

Sky Gold Corp.

Management's Discussion and Analysis

Period Ended Report – December 31, 2022

(Expressed in Canadian dollars, unless otherwise noted)

Following is a discussion and analysis of the activities, results of operations and financial condition of Sky Gold Corp. ("Company") for the period ended December 31, 2022 compared to period ended December 31, 2021. The discussion should be read in conjunction with the unaudited consolidated financial statements of the Corporation for the period ended December 31, 2022 and the notes thereto. The reader should also refer to the consolidated financial statements for the year ended June 30, 2022. The Corporation's financial statements and financial data set out below have been prepared by management in accordance with International Financial Reporting Standards applicable to the annual financial statements. Unless otherwise denoted, all amounts discussed herein are denominated in Canadian dollars.

Additional information relating to the Corporation is also available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

The effective date of this report is February 23, 2023.

OVERVIEW

The Company was incorporated on January 8, 2008, pursuant to the *Business Corporations Act* (British Columbia), the Company's trading symbol is SKYG on the TSX Venture Exchange ("TSX-V").

On January 19, 2023, the Company consolidated its outstanding shares on the basis of three existing shares for one new share.

The Company's principal business is the exploration and pursuit of multiple mineral properties in Canada and United States.

MINERAL PROPERTIES

Evening Star Property, Nevada, USA

The Company owns an 80% interest in the Evening Star Property, located in Nevada with an option to acquire an additional 20% by making cash payments of \$450,000 and issuing an additional 16,666 common shares.

A Net Smelter Return Royalty ("NSR") of 0.5% will be granted pursuant to the first option. An additional 2% NSR will be under the second option, of which 1% can be purchased for cancellation at the Company's option for \$500,000, and the remaining 1% NSR can be purchased for cancellation for \$1,000,000, for a period of five years commencing after the exercise of the second option.

The Evening Star property is located 12 kilometers southeast of the town of Hawthorne and is contiguous to the Pamlico property owned by Newrange Gold Corp. The Evening Star property covers two historic, formerly producing mines, the Evening Star mine and the Gold Bug mine.

On March 17, 2021, the Company reported on two geophysical surveys completed on its Evening Star Property, located in Mineral County, Nevada.

The Evening Star property is located 12 kilometers southeast of the town of Hawthorne, and is contiguous to the Pamlico property, owned by Newrange Gold Corp.

The Evening Star property covers two historic, formerly producing mines; the Evening Star mine and the Gold Bug mine, and is prospective for gold, silver, and base metal mineralization in several deposit types. One objective of the recent surveys was to assist the targeting of silver-rich skarn and/or Carbonate Replacement Deposit (“CRD”) mineralization encountered in a single diamond drill hole in 1970 (exact collar location unknown) which were reported to have returned the following historic intercepts:

Comments	From (m)	To (m)	Width (m)	Ag g/t	% Cu	% Pb	% Zn	Ag Eqv g/t
Entire Zone	33.83	153.62	119.79	117.94	0.23	4.20	1.79	318.22
Upper Zone	33.83	95.40	61.57	203.27	0.22	7.11	2.66	512.77
Lower Zone	122.22	131.37	9.15	58.86	0.20	2.11	1.97	206.18
Lower Cu Zone	137.46	150.11	12.65	35.09	0.38	1.55	0.92	146.63

Silver equivalent (Ag Eq) values are calculated assuming 100-per-cent recovery using \$24.00 (U.S) per oz Ag, \$3.50 per pound Cu, \$0.95 per pound Pb, and \$1.25 per pound Zn. The company is disclosing results on a silver equivalent basis due to the overall silver-dominant value of the mineralization. It was confirmed by the geologist on the historic 1970 drill hole that it was not assayed for gold.

The reader is cautioned that these historic drill hole results from 1970 were completed prior to the implementation of National Instrument 43-101 and must be considered only as a historic reference. Neither the Company nor its Qualified Person have completed sufficient work to verify this historic drill hole, and they should not be relied upon.

Magee Geophysical Services based in Reno, Nevada completed a ground magnetic and gravity survey over the northern portion of the Evening Star property with detailed 33- meter line spacing in the target area of the 1970 drill hole. Interpretation and review were completed by Wright Geophysics based in Elko, Nevada. The detailed portion of the ground magnetics and gravity surveys were conducted over 0.4 square kilometers, and the larger survey at 66-meter spacing covered approximately 5.8 square kilometers.

The ground magnetic and gravity surveys were successful in supporting lithological interpretations and defining structures over much of the property. North-south and east-west structural features that traverse the property were indicated. Seven structures were identified as having the same orientation (WNW-ESE) as the La Panta vein, a historic producer of gold. One of these structures traverses the area of historic exploration in the vicinity of the Gold Bug mine, near the projected area of the 1970 drill hole. Figure 1 shows skarn targets as interpreted from the detailed gravity results along with a La Panta parallel structure target.

The Company views this La Panta parallel structure, that extends directly through the Gold Bug mine workings, coincident with a strong magnetic high anomaly, as a priority drill target for silver-rich skarn/CRD mineralization similar to the intercepts cut in the drill hole completed in 1970.

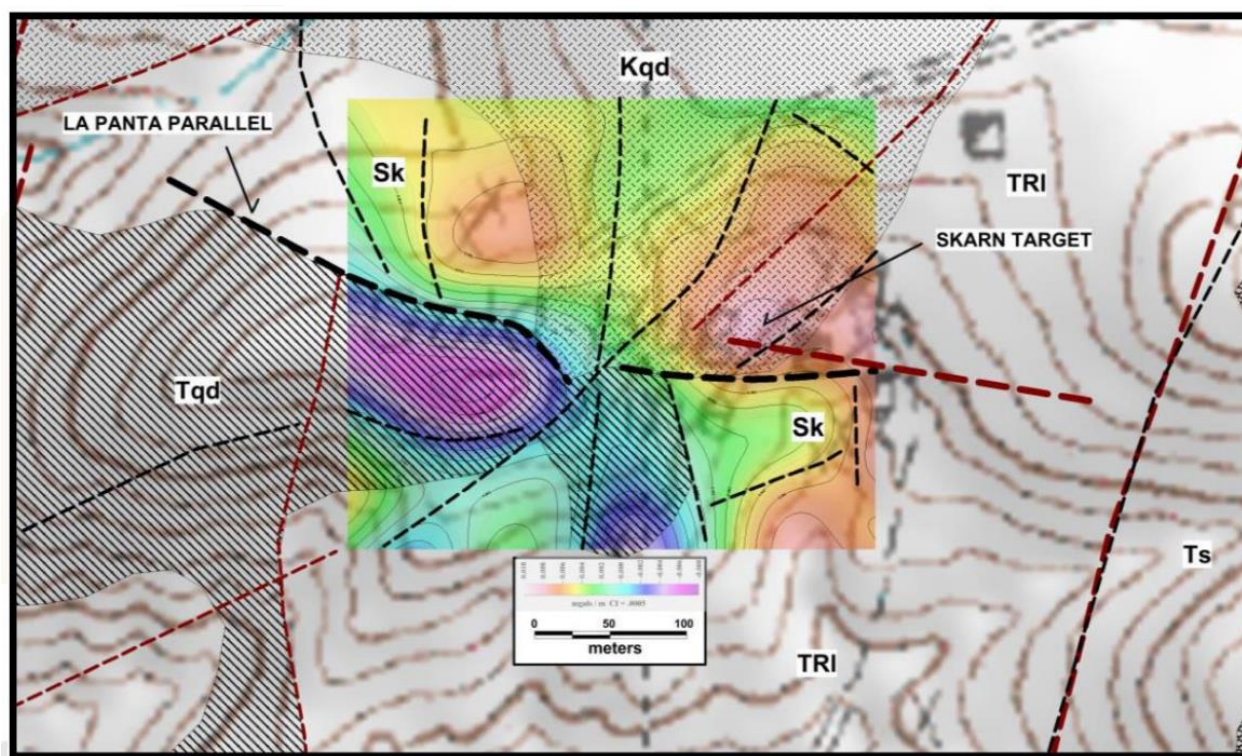


FIGURE 1 (J L Wright, Internal Report 2020) Skarn and La Panta Target Areas over Gravity Vertical Derivative data.

On November 1, 2021, the Company provided an update on diamond drilling activities on its Evening Star property, located in Mineral county, Nevada. The company initiated a diamond drill program on the Evening Star property on July 27, 2021. One drill hole (ES-21-01) was completed to a depth of 256.3 metres (851 feet) at the Gold Bug target, where there are strong coincident geophysical (gravity and magnetic) anomalies interpreted to be related to silver-rich base-metal skarn and/or carbonate replacement deposit mineralization. Assays are pending for hole ES-21-01. The drill program for Evening Star proposed 2,500 metres, designed in 12 to 15 holes with eight drill site areas permitted on the Gold Bug, Golden Eagle-Golden Bomber and Good Hope 2 targets. Regrettably, since Aug. 23, 2021, drilling was suspended due to complications related to COVID-19.

Drilling has now resumed on the property at the Gold Bug target utilizing the same rig and drill contractor (Altair Drilling Inc. of Tucson, Ariz.). The Evening Star property is prospective for gold mineralization and CRD base and precious (silver and gold) mineralization and is located 12 kilometres southeast of the town of Hawthorne. The property is north of, and contiguous to, the Pamlico property, owned by Newrange Gold Corp.

On November 4, 2021, the Company discovered a new zone of surface copper mineralization on its Evening Star property, located in Mineral county in Nevada.

Discovered through prospecting, geological mapping, rock and soil sampling, the new target known as the "High Life Zone" was sampled over an area approximately 200 by 400 meters. Fifteen (15) surface grab samples averaged 0.42 percent copper (% Cu), and 11.7 parts per million silver (Ag ppm). Peak values were 1.54 Cu % and 63.7 Ag ppm. The table below summarizes all rock samples received from the preliminary sampling.

SAMPLE #	Au ppm	Ag ppm	Cu %	Pb %	Zn %
21ES-R1	0.040	63.70	0.618	0.134	0.066
21ES-R2	0.014	19.70	0.352	0.039	0.027
21ES-R3	0.012	12.30	0.249	0.042	0.063
21ES-R4	0.109	9.91	0.493	NSV	0.036
21ES-R5	0.037	4.68	0.196	0.006	0.047
21ES-R6	0.040	12.20	1.540	0.008	0.099
21ES-R7	0.025	6.05	0.342	0.014	0.023
21ES-R8	0.11	5.95	0.333	0.027	0.026
21ES-R9	0.021	4.65	0.376	0.003	0.056
21ES-R10	0.036	10.30	0.429	0.021	0.041
21ES-R11	0.159	6.91	0.487	0.056	0.030
21ES-R12	0.048	9.24	0.342	0.011	0.013
21ES-R13	0.038	4.31	0.273	NSV	0.019
21ES-R14	0.029	4.38	0.206	NSV	0.026
21ES-R15	0.038	1.21	0.108	NSV	0.019
Arth. Avg	0.050	11.70	0.423	0.024	0.039

The Evening Star property is prospective for CRD (Carbonate Replacement Deposit) base and precious (silver and gold) mineralization and has previously been explored for copper-gold porphyry mineralization. The property is located 12 kilometers southeast of the town of Hawthorne, north of, and contiguous to the Pamlico property, owned by Newrange Gold Corp.

The High Life Zone is located approximately 250 meters north of the Gold Bug mine workings. The copper mineralization appears as copper oxides (malachite, azurite, chrysocolla), associated with quartz veins, veinlets, limonitic microfractures and disseminated in a quartz monzonite porphyry host rock interpreted as Cretaceous in age. To date, no carbonate rocks have been observed. Outcrop exposure is limited due to widespread sandy, drusy, weathered granodiorite cover (windblown) but the grab rock samples are interpreted to reflect subcrop mineralization under relatively thin cover.

The Company has also completed a preliminary soil sampling survey over the same area that the rock samples were collected, comprised of 33 samples. The arithmetic average for the soil samples was 0.040 ppm Au, 1.8 ppm Ag, 479 ppm Cu, 77 ppb Pb, and 173 ppm Zn. The 90% percentile values (indicative as strongly anomalous) were 0.099 ppm Au, 7.6 ppm Ag, 1197 ppm Cu (0.12% Cu), 195 ppm Pb and 419 ppm Zn.

These soil results are interpreted as strongly anomalous for copper and silver and are supportive of the anomalous values obtained from the rock sampling program. The soil geochemistry is also anomalous for gold which was not reflected in the rock sample assays. In addition, some rock and soil samples are elevated in bismuth and arsenic which may indicate multiple phases of mineralization.

Following the receipt of pending assays from additional soil and rock sampling on the new copper area, the Company will also be making application with the Bureau of Land Management to complete an expanded drill program. To date, the Evening Star property has received permits for 1.46 acres of disturbance, under a Notice of Intent, which allows for to five acres of surface disturbance. EM Strategies, based in Reno, Nevada, will be contracted to assist with the new permit submittal.

On November 30, 2021, the company announced the discovery of another new mineralized occurrence that has returned high grade gold and silver values on its Evening Star Property, located in Mineral County, Nevada.

Known as the “Towerview Zone”, the mineralization was discovered through prospecting, followed by geological mapping, rock and soil sampling, in areas north of the recently announced “High Life Copper Zone”

A total of 65 rock samples (grab and chip samples*) have been taken over a trend length of approximately 1.0 kilometer in a West-North-West direction, by approximately 200 meters width. The arithmetic average is 2.007 parts per million gold (Au ppm), 8.71 ppm silver (Ag), 1,115 ppm copper, 595 ppm lead (Pb) and 340 ppm zinc (Zn). Peak values were 18,210 ppm Au, 97.60 ppm Ag, and +10,000 ppm Cu (i.e. 1 Cu%). Significantly, two samples comprising composite chips from limonitic, fractured felsic granitoid units, at the entrance of a historic decline adit returned 8,530 ppm Au (6.00 ppm Ag, 154 ppm Cu) across a 2.4 meter width (east side), and 6,880 ppm Au (53.5 ppm Ag, and 1,210 ppm Cu) over 1.8 meter width (west side).

