VAL D'OR MINING CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020 AND 2019

DATED: August 21, 2020

SCOPE OF THIS MANAGEMENT'S DISCUSSION AND ANALYSIS AND NOTICE TO INVESTORS

This management's discussion and analysis of financial position and results of operations ("MD&A"), is prepared as of August 21, 2020, and complements the unaudited condensed interim financial statements of Val-d'Or Mining Corporation ("Val-d'Or" or the "Company"), for the three and six months ended June 30, 2020 and 2019.

The condensed interim financial statements and related notes have been prepared in accordance with IAS 34, "Interim Financial Reporting". They do not contain all the information required to be disclosed in annual financial statements. Certain information and notes usually provided in the annual financial statements have been omitted or condensed when not deemed essential to the understanding of the interim financial information of the Company. Therefore, this MD&A should be read in conjunction with the information contained in the annual audited financial statements of the Company and the notes thereto for the year ended December 31, 2019. All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all amounts are in Canadian dollars unless otherwise indicated.

The unaudited condensed interim financial statements and the MD&A have been reviewed by the audit committee and approved by the Company's Board of Directors on August 21, 2020. These documents and more information about the Company are available on SEDAR at www.sedar.com.

Mr. Glenn J. Mullan P. Geo., the President and Chief Executive Officer of Val-d'Or Mining, and Mr. Michael P. Rosatelli M.Sc., P.Geo., the Vice-President Exploration of Val-d'Or Mining are the Qualified Persons (as that term is defined in National Instrument 43-101 - Standards of Disclosure for Mineral Projects) who approved the technical disclosure included in this MD&A.

FORWARD LOOKING STATEMENTS

Certain statements made in this MD&A are forward-looking statements or information. The Company is hereby providing cautionary statements identifying important factors that could cause the Company's actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, the Company has assumed that the current market will continue and grow and that the risks listed below will not adversely impact the business of the Company. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Company that could influence actual results are summarized below under the heading "Risks and Uncertainties".

Further, unless otherwise noted, any forward-looking statement speaks only as of the date of this MD&A, and, except as required by applicable law, the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement.

About Val-d'Or Mining Corporation

The Company, incorporated on February 18, 2010 under the Business Corporations Act of British Columbia, is involved in the process of exploring, evaluating and promoting its mineral properties and other projects.

The head office of the Company is located at 152 Chemin de la Mine École, Val d'Or, Québec, J9P 7B6. The Company's registered and records office is located at #530 - 355 Burrard Street, Vancouver, B.C. V6C 2G8. The Company also has exploration offices located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9.

The Company's shares trade on the TSX Venture Exchange ("TSX-V") under its trading symbol "VZZ".

As at June 30, 2020, Golden Valley Mines Ltd. ("Golden Valley"), a significant shareholder, held a 38.29% (December 31, 2019 – 37.15%) interest in the Company.

Non-brokered Private Placement

On March 9, 2020, the Company announced that it conducted a non-brokered private placement offering, which offering was completed on May 7, 2020. The Company issued 5,333,332 Units at a per Unit price of $0.075 for gross proceeds of $400,000. Each Unit consisted of one common share in the capital of the Company and one-half of one non-transferable share purchase warrant, each whole warrant entitling to the purchase of one common share at a per share price of $0.10 until May 7, 2022. The proceeds raised from this offering will be used by the Company to conduct further exploration work on its properties in the Abitibi Greenstone Belt, Québec, and for general corporate purposes. All securities issued are subject to a hold period of four months and one day from the date of closing of the offering in accordance with applicable securities legislation and the policies of the TSX Venture Exchange.

Non-brokered private placement of flow-through common shares

On June 23, 2020, the Company announced that it conducted a non-brokered private placement offering for $310,000 of flow-through common shares, which offering was subsequently increased on June 26, 2020 to an amount of $360,000. The private placement was completed subsequent to the quarter end on July 3, 2020. The Company issued 1,500,000 Flow-through Shares at a per Share price of $0.24 for gross proceeds of $360,000. The proceeds raised from this offering will be used by the Company to conduct further exploration work on its properties in the Abitibi Greenstone Belt, Québec. All securities issued are subject to a hold period of four months and one day from the date of closing of the offering in accordance with applicable securities legislation and the policies of the TSX Venture Exchange.

