Golden Sky Minerals Corp.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2021

General

This Management's Discussion and Analysis ("MD&A") of Golden Sky Minerals Corp. (formerly Luckystrike Resources Ltd.) ("Golden Sky", or the "Company") has been prepared by management as at April 28, 2022 and should be read in conjunction with the audited financial statements for the year ended December 31, 2021 and the notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar amounts included in this MD&A are stated in Canadian dollars unless otherwise indicated. Readers are encouraged to read the Company's public information filings on SEDAR at www.sedar.com.

Cautionary Note Regarding Forward-Looking Statements

In this MD&A, forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements, which speak only as of the date the statements were made, and the readers are advised to consider such forward-looking statements in light of risks as set forth in the following discussions.

1. Company Overview

Golden Sky is a British Columbia corporation located in Vancouver, BC. It is a publicly traded company listed on the TSX Venture Exchange ("Exchange") under the symbol "AUEN.V". Golden Sky's primary focus is mineral exploration.

Golden Sky was incorporated in January 2018 and was a fully owned subsidiary of Trailbreaker Resources Ltd. (formerly Goldstrike Resources Ltd.) ("Trailbreaker"). In May 2018, Trailbreaker announced that it has entered into an Arrangement Agreement (the "Arrangement") with Golden Sky to spinout Trailbreaker's White Gold District properties into a separate public company. The Arrangement was approved and effective on August 10, 2018. (See news release dated August 10, 2018). The Company is in the process of conducting exploration activities on its properties.

2. Mineral Properties

The six White Gold District properties, being the Luckystrike, BRC, Gold Source, Hot Spot, King's Ransom and Bull's Eye properties (collectively, the "White Gold Properties"), are located in the Yukon, Canada. They are 100% owned by the Company without NSR pursuant to the Arrangement. The Company also recently acquired a project in British Columbia called the Rayfield Property. The Rayfield Property is 100% owned with no underlying royalties with one-time property purchase agreements made with two other property owners in the area.

3. Asset Exploration and Evaluation

The following is a review of the Company's main assets with specific targets organized by property. All assessment and NI 43-101 reports referenced below are publicly available through the Government of the Yukon Department of Energy, Mines and Resources and SEDAR.

Lucky Strike Property

The Lucky Strike Property is located 90 kilometres south of Dawson, Yukon. It is 100% owned by the Company and comprises over 100km^2 of ground in the heart of the White Gold District. It is adjacent to the White Gold property, held by White Gold Corp, which hosts the Golden Saddle deposit, with an Indicated Resource of 961,000 oz gold and an Inferred Resource of 282,000 oz gold. The Lucky Strike property is also located 26 kilometres northeast of Newmont/Goldcorp's Coffee property, which hosts a total of 0.74 M oz gold in the Measured and Indicated categories, and 0.94 M oz gold in the Inferred category (estimate, June, 2018). The Lucky Strike property also covers active and past producing placer gold creeks, and a permitted airstrip. It also has direct river access, with a commercial barge landing and airstrip nearby. Goldcorp's proposed haul road from the Coffee Creek property crosses the Lucky Strike property at two locations.

A major structural feature trending northwest to southeast has been identified on the property with five large soil geochemical anomalies paralleling this structure for 10 kilometers. From northwest to southeast these anomalies are known as the Monte Carlo, Belmont, Samson, Boss, and Maverick zones. All mineralized zones appear to be hosted within highly weathered and oxidized units of quartz veined, sub-brecciated, silicified and carbonate altered orthogneiss and schist. The property is also intruded by Early Jurassic to Eocene plutonic and volcanic suites, consisting of granite, granodiorite, and monzonite.

Monte Carlo

The Monte Carlo zone is outlined on surface by a large 1,400 metres x 450 metres soil anomaly and remains open to the southeast and northwest. Soil values from this zone range from below detection level to over 1.9 g/t gold. This zone is also characterized by elevated values of silver (Ag), tellurium (Te), molybdenum (Mo), and copper (Cu), a similar geochemical signature to the Golden Saddle deposit.