Seventeen (17) rock samples (*) returned +2.00 ppm Au (over 25% of the samples taken) indicating widespread gold mineralization along the 1 kilometer strike length. Two well defined gold anomalies have been identified (North-West (“NW”) Target and South-East (“SE”) Target) and were further investigated with two soil grids over these areas. In addition, stream sediments (silt) samples were collected over a much larger area to determine if anomalous gold and copper values may be present in bedrock away from the newly discovered Towerview target.

The Towerview target is located approximately 1.25 to 2.00 kilometers North-North-West of the center of the High Life Copper Zone. An additional 28 unpatented mineral claims have been staked and filed with the County to cover the new gold target. The gold mineralization is hosted in sheared and altered granitic rocks. Minor oxide copper mineralization was observed (malachite, azurite, chrysocolla), associated with quartz veins, veinlets, limonitic microfractures. Numerous historic workings were observed and sampled, comprising shallow shafts, declines, and trenches. Old, overgrown trails exist but no signs of modern mechanized exploration have been found. This suggesting that the targets were never drilled with modern equipment. To date no data or records have been uncovered on the historic workings and it is estimated they may be about a century old.

The Company has also completed a preliminary soil sampling survey over two areas approximately 200 by 200 meters each, over the SE target. Peak values in soil samples were 2,830 ppm Au, 10.40 ppm Ag, 930 ppm Cu, 1,370 ppm Pb, and 800 ppm Zn. The arithmetic average for the soil samples (45 samples) was 0.171 ppm Au, 0.6 ppm Ag, 141 ppm Cu, 99 ppb Pb, and 119 ppm Zn. The 90% percentile values (indicative as strongly anomalous for gold) were 0.206 ppm Au, 4.3 ppm Ag, 314 ppm Cu, 150 ppm Pb and 205 ppm Zn.

The gold-in-soil results are interpreted as strongly anomalous, with good correlation with copper and silver. The soil samples results are supportive of the anomalous values obtained from the rock sampling program which were conducted over a much larger area.

*The reader is cautioned that grab rock samples, while not representative of the grade of mineralization of an occurrence or target, are useful in determining prospectivity and geological features.

Rock and soil samples were taken by a contract geologist under supervision of a Company representative. Samples were securely shipped and received by Paragon Geochemical, an ISO (International Organization for Standardization) accredited assay laboratory, in Sparks, Nev., with chain-of-custody documentation through delivery. Mineralized commercial reference standards and blank standards are inserted into the sample stream.

Following the receipt of pending assays from the stream sediment and additional soil and rock sampling on the new Towerview zone, the Company will also be making application with the Bureau of Land Management to complete an expanded drill program. To date, the Evening Star property has received permits for 1.46 acres of disturbance, under a Notice of Intent, which allows for up to five acres of surface disturbance. EM Strategies, based in Reno, Nevada, will be contracted to assist with the new permit submittal.

Mustang Property

On January 30, 2020, the Company entered into an option agreement to acquire a 100% interest in the Mustang Property located in Newfoundland, Canada.

In consideration of the Mustang Property, the Company shall make the following payments:

- a) \$35,000 upon execution of the agreement (paid);
- b) 883,333 common shares on or before February 16, 2020 (paid, issued at a value of \$291,500); and

Additionally, the Company is responsible for maintaining the property in good standing by making the underlying option payments of agreement:

- a) \$65,000 on or before February 27, 2020 (paid);
- b) issuance of common shares with a value of \$60,000 on or before February 27, 2020 (issued 200,000 common shares at a value of \$66,000); and
- c) incurring exploration expenditures of \$25,000 on or before January 21, 2021 (incurred).
- d) incurring exploration expenditures of \$100,000 on or before January 21, 2022 (incurred).
- e) incurring exploration expenditures of \$300,000 on or before January 21, 2023.

A 3% NSR was granted to the vendors with 1.5% purchasable by the Company for \$2,000,000.

In connection with the acquisition of the Mustang Property, the Company also paid a finder's fees of \$32,700 cash.

On May 15, 2020, the Company entered into an additional option agreement to acquire a 100% interest in the Mustang Expansion claims in consideration of:

- a) \$12,000 cash upon execution of the agreement (paid); and
- b) share issuance of 200,000 common shares (issued at a valued of \$51,000).

In connection with the expansion, a 2% NSR will be granted to the vendors with 1.0 % purchasable by the Company for \$1,000,000.

On November 8, 2020, the Company entered into an additional option agreement to acquire a 100% interest in the Mustang Expansion claims in consideration of:

- a) issue a total of 400,000 common shares as follows:
 - a) 83,333 common shares on or before November 18, 2020 (issued at a value of \$37,500).
 - b) 116,666 common shares on or before November 8, 2021 (issued at a value of \$31,500).
 - c) 200,000 common shares on or before November 8, 2022.
- b) pay an aggregate total amount of \$65,000 as follows:
 - a) \$20,000 on or before November 18, 2020 (paid).
 - b) \$20,000 on or before November 8, 2021 (paid).
 - c) \$25,000 on or before November 8, 2022.

In connection with the expansion, a 2% NSR will be granted to the vendors with 1.0 % purchasable by the Company for \$1,000,000

During the period ended December 31, 2022, the Company was unable to negotiate an extension for the outstanding \$25,000 cash payment and 200,000 common shares issuance and wrote-off exploration and evaluation assets of \$109,000.

On March 5, 2020, the Company begun the permitting process for diamond drilling on the newly acquired Mustang Property, located in Central Newfoundland. The Virginia Property is contiguous to the recently announced, Labrador Gold Corp.'s (TSX-V:LAB) Gander South project (see LAB press release dated March 3, 2020).

The Mustang property hosts the "Outflow Prospect", comprising the Mustang and Piper mineralized zones, and is located adjacent to New Found Gold Corporations' Queensway project, where they recently announced drill hole NFGC-19-01 which intersected 92.86 grams per tonne gold (g/t Au) over 19.0 m (see Mexican Gold Corp. press release dated January 26, 2020)*. Gold mineralization at Mustang was discovered at the Outflow Prospect in 1987 by Noranda Exploration Company Limited, who completed geologic mapping, trenching and shallow (average 84 m) diamond drilling (12 holes totaling 1007.6 m). In late 2001, Altius Minerals Corp. held the current claim area, with the Mustang

zone anchoring a major NE-SW structural feature of prospective geology covered by a large property project known as the “Mustang Trend.”

Gold values of up to 28 g/t Au over 0.8 m reportedly occur in dark gray hydrobreccia units which are associated with higher arsenopyrite concentrations. Selected diamond-drill assay results from Noranda’s drill program include 1.27 g/t Au over 11.3 m, 0.67 g/t Au over 18.3 m and 0.92 g/t Au over 9.0 m.*

A low-sulphidation epithermal model, similar to the setting at the Queensway Project, is proposed at both the Mustang and Virginia Properties, based on the presence of silicified zones, locally in association with fault zones. The silicified zones consist of chalcedonic silica in association with comb-textured and crustiform quartz and hydrothermal breccia. Epithermal gold systems commonly have a strong vertical zonation, indicated by textural, alteration and pathfinder mineral characteristics, with precious metal distribution highly variable. On the Mustang property, the average depth of drill holes is only 84 m, and on the Virginia property, only four diamond drill holes have an average depth of 70 m. There remains excellent potential to intersect significant gold mineralization at depth within the interpreted epithermal system on both properties.

On December 30, 2020, the Company reported an update on the ongoing maiden diamond drilling program on the Company’s Mustang Property contiguous to the Queensway Gold Project, owned by New Found Gold Corp. (“New Found Gold”), and the observation of fine grained “visible gold” in hole MT20-06.



Highlights include: •

- Since mid-November, to date, seven holes have been completed on the Mustang Property, comprising 1,321 meters. Assays are pending.
- Six holes targeted the Mustang Zone and one hole tested for a parallel zone. All six holes on the Mustang Zone intersected prospective geology with a varying amount of quartz veining, brecciation and silicification, and quartz stockwork, with associated sulphides (pyrite, arsenopyrite, sphalerite, trace galena and chalcopyrite), in sediments (greywacke and siltstone) and in faulted graphitic siltstone.
- Significantly, several fine pin-point grains of visible gold were observed in a chloritized black jasperoid clast in hole MT-20-06 at depth of ~260 meters down the hole (653800 m N, 5422510 m E, azimuth 134°, dip - 52°). To the Company’s knowledge this is the first observation of visible gold in diamond drill core on the Mustang zone. Hole MT-20-06 was designed for a depth of 180 meters but was drilled to a depth of 294 meters due to extensive quartz veining, brecciation – silicification, quartz veins and associated sulphides observed in intervals from 250 to 282 meters.
- The Company’s recent drilling, previous shallow drilling and rehabilitated trenches indicate a style of mineralization consistent with a low sulphidation epithermal model, comprising hydrobrecciation and vuggy quartz veining and stockworks.
- Drilling has been contracted to Cabo Drilling (Pacific) Corp. with a minimum 3,000-metre diamond drill program over multiple target locations on both the Mustang property and the Virginia property, which are situated within the highly prospective Gander gold district. Drilling has ceased for a two -week period over the Holidays and will resume in early January 2021. Logging, core cutting and sampling is ongoing from a facility established in Gander.

- On January 8, 2021,** the Company reported that the diamond drill program has resumed on the Company’s Mustang Property contiguous to the Queensway Gold Project owned by New Found Gold Corp. (“New Found Gold”). Previously seven holes were completed on the Mustang Property, comprising 1,321 meters, with assays pending.

Drilling on the Mustang property has been contracted to Cabo Drilling (Pacific) Corp. with a minimum 3,000-metre diamond drill program over multiple target locations situated within the highly prospective Gander gold district. Drilling in 1 st quarter 2021 will also investigate the Barite, Jasperoid and Road Breccia showings on the western portion of the Mustang property, which have never been drilled. Recently completed trenching and soil geochemistry results are also pending.

NEW FOUND GOLD CORP. TSX.V NFG
92.86 g/t Au over 19.0 m Discovery

DOG BAY LINE

APPLETON FAULT

SKY GOLD CORP.

MUSTANG TREND

MUSTANG-PIPER ZONE
AREA OF CURRENT DRILLING

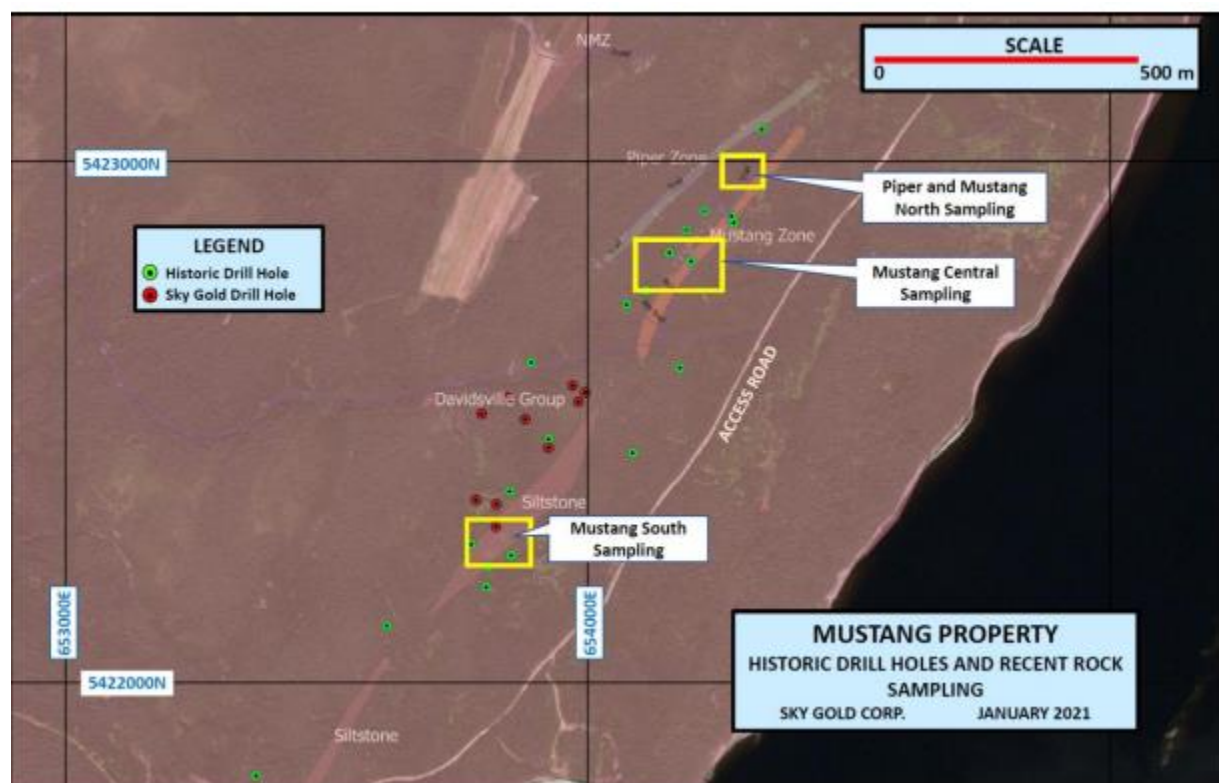
NEW FOUND GOLD CORP.

