 30, 2019. The cash provided by financing activities in the three months ended November 30, 2020 consist of loan proceeds of \$55,000, less payment of lease liability of \$3,222. This is compared to cash provided by financing activities in the three months ended November 30, 2019, which comprised of loan proceeds of \$300,000, less payment of lease liability of \$3,222.

Trends in Liquidity, Working Capital, and Capital Resources

As at November 30, 2020, the Company has working capital deficiency of \$1,665,389. The Company has no history of revenues from its operating activities. The Company is not in commercial production on any of its mineral properties and accordingly does not generate cash from operations. During the three months

ended November 30, 2020, the Company had negative cash flow from operating activities, and the Company anticipates it will have negative cash flow from operating activities in future periods.

The Company has, in the past, financed its activities by raising capital through equity issuances. Until it can generate a positive cash flow position, in order to finance its exploration programs, the Company will remain reliant on the equity markets for raising capital, in addition to adjusting spending, disposing of assets and obtaining other non-equity sources of financing. There can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

On September 18, 2019, the Company entered into two separate loan agreements with third parties for \$150,000 each for an aggregate of \$300,000. Both loans bear interest at 10% per annum. The principal amount and any accrued interest are due in one year and are secured with general security agreement against the Kena-Daylight property.

During the year ended August 31, 2020, the Company received a loan of \$60,000 from a third party. The loan is unsecured, non-interest bearing and has no specific terms of repayment.

During the three months ended November 30, 2020, the Company received a loan of \$55,000 from third parties. The loans are unsecured, non-interest bearing and has no specific terms of repayment.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

During the year ended August 31, 2019, the Company entered a lease agreement for use of vehicle for a monthly lease payment of \$1,074 over a period of four years. As of November 30, 2020, the lease liability has a balance of \$26,027.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

OUTLOOK

The Company's principal business activity is the acquisition, exploration and development of mining properties. The Company presently holds two mineral properties in British Columbia. Boundary Gold is now a two commodity, two jurisdiction company which allows us to build strength, reduce risk and meet its business model to grow our asset value on our balance sheet and move towards near term production.

The results of the recently completed Toughnut drilling program will determine the next steps to advance the properties. Exploration results have been encouraging in 2018 and further drilling results are expected to be received in the near term. The Company expects that further financings will be required in 2021 to fund the continued exploration of the British Columbia properties.

TRANSACTIONS WITH RELATED PARTIES

During the three months ended November 30, 2020, the Company carried out the following transactions with related parties:

a) Transactions:

	November 30, 2020	November 30, 2019
Management fees to an officer and director and a company controlled by an officer and director	\$ 21,000	\$ 20,000
Management fee to a former director and officer*	\$ -	\$ 270,000

*Includes severance fee to a former director and officer

b) Key management compensation:

Key management includes the President, CEO and CFO. The compensation paid or payable to key management or companies controlled by them for director and/or management services is shown below:

	November 30, 2020	November 30, 2019
Fees reported as management fees to an officer and director and a company controlled by an officer and director	\$ 21,000	\$ 20,000
Fees reported as management fee to a former director and officer*	\$ -	\$ 270,000
Directors' fees	\$ -	\$ 9,500

*Includes severance fee to a former director and officer

c) Accounts payable to related parties:

	November 30, 2020	August 31, 2020
Fees to directors and officers of the Company	\$ 88,829	\$ 56,429

Amounts due to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

NON-IFRS MEASURES - WORKING CAPITAL

The Company has included a non-IFRS measure for "working capital" in this MD&A to supplement its financial statements, which are presented in accordance with IFRS. The Company believes that this measure provides investors with an improved ability to evaluate the performance of the Company. Non-IFRS measures do not have any standardized meaning prescribed under IFRS. Therefore, such measures may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

	November 30, 2020	August 31, 2020
Current Assets	\$ 44,424	\$ 27,516
Less: Current Liabilities	1,709,813	1,649,254
Working Capital Deficiency	\$ (1,665,389)	\$ (1,621,738)

SUBSEQUENT EVENTS

On December 11, 2019, the Company announced a shares-for-debt transaction to settle a debt of \$120,000 owed to a former director with an issuance of 2.4 million shares at \$0.05 per share. As of the date of this MD&A, the transaction is still subject to corporate and regulatory approvals, including TSX Venture Exchange approval.