Forty-four trenches were designed to test the mineralization in several directions with encouraging results. Trenching highlights include 0.42 g/t gold over 154 metres, including 0.76 g/t gold over 78 metres (2016), 2.87 g/t Au over 22.5 metres, and 6.70 g/t Au over 2.5 metres, and 0.69 g/t Au over 30 metres (2017).

From 2017-2019, several drill programs were completed with nine drillholes in 2017 (1,032 metres), eleven in 2018 (1360 metres), and four (1106 metres) in 2019. These drillholes were predominantly shallow exploratory holes designed to test geochemical and geophysical anomalies. Several drillholes intersected significant gold mineralization, including hole DDLS-17-09, which intersected 5.36 g/t gold over 22 metres including 18.79 g/t gold over 5.72 metres.

Belmont

The Belmont zone is a 1,500 metres x 800 metres gold-silver-tellurium anomaly with gold-in-soil values of up to 254 ppb Au. Two 2016 trenches at the Belmont Zone revealed similar mineralization to the Monte Carlo Zone, but with much lower gold grades. These samples returned anomalous values of Au, Te, and Ag. Trench LS-TR-16-11 exposed a 20-metre interval of sheared, strongly silicified, and brecciated orthogneiss, with abundant cubic pyrite. An open-ended chargeability anomaly is present in the eastern-most corner of the 2016 IP survey which is located at the west end of Belmont. The source of the anomaly is unknown but thought to be lithological.

Samson

The Samson Zone represents a 600 metres x 300 metres area of anomalous gold-in-soil up to 91 ppb Au. The 2016 program at the Samson showing consisted of 3 trenches comprising 154 metres. Sampling returned anomalous gold values with the best result being 0.32 g/t Au across 12 metres, including 0.41 g/t Au across 6 metres. Mineralized intervals were hosted by quartz vein-bearing hydrothermal breccia within orthogneiss intercalated with quartz-biotite schist. A hand-dug pit at the location of an anomalous soil sample revealed a blue-grey silicified schist float with visible 15 gold grains in quartz; however, this float only assayed 1.1 g/t Au. Other grabs from the area assay up to 4.26 g/t Au.

Boss

The Boss Zone (previously named "Zone 1" in the 2013 through 2015 assessment reports) is a 1,000 metres x 1,000 metres area of anomalous gold values up to 700 ppb Au with associated silver up to 9.9 ppm Ag. Several trenches and test pits were designed to test the prospective areas from 2013-2015. Highlights from the trenching include ~3 g/t Au across 5 metres within a broad zone of ~100 ppb Au. The highest-grade grab sample returned 41.7 g/t Au (1.22 oz/t) and was taken from the bottom of a hand pit. Two other rock grab samples from the area assayed 5.84 and 2.25 g/t Au. Anomalous gold values were returned from gneiss, orthogneiss or schist, typically associated with various degrees of brecciation, shearing, silicification, seritization, and quartz veining. Gold has a strong correlation with Ag, Sb, Pb, and Ba (Mac Gearailt, 2013).

Maverick

The Maverick zone represents the southeastern extent of the 10-kilometer gold trend. Soil sampling has indicated an area of 150 metres x 200 metres of anomalous gold (up to 90 ppb Au). Trenching in 2018 indicates the source of the mineralization is silicified, oxidized orthogneiss and quartz-sericite schist with quartz veining, slickensides, and fault gouge. This zone appears to continue into the adjacent 'Brew' property (currently held by White Gold Corp.) where significant work has been done.

BRC Property

Similar to the Lucky Strike property, the BRC property is contiguous with White Gold Corp's White Gold property and appears to have many of the key indicators that led to the discovery of the Golden Saddle deposit. On the BRC property, reconnaissance soil sampling in 2009 outlined two -1-kilometre gold geochemical anomalies approximately on trend with, and 5 kilometres from, the Golden Saddle discovery. Of 352 soil samples, 24 returned values from 15 to 40 ppb Au. These anomalies remain to be explained, but gold values are comparable to the initial gold-in-soil geochemical values at the Golden Saddle deposit. Enhanced satellite imagery and ground observations show that the geochemical target is associated with strong potassic alteration and inferred clay alteration, flanked on both sides by a halo of iron oxide.