1st Priority
2nd Priority

1km

Map Labels:
 LITTLE ZONE
 COKES ZONE
 BOWATER ZONE
 KNOB ZONE
 WHITE SPRUCE
 GLEN EAGLES

In total 296 samples were taken over several targets on the Property. Sampling presented in this press release was conducted over approximately 1.25 kilometers of the Mustang (and parallel) zones with encouraging gold values over three prospective areas. Most samples comprised quartz veining, brecciation and silicification material, and quartz stockwork, with associated sulphides (pyrite, arsenopyrite, and sphalerite). Samples from other targets areas are being reviewed and the data compiled.



Mustang South

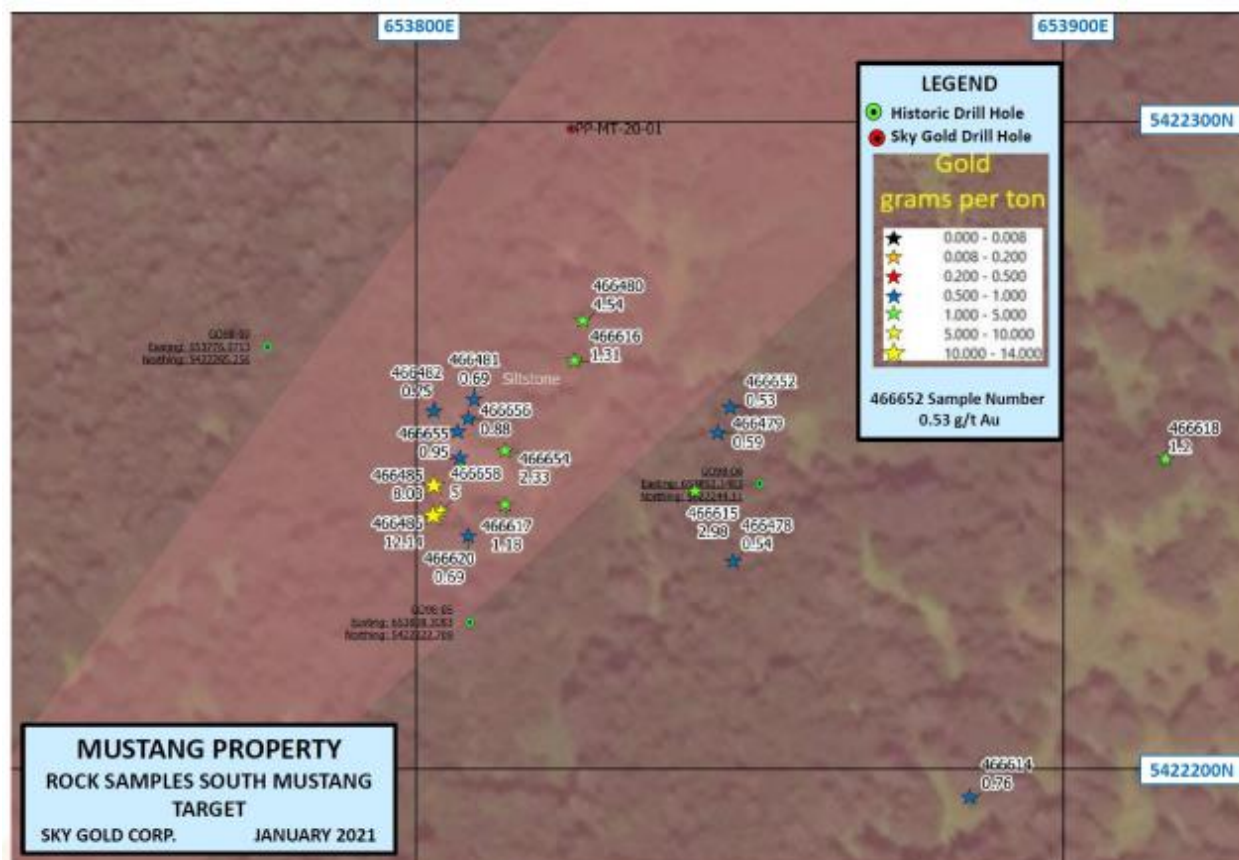
A total of 24 rock samples were collected across roughly northwest-southeast trending lines while prospecting and geologic mapping over the Mustang South portion of the Mustang Zone, with 16 samples averaging 2.68 grams gold per tonne (Au g/t) with a peak value of 12.14 Au g/t, with a range from 0.10 Au g/t to 12.14 Au g/t. Eight samples were collected east of the Mustang zone suggesting the presence of parallel mineralized zones. These samples averaged 1.05 Au g/t with a range from 0.44 Au g/t to 2.98 Au g/t.

Mustang South Target

Sample #	Easting	Northing	Description	Type	Au g/t
466616	653825	5422263	Mustang South	Outcrop-grab	1.31
466480	653826	5422269	Mustang South	Subcrop-grab	4.54
466481	653809	5422257	Mustang South	Outcrop-grab	0.69
466482	653803	5422255	Mustang South	Outcrop-grab	0.75
466656	653808	5422254	Mustang South	Outcrop-grab	0.88
466655	653807	5422248	Mustang South	Outcrop-grab	0.95
466764	653806	5422247	Mustang South	Outcrop-grab	0.74
466654	653814	5422249	Mustang South	Outcrop-grab	2.33
466485	653803	5422244	Mustang South	Subcrop-grab	8.03
466657	653807	5422247	Mustang South	Outcrop-grab	1.14
466658	653804	5422240	Mustang South	Outcrop-grab	5.00
466617	653814	5422241	Mustang South	Outcrop-grab	1.18
466765	653812	5422240	Mustang South	Subcrop-grab	2.52
466619	653810	5422239	Mustang South	Outcrop-grab	0.10
466486	653803	5422239	Mustang South	Outcrop-grab	12.14
466620	653808	5422236	Mustang South	Outcrop-grab	0.69
Mustang South - From SW to NE Extent Approx. 50 meters				Average	2.68

Mustang South Target – Eastern Portion

Sample #	Easting	Northing	Description	Type	Au g/t
466760	653843	5422255	Mustang S East	Subcrop-grab	1.38
466762	653827	5422241	Mustang S East	Subcrop-grab	0.44
466615	653843	5422243	Mustang S East	Outcrop-grab	2.98
466652	653849	5422256	Mustang S East	Subcrop-grab	0.53
466478	653849	5422232	Mustang S East	Subcrop-grab	0.54
466614	653886	5422195	Mustang S Far East	Outcrop-grab	0.76
466618	653915	5422247	Mustang S Far East	Outcrop-grab	1.20
466479	653847	5422252	Mustang S East	Subcrop-grab	0.59
Mustang South - East - possible parallel zones				Average	1.05

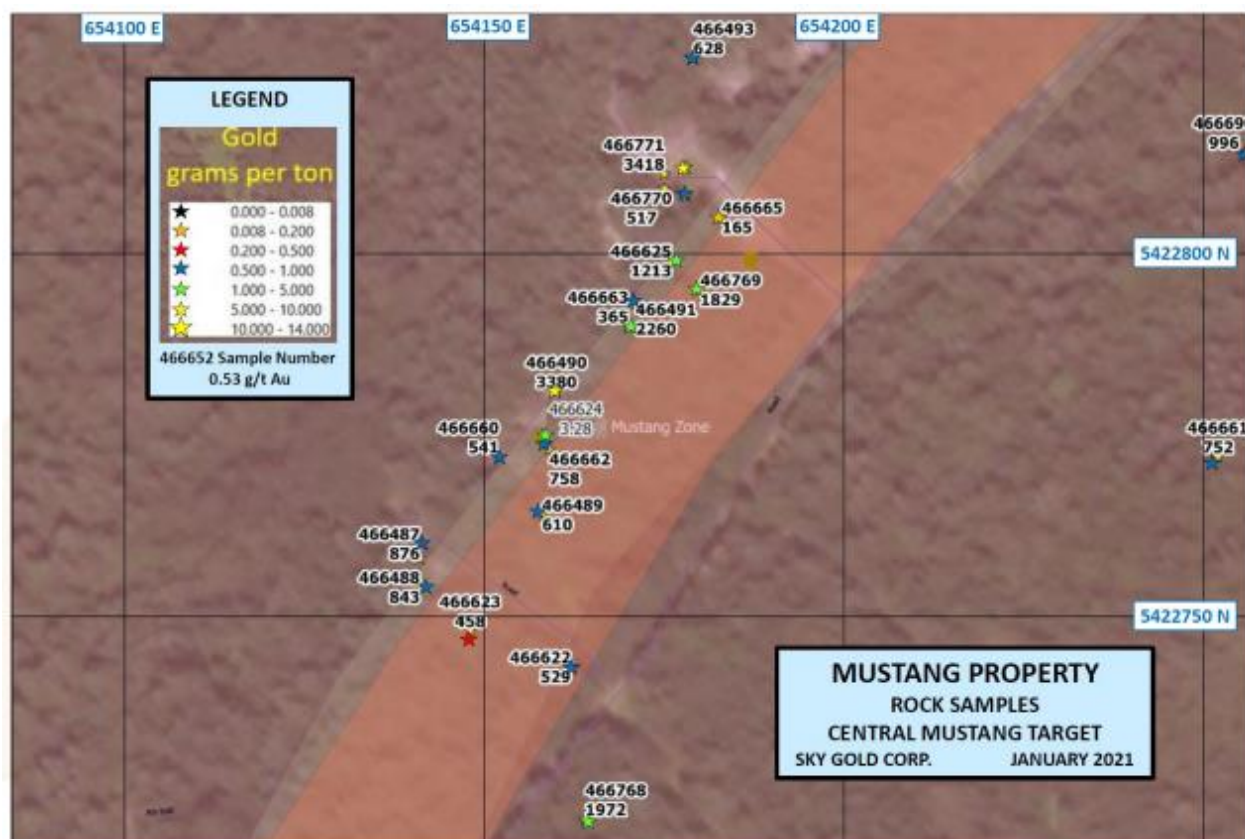


Mustang Central

A total of 18 samples were taken over the Mustang Central portion of the Mustang Zone, averaging 1.31 Au g/t, with a range from 0.17 Au g/t to 3.42 Au g/t. Samples were taken across the width of the projected target zone, over a strike length of approximately 260 meters from the northeast to southwest extent.

Sample #	Easting	Northing	Description	Type	Au g/t
466493	654179	5422827	Mustang Central NE	Outcrop-grab	0.63
466771	654175	5422811	Mustang Central	Subcrop-grab	3.42
466770	654175	5422809	Mustang Central	Subcrop-grab	0.52
466665	654183	5422805	Mustang Central	Subcrop-grab	0.17
466625	654176	5422799	Mustang Central	Outcrop-grab	1.21
466769	654180	5422795	Mustang Central	Outcrop-grab	1.83
466663	654170	5422790	Mustang Central	Subcrop-grab	0.37
466491	654171	5422793	Mustang Central	Subcrop-grab	2.26
466660	654152	5422772	Mustang Central	Outcrop-grab	0.54
466490	654160	5422781	Mustang Central	Outcrop-grab	3.38

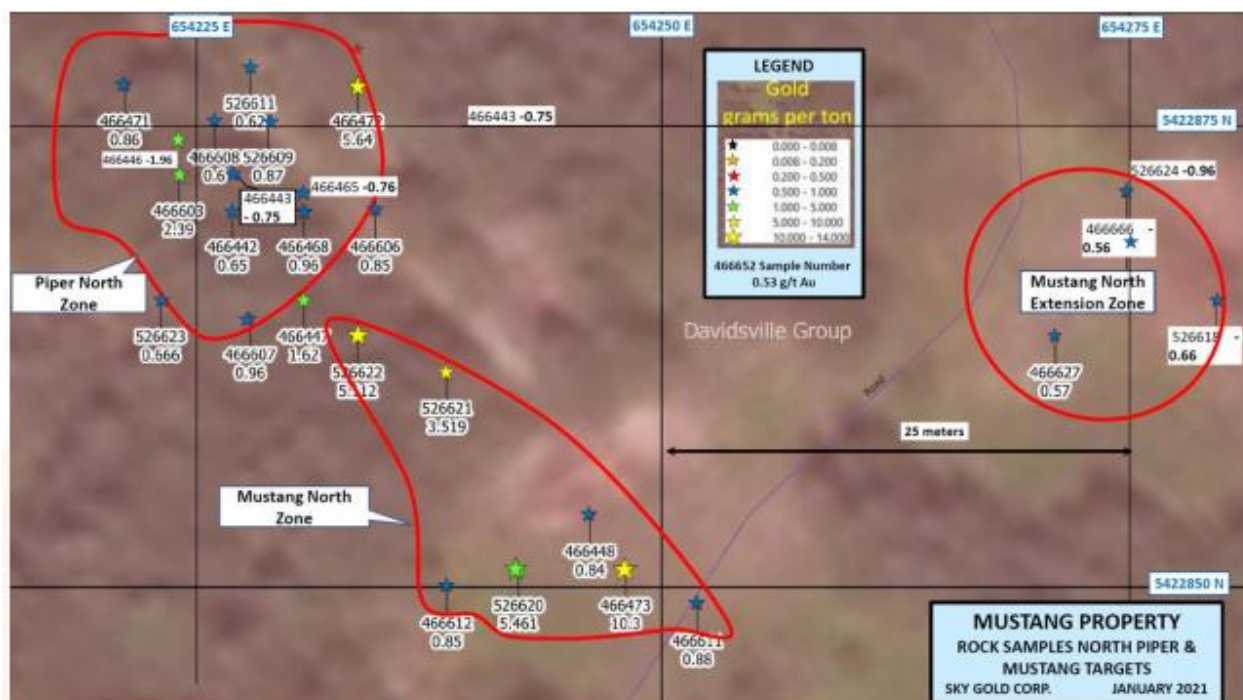
Sample #	Easting	Northing	Description	Type	Au g/t
466662	654159	5422773	Mustang Central	Outcrop-grab	0.76
466624	654158	5422775	Mustang Central	Outcrop-grab	3.28
466489	654158	5422764	Mustang Central	Subcrop-grab	0.61
466487	654141	5422758	Mustang Central	Outcrop-grab	0.88
466488	654141	5422754	Mustang Central	Outcrop-grab	0.84
466623	654148	5422748	Mustang Central	Outcrop-grab	0.46
466622	654162	5422743	Mustang Central	Outcrop-grab	0.53
466768	654164	5422722	Mustang Central SW	Outcrop-grab	1.97
Mustang Central - From NE to SW Extent Approx. 260 meters				Average	1.31



Mustang and Piper North Zone

The northern portion of the Mustang and Piper zones were sampled with 16 on the Piper North Zone averaging 1.31 Au g/t, and six samples on the Mustang North Zone averaging 3.58 Au g/t, with range from 0.84 Au g/t to 10.30 Au g/t. Only one historic drill hole has been completed on the Piper North Zone and the recent sampling suggests continuity to the north-east.