MINERAL PROPERTIES

Val-d'Or Mining is a junior natural resource issuer involved in the process of acquiring and exploring its diverse mineral property assets, most of which are situated in the Abitibi Greenstone Belt of NE Ontario and NW Québec. To complement its current property interests, the Company regularly evaluates new opportunities for staking and/or acquisitions. Outside of its principal regional focus in the Abitibi Greenstone Belt, the Company holds several other properties in Northern Québec (Nunavik) covering different geological environments and commodities.

The Company has expertise in the identification and generation of new projects, and in early-stage exploration. The mineral commodities of interest are broad, and range from gold, copper-zinc-silver, nickel-copper-PGE to industrial and energy minerals. After the initial value creation in the 100%-owned, or majority-owned properties, the Company seeks option/joint venture partners with the technical expertise and financial capacity to conduct more advanced exploration projects.

PROPERTY PORTFOLIO AS OF JUNE 30, 2020

As of June 30, 2020, Val-d'Or Mining's assets included 100% ownership interests in a total of 56 actively operated properties covering an area of 36,820 hectares. Divided by its principal areas of interest, the property ownership was as follows:

Ontario	19 properties	13,478 hectares
Québec	32 properties	14,569 hectares
Québec North	5 properties	8,773 hectares

As of June 30, 2020, the Company had no active joint ventures.

In addition to the actively operated property holdings, the Company has passive property holdings. The ownership in those properties is in the form of net smelter returns ("NSR"). As of June 30, 2020, Val-d'Or Mining's ownership interests included passive holdings in 2 properties covering an area of 5,628 hectares. Divided by its principal areas of interest, the property ownership was as follows:

Ontario	2 properties	5,628 hectares
Québec	n/a	n/a
Québec North	n/a	n/a

MANAGEMENT OF PROPERTY PORTFOLIO

As part of its ordinary business activities, the Company drops claims that are no longer considered to be material to the Company and/or stakes new claims to enhance existing properties or to pursue new geological ideas.

In the second quarter of 2020, the Company made only minor changes to its portfolio of mineral properties. Activity related to staking and dropping claims was reduced as a direct result of COVID -19 measures implemented by the *Ministère de l'Énergie et des Ressources naturelles* ("MERN") in Québec and the *Ministry of Northern Development and Mine* ("MNDM") in Ontario, whereby claim owners were granted an automatic extension of time (Québec) or could apply for an exclusion of time through the *Mining Lands Administration System* ("MLAS") (Ontario).

In Québec, due to the exceptional circumstances surrounding the COVID-19 pandemic, the MERN has announced the term suspension of all claims currently in force for a 12-month period effective immediately on April 9th, 2020.

In Ontario, although the MNDM has not yet provided blanket relief to holders of mining claims, relief may be available to claim holders by making an application for an extension of time or the exclusion of time to perform assessment work under the Mining Act.

The Company adapted to mandatory office closures and social distancing measures, by shifting the focus of its work on preparatory work that will allow the Company to eventually advance with several field programs when conditions allow the Company to do so. This work included the prioritisation of projects and the design of field programs, as well as raising the required funds (see sections about non-brokered private placements above).

Subsequent to the second quarter of 2020, the conditions had improved sufficiently to allow the Company to commence with its first 2020 field exploration program on its 100%-owned Oregon gold prospect (see news release dated July 15, 2020). Initial assay results from thirty-two rock grab samples collected as part of this program were announced shortly thereafter (see news release dated August 13, 2020).

OBJECTIVES FOR 2020

Currently, it appears that the conditions have improved sufficiently to progress with field programs in the second half of the year. The field programs are designed to enhance the quality of the Company's portfolio of mineral properties. In addition to working on its existing properties, the Company may also engage in transactions to acquire new or to dispose off existing properties.