Bull's Eye Property

The 100% owned Bull's Eye Property is located approximately 175 kilometres south of Dawson, Yukon in the Whitehorse Mining District. Staked in 2017 and expanded in 2020, the Bull's Eye property is comprised of 142 claims (~30 km^2) and is adjacent to K2 Gold Corp's Wels Gold project. Exploration work in 2017 included collection of 308 soil samples and 27 rock samples. The soil sampling program resulted in the discovery of the "Gold Crest Zone". Within this 200 metres x 250 metres gold soil anomaly, a total of 121 soil samples returned values of up to 215 ppb Au, with 28 samples returning gold values ranging from 31.9 ppb Au to 215 ppb Au. Rock grab samples from the Gold Crest zone returned values from <0.002 g/t Au up to 253 ppb Au. The anomaly overlies a regionally mapped bedrock contact separating the Paleozoic basement schists and the Triassic mafic plutonic rocks.

Soil sampling in 2020 expanded the geochemical footprint of the Gold Crest zone to 500 metres x 200 metres, which remains open along strike. A 134-metre long trench was completed in the centre of the Gold Crest zone and returned gold values of 0.69 g/t Au over 78m including 1.03 g/t Au over 44m and including 1.42 g/t Au over 24 metres. Trenching also outlined the close association between gold and quartz stockwork, strong silicification, sericite alteration, and pyritic mineralization. Additional soil sampling also identified a 250 metres x 100 metres gold soil anomaly 1km southeast of the Gold Crest zone with values up to 32 ppb Au.

Hot Spot Property

The 100% owned Hot Spot Property is located approximately 100 kilometres south of Dawson, Yukon. It is located on the Big Creek Fault and is ~25km southeast of the Taurus Cu-Mo-Au porphyry deposit, which has an inferred resource of 68.3 Mt grading 0.275% Cu, 0.032% Mo, and 0.166 g/t Au. Originally staked in 2017 as a grass roots project, it was then expanded in 2018 and 2020 to encompass 222 mineral claims (~46km^2). The Hot Spot property overlies a steeply incised gold bearing placer creek, coincident with a contact between an Eocene felsic volcanic plug (porphyritic rhyolite) and older Permian to Proterozoic basement schistose rocks.

Exploration work included collection of 989 soil samples and 130 rock samples which outlined a large gold soil anomaly known as the "Sure Bet" zone that extends up to 1,700 metres in length and contains gold soil values up to 4.1 g/t Au. The geochemical signature of the "Sure Bet" zone appears to be similar to a low sulphidation epithermal gold system as it is characterized by elevated values of silver (Ag), antimony (Sb), mercury (Hg), and arsenic (As).

Additional 2018 exploration activities included four trenches for a total of 246 metres and a 57-line km ground-based magnetic survey that outlined a significant NE-trending magnetic low structure that parallels the soil anomaly. Trenching over the Sure Bet zone resulted in assays of 0.42 g/t Au over 44 metres including 2.4 g/t Au over 2 metres.

In 2020, the Company successfully completed 568 metres of RC drilling in six shallow exploratory holes that tested a ~200 metres x 200 metres area within the Sure Bet zone. The discovery hole, HSRC-20-02, assayed 1.34 g/t Au over 71.6 metres including 7.72 g/t Au over 6.09 metres. All six holes intersected gold mineralization and alteration that suggests the Sure Bet zone hosts a low-sulphidation epithermal gold system.