Sample #	Easting	Northing	Description	Type	Au g/t
526622	654234	5422863	North Mustang	Trench 1	5.11
526621	654239	5422860	North Mustang	Trench 1	3.52
466448	654246	5422854	North Mustang	Outcrop-grab	0.84
466473	654248	5422851	North Mustang	Outcrop-grab	10.30
466611	654252	5422849	North Mustang	Outcrop-grab	0.88
466612	654238	5422850	North Mustang	Subcrop-grab	0.85
Mustang North Zone - across approx 20 meters				Average	3.58



Sample #	Easting	Northing	Description	Type	Au g/t
526624	654276	5422872	North Mustang	trench 2	0.96
466666	654276	5422869	North Mustang	Outcrop-grab	0.56
466627	654272	5422864	North Mustang	Outcrop-grab	0.57
526618	654280	5422867	North Mustang	trench 2	0.77
Mustang North Extension Zone - across approx 10 meters				Average	0.71

Sample #	Easting	Northing	Description	Type	Au g/t
526611	654227	5422879	North Piper Zone	0.5 m channel	0.62
466472	654233	5422878	North Piper Zone	Outcrop-grab	5.64
526609	654228	5422876	North Piper Zone	0.5 m channel	0.87
466471	654220	5422878	North Piper Zone	Outcrop-grab	0.86
466752	654223	5422875	North Piper Zone	Subcrop-grab	1.45
466446	654226	5422874	North Piper Zone	Subcrop-grab	1.59
466465	654230	5422872	North Piper Zone	Float-grab	0.76
466443	654229	5422871	North Piper Zone	Outcrop-grab	0.75
466466	654226	5422873	North Piper Zone	Subcrop-grab	0.94
466467	654221	5422873	North Piper Zone	Subcrop-grab	0.00
466468	654230	5422871	North Piper Zone	Outcrop-grab	0.96
466606	654234	5422871	North Piper Zone	Outcrop-grab	0.85
466603	654223	5422873	North Piper Zone	Outcrop-grab	2.39
466442	654226	5422871	North Piper Zone	Outcrop-grab	0.65
466447	654230	5422866	North Piper Zone	Outcrop-grab	1.62
466607	654227	5422865	North Piper Zone	Outcrop-grab	0.96
Piper North Zone - across approx 15 m by 15 m area				Average	1.31

On March 8, 2021, the Company reported assays rushed from an interval that contained visible gold at Mustang has averaged 7.77 Au g/t over 0.5 meters in hole MT-21-14 with the remaining assays pending from intervals directly above this sample that were not rush assayed. Portions of hole MT-21-14 were rush assayed, based on encouraging visual core characteristics including epithermal hydrobreccia, veining, silicification, sulphides (arsenopyrite, pyrite), and visible gold noted at 66.32 meters. Hole MT-21-14 and four other holes are located on the North Mustang Target which is located contiguous to the Queensway Gold Project, owned by New Found Gold Corp. (“New Found”) and just 3,600 meters from New Found’s current drill program at the Knob Zone (Figure 1).

Additionally, an intercept of a wide zone of gold mineralization was encountered in diamond drill hole MT-21-14 which spanned over 32.85 meters (core length) averaging 0.78 grams per tonne gold (Au g/t), which included several higher grade sections including 3.80 Au g/t over 1.5 meters, on the Company’s Mustang Property

The Company has completed its Phase 1 drill program on the Mustang property. A total of twenty (20) holes were completed comprising 3,330 meters (Figure 2). The majority of assays are pending. The entire drill program was focused on the Mustang Zone in three areas along a 1.2 kilometer strike length. Complete assays for holes MT-20-01 and MT-20-02 are also received with significant intercepts reported in the Highlights Table.

Hole MT-20-01 and MT-20-02 are located at the southern portion of the interpreted Mustang Zone (Figure 3), and hole MT-21-14 is located at the north-eastern portion of the Mustang Zone (Figure 4). MT-21-14 was designed to test anomalous gold values previously reported (Press Release January 21, 2021), where surface rock sampling (16 samples) on the Piper North zone averaged 1.31 g/t Au, and six samples on the Mustang North zone averaged 3.58 g/t Au, with a range from 0.84 g/t Au to 10.30 g/t Au. The widespread gold mineralization indicated in the surface rock sampling has been confirmed in hole MT-21-14 and was further investigated with four (4) additional drill holes (MT-21-15 to MT-21-19) with assays pending. Permitting is underway for the southeastern extension of the Mustang Zone on claims acquired last fall.

HIGHLIGHT GOLD INTERCEPTS						
Hole #	Hole # _Comment	From (m)	To (m)	Width (m)	Au g/t	Ag ppm
MT-21-14		11.47	15.00	3.53	0.31	0.3
	wide low grade zone	15.00	47.85	32.85	0.78	0.5
	including	15.00	20.13	5.13	0.58	0.7
	including	20.13	26.42	6.29	0.85	0.4
	including	26.42	32.77	6.35	0.23	0.2
	including	32.77	35.42	2.65	1.24	0.6
	including	36.42	37.92	1.50	3.80	0.6
	combined	32.77	37.92	5.15	1.83	0.7
MT-21-14	including	37.92	47.85	9.93	0.64	0.5
MT-21-14	narrow high grade	66.04	66.54	0.50	7.77	0.4
MT-21-14	narrow intercept	122.22	122.72	0.50	1.207	0.3
MT-20-01	gold zone	11.35	16.00	4.65	0.77	0.9
	gold zone	30.00	37.36	7.36	0.64	0.6
	including	30.00	30.50	0.50	1.04	0.5
	including	30.00	32.00	2.00	0.84	0.5
	including	35.50	37.36	5.36	0.57	0.6
	narrow intercept	65.00	65.50	0.50	1.16	<0.2
	narrow intercept	68.50	69.00	0.50	1.47	0.50
	wide gold zone	80.18	100.50	20.32	0.58	0.4
	including	80.18	81.68	1.50	0.83	0.2
	including	81.68	86.18	4.50	0.45	0.3
	including	86.18	88.18	2.00	1.31	0.3
	including	88.18	99.00	10.82	0.34	0.4
MT-20-01	including	99.00	100.50	1.50	1.57	0.5
MT-20-02	anomalous gold zone	154.13	159.00	4.87	0.14	0.13

All of the Company's field activities are conducted under Federal and Provincial COVID19 operating protocols and safety measures as required. Planet X Exploration Services Ltd.'s field crews, retained through Grassroots Prospecting, a local, Newfoundland based prospect generation company, are undertaking all field and drill activities on the Company's Newfoundland properties.

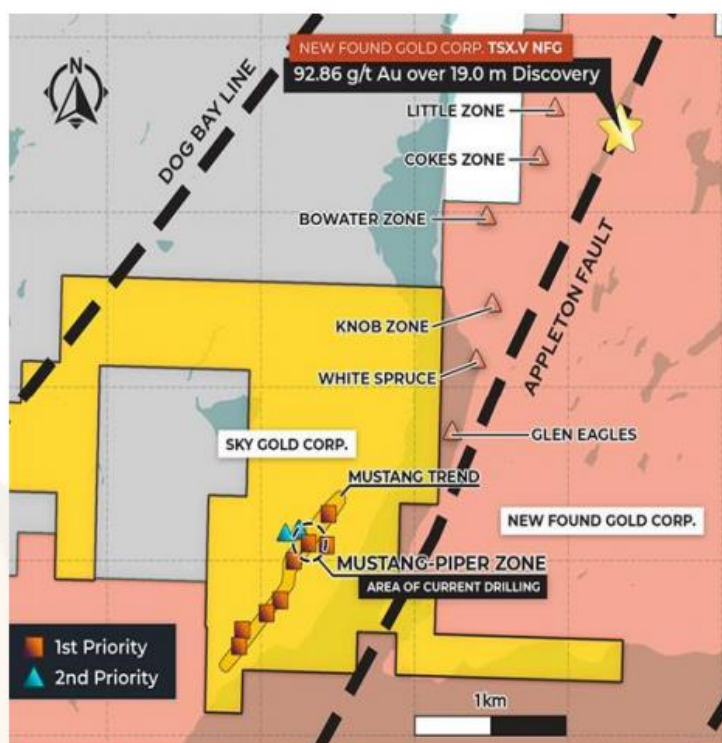


Figure 2: Location of drill holes completed on the Mustang Property in 2020-2021.