DETAILS ABOUT OTHER CONTRACTUAL OBLIGATIONS REGARDING CERTAIN MINERAL PROPERTIES

The Company acquires and disposes of its properties as part of its ordinary business. In the case of property acquisitions from third parties, there may be contractual obligations. A description of significant contracts and certain specific obligations follows:

a) *Abitibi Greenstone Belt Properties Acquired from Golden Valley Mines Agreement dated December 5, 2019)*

On April 18, 2017, the Company signed an Option Agreement with Golden Valley to acquire a 100% interest in the Abitibi Greenstone Belt Prospect consisting of 61 grassroots properties. This Agreement was subsequently amended on November 28, 2019, and the Company exercised its option on December 5, 2019. The Company has still an obligation to issue 4,166,667 shares on or before December 31, 2020.

In addition, Golden Valley will be eligible to receive 20% of the proceeds of all third-party transactions pertaining to the properties that Val-d'Or Mining enters into and announces on or before December 31, 2022. Further, the properties are subject to a royalty in favour of Golden Valley Mines equal to 1.25% of the net smelter returns, whereby Val-d'Or Mining has a partial buyback right. The partial buyback right pertains to each individual property, whereby 1% may be bought for $500,000 on a property by property basis with a maximum total consideration of $5,000,000 at which point in time the NSR royalty on all the properties would be reduced by 1.0%.

b) *Mining Option Agreement Regarding the Boston Bulldog Prospect (Agreement dated February 16, 2015)*

On February 16, 2015, the Company entered into a Mining Option Agreement, amended on March 6, 2015, March 24, 2017, January 19, 2018, March 5, 2019, and April 7, 2020, pursuant to which it has been granted by 2973090 Canada Inc., a Canadian private company wholly-owned and controlled by the President and Director of the Company, an option to acquire a 100% interest in the mineral claims comprising the Boston Bulldog Prospect, subject to a 3% NSR royalty.

In consideration of the grant of the option, the Company paid 2973090 Canada Inc. a sum of $5,000 in cash to cover the cost of staking the property and issued 300,000 common shares (issued in April 2015). To maintain and exercise the option, the Company must keep the property in good standing and incur exploration expenditures of $50,000 by April 7, 2021. In accordance with the terms of the option, the Company has the right to reduce the royalty from 3% to 2% of the NSR by paying 2973090 Canada Inc. $1,000,000 at any time on or before February 16, 2022.

c) *Shoot-Out Prospect (Agreement announced on December 16, 2002)*

The Shoot-Out Prospect is the combination of several properties, which are located in the Raglan Belt of northern Québec. The Company has a 100% ownership interest in these properties whereby several claims are subject to a 3% NSR in favour of the original vendors, one of which is a director and President of the Company.

d) *Fortin Prospect (Agreement announced on November 8, 2004)*

The Fortin Prospect is located in the central part of Ducros Township, approximately 80 kilometres northeast of the City of Val-d'Or, Québec, and consists of 5 contiguous mining claims covering 200 ha. The Company holds a 100% interest in this property that is subject to a 1.5% NSR in favour of the original vendors. The Company retains the right to buyback the NSR at any time with a 0.5% buyback for $500,000 and 1% buyback for $1,000,000.

Selected Financial Information

Financial Condition Review

		As at June 30, 2020		As at December 31, 2019
Cash and cash equivalents	$	**351,473**	$	30,366
Investments		**787,653**		727,653
Tax credit receivable		**-**		93,336
Due from related parties		**5,624**		43,463
Other current assets		**41,271**		56,326
Exploration and evaluation assets		**137,258**		173,435
Other long-term assets		**12,356**		13,243
Total Assets		**1,335,635**	$	1,137,822
Accounts payable and accrued liabilities		**47,205**		83,768
Long-term debt		**40,000**		-
Other liabilities		**3,308**		4,364
Total Liabilities	$	**90,513**	$	88,132
Total Equity	$	**1,245,122**	$	1,049,690

Assets

The Company ended the second quarter of 2020 with cash and cash equivalents of $351,473 compared to $30,366 as at December 31, 2019. As previously discussed, the Company has recently completed a non-brokered private placement for gross proceeds of $400,000 which will be used to conduct further exploration work on its properties in the Abitibi Greenstone Belt, Québec, and for general corporate purposes.