During 2021, the Company further expanded the size of the Property by staking additional lode claims. This represents a significant increase to the size of the Property from 4,650 hectares to 7,364 hectares to encompass additional targets highlighted by the Golden Sky's in-house geological team. A 4-hole, 1,317.5 metres diamond drill program was also successfully completed, and observations made from the drill core continues to support the interpretation that the Sure Bet Zone hosts a low-sulphidation epithermal gold system. Results from this drill program are pending.

King's Ransom Property

The 100% owned King's Ransom Property is located approximately 20 kilometres east of 70. Staked in 2017, the King's Ransom property is comprised of 702 quartz claims. The claims overlie Proterozoic and/or Paleozoic metasediments and Paleozoic orthogneiss that are intruded by unfoliated Jurassic to Cretaceous intrusions and dykes. Exploration work included collection of 536 soil samples and 13 rock samples. The soil samples returned no significant values and rock grab samples assayed up to 224 ppb Au. The Company has allowed 621 King's Ransom claims to lapse with 81 quartz remaining claims expiring in April 2021.

Gold Source Property

The 100% owned Gold Source Property is located approximately 80 kilometres southwest of Dawson, Yukon. Also staked in 2017, the Gold Source property is comprised of 540 quartz claims. Reconnaissance ridge top and spur exploration resulted in the collection of 405 soils samples, 19 rock samples and 1 silt sample. Several anomalous soil samples were returned with values up to 21 ppb Au, 527 ppm Zn, 269.4 ppm Pb, and 266 ppm Cu. The Company has allowed the Gold Source claims to lapse and wrote off the carrying amount to $nil.

Rayfield Property

The 100% owned Rayfield Property is located approximately 20 kilometers east of 70 Mile House, British Columbia, Canada. The property was acquired through staking and property purchases with two other property owners culminating in a ~11,000-hectare property (110 km^2). With the completion of the one-time payment property purchases, the Rayfield Property will be 100% owned with no underlying royalties.

The Rayfield Property is located in the Quesnel Trough, which is host to some of British Columbia's most productive copper-producing mines. Underlying the Property is the Late Triassic alkalic Rayfield River Pluton, which has been speculated to be part of the highly prospective Late Triassic Copper Mountain Magmatic Belt in British Columbia. The property largely covers an area of exposed Late Triassic to Early Jurassic Nicola volcanic and intrusive rocks that are typically capped by Miocene to Pliocene basaltic flows and related sediments elsewhere in the region. Several Late Triassic to Early Jurassic plutonic phases is present with syenite, hornblende syenite, leucosyenite, and diorite being the most common. Mineralization is present as primary sulphides (chalcopyrite and bornite) and as secondary minerals (native copper, cuprite, malachite). Secondary minerals tend to be present within fault zones, clay gouge and breccia, whereas the sulphides are interstitial within the syenite or commonly associated with potassium feldspar veinlets.

Historic exploration programs on the property include geological mapping, soil/rock sampling, trenching, geophysics and drilling with up to 31 percussion holes (1,748m total) and 29 diamond drillholes (6,026.2m total).

In 2021, the Company conducted a major soil sampling and prospecting program, which consisted of 1,337 B-Horizon soil samples and 29 rock samples. Samples were submitted to the lab for geochemical and lithogeochemical analysis, results are currently pending. The Company is continuing with historical compilation of data and is planning additional exploration work, including a diamond drill program in 2022.

Eagle Mountain Property

The 100% owned Eagle Mountain Property is located 80 kilometers to the northeast of Dease Lake, British Columbia, Canada, and is in close proximity to highway 37. The property was acquired through staking and totals ~10,000-hectares. The Eagle Mountain Property is 100% owned with no underlying royalties.

The Eagle Mountain Property overlies mafic volcanic and sedimentary strata belonging to the Slide Mountain Terrane, which also underlies Cassiar Gold Corp's neighboring Cassiar Project. Documented mineral exploration on the Eagle Mountain Property is limited to 1983-1986, when prospecting, geological mapping, geophysical surveying, and drilling identified several auriferous quartz veins in the vicinity of stratigraphic contacts and topographic linear features. These features were later identified in drill core as highly sheared and/or fractured volcanic rocks. Geological structures were determined to be predominantly oriented northwest-southeast and east-west.