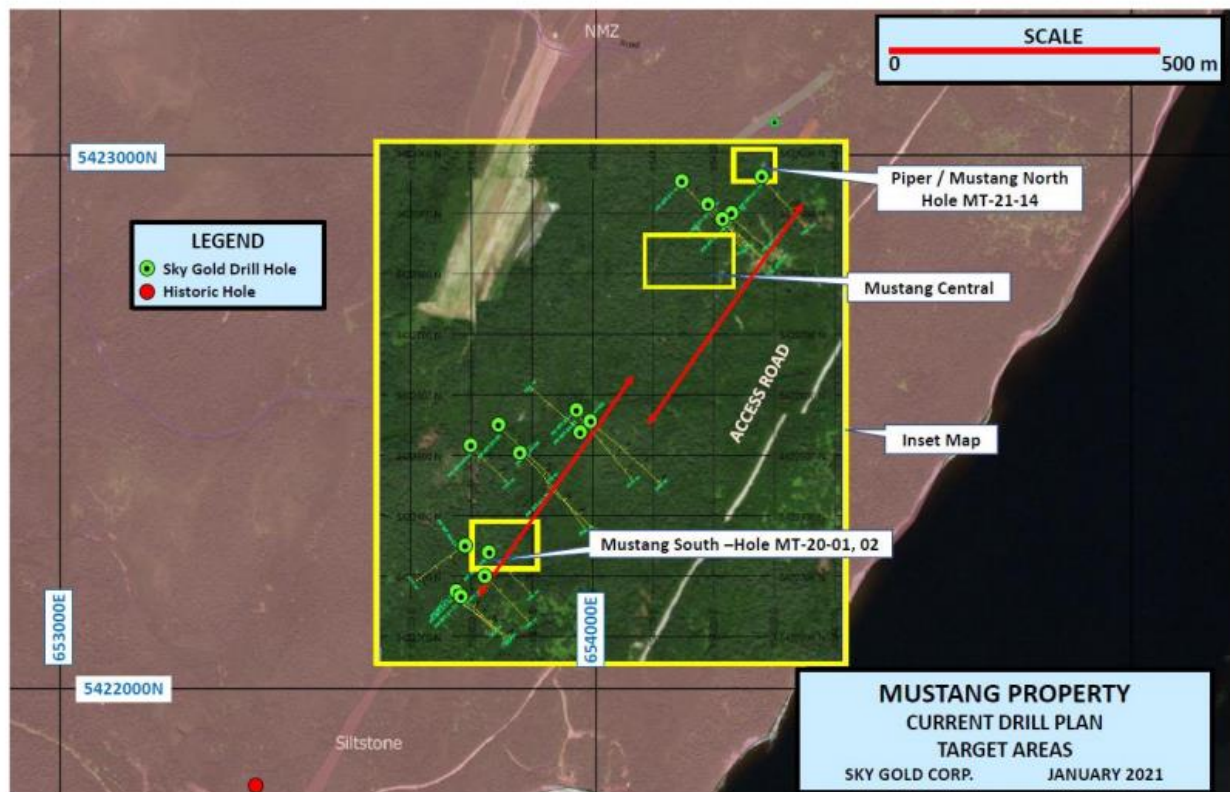
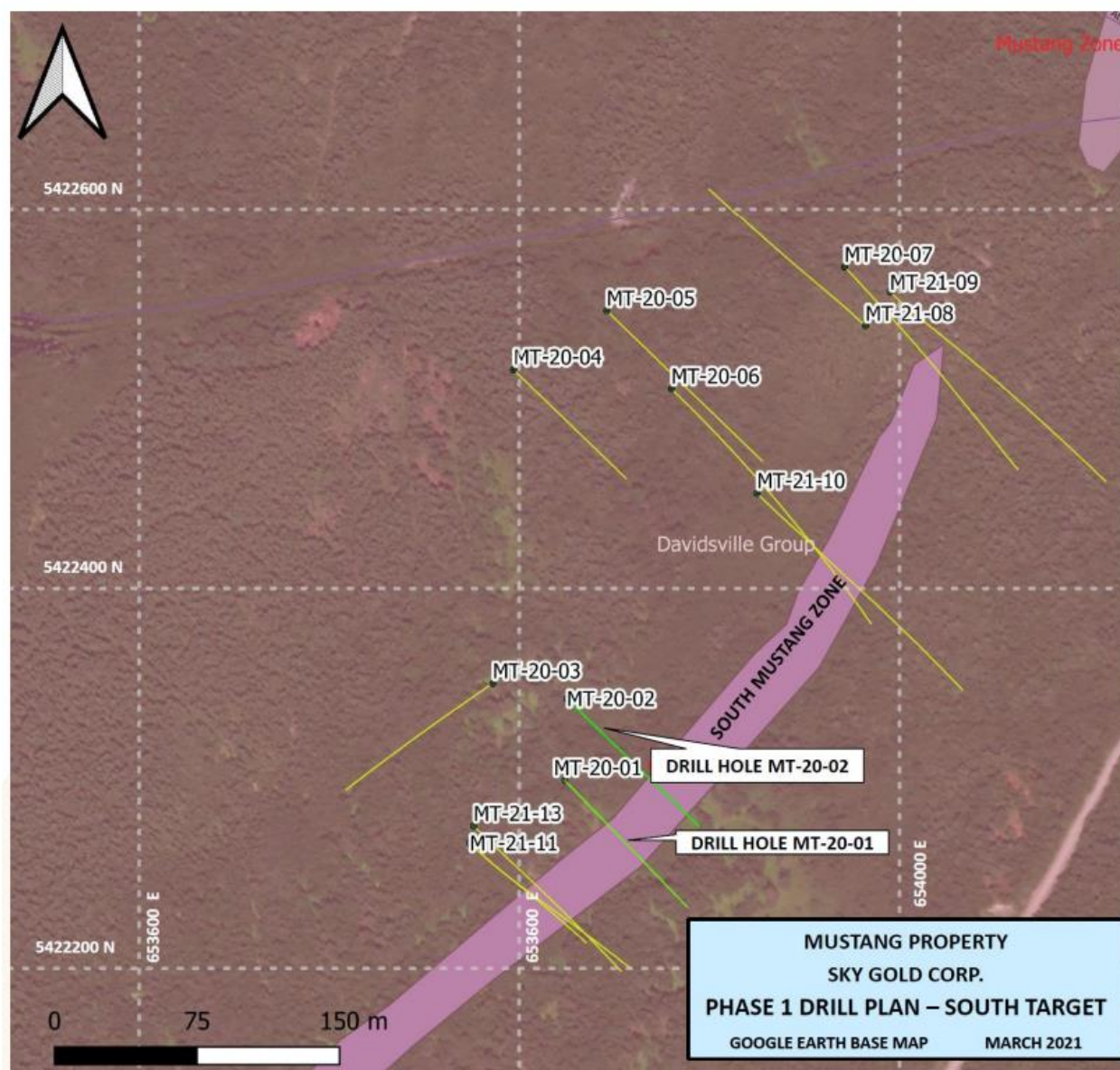
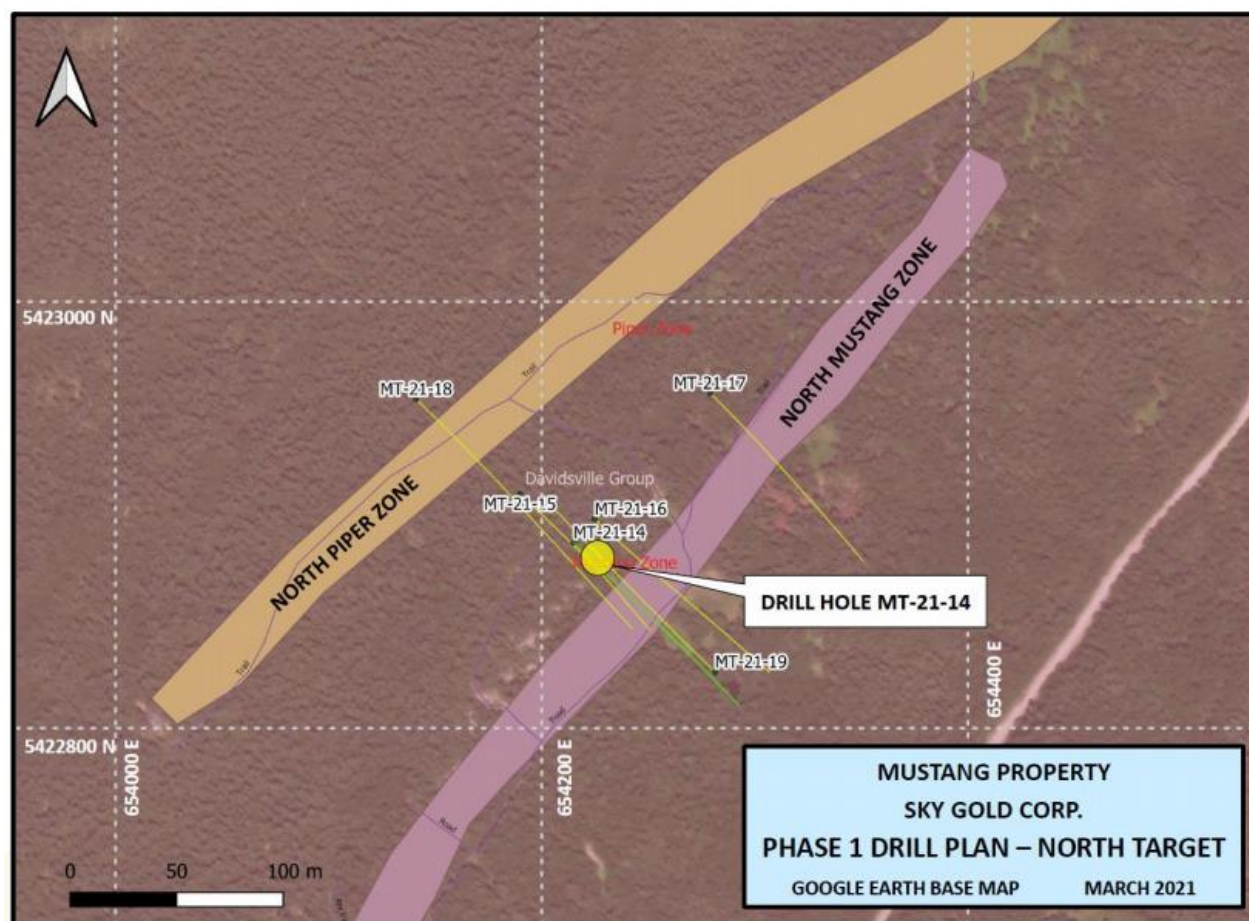


Figure 3: Location of drill holes MT-20-01 and MT-20-02 on the Mustang South Zone.



All core samples were secured delivered to Eastern Analytical Laboratory in Springdale, Newfoundland, for analysis, an ISO/IEC17025 accredited laboratory. QA/QC included the systematic insertion of certified standards and blanks. Core samples were analyzed for the ICP-34 package (34 element 4 acid leach, ICP-OES finish) and the Fire Assay (30g) with AA finish. Eastern Analytical also provides its own internal QA/QC protocol of blanks, duplicates and standards in each work order, which is supplied to the Company.

Figure 4: Location of drill hole MT-20-14 on the Mustang North Zone.

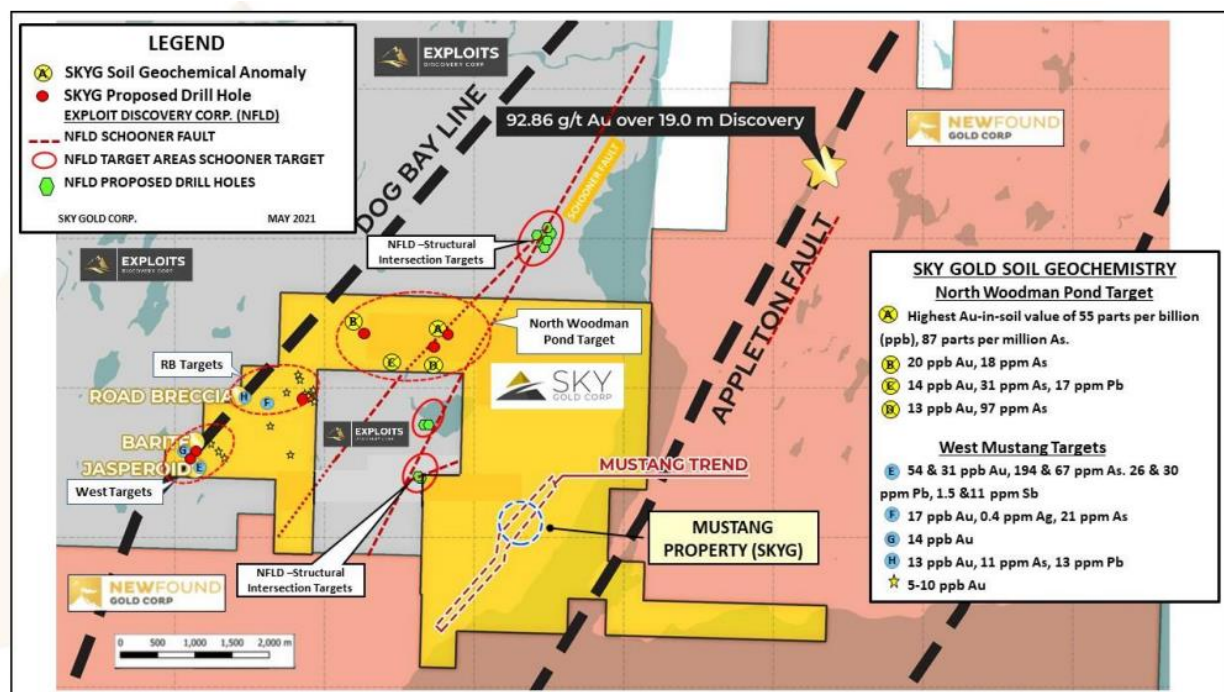


On June 2, 2021, the Company reported on the identification of several new gold-in-soil geochemical anomalies in the northern and western portions of the Mustang Property, Newfoundland. The Company plans to follow up these anomalies with diamond drilling and intends to drill possible extensions of interpreted structural trends identified on the contiguous Mt. Peyton project, owned by Exploits Discovery Corp.

Target area highlights include:

- **North Woodman Pond Target** – Covering an area of 2,000 by 750 metres, this target includes the highest gold-in-soil values received to date of 55 parts per billion gold (“ppb” Au), with highly anomalous arsenic (As) at 87 parts per million (“ppm”). This target is flanked on both sides by the Schooner Fault and offset structures, as identified on NFLD’s contiguous Mt. Peyton project, where NFLD has recently announced (see news release dated May 27, 2021) plans to drill approximately 3,000 m in twelve HQ-diameter diamond drill holes. The Schooner Fault represents a sub-parallel trending fault system, identified by GoldSpot Discoveries Corp. (TSX.V: SPOT) for NFLD, located approximately 3.5 km west of the known gold bearing Appleton Fault that hosts New Found Gold’s Keats, Lotto, and Knob Zone gold discoveries.
- **West Targets** – Comprises multiple gold-in-soil anomalies with values up to 54 ppb Au, 194 ppm As, and anomalous lead (Pb), and antimony (Sb) over an area measuring approximately 1,000 metres x 600 metres oriented in a NE-SW direction, paralleling the interpreted Dog Bay Line regional structure. The soil anomalies are located east of the Jasperoid and Barite Showings. Rock grab sampling (six samples) in 2012 on the Jasperoid Showing ranged from 26 ppb to 1071 ppb Au (Assessment Report 002D/15/0865 - M. Quinlan, Owner, September 2012). Earlier sampling in 2004 returned up to 940 ppb Au (Assessment Report 002D/15/0865 - M. Quinlan, Owner, September 2012). The Barite showing in 2012 (six samples) returned up to 940 ppb Au in grab samples. Other anomalous elements include Pb (ranging from 0.57% to 1.23%), Zinc (Zn) (ranging from 0.30 to 0.57%) and Silver (Ag) (10.2 g/t Ag, 26.6 g/t, and 30.0 g/t Ag) were also reported in the 2012 assessment report.

- **RB (Road Breccia) Target** – The RB Target comprises low level gold-in-soil anomalies ranging from 5 to 17 ppb Au, with associated anomalous As values. The anomaly area measures roughly 1,200 metres by 600 metres, in an eastwest direction, with anomalous copper (Cu) values being more widespread. Grab rock sampling from the Road Breccia showing sampling in 2012 (10 samples) ranged from 21 to 421 ppb Au.



Soil sampling recently completed by Sky Gold comprised 445 samples collected across three sample grids. All grids were oriented 315o -135o and varied from 100 m (13 lines) to 350 m (5 lines) to 400 m (five lines) line spacing. Sample processing and assays were completed by Eastern Analytical Labs of Springdale, Newfoundland. The minus80 mesh fractions of the samples were analyzed by Fire Assay for Au, and Induction Coupled Plasma optical emission analysis (ICP-OES), after four-acid (HCl/HNO₃/HClO₄/HF) digestion for Al, As, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cu, Fe, In, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Se, Sn, Sr, Ti, U, V, W, Zn and Zr.

On July 20, 2021, the Company released the results from the diamond drill program on the company's Mustang property, which is contiguous with New Found Gold Corp.'s Queensway gold project.

A total of 19 diamond drill holes, comprising 3,283 metres, were completed, with one additional hole (MT-21-10a) lost at 47 metres and redrilled. All holes were directed at interpreted epithermal structurally controlled gold mineralization in the Mustang zone, located on the eastern portion of the property. Previous exploration on the Mustang zone in the 1980s and 1990s returned significant gold mineralization in surface rock samples, soil geochemical samples and diamond drill core. The company's 2020/2021 diamond drill program confirmed and expanded the gold mineralization on the Mustang zone.

Highlights include:

- Drilling was conducted in three areas along a 1.2-kilometre strike length trending north-northeast and south-southwest.
- Several narrow intercepts of gold mineralization were intercepted in multiple holes (see attached tables).
- Wider intervals of lower-grade gold were intercepted in multiple holes, with potential for low-grade, bulk-style mineralization on portions of the Mustang zone. Intervals include MT-21-14 (0.78 gram per tonne gold over 32.85 m from a depth of 15 m) and MT-20-01 (0.58 g/t Au over 20.32 m from a depth of 80.18 m).