Investments of $787,653 consists of (a) 1,500,000 shares (or $300,000) received as consideration from the sale of the Luc Bourdon Prospects to Juno Corp in December 12, 2019, (b) 4,276,526 shares (or $427,653) received as consideration from the sale of the Horne North Prospects to Progenitor Metals Corp in December 23, 2019 and (c) 1,000,000 shares (or $60,000) received as consideration from the sale of the Powell Prospects to Sparton in February 18, 2020.

The proceeds of 4,276,526 shares in Progenitor Metals have been recorded at $427,653, representing the assigned and fair value of $855,305 (or $0.20 per share), net of a provision of $427,652 to reflect the Company potentially returning to the purchaser 50% of the share consideration received in the event Progenitor Metals does not enter into a “going public” transaction within 21 months from the closing date of the purchase agreement.

Other current assets mainly relate to sales taxes recoverable of $16,820 (December 31, 2019 - $10,802), deposits of $6,829 (December 31, 2019 - $17,500) held with MERN for claims staking and management of corporate owned properties and an advance of $11,604 (December 31, 2019 - $11,604) held with one of the Company's suppliers for geophysics services.

Exploration and evaluation assets decreased from $173,435 as at December 31, 2019 to $137,258 as at June 30, 2020 as a result of the receipt of mining tax credits amounting to $20,221 and of the recognition of an impairment charge of $24,212. At each reporting period, the Company performs a comprehensive review of the recoverability of its properties in light of the objective of advancing and enhancing a limited number of key properties. Additions of $9,403 to Exploration and evaluation assets for the six months ended June 30, 2020 were for claims staking and management of properties in the Abitibi Greenstone Belt of Québec and Ontario.

LIABILITIES AND EQUITY

Total liabilities of $90,513 as at June 30, 2020 (compared to $88,132 as at December 31, 2019) mainly consisted of trade payables of $47,205 (December 31, 2019 - $83,768) and of a loan of $40,000 (December 31, 2019 - $nil) relating to the Canada Emergency Business Account interest-free loan to cover operating costs. Repaying the balance of the loan on or before December 31, 2022 will result in a loan forgiveness of $10,000.

Total equity as at June 30, 2020 was $1,245,122 compared to $1,049,690 as at December 31, 2019, a increase of $195,432, mainly from the assigned value of $750,000 from the issuance of 4,166,667 common shares of the Company relating to the mining option agreement with Golden Valley and gross proceeds of $400,000 received from the issuance of 5,333,332 units under the non-brokered private placement as discussed above, net from the net loss for the six months ended of $1,130,570.

DISCUSSION AND RESULTS OF OPERATIONS

This table presents selected information for the three and six months ended June 30, 2020 and 2019:

	For the three months ended		For the six months ended	
	2020	2019	2020	2019
Operating expenses	$ **1,053,285**	$ 118,465	$ **1,190,150**	$ 258,559
Other expenses (income)	**(34,404)**	585	**(59,580)**	970
Net loss and comprehensive loss	$ **1,018,881**	$ 119,050	$ **1,130,570**	$ 259,529
Basic and diluted loss per common share	$ **0.020**	$ 0.003	$ **0.023**	$ 0.006

The net loss for the three and six months ended June 30, 2020 was $1,018,881 (or $0.020 loss per share) and $1,130,570 (or $0.023 loss per share) compared to $119,050 (or $0.003 loss per share) and $259,529 (or $0.006 loss per share) for the same periods in 2019.

The increase in net loss for the three and six months ended June 30, 2020 was mainly the result of the payment of $750,000, representing the issuance of 4,166,667 common shares of the Company, pursuant to the mining option agreement with Golden Valley and share-based payment of $171,023 from the grant of 1,311,350 incentive stock options at an exercise price of $0.15 per share. In addition, exploration and evaluation expenses, consulting fees and salaries and other employee benefits were higher for the three and six months ended June 30, 2020 due to lower capitalization of these expenses to Exploration and Evaluation assets resulting from the Company's review of the recoverability of its properties at each reporting period, offset by decreases in travel expenses from costs containment measures and effects of COVID-19 imposed travel restrictions.