On December 24, 2020 ("execution date"), the Company entered into an option agreement respecting the Kena and Daylight Gold-Copper Properties (the "Property") with 199 and West Mining Corp. ("West"), pursuant to which West has the option to earn a 100-per-cent undivided right, title and interest in and to the property, comprising 174 mineral claims and 11 Crown grants located in the Nelson mining district in the province of British Columbia, and covering 8,810 hectares. On January 25, 2021, the parties have amended and restated their previously announced option agreement. The economic terms of the amended and restated agreement are the same as those previously announced, with the difference being that the agreement is now structured as an option to acquire the shares of the registered owner of the properties, 199, a wholly owned subsidiary of the Company, rather than as an option for West to acquire the properties from 199. As such, West has the right to acquire all of the issued and outstanding shares of 199 from the Company.

In order to exercise the option and acquire an undivided 100% interest in 199, West shall:

- a) on the execution date, issue 1,805,556 common shares (received) to the Company and pay an aggregate of \$325,000 in cash to the Company, less the \$25,000 previously paid to the Company as a deposit (received);
- b) on or before June 24, 2021, issue 1,805,556 common shares to the Company and pay an aggregate of \$325,000 to the Company;
- c) on or before December 24, 2021, issue 1,805,556 common shares to the Company and pay an aggregate of \$325,000 in cash to the Company;
- d) on or before June 24, 2022, issue 1,944,444 common shares to the Company and pay an aggregate of \$350,000 in cash to the Company;
- e) on or before October 3, 2021, spend a cumulative minimum amount of \$711,000 on exploration expenditures on the assets; and
- f) on or before October 3, 2022, spend a cumulative minimum amount of \$2,211,000 on exploration expenditures on the assets.

The exploration expenditures to be made by West under the share option agreement will fulfill 199's obligations to earn an 80% interest in the Property. Upon successfully earning an 80% interest, 199 (which will be a wholly-owned subsidiary of West), will have the right to earn an additional 20% interest in the Property by making an additional cash payment of \$2,000,000 to Apex on or before the date that is 180 days following the date of exercise of the 80% option; and granting a 1% NSR in favour of Apex (199 will have the right to repurchase one-half of Apex's 1% NSR for \$5,000,000 on or before the date on which commercial production on the Property commences). If West earns an 80% interest in the Property but does not successfully earn a 100% interest in the Property, then West will be required to enter into a joint venture agreement with Apex respecting the Property on terms to be negotiated by West and Apex, each acting reasonably.

Any interest that 199 earns in the Property will be subject to the following third party NSR royalties on certain claims comprising the Property: (a) Daylight Crown Grants – 3% NSR on gold and silver and 1.5% NSR on all other metals (subject to the right to purchase 66 2/3% of the NSR for \$1,000,000 upon or prior to commencement of commercial production and the issuance of 200,000 shares upon completion of a positive feasibility study); (b) Great Western Claim Group – 3% NSR on gold and silver and 1.5% NSR on all other metals (subject to the right to purchase 66 2/3% of the NSR for \$1,000,000 upon commencement of commercial production and the issuance of 20,000 shares upon completion of a positive feasibility study); (c) Starlight Crown Grants – 1% NSR (subject to the right to purchase the NSR for \$1,000,000 upon commencement of commercial production); (d) Tough Nut Claims - 3% NSR on gold and silver and 1.5% NSR on all other metals (subject to the right to purchase 66% of the NSR for \$2,000,000 upon commencement of production); and (e) Kena Claims - 3% NSR on gold and silver and 1.5% NSR on all other metals (subject to the right to purchase 50% of the NSR for the greater of 7,000 ounces gold or \$2,000,000).

COVID-19

In March 2020, there was a global outbreak of COVID-19 (Coronavirus), which has had a significant impact on businesses through the restrictions put in place Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the Company anticipates this outbreak might increase the difficulty in capital raising which may negatively impact the Company's business and financial condition.

FINANCIAL INSTRUMENTS

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of

debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The following table shows the classification of financial instruments under IFRS 9:

Financial assets/liabilities	IFRS 9 Classification
Cash	FVTPL
Marketable securities	FVTPL
Receivables	Amortized cost
Loan receivable	Amortized cost
Accounts payable	Amortized cost
Accounts payable to related parties	Amortized cost

Measurement

Financial assets at FVTOCI

Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive loss.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the consolidated statements of net loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recorded in the consolidated statements of net loss in the period in which they arise.

Impairment of financial assets at amortized cost

The Company recognized a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset's credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of net loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks

and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of net loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of net loss.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The new revenue standard introduces a single principles-based, five-step model for the recognition of revenue when control of goods is transferred to, or a service is performed for, the customer. IFRS 15 also requires enhanced disclosures about revenue to help users better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers. As the Company has no revenue, no impact on the Company's consolidated financial statements has resulted.