All of the company's field activities are conducted under federal and provincial COVID-19 operating protocols and safety measures, as required. Planet X Exploration Services Ltd.'s field crews, retained through Grassroots Prospecting, a Newfoundland-based prospect generation company, are undertaking all field and drill activities on the company's Newfoundland properties.

Table 1: Drilling Summary

Drill ID	Easting	Northing	Azimuth	Dip	Depth(m)	Drill ID	Easting	Northing	Azimuth	Dip	Depth(m)
PP-MT-20-01	653824	5422299	137	-52	150	PP-MT-21-11	653774	5422266	134	-45	150
PP-MT-20-02	653825	5422342	134	-58	186	PP-MT-21-12	653774	5422266	134	-60	162
PP-MT-20-03	653786	5422350	226	-58	161	PP-MT-21-13	653776	5422275	134	-45	152
PP-MT-20-04	653797	5422515	134	-48	123	PP-MT-21-14	654215	5422887	134	-45	152
PP-MT-20-05	653846	5422546	134	-48	170	PP-MT-21-15	654189	5422913	134	-60	160
PP-MT-20-06	653880	5422505	134	-59	296	PP-MT-21-16	654230	5422908	134	-45	150
PP-MT-20-07	653971	5422569	134	-52	225	PP-MT-21-17	654281	5422962	134	-45	152
PP-MT-21-08	653982	5422538	314	-54	152	PP-MT-21-18	654147	5422956	134	-52	240
PP-MT-21-09	653995	5422556	134	-45	200	PP-MT-21-19	654275	5422827	314	-45	162
PP-MT-20-10a	653925	5422450	134	-45	47					Total	1850
PP-MT-21-10	653925	5422450	134	-45	140						

Table 2: North Zone Drilling Results

MUSTANG ZONE- NORTH AREA				
Mustang Assay values best sections (0.9 g/t cut-off)				
Hole #	From (m)	To (m)	Sample length (m)	Au (g/t)
MT-21-14	66.0	66.5	0.50	7.77
MT-21-14	37.4	37.9	0.50	4.58
MT-21-14	36.9	37.4	0.50	4.02
MT-21-14	36.4	36.9	0.50	2.81
MT-21-14	25.5	26.0	0.50	2.33
MT-21-14	33.9	34.5	0.63	2.10
MT-21-14	44.9	45.4	0.50	1.77
MT-21-14	20.1	20.4	0.30	1.72
MT-21-14	34.5	34.9	0.43	1.37
MT-21-14	46.9	47.4	0.50	1.36
MT-21-14	20.4	21.0	0.54	1.34
MT-21-14	18.7	19.2	0.50	1.21
MT-21-14	122.2	122.7	0.50	1.21
MT-21-14	25.0	25.5	0.50	1.19
MT-21-14	15.0	15.5	0.50	1.09
MT-21-14	32.8	33.3	0.50	1.02
MT-21-14	44.4	44.9	0.50	1.01
MT-21-14	42.4	43.4	0.91	0.97
MT-21-14	34.9	35.4	0.49	0.94
MT-21-14	26.0	26.4	0.45	0.89
MT-21-14	21.0	21.4	0.38	0.87
MT-21-14	43.4	43.9	0.50	0.87
MT-21-15	99.3	99.8	0.50	7.49
MT-21-15	98.8	99.3	0.50	2.67
MT-21-15	72.3	72.7	0.41	2.01
MT-21-15	133.3	133.7	0.37	1.52
MT-21-15	108.5	109.0	0.50	1.50
MT-21-15	99.8	100.3	0.50	1.41
MT-21-15	131.9	132.3	0.40	1.18
MT-21-15	109.5	110.0	0.50	1.13
MT-21-15	77.9	78.2	0.30	1.06
MT-21-15	71.8	72.3	0.52	1.04
MT-21-15	108.0	108.5	0.50	1.03
MT-21-15	131.1	131.6	0.50	0.97
MT-21-15	130.6	131.1	0.50	0.95
MT-21-15	130.1	130.6	0.50	0.90
MT-21-16	46.6	47.2	0.51	3.43
MT-21-16	121.5	122.0	0.50	1.44
MT-21-16	32.0	32.5	0.50	1.44
MT-21-16	42.2	43.2	1.00	1.25

MUSTANG ZONE- NORTH AREA				
Mustang Assay values best sections (0.9 g/t cut-off)				
Hole #	From (m)	To (m)	Sample length (m)	Au (g/t)
MT-21-16	122.0	122.5	0.50	1.23
MT-21-16	43.2	44.2	1.00	1.07
MT-21-16	13.0	13.3	0.30	0.99
MT-21-17	51.4	51.9	0.50	1.39
MT-21-17	12.1	12.8	0.70	1.28
MT-21-17	118.2	118.7	0.50	1.16
MT-21-19	62.0	62.5	0.50	2.23
MT-21-19	102.0	102.5	0.50	2.22
MT-21-19	93.3	93.8	0.50	1.91
MT-21-19	101.0	101.5	0.50	1.81
MT-21-19	89.3	89.8	0.50	1.79
MT-21-19	88.8	89.3	0.50	1.64
MT-21-19	61.5	62.0	0.50	1.19
MT-21-19	90.8	91.3	0.50	0.89
MT-21-19	94.8	95.3	0.50	0.86

Table 3: South Zone Drilling Results

MUSTANG ZONE- SOUTH AREA				
Mustang Assay values best sections (0.9 g/t cut-off)				
Hole #	From (m)	To (m)	Sample length (m)	Au (g/t)
MT-20-01	87.7	88.2	0.50	2.47
MT-20-01	100.0	100.5	0.50	2.16
MT-20-01	86.2	86.7	0.50	1.58
MT-20-01	68.5	69.0	0.50	1.47
MT-20-01	99.0	99.5	0.50	1.39
MT-20-01	36.5	37.0	0.49	1.25
MT-20-01	80.2	80.7	0.50	1.19
MT-20-01	99.5	100.0	0.50	1.18
MT-20-01	13.4	15.0	1.65	1.17
MT-20-01	65.0	65.5	0.50	1.16
MT-20-01	30.0	30.5	0.50	1.04
MT-20-01	31.5	32.0	0.50	1.00
MT-20-01	11.4	12.4	1.00	0.98
MT-20-01	89.7	90.2	0.50	0.91
MT-20-01	31.0	31.5	0.50	0.90
MT-20-07	166.2	167.3	1.06	1.38
MT-20-07	167.3	168.2	0.99	1.29
MT-21-09	64.7	65.2	0.52	1.25
MT-21-10	65.0	65.3	0.30	2.08
MT-21-10	101.5	102.5	1.00	1.57
MT-21-10	57.1	57.9	0.79	1.54
MT-21-10	83.6	84.6	1.02	1.22
MT-21-10	55.7	56.1	0.40	1.09
MT-21-10	170.8	171.9	1.05	0.89
MT-21-10	174.4	175.0	0.63	0.89
MT-21-10	173.7	174.4	0.64	0.87
MT-21-11	108.5	108.8	0.30	1.62
MT-21-11	108.0	108.5	0.50	0.57

All core samples were securely delivered to Eastern Analytical Laboratory, an ISO/IEC17025-accredited laboratory, in Springdale, Nfld., for analysis. Quality assurance/quality control included the systematic insertion of certified standards and blanks. Core samples were analyzed for the ICP-34 package (34-element four-acid leach, ICP-OES finish) and the fire assay (30 grams) with AA finish. Eastern Analytical also provides its own internal QA/QC protocol of blanks, duplicates and standards in each work order, which was supplied to the company.

The Company also owns the Virginia property in Newfoundland, located contiguous to the southern margin of Labrador Gold Corp.'s Kingsway property where drilling is active on the Big Vein target. The Virginia property has received all necessary permits for its maiden diamond drill program planned for this summer.

On June 23, 2022, the Company announced it is now working with Goldspot Discoveries Group Corp on arranging for an upcoming program this summer on the Mustang property located in Newfoundland.

Additionally, a 3-week program on the Company's Virginia property has just concluded with a total of 153 channel/hand samples were taken and assays will be announced once received. The Virginia property is located contiguous to the north-eastern portion of the Queensway Gold Project, owned by New Found Gold Corp. and the south-west portion of Labrador Gold's Kingsway project.

Virginia Property

During the year ended June 30, 2020, the Company earned a 100% interest in the Virginia Property located in Newfoundland, Canada, in consideration of a cash payment of \$20,000 and the issuance of 133,333 common shares at a value of \$44,000.

A 1.5% NSR was granted to the vendors with 0.5% purchasable by the Company for \$500,000.

Imperial Property

On May 27, 2021, the Company signed two definitive agreements (collectively the “Agreement”) for two contiguous claim blocks (the “claims” or “Projects”) comprising the Imperial Property which shares 4.7 kilometers of its northern border with Amex Exploration’s (TSX-V: AMX) Perron Property in Quebec, where high-grade gold has been intersected in three zones along a 3.2 kilometre corridor. To the east, the claims adjoin Generic Gold Corp. (CSE: GGC) who are set to commence 7,500 metres of drilling in the coming weeks, targeting both orogenic gold and gold-rich volcanogenic massive sulfides (VMS) style mineralization. The two Projects, named La Reine and Le Roi, comprise a combined 228 claims covering approximately 6,575.84 hectares in the gold and VMS-prospective Abitibi Greenstone Belt region of Ontario and Quebec. Refer to maps in **Figures 1 & 2**.

The Imperial Property is located to the Southwest of, and contiguous with Amex Exploration Inc.’s (TSX-V: AMX) Perron project, which has made several significant high-grade gold discoveries. Recently announced notable gold intersections at Perron include 70.92 g/t Au over 3.90 metres, including 367.50 g/t Au over 0.60 metres, at 160 metres vertical depth, and 70.92 g/t Au over 3.90 metres, including 367.50 g/t Au over 0.60 metres, at 190 metres vertical depth (refer to AMX news release May 26, 2021). Further to the Northeast is the past-producing Normétal mine, currently held by Starr Peak Exploration (TSX-V: STE), which was mined periodically from the 1930’s through to 1975 from surface to a depth of 2.4 km (SIGEOM-Mine Normétal).

The Property is underlain by a mafic-intermediate metavolcanics belt of the Stoughton-Roquemaure Group and the Hunter Mine Group, bordered to the North by a greywacke Unit of the Chicobi Group and to the South by the Abitibi Lake syn-tectonic pluton. The Property is crossed east-west by the Abitibi Thrust Fault, which dips 70 degrees to the South. The overall lithological package strikes east-west and deeps steeply to the South and is contiguous to the Amex Exploration property to the North East.

Historical exploration efforts across the Property have resulted in the discovery of 10 mineral showings (Mineral Deposit Inventory Record – Ontario Government) across the project. Historical exploration works include diamond drilling, overburden drilling, airborne magnetics, ground geophysics including magnetics and electromagnetics, surface geochemistry, geological mapping, and prospecting. Companies that conducted the work include but are not limited to Kennco, Canadian Superior Ltd., Asarco, Cominco, Eastern Mines Inc., Seal River Exploration, and East West Resources Corp. Mineralization at showings range from anomalous copper and zinc associated with disseminated to massive sulfide layers (pyrrhotite/pyrite), gold in till from overburden drill sampling with a high amount of delicate gold grains (indicating a proximal source), as well as trace to anomalous gold and copper in diamond drilling.

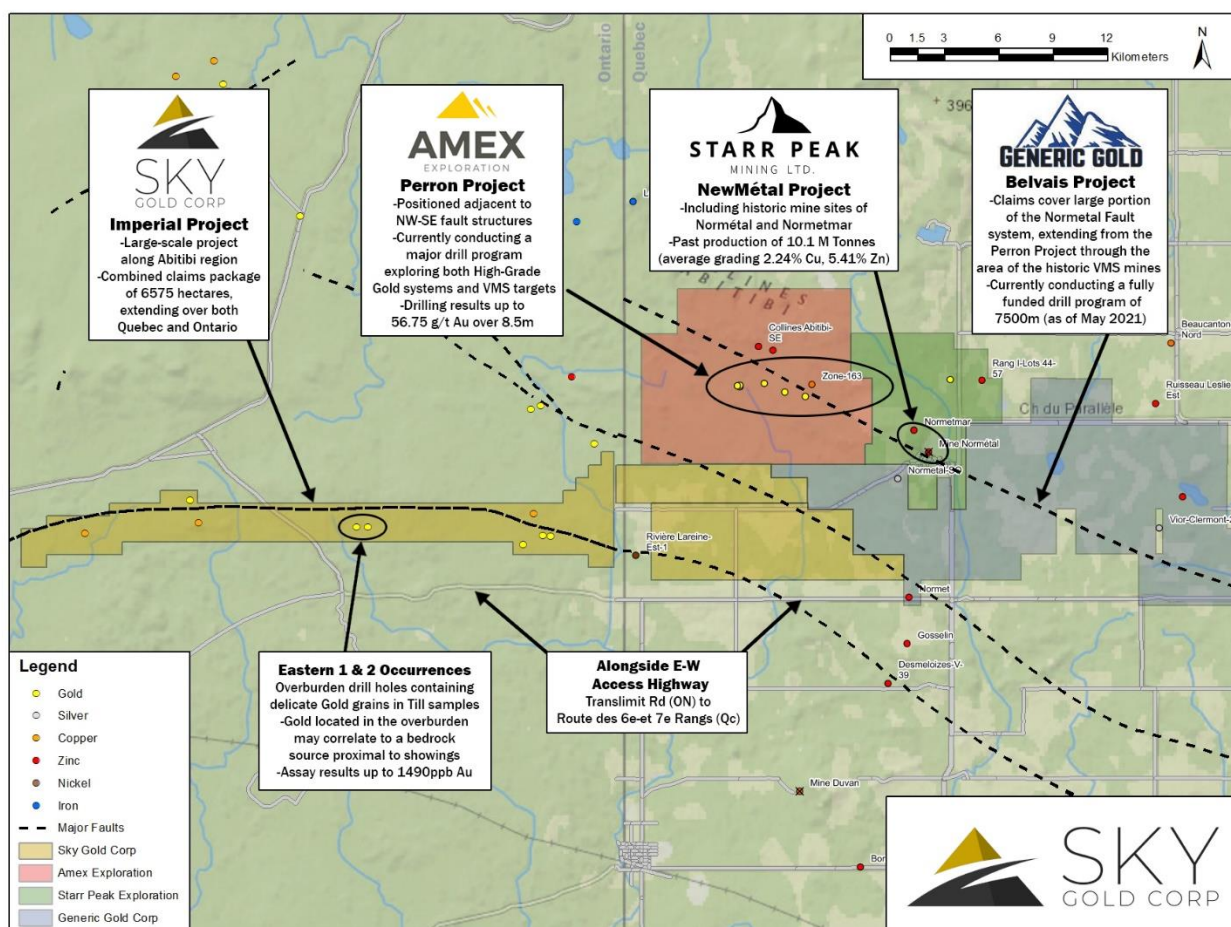


Figure 1: Sky Gold Corp.'s Imperial Property with respect to neighbouring projects including Amex Exploration, Starr Peak Mining, and Generic Gold Corp.