Other income of $34,404 and $59,580 for the three and six months ended June 30, 2020 included an unrealized gain of $35,000 from the share consideration, held as investments by the Company, received from the mineral claim sale transaction, which also resulted in a gain on sale of $24,881, with Sparton as discussed above.

CASH FLOW REVIEW

	For the six months ended June 30,			
		2020		**2019**
Operating activities	**$**	**(227,584)**	$	(221,036)
Investing activities		**105,096**		(255,775)
Financing activities		**443,595**		166,910
Increase (decrease) in cash and cash equivalents	**$**	**321,107**	$	(309,901)

Operating activities for the six months ended June 30, 2020 resulted in cash outflows of $227,584, comparable to cash outflows of $221,036 for the same period of 2019.

Investing activities for the six months ended June 30, 2020 resulted in cash inflows of $105,096 compared to cash outflows of $255,775 in 2019. The improvement in cashflows from investing activities in 2020 relate to the receipt of mining tax credits amounting to $114,499 and lower additions to exploration and evaluation assets.

Financing activities for the six months ended June 30, 2020 resulted in cash inflows of $443,595 compared to cash inflows of $166,910 in 2019. The improvement in cashflows from financing activities in 2020 relate to the proceeds of $400,000 from the issuance of 5,333,332 units under the non-brokered private placement completed on May 7, 2020.

SUMMARY OF QUARTERLY RESULTS

The following selected financial information is for the 8 most recently completed quarters as derived from the Company's respective financial statements and notes thereto. The following information should be read in conjunction with the referenced financial statements, and the notes to those statements.

	Jun 2020	Mar 2020	Dec 2019	Sept 2019	Jun 2019	Mar 2019	Dec 2018	Sept 2018
Operating expenses	$ 1,053,285	$ 136,865	$ 1,467,273	$ 83,235	$ 118,465	$ 140,094	$ 158,448	$ 65,946
Other expenses (income)	(34,404)	(25,176)	(619,339)	(23,082)	585	385	2,967	(1,280)
Net loss and comprehensive loss	$ **1,018,881**	$ **111,689**	$ **847,934**	$ **60,153**	$ **119,050**	$ **140,479**	$ **161,415**	$ **64,666**
Basic and diluted net loss per common share	$ (0.020)	$ (0.002)	$ (0.020)	$ (0.001)	$ (0.003)	$ (0.004)	$ (0.005)	$ (0.003)

LIQUIDITY, CAPITAL RESOURCES AND SOURCES OF FINANCING

As of June 30, 2020, the Company had cash and cash equivalents of $351,473. The Company further improved its cash position after quarter-end with the recent completion of a non-brokered private placement of flow-through common shares for gross proceeds of $360,000 through the issuance of 1,500,000 Flow-Through Common Shares (the "FT Shares") at a price of $0.24 per FT Share.

Management routinely plans future activities including forecasting cash flows. Management has reviewed their plan with the Directors and has collectively formed a judgment that the Company has adequate resources to continue as a going concern for the foreseeable future, which Management and the Directors have defined as being at least the next 12 months.

Please refer to the Risk and Uncertainties section for more information.

INFORMATION ON OUTSTANDING SECURITIES

The following table sets out the number of common shares, warrants and options outstanding as of the date hereof:

Common shares outstanding:		58,188,470
Stock options exercisable:		5,293,011
Average exercise price of:	$	0.11
Warrants outstanding:		12,256,422
Average exercise price of:	$	0.13

Stock options outstanding:			
Expiry date	**Exercise price**		**Number of stock options outstanding**
May 16, 2021	$	0.065	424,301
February 5, 2023	$	0.105	2,375,000
October 24, 2023	$	0.110	510,097
June 17, 2024	$	0.075	672,263
June 26, 2025	$	0.150	1,311,350
			5,293,011

Warrants outstanding:			
Expiry date	**Exercise price**		**Number of warrants outstanding**
November 30, 2020	$	0.100	900,000
November 30, 2020	$	0.150	7,400,000
October 18, 2021	$	0.150	1,159,090
.May 7, 2022	$	0.100	2,797,332
			12,256,422

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at June 30, 2020 or as at the date of this MD&A.

CRITICAL ACCOUNTING ESTIMATES

The critical judgements and estimates are disclosed in note 5 of the unaudited interim financial statements as at June 30, 2020.