LEASES

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control an identified asset for a period of time in exchange for consideration.

Leases of right-of-use assets are recognized at the lease commencement date at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, and otherwise at the Company's incremental borrowing rate. At the commencement date, a right-of-use asset is measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received

Each lease payment is allocated between repayment of the lease principal and interest. Interest on the lease liability in each period during the lease term is allocated to produce a constant periodic rate of interest on the remaining balance of the lease liability. Except where the costs are included in the carrying amount of another asset, the Company recognizes in profit or loss (a) the interest on a lease liability and (b) variable lease payments not included in the measurement of a lease liability in the period in which the event or condition that triggers those payments occurs. The Company subsequently measures a right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term, except where the lease contains a bargain purchase option a right-of-use asset is depreciated over the asset's useful life.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical Judgments and Sources of Estimation Uncertainty

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- (i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.
- (ii) Management is required to assess the functional currency of each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. It was determined that the Canadian dollar is the functional currency of the Company.
- (iii) Management is required to assess impairment in respect of exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.
- (iv) The determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The acquisition of 199 was determined to constitute an acquisition of assets.

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

- (i) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.
- (ii) The assessment of any impairment of evaluation and exploration assets, and property, plant and equipment is dependent upon estimates of the recoverable amount that take into account factors such as reserves, economic and market conditions and the useful lives of assets.
- (iii) The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of the subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's net loss and share-based payment reserve.

RISKS AND UNCERTAINTIES

Financing Risks

The Company has finite financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further acquisitions of companies or projects. Such further acquisitions may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain additional financing could result in delay or indefinite postponement of exploration and development of the Company's existing projects which could result in the loss of one or more of its properties.

Exploration and Development Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. These risks include:

- few properties that are explored are ultimately developed into producing mines;
- there can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable;
- with all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions; and
- mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in our resource base.

Unsuccessful exploration or development programs could have a material adverse impact on the Company's operations and financial condition.

No History of Mineral Production

The Company has no history of commercially producing metals from its mineral exploration properties. There can be no assurance that the Company will successfully establish mining operations or profitably produce gold, copper or other precious metals on any property in which the Company maintains an interest. The development of mineral properties involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The commercial viability of a mineral deposit is dependent upon a number of factors which are beyond the Company's control, including the attributes of the deposit, commodity prices, government policies and regulation and environmental protection. Fluctuations in the market prices of minerals may render reserves and deposits containing relatively lower grades of mineralization uneconomic.

None of the Company's properties are currently under development or production. The future development of any properties found to be economically feasible will require the Company to obtain licenses and permits and will require the construction and operation of mines, processing plants and related infrastructure. As a result, the development of any property will be subject to all of the risks associated with establishing new mining operations and business enterprises, including, but not limited to:

- the timing and cost of the construction of mining and processing facilities;
- the availability and costs of skilled labour and mining equipment;
- the availability and cost of appropriate smelting and/or refining arrangements;
- the need to obtain necessary environmental and other governmental approvals and permits and the timing of those approvals and permits; and
- the availability of funds to finance construction and development activities.

It is common in new mining operations to experience unexpected problems and delays during development, construction and mine start-up. In addition, delays in the commencement of mineral production often occur. Accordingly, there are no assurances that the Company's activities and those of its business partners will result in profitable mining operations or that mining operations will be established at any of the Company's properties.

Acquisition of Business Arrangements

As part of the Company's business strategy, it has sought and will continue to seek new mining and

exploration opportunities in the mining industry. In pursuit of such opportunities, the Company may fail to select appropriate acquisition targets or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their workforce into the Company. Ultimately, any acquisitions would be accompanied by risks, which could include:

- a significant change in commodity prices after we have committed to complete the transaction and established the purchase price or exchange ratio;
- a material mineralized zone could prove to be below expectations;
- difficulty in integrating and assimilating the operations and workforce of any acquired companies;
- realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise;
- maintaining uniform standards, policies and controls across the organization;
- the acquired business or assets may have unknown liabilities which may be significant;
- delays as a result of regulatory approvals; and
- exposure to litigation (including actions commenced by shareholders) in connection with the transaction.

Any material issues that the Company encounters in connection with an acquisition could have a material adverse effect on its business, results of operations and financial position.

Mineral Reserves/Mineral Resources

The properties in which the Company holds an interest are currently considered to be in the early exploration stage only and do not contain a known body of commercial minerals. Mineral resources and mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized.