* Mineralization hosted on adjacent and nearby properties is not necessarily indicative of mineralization hosted on the Company's properties.

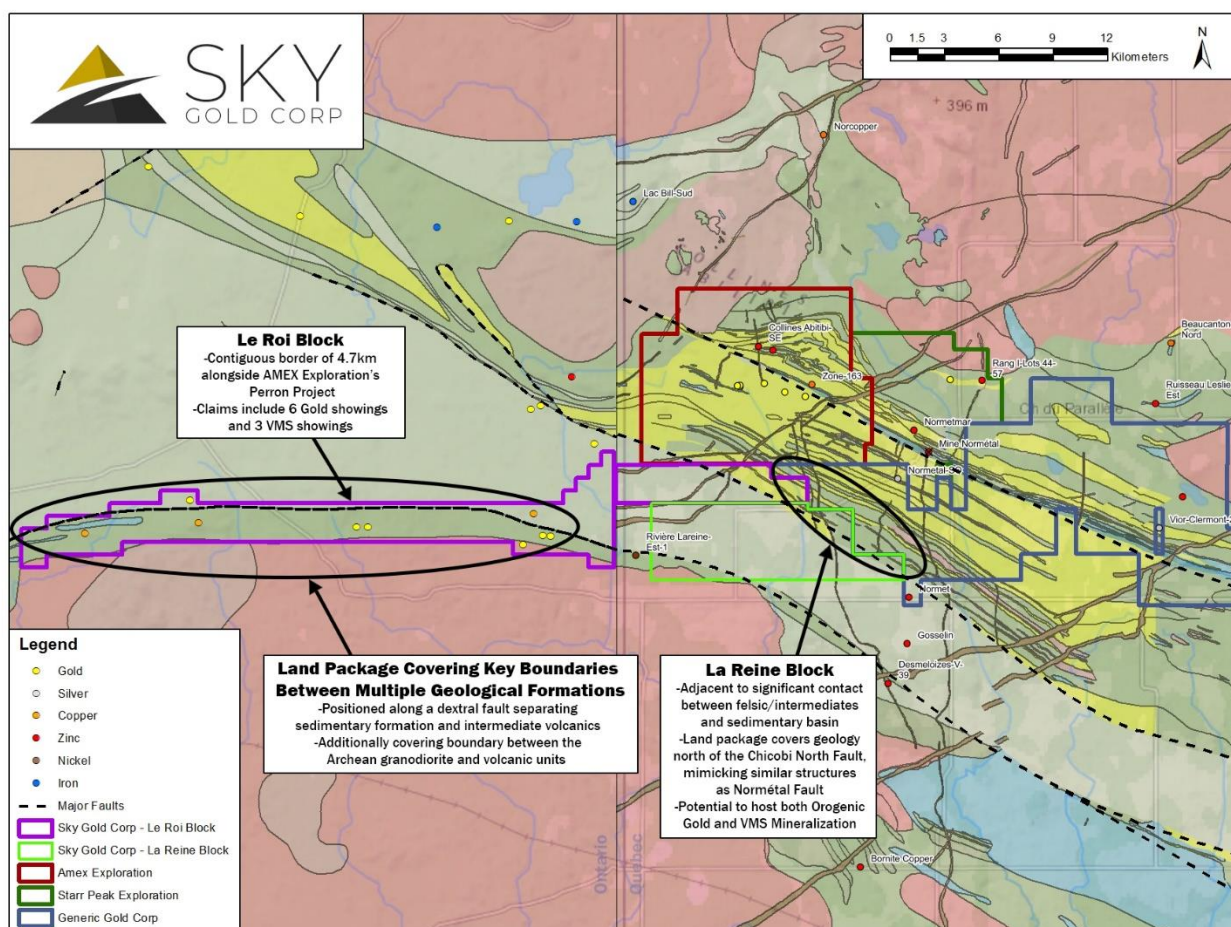


Figure 2: Sky Gold Corp.'s Imperial Property underlain by geology as mapped by the Ontario Geological Survey and Ministère de l'Énergie et des Ressources naturelles of Quebec

Definitive Agreement Terms

The Agreements set out proposed transactions (the "Proposed Transaction") pursuant to which Sky Gold will acquire a 100% interest in two separate vendor's (collectively the "Vendors") Projects, collectively called the Imperial Property. The proposed transactions are subject to TSX Venture Exchange (the "Exchange") approval.

To purchase a 100% interest in the two Projects the Company will pay cumulative payments, within 5 days of TSX Venture approval, of 3,500,000 shares of the Company, \$150,000 cash and grant the Vendor's a 3% Net Smelter Return (NSR) for each of the two agreements, of which one (1%) can be purchased by the Company from each Vendor at any time for \$1,000,000.

On September 7, 2021, the Company began a VTEM (versatile time-domain electromagnetic) survey on the newly acquired Imperial property, which shares 4.7 kilometres of its northern border with Amex Exploration's Perron property, in Quebec. The VTEM survey is being conducted by Geotech Ltd. and being flown as part of an overall larger survey in conjunction with a number of other exploration companies in the area.

A total of 328 lines, covering 1,087 kilometres, are being flown over both the La Reine and Le Roi properties, which comprise the Imperial project. Imperial comprises a combined 228 claims, covering approximately 6,575.84 hectares, in the gold-prospective and VMS-prospective (volcanogenic massive sulphide) Abitibi greenstone belt region of Ontario and Quebec.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2022, the Company had cash and cash equivalents of \$5,989 (June 30, 2022 - \$1,681) and a working capital deficiency of \$180,866 (June 30, 2022– \$135,128). The change is due primarily to exploration activities at mineral properties.

Cash flows used in operating activities was \$188,915 as at December 31, 2022 (2021 - \$229,710). It was lower in the current period primarily because of change in working capital during the current period.

Cash flows used in investing activities was \$273,477 as at December 31, 2022 (2021 – \$557,275). The changes related to exploration activities by the Company for exploration, a metric which has periodic variability, and option payments for mineral properties.

Cash flows provided by financing activities was \$466,700 as at December 31, 2022 (2021 – \$71,500). It was higher in the comparative period primarily due to proceeds received from private placements.

As at December 31, 2022 and as at the date of this report, the Company had not advanced its mineral properties to commercial production. The Company's continuation as a going concern is dependent not only upon successful results from exploration activities on its mineral properties but also its ability to raise capital and attain profitable operations. In the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options and warrants or the issuance of debt securities to fund ongoing operations. The ability of the Company to raise capital will depend on market conditions; it may not be possible for the Company to raise capital on acceptable terms or at all.

QUARTERLY RESULTS

Quarter Ended	Total Assets	Revenue	Loss for the period	Basic and Diluted Loss per share
March 31, 2021	\$3,881,815	\$Nil	\$(314,048)	\$(0.01)
June 30, 2021	5,811,826	Nil	(263,410)	(0.00)
September 30, 2021	5,629,670	Nil	(425,882)	(0.01)
December 31, 2021	5,541,115	Nil	(136,644)	(0.00)
March 31, 2022	5,372,012	Nil	(131,390)	(0.00)
June 30, 2022	5,362,842	Nil	(192,630)	(0.00)
September 30, 2022	5,680,444	Nil	(115,727)	(0.00)
December 31, 2022	5,539,144	Nil	(225,139)	(0.01)

During the quarter ended March 31, 2021, loss increased to \$314,048 (December 31, 2020 - \$230,089) due to share-based payment expense of \$138,700 related to stock options granted during the quarter.

During the quarter ended June 30, 2021, total assets increased to \$5,811,826 (March 31, 2021 - \$3,881,815) primarily due to acquisition costs of \$1,882,500 to acquire the Imperial property during the quarter.

During the quarter ended September 30, 2021, loss increased to \$425,882 (June 30, 2021 - \$263,410) primarily due to options being granted during the quarter resulting in share-based payments of \$254,900.

During the quarter ended December 31, 2021, loss decreased to \$136,644 (September 30, 2021 - \$425,882) due to the Company not granting any options this quarter.

During the quarter ended March 31, 2022, loss decreased to \$131,390 (December 31, 2021 - \$136,644) due to lower office expenses during the quarter.

During the quarter ended June 30, 2022, loss decreased to \$192,630 (March 31, 2022 - \$131,390) due to options granted during the quarter.

During the quarter ended September 30, 2022, loss decreased to \$115,727 (June 30, 2022 - \$192,630) due to the Company's cost-saving effort during the quarter.

During the quarter ended December 31, 2022, loss increased to \$225,139 (September 30, 2022 - \$115,727) due to the Company's decision to abandon Mustang property extension during the quarter.

Six Months Ended December 31, 2022

The Company incurred a net loss of \$340,866 for the period ended December 31, 2022, as compared to a net loss of \$562,526 for the comparative period.

A brief explanation of the significant changes in expense categories is provided below:

- i) Consulting of \$17,800 (2021 - \$32,500) decreased primarily due to less consulting services incurred during the current period.
- ii) Marketing and promotion of \$32,580 (2021 - \$51,639) decreased primarily due to the Company's cost saving efforts during the current period.
- iii) Share-based compensation of \$Nil (2021 - \$254,900) decreased primarily due to options granted during the comparative period.
- iv) General and administration of \$26,256 (2021 - \$49,445) decreased primarily due to reversal of excess interest accrual on GIC during the current period.
- v) Office management fees of \$75,000 (2021 - \$90,000) decreased primarily due to the Company's cost saving efforts during the current period.
- vi) Write-off of exploration and evaluation of \$109,000 (2021 - \$Nil) increased due to the Company's decision to abandon Mustang property extension during the current period.

Three months ended December 31, 2022

The company had incurred a net loss of \$225,139 for the period ended December 31, 2022, as compared to a net loss of \$136,644 for the comparative period.

- i) Consulting of \$6,000 (2021 - \$8,500) decreased primarily due to less consulting services incurred during the current period.
- ii) General and administration of \$8,706 (2021 - \$20,559) decreased primarily due to reversal of excess interest accrual on GIC during the current period.
- iii) Marketing and promotion of \$19,250 (2021 - \$25,395) decreased primarily due to the Company's cost saving efforts during the current period.
- iv) Office management fees of \$36,000 (2021 - \$45,000) decreased primarily due to the Company's cost saving efforts during the current period.
- v) Write-off of exploration and evaluation of \$109,000 (2021 - \$Nil) increased due to the Company's decision to abandon Mustang property extension during the current period.

SHAREHOLDERS' EQUITY

Common shares

At February 23, 2023, the Company had 28,755,524 common shares outstanding.

The following tables disclose the number of warrants and options outstanding as at February 23, 2023:

Warrants

Expiry date	Number of warrants outstanding and exercisable	Exercise price
July 7, 2023	13,889	\$ 0.24
July 7, 2023	33,333	0.24
December 23, 2023*	2,016,667	0.30
July 7, 2024	206,111	0.24
July 7, 2024	2,666,667	0.24
	4,936,667	

*Extended from December 31, 2021 to December 31, 2023

Stock options

Number of options	Exercisable	Exercise Price	Expiry Date
100,000	100,000	\$0.48	6-May-2023
700,000	700,000	0.39	21-July-2023
133,333	133,333	0.39	30-August-2023
666,667	666,667	0.24	8-April-2024
1,600,000	1,600,000		

REGULATORY DISCLOSURES

Off-Balance Sheet Arrangements

The Company has not entered into any material off-balance sheet arrangements.

Financial instruments

Fair values of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, subscription receivable, accounts payable and accrued liabilities and convertible debentures.

	Fair Value Hierarchy Level	December 31, 2022	June 30, 2022
Financial assets		\$	\$
Cash	1	5,989	1,681

(1) The carrying value of cash, subscription receivable, and accounts payable and accrued liabilities approximates fair value due to the short-term nature of these items.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness.

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 does not consider its exposure to interest rate risk to be significant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's goal is to have sufficient capital or access to capital to allow it to meet its liabilities when they become due. This goal has not been fully met in recent periods thereby increasing the liquidity risk. As at December 31, 2022, the Company had a working capital deficiency of \$180,866 as compared to \$135,128 at June 30, 2022. The Company intends to meet its current obligations in the following year with funds to be raised through private placements, shares for debt, loans and related party loans.