RELATED PARTY TRANSACTIONS

Transactions with a shareholder

For the three and six months ended June 30, 2020, Golden Valley recharged general and administrative expenses to the Company for a total amount of $nil.

For the three months ended June 30, 2019, Golden Valley recharged general and administrative expenses to the Company for a total amount of $17,057, of which $5,322 was capitalized as Exploration and Evaluation assets and the remaining $11,735 was recorded in the statement of net loss.

For the six months ended June 30, 2019, Golden Valley recharged general and administrative expenses to the Company for a total amount of $33,151, of which $8,340 was capitalized as Exploration and Evaluation assets and the remaining $24,811 was recorded in the statement of net loss.

For the three and six months ended June 30, 2020, no consultant fees (for the three and six months ended June 30, 2019 - $6,000 and $12,000, respectively) were incurred from Golden Valley relating to the services of the Company's CFO.

For efficiency reasons, where the Company and Golden Valley are dealing with the same suppliers one may pay for both and be reimbursed by the other. As at June 30, 2020, the Company had net receivable of $3,739 (December 31, 2019 – net receivable of $8,400) due from Golden Valley.

Transactions with key management

Key management personnel of the Company comprise of the members of the Board of Directors, as well as the President, the Chief Operating Officer ("COO"), the Chief Financial Officer ("CFO") and the Vice-President Exploration ("VP Exploration").

For the three and six months ended June 30, 2020, the Company incurred fees of $24,000 and $48,000 respectively with the COO which were recorded under consulting fees in the statement of net loss (for the three and six months ended June 30, 2019 - $24,000 and $48,000, of which $18,000 and $36,000 was capitalized as Exploration and Evaluation asset and of which $6,000 and $12,000 was recorded under consulting fees in the statement of net loss, respectively). As at June 30, 2020, no amount (December 31, 2019 - $14,400, included in accounts payable and accrued liabilities) was due to the COO.

For the three and six months ended June 30, 2020, the Company incurred fees of $16,738 and $46,865, respectively with the VP Exploration which fees were recorded under consulting fees in the statement of net loss (for the three and six months ended June 30, 2019 - $28,827 and $54,915, respectively, which were recorded under Exploration and Evaluation asset. As at June 30, 2020, the amount of $6,415 (December 31, 2019 - $18,969) is due to the VP Exploration and is included in accounts payable and accrued liabilities.

For the three and six months ended June 30, 2020, the Company granted stock options to key management personnel to purchase an aggregate 1,220,000 common shares of the Company. The Company recorded a stock-based compensation of $159,110 as part of this transaction.

For the three and six months ended June 30, 2019, the Company granted stock options to key management personnel to purchase an aggregate 547,263 common shares of the Company. The Company recorded a stock-based compensation of $34,657 as part of this transaction.

Transactions with related parties

For the three and six months ended June 30, 2020, the Company incurred fees of $nil and $7,000 (for the three and six months ended June 30, 2019 - $10,500 and $21,000) with an individual, the spouse of the President, as part of a consulting agreement for corporate finance and advisory services which expired in February 2020. These fees were recorded under consulting fees in the statement of net loss.

For the three and six months ended June 30, 2020, the Company incurred rent and occupancy fees of $3,000 and $3,000 respectively with a company controlled by the President which fees were recorded under office expenses in the statement of net loss (for the three and six months ended June 30, 2019 - $5,877 and $8,877, of which $2,250 and $4,500 was recorded under Exploration and Evaluation asset and $750 and $1,500 was recorded under office expenses in the statement of net loss).

For efficiency reasons, where the Company and related parties are dealing with the same suppliers one may pay for both and be reimbursed by the other. As at June 30, 2020, the Company had a net receivable balance of $5,624 (December 31, 2019 – net receivable of $43,463) due from related parties of which $3,739 (December 31, 2019 – net receivable of $8,400) was due from Golden Valley, $nil (December 31, 2019 – net payable of $1,348) was due to a company controlled by the President, and of $1,885 (December 31, 2019 – net receivable of $36,411) due from companies related by common management.