Mineral resources on the Company's properties have been determined based upon assumed metal prices and operating costs. Future production could differ dramatically from resource estimates because, among other reasons:

- mineralization or formations could be different from those predicted by drilling, sampling and similar examinations;
- calculation errors could be made in estimating mineral resources;
- increases in operating mining costs and processing costs could adversely affect mineral resources;
- the grade of the mineral resources may vary significantly from time to time and there is no assurance that any particular level of metals may be recovered from the ore; and
- declines in the market price of the metals may render the mining of some or all of the property.

Estimated mineral resources may require downward revisions based on changes in metal prices, further exploration or development activity, increased production costs or actual production experience. This could materially and adversely affect estimates of the tonnage or grade of mineralization, estimated recovery rates or other important factors that influence mineral resource and mineral reserve estimates.

Any reduction in estimated mineral resources as a result could require material write downs in investment in the affected mining property and increased amortization, reclamation and closure charges, which could have a material and adverse effect on future cash flows for the property and on the Company's earnings, results of operations and financial condition.

Substantial Capital Requirements

The Company's management team anticipates that it may make substantial capital expenditures for the acquisition, exploration and development of properties, in the future. As the Company is in the exploration stage with no revenue being generated from the exploration activities on its mineral properties, the Company has limited ability to raise the capital necessary to undertake or complete future exploration work, including drilling programs. There can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company and any such financing may result in substantial dilution to existing shareholders. Moreover, future activities may require the Company to alter its capitalization significantly. The Company's inability to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, results of operations or prospects. In particular, failure to obtain such financing on a timely basis could cause the Company to forfeit our interest in certain properties, miss certain acquisition opportunities and reduce or terminate our operations.

History of Net Losses

The Company hasn't received any revenue to date from the exploration activities on its properties, and there is no assurance that any of the properties that it has or will acquire pursuant to acquisitions or otherwise will generate earnings, operate profitably or provide a return on investment in the future. The Company has not determined that production activity is warranted on any of its mineral properties. Even if the Company (alone or in conjunction with a third party) undertake development and production activities on any of the mineral properties, there is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future. The Company is subject to all of the risks associated with new mining operations and business enterprises including, but not limited to:

- the timing and cost, which can be considerable, for the further construction of mining and processing facilities;
- the availability and costs of skilled labour, consultants, mining equipment and supplies;
- the availability and cost of appropriate smelting and/or refining arrangements;
- the need to obtain necessary environmental and other governmental approvals, licenses and permits, and the timing of those approvals, licenses and permits; and
- the availability of funds to finance construction and development activities.

It is common in new mining operations to experience unexpected problems and delays during construction, development, and mine start-up. In addition, delays in mineral production often occur. Accordingly, there are no assurances that the Company's activities will result in sustainable profitable mining operations or that the Company will successfully establish mining operations or profitably produce metals at any of its properties.

Global Financial Conditions

Global financial conditions continue to be characterized by volatility. Many industries, including the mining industry, are impacted by volatile market conditions. Global financial conditions remain subject to sudden and rapid destabilizations in response to economic shocks. A slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, business conditions, inflation, fluctuations in fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's growth and financial condition. Future economic shocks may be precipitated by a number of causes, including the government debt levels, fluctuations in the price of oil and other commodities, the volatility of metal prices, geopolitical instability, terrorism, the volatility of currency exchanges, the devaluation and volatility of global stock markets and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Company's ability to obtain equity or debt financing in the future on terms favourable to

the Company or at all. In such an event, the Company's operations and financial condition could be adversely impacted.

Indigenous Peoples

Various international and national laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of indigenous peoples including the first nations of Canada. The Company operates in some areas presently or previously inhabited or used by indigenous peoples. Many of these materials impose obligations on government to respect the rights of indigenous people. Some mandate that government consult with indigenous people regarding government actions which may affect indigenous people, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national materials pertaining to indigenous people continue to evolve and be defined. The Company's current and future exploration program may be subject to a risk that one or more groups of indigenous people may oppose development on any of its properties or on properties in which it holds a direct or indirect interest. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against the Company's activities or other parties to whom the Company has transferred properties. Opposition by indigenous people to the Company's operations may require modification of or preclude development of its projects or projects on properties in which the Company holds a direct or indirect interest or may require the Company or a third party to enter into agreements with indigenous people with respect to projects on such properties. Such agreements may have a material adverse effect on the Company's business, financial condition and results of operations.