Historic diamond drilling on the property was conducted in 1986 and consisted of a shallow BQ-core size drill program of 6 holes (376.2m total). Mineralization in these holes was demonstrated to be predominantly associated with stacked, moderately-dipping shears and/or fractures commencing <10m downhole. Some of these structures contained polymetallic quartz veining.

In 2021, the Company contracted Precision GeoSurveys to conduct a high-resolution helicopter-borne magnetic, VLF-EM, and radiometric survey over a 3900-hectare block on the Property. In-house geological interpretation is currently underway with follow-up exploration planned in 2022.

4. Future Outlook

The Company is progressing exploration activities on the Yukon and British Columbia properties based on the exploration and drilling results received to date. The Company has sufficient working capital for its short-term business plans but will require additional funding to advance all the exploration projects forward in future years. It will resort to capital market financing and strategic partnership with other mining companies to obtain the required financial means.

5. Selected Annual Information

	Year Ended December 31, 2021 $	Year Ended December 31, 2020 $	Year Ended December 31, 2019 $
Net and comprehensive loss	(257,302)	(469,378)	(543,587)
Basic loss per share	(0.02)	(0.05)	(0.13)
Total assets	16,696,120	13,859,531	13,125,940
Current liabilities	193,854	253,652	84,089
Working capital	3,255,042	2,276,723	2,132,329
Dividends	Nil	Nil	Nil

In 2019, the most significant items that comprised the net loss of $543,587 were the recognition of $208,915 in stock-based compensation, $123,739 in professional fees and $60,156 in settlement of flow-through share premium. As at the end of fiscal 2019, cash on hand was $2,132,017 (2018: $1,220,168); exploration and evaluation assets were valued at $10,905,339 (2018: $10,232,444). As a result of the financings in 2019, the working capital was $2,132,329.

In 2020, the most significant items that comprised the net loss of $469,378 were the recognition of $151,393 in stock-based compensation, $186,000 in management fees, $42,910 in professional fees and $47,875 in settlement of flow-through share premium. As at the end of fiscal 2020, cash on hand was $2,332,864 (2019: $2,132,017); exploration and evaluation assets were valued at $11,327,832 (2019: $10,905,339). As a result of the financings in 2020, the working capital was $2,276,723.

In 2021, the most significant items that comprised the net loss of $257,302 were the recognition of $158,813 in deferred tax expense, $218,339 in management fees, $74,230 in office and miscellaneous, and $70,988 in professional fee, offset by $386,999 in settlement of flow-through share premium. As at the end of fiscal 2021, cash on hand was $3,426,767 (2020: $2,332,864); exploration and evaluation assets were valued at $13,210,100 (2020: $11,327,832). As a result of the financings in 2021, the working capital was $3,255,042.

6. Results of operations

6.1 Year ended December 31, 2021 and 2020 review:

For the year ended December 31, 2021, the Company recorded a net loss of $257,302 as compared to a net loss of $469,378 for the year ended December 31, 2020.

Major accounts that changed notably for the periods were as follows:

	2021-12-31	2020-12-31		
	$	**$**	**Change**	
Expenses:				
Listing and filing fees	53,466	22,856	30,610	1
Management fees	218,339	186,000	32,339	2
Consulting fees	24,012	28,423	(4,411)	3
Office and miscellaneous	74,230	82,437	(8,207)	4
Professional fees	70,988	42,910	28,078	5
Stock-based compensation	21,735	151,393	(129,658)	6
	(462,770)	**(514,019)**	**51,249**	
Settlement of flow-through share premium	386,999	47,875	339,124	
Deferred tax expense	(158,813)	-	(158,813)	
All other accounts	(22,718)	(3,234)	(19,484)	
Total	**(257,302)**	**(469,378)**	**212,076**	

The main contributing factors for the loss were:

1. Listing and filing fees increased by $30,610 due to the filing fees in relation to the private placements completed in July 2021.
2. Management fees increased by $32,339 due to adjustments to the fees paid to the management.
3. Consulting fees decreased by $4,411 compared to last year.
1. Office and miscellaneous costs decreased by $8,207 due to cost reductions as a result of Covid-19 working from home arrangements.
4. Professional fees include amounts paid to legal services, accounting and financial services and accrued liabilities of audit and tax service. The total cost increased by $28,078 due to more legal service utilized in 2021.
5. Stock based compensation decreased by $129,658 as less stock options were vested during the period.