COMMITMENTS

a) The Company has entered into a long-term agreement for the lease of an equipment expiring on July 25, 2022, which will require total lease payments of $11,768. The minimum lease payments for the next years are $2,769 in 2020 and 2021 and $1,384 in 2022.

b) On April 7, 2020, the Company amended its Option Agreement on the Boston Bulldog Prospect to extend the deadline to incur minimum exploration and evaluation expenditures of $50,000 to April 7, 2021.

c) The Company has the following share payment commitments in connection with its Option Agreement with Golden Valley: 4,166,667 common shares on December 31, 2020.

d) The Company has also entered into a consulting agreement with the VP Exploration for an annual payment of $66,950. This consulting agreement contains change of control provisions. If a change of control would occur, the total amount payable in respect of severance, would amount to $200,000 if the consulting agreement is terminated by the Company, and $100,000 if the consulting agreement is terminated by the VP Exploration within six months from the date of change of control.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The changes in accounting policies including those that have not been adopted are explained in note 4 of the unaudited interim financial statements as at June 30, 2020.

RISKS RELATED TO FINANCIAL INSTRUMENTS

Please refer to Note 20 of the audited financial statements for the year ended December 31, 2019, for a full description of these risks.

RISKS AND UNCERTAINTIES

An investment in the common shares of the Company involves a high degree of risk and must be considered highly speculative due to the financial and operational risks inherent to the nature of the Company's business and the present stage of exploration and development of its mineral resource properties. These risks may affect the Company's eventual profitability and level of operating cash flow. Prospective buyers of the common shares of the Company should consider the following risk factors:

Climate Change

The Company has its own properties and properties under option agreements in various regions and jurisdictions where environmental laws are evolving and are not consistent. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impact of climate change, such as regulation relating to emission levels. If the current regulatory trend continues, this may result in increased costs directly or indirectly affecting the Company. In addition, the physical effect of climate change, such as extreme weather conditions, natural disasters, resource shortages, changing sea levels and changing temperatures, could have an adverse financial impact on operations located in the regions where these conditions occur, directly or indirectly impacting the business of the Company.

Investment of Speculative Nature

Investing in the Company, at this early stage of its development, is of a highly speculative nature.

Nature of Mineral Exploration and Mining

There is no known mineral resource on the Company's properties. Mineral exploration and development involve a high degree of risk, requires substantial expenditures and few properties that are explored are ultimately developed into producing mines.

Exploration and Development Risks

Resource exploration and development is a speculative business, involving considerable financial and technical risks, including the failure to discover mineral deposits, market fluctuations and government regulations, which are beyond the control of the Company.

Additional Financing

Future exploration and development activities will require additional equity and debt financing. Failure to obtain such additional financing could result in delay or indefinite postponement of exploration and development of the property interests of the Company.

Stress in the Global Economy and Financial Condition

The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing.

Permits and Licenses

There can be no assurances that the Company will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations for its proposed projects.

Competition

The mineral exploration and mining business is competitive in all of its phases. There is no assurance that the Company will be able to compete successfully with the competition in acquiring suitable properties or prospects for mineral exploration.

No Assurance of Title to Property

The Company's claims may be subject to prior unregistered agreements or transfers or third party and native land claims and title may be affected by undetected defects.

Dependence on Key Individuals

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company.

Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting the Company's ability to undertake exploration and development activities in respect of present and future properties.

Conflicts of Interest

The directors and officers of the Company are also directors and officers of other companies, some of which are in the same business as the Company. This situation may result in conflicting legal obligations which may expose the Company to liability to others and impair its ability to achieve its business objectives.

Insurance

The Company will remain at risk and will be potentially subject to liability for hazards associated with mineral exploration which it cannot insure against or which it has elected not to insure against because of premium costs or other reasons.

Influence of Third-Party Stakeholders

Claims by third parties on the lands in which the Company holds interests, or the exploration equipment and road or other means of access which the Company intend to utilize in carrying out work programs or general exploration mandates, even if not meritorious, may create delays resulting in significant financial loss and loss of opportunity for the Company.

Fluctuation in Market Value of Shares

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the entity. The future effect of these and other factors on the market price of Company's shares on the Exchange cannot be predicted.