Environmental Laws and Regulations

All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

The Company believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. The Company cannot give any assurance that, notwithstanding its precautions and limited history of activities, breaches of environmental laws (whether inadvertent or not) or environmental pollution will not result in additional costs or curtailment of planned activities and investments, which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Companies engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or any future production costs or require abandonment or delays in the development of new mining properties.

OUTSTANDING SECURITIES

The following table summarizes the outstanding share capital as of the date of this MD&A.

Issued and Outstanding Common Shares 31,557,112

	Expiry Date	Weighted Average Exercise Price	Number
Options	October 18, 2023	\$ 1.00	50,000
	July 15, 2024	\$ 0.25	500,000
Warrants	Nil	Nil	Nil
Restricted Share Units	Nil	Nil	Nil

Effective November 26, 2019, the Company consolidated its common shares on the basis of five (5) pre-consolidated share for one (1) post-consolidated share. All share figures and references are retrospectively adjusted.

INTERNAL AND DISCLOSURE CONTROLS OVER FINANCIAL REPORTING

The Company is exempted from providing certifications regarding its disclosure controls and procedures as well as regarding its internal control over financial reporting as a “venture issuer”. The Company is required to file basic certificates, which it has done for the three months ended November 30, 2020. The Company makes no assessment relating to the establishment and maintenance of (i) disclosure controls and procedures or (ii) internal control over financial reporting (as such terms are defined under Multilateral Instrument 52-109) as at November 30, 2020.

CAUTIONARY STATEMENTS

Forward-Looking Statements. Certain statements contained in this MD&A constitute forward-looking statements and forward-looking information (collectively, “forward-looking statements”). Such forward-looking statements relate to possible events, conditions or financial performance of the Corporation based on future economic conditions and courses of action. All statements other than statements of historical fact are forward-looking statements. The use of any words or phrases such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe”, “will likely result”, “are expected to”, “will continue”, “is anticipated”, “believes”, “estimated”, “intends”, “plans”, “projection”, “outlook” and similar expressions are intended to identify forward- looking statements. These statements involve known and unknown risks, assumptions, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes there is a reasonable basis for the expectations reflected in the forward-looking statements, however no assurance can be given that these expectations will prove to be correct and the forward-looking statements included in this MD&A should not be unduly relied upon by investors. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. the Company does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Mineral Resources. All mineral resources have been calculated in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and Canadian National Instrument NI 43-101. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

CAUTIONARY NOTE TO U.S. INVESTORS REGARDING RESOURCE ESTIMATES

This Management’s Discussion and Analysis has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ in certain material respects from the disclosure requirements of United States securities laws. The terms “mineral reserve”, “proven mineral reserve” and “probable mineral reserve” are Canadian mining terms as defined in accordance with Canadian NI 43-101

Standards of Disclosure for Mineral Projects and the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") - CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended. These definitions differ from the definitions in the disclosure requirements promulgated by the Securities and Exchange Commission (the "Commission") and contained in Industry Guide 7 ("Industry Guide 7"). Under Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report mineral reserves, the three-year historical average price is used in any mineral reserve or cash flow analysis to designate mineral reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in and required to be disclosed by NI 43-101. However, these terms are not defined terms under Industry Guide 7 and are not permitted to be used in reports and registration statements of United States companies filed with the Commission. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into mineral reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of "contained ounces" in a mineral resource is permitted disclosure under Canadian regulations. In contrast, the Commission only permits U.S. companies to report mineralization that does not constitute "mineral reserves" by Commission standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this Management's Discussion and Analysis may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations of the Commission thereunder.

QUALIFIED PERSON REVIEW

The disclosure in this MD&A of scientific and technical information regarding the Company's mineral projects has been reviewed and verified by Jarrod Brown, P.Geo., of Terralogic Exploration Inc. Mr. Brown is a Qualified Person for the purposes of National Instrument 43-101.

TECHNICAL AND SCIENTIFIC INFORMATION

All technical and scientific information contained in this MD&A regarding the Kena Project has been taken from Technical Report. A copy of the Report is available under the Company's SEDAR profile. Readers are encouraged to read the Report in its entirety, including all qualifications, assumptions and exclusions that relate to the scientific and technical information set out in this MD&A. Technical and scientific information set out in this MD&A is subject to the qualifications, assumptions and exclusions set out in the Report. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability.

APPROVAL

The Board of Directors has approved the disclosure in this MD&A.

A copy of this MD&A, the Unaudited Interim Financial Statements for the three months November 30, 2020, Audited Financial Statements for the fiscal year ended August 31, 2020 as well as other information is available on the SEDAR website at www.sedar.com.