Related Party Transactions

The Company's related parties include its subsidiaries and key management personnel. Transactions with related parties for goods and services are made on normal commercial terms and are considered to be at arm's length.

During the period ended December 31, 2022 and 2021, the Company incurred the following expenses charged by key management personnel and companies controlled by key management personnel:

	Period ended December 31, 2022	Period ended December 31, 2021
	\$	\$
Consulting	11,000	-
Office management services	75,000	90,000
Share-based compensation	-	131,190
	86,000	221,190

Included in accounts payable and accrued liabilities at December 31, 2022 is \$4,200 (June 30, 2022 - \$44,303) owed to companies owned by current and former officers/directors of the Company.

During the period ended December 31, 2022, the Company:

- i) paid or accrued consulting fee of \$6,000 (2021 - \$Nil) to an officer for consulting services provided.
- ii) paid or accrued consulting fee of \$5,000 (2021 - \$Nil) to a director for consulting services provided.
- iii) paid or accrued office management fees of \$75,000 (2021 - \$90,000) to a company owned by an officer and director for management services provided.

- iv) recorded share-based compensation of \$Nil (2021 - \$131,190) related to options granted to officers and directors of the Company.

Capital Risk Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity (deficit), as well as cash.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. The Company is not subject to any externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period.

Risk and uncertainties

The operations of the Company are speculative due to the nature of its business which is the investment in the exploration and development of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

The list of risk factors below should not be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of its securities.

No History or Expectation of Revenue

The Company is in the business of exploring for, with the ultimate goal of developing and producing, minerals from properties in which the Company has, or may have in the future, an interest. The Company has not commenced commercial production and the Company has no history or earnings or cash flow from its operations. As a result of the foregoing, there can be no assurance that the Company will be able to develop any of its properties profitably or that its activities will generate positive cash flow. The Company has not paid any dividends and it is unlikely to enjoy earnings or pay dividends in the immediate or foreseeable future. The Company has limited cash and other assets. A prospective investor in the Company must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of the Company's management in all aspects of the development and implementation of the Company's business activities. There is no guarantee that the Company will enter into profitable agreements with mining companies and earn revenue from operations.

Market Price of the Common Shares

The Common Shares are listed and posted for trading on the TSX-V. The Company's business is in an early stage of exploration and an investment in the Company's securities is highly speculative. There can be no assurance that an active trading market in the Company's securities will be established and maintained. Securities of companies involved in the resource industry have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. The price of the Common Shares is also likely to be significantly affected by short-term changes in commodity prices or in the Company's financial condition or results of operations as reflected in its quarterly earnings reports.

The Company may not realize the benefits of its growth projects

A number of risks and uncertainties are associated with the development of these types of projects, including political, regulatory, design, construction, labour, geological, operating, technical, and technological risks, uncertainties relating to capital and other costs, and financing risks. The failure to develop one or more of these initiatives successfully could have an adverse effect on the Company's financial position and results of operations.

Current Global Financial Conditions

Events over the last number of years in global financial markets, including global debt concerns and overall commodity pressure, have had a profound impact on the global economy and global financial conditions have been subject to volatility. Many industries, and particularly the mining sector, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. A continuing slowdown in financial markets or other economic conditions, including, but not limited to, consumer spending, employment rates, business conditions, inflation, 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 business, financial condition, results of operations and ability to grow.

Financing Risk

The Company is limited in financial resources and has no assurance that additional funding will be available for further exploration and development of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or infinite postponement of further exploration and development of its projects with the possible loss of such properties. In addition, an inability to raise capital could result in the cessation of operations.

Competition

The mineral exploration and development industry is highly competitive. The Company competes with other domestic and international mineral exploration companies that have greater financial, human and technical resources. The Company's competitors may be able to respond more quickly to new laws or regulations or emerging technologies, or devote greater resources to the expansion or efficiency of their operations than the Company can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Accordingly, it is possible that new competitors or alliances among current and new competitors may emerge and gain significant market share to the Company's detriment. The Company may also encounter increasing competition from other mining companies in the Company's efforts to hire experienced mining professionals. Increased competition could adversely affect the Company's ability to attract necessary capital funding, to acquire it on acceptable terms, or to acquire suitable properties or prospects for mineral exploration in the future. As a result of this competition, the Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

In addition, there is no assurance that a ready market will exist for the sale of commercial quantities of ore. Factors beyond the control of the Company may affect the marketability of any substances discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or losing its investment capital.

Risks Associated with Joint Venture Agreements

Pursuant to agreements the Company may enter into in the course of its business, the Company's interest in its properties may become subject to the risks normally associated with the conduct of joint ventures. In the event that any of the

Company's properties become subject to a joint venture, the existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on the Company's profitability or the viability of its interests held through joint ventures, which could have a material adverse impact on the Company's business prospects, results of operations and financial condition: (i) disagreements with joint venture partners on how to conduct exploration; (ii) inability of joint venture partners to meet their obligations to the joint venture or third parties; and (iii) disputes or litigation between joint venture partners regarding budgets, development activities, reporting requirements and other joint venture matters.

Reliance on Key Individuals

The Company's success depends on its ability to attract and retain the services of key personnel who are qualified and experienced. In particular, the success of the Company is, and will continue to be to a significant extent, dependent on the expertise and experience of the Company's directors and senior management. It is expected that these individuals will be a significant factor in the Company's growth and success. The loss of the service of these individuals could have a material adverse effect on the Company.

The resource industry is largely driven by fluctuations in commodity prices which, when high, can lead to a large number of projects being developed which in turn increases the demand for skilled personnel, contractors, material and supplies. Accordingly, there is a risk to the Company of losing or being unable to secure enough suitable key personnel or key resources and, as a result, being exposed to increased capital and operating costs and delays, which may in turn adversely affect the development of the Company's projects, the results of operations and the Company's financial condition and prospectus.

Commodity Prices

The price of the Common Shares and the Company's financial results may be significantly adversely affected by a decline in the price of metals. The price of metal commodities fluctuates widely, especially in recent years, and is affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major metal-producing countries throughout the world.

Dividend Policy

No dividends on the Common Shares have been paid by the Company to date. The Company anticipates that it will retain all cash resources for the foreseeable future for the operation and development of its business. The Company does not intend to declare or pay any cash dividends in the foreseeable future.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration, development and mining operations and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the *Business Corporations Act* (British Columbia) and other applicable laws. It is understood by the Company that certain directors and officers of the Company may continue to independently pursue opportunities in the mineral exploration industry.

Exploration, Development and Operating Risks

Mining operations and exploration involves a high degree of risk. Any potential mining operations of the Company will be subject to all the hazards and risks normally encountered in the exploration, development and production of metals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, fire, environmental hazards and the discharge of toxic chemicals, explosions and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of mines and other producing facilities,

damage to property, injury or loss of life, environmental damage, work stoppages, delays in production, increased production costs and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability. Although the Company believes that appropriate precautions to minimize risks are taken, these risks cannot be eliminated.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned or other mining operations in which the Company may acquire an interest will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, including among other things: the interpretation of geological data obtained from drill holes and other sampling techniques, the particular attributes of the deposit, such as size, grade and proximity to infrastructure and labor; metal and commodity prices which are highly cyclical; government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; and political stability. The Company's development projects are also subject to the issuance of necessary permits and other governmental approvals and receipt of adequate financing. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may adversely affect the Company's business.

Exploration Costs

The estimates of costs to conduct further exploration work by the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realized in practice, which may materially and adversely affect the Company's viability.

Environmental Regulation, Risks and Hazards

All phases of mining operations are subject to environmental regulation in the jurisdictions in which they operate. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Compliance with changing environmental laws and regulations may require significant capital outlays, including obtaining additional permits, and may cause material changes or delays in, or the cancellation of, the Company's exploration programs or current operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's mining operations.

Furthermore, environmental hazards may exist on the properties on which the owners or operators of mining operations hold interests which are unknown to such owners or operators at present and which have been caused by previous or existing owners or operators of the properties.

Government approvals and permits are currently, and may in the future be, required in connection with mining operations at the Company's properties. To the extent such approvals are required and not obtained, mining operations may be curtailed or prohibited from continuing operations or from proceeding with planned exploration or development of mineral properties.

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. Parties engaged in mining operations or in the exploration or development of mineral properties 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. The occurrence of any environmental

violation or enforcement action may have an adverse impact on the Company's operations and reputation.

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

Governmental Regulation

Mining operations and exploration activities are subject to extensive laws and regulations governing exploration, development, production, exports, taxes, labor standards, waste disposal, protection and remediation of the environment, reclamation, historic and cultural resources preservation, mine safety and occupation health, handling, storage and transportation of hazardous substances and other matters. The costs of discovering, evaluating, planning, designing, developing, constructing, operating, and other facilities in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations could become such that the owners or operators of mining operations would not proceed with the development of or continue to operate a mine. As part of their normal course operating, and development activities, such owners or operators have expended significant resources, both financial and managerial, to comply with governmental and environmental regulations and permitting requirements, and will continue to do so in the future. Moreover, it is possible that future regulatory developments, such as increasingly strict environmental protection laws, regulations and enforcement policies thereunder, and claims for damages to property and persons resulting from mining operations could result in substantial costs and liabilities in the future.

Permitting

Mining operations are subject to receiving and maintaining permits from appropriate governmental authorities. It can be time-consuming and costly to obtain, maintain and renew permits. In addition, permit terms and conditions can impose restrictions on how the Company conducts its operations and limit the Company's flexibility in development its mineral properties. Prior to any development on the Company's properties, permits from appropriate governmental authorities may be required. Permits required for the Company's operations may not be issued, maintained or renewed in a timely fashion or at all, may not be issued or renewed upon conditions that restrict the Company's ability to conduct the Company's operations economically, or may be subsequently revoke. Any such failure to obtain, maintain or renew permits, or other permitting delays or conditions could have a material adverse effect on the Company's business, results of operations, financial condition and prospectus.

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. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect operations at the Company's properties.

Exploration and Geological Report

The reported results in the technical reports filed in respect of the Company's properties are estimates only. No assurance can be given that the estimated mineralization will be recovered. The reported results are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Estimates may require revision (either up or down) based on actual production experience. If the Company encounters mineralization or geological formations different from those predicted by past drilling, sampling and interpretations, any estimates may need to be altered in a way that could adversely affect the Company's operations or proposed operations. In addition,

market fluctuations in the price of metals, as well as increased production costs or reduced recovery rates, may render certain minerals uneconomic.

Land/Mineral Title

No assurances can be given that there are no title defects affecting the Company's properties. The Company's properties may be subject to prior unregistered liens, agreements, transfers or claims, including First Nations land claims, and title may be affected by, among other things, undetected defects.

Additional Capital

Mining, processing, development and exploration require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on satisfactory terms.

Property Exploration and Development Risk

The Company's properties are currently at the exploration stage of development. Exploration and development is subject to numerous risks, including, but not limited to, delays in obtaining equipment, material and services essential to developing the project in a timely manner; changes in environmental or other government regulations; currency exchange rates; labor shortages; and fluctuation in metal prices. There can be no assurance that the Company will have the financial, technical and operational resources to complete the exploration and development in accordance with current expectations or at all.

Insurance Risk

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failure, cave-ins, mechanical failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, fires, floods and earthquakes. Such occurrences could result in damage, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, the Company's insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as loss of title to mineral property, environmental pollution, or other hazards as a result of exploration and production is not generally available to the Company or other companies in the mining industry on acceptable terms. The Company may also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect on our financial performance and results of operations.

Force Majeure

The Company's projects now or in future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Forward-Looking Statements

This Management's Discussion and Analysis ("MD&A") includes certain statements that constitute "forward-looking statements", and "forward-looking information" within the meaning of applicable securities laws ("forward-looking statements" and "forward-looking information" are collectively referred to as "forward-looking statements", unless otherwise stated). These statements appear in a number of places in this MD&A and include statements regarding our intent, or the beliefs or current expectations of our officers and directors. Such forward-looking statements involve

known and unknown risks and uncertainties that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this MD&A, words such as “believe”, “anticipate”, “estimate”, “project”, “intend”, “expect”, “may”, “will”, “plan”, “should”, “would”, “contemplate”, “possible”, “attempts”, “seeks” and similar expressions are intended to identify these forward-looking statements. Forward-looking statements may relate to the Company’s future outlook and anticipated events or results and may include statements regarding the Evening Star Property, Mustang Property, Virginia Property and Imperial Property, and the Company’s future financial position, business strategy, budgets, litigation, projected costs, financial results, taxes, plans and objectives. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting the financial condition of our business. These forward-looking statements were derived utilizing numerous assumptions regarding expected growth, results of operations, performance and business prospects and opportunities that could cause our actual results to differ materially from those in the forward-looking statements. While the Company considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. Accordingly, you are cautioned not to put undue reliance on these forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results. To the extent any forward-looking statements constitute future-oriented financial information or financial outlooks, as those terms are defined under applicable Canadian securities laws, such statements are being provided to describe the current anticipated potential of the Company and readers are cautioned that these statements may not be appropriate for any other purpose, including investment decisions. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. To the extent any forward-looking statements constitute future-oriented financial information or financial outlooks, as those terms are defined under applicable Canadian securities laws, such statements are being provided to describe the current anticipated potential of the Company and readers are cautioned that these statements may not be appropriate for any other purpose, including investment decisions. Forward-looking statements speak only as of the date those statements are made. Except as required by applicable law, we assume no obligation to update or to publicly announce the results of any change to any forward-looking statement contained or incorporated by reference herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements. If we update any one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements. You should not place undue importance on forward-looking statements and should not rely upon these statements as of any other date. All forward-looking statements contained in this MD&A and the associated financial statements are expressly qualified in their entirety by this cautionary statement.