6.2 For the three months ended December 31, 2021 and 2020 review:

For the three months ended December 31, 2021, the Company recorded a net income of $107,934 as compared to a net loss of $116,448 for the three months ended December 31, 2020.

Major accounts that changed notably for the periods were as follows:

	2021-12-31	2020-12-31		
	$	$	Change	
Expenses:				
Listing and filing fees	7,276	4,781	2,495	1
Management fees	57,000	35,250	21,750	2
Consulting fees	-	28,423	(28,423)	3
Office and miscellaneous	3,176	14,406	(11,230)	4
Professional fees	36,277	22,050	14,227	5
Stock-based compensation	2,983	10,250	(7,267)	6
	(106,712)	**(115,160)**	**8,448**	
Settlement of flow-through share premium	386,999	-	386,999	
Deferred tax expense	(158,813)	-	(158,813)	
All other accounts	(13,540)	(1,288)	(12,252)	
Total	**107,934**	**(116,448)**	**224,382**	

The main contributing factors for the loss were:

2. Listing and filing fees increased by $2,494 compared to the same period last year.
3. Management fees increased by $21,750 due to the changes in classification of management fee.
4. Consulting fee decreased by $28,423 due to consulting service utilized during the same period last year.
5. Office and miscellaneous costs decreased by $11,230 due to cost reductions as a result of Covid-19 working from home arrangements.
6. Professional fees include amounts paid to legal services, accounting and financial services and accrued liabilities of audit and tax service. The total cost increased by $14,227 due to more legal service utilized during the period.
7. Stock based compensation decreased by $7,267 as less stock options were vested during the period.

6.3 Resource Property Expenditures:

During the year ended December 31, 2021, the Company received $80,000 government grant and spent $1,962,268 on its exploration and evaluation assets which have a total carrying value of $13,210,100. The increase in the capital expenditure was mainly due to $826,995 in logistics, $449,960 in trenching and drilling activities, and $277,591 in geological and geophysical consulting service.

For a detailed breakdown, see the mineral property schedule in Note 6 of the Company's audited financial statements for the year ended December 31, 2021.

7. Quarterly Financial Information

Description	2021-12-31 $	2021-09-30 $	2021-06-30 $	2021-03-31 $
Operations				
Interest and other income (loss)	-	16	34	35
Expenses	(117,129)	(126,104)	(105,402)	(114,298)
Settlement of flow-through share premium	386,999	-	-	-
Deferred tax expense	(158,813)	-	-	-
Other non-cash charges	(3,123)	(4,537)	(6,290)	(8,690)
Net loss	107,934	(130,625)	(111,658)	(122,953)
Basic loss per share	(0.01)	(0.01)	(0.01)	(0.01)
Total Assets				
Cash and cash equivalents	3,426,767	3,858,776	2,141,594	2,452,420
Other current assets	22,129	173,595	28,599	10,329
Exploration and valuation assets	13,210,100	13,055,874	11,776,106	11,268,697
Equipment and other assets	37,124	66,559	90,745	30,993
	16,696,120	17,154,804	14,037,044	13,762,439

Description	2020-12-31 $	2020-09-30 $	2020-06-30 $	2020-03-31 $
Operations				
Interest and other income (loss)	3,858	5,791	7,156	8,598
Expenses	(109,615)	(97,331)	(81,318)	(100,140)
Settlement of flow-through share premium	-	47,875	-	-
Other non-cash charges	(10,691)	(16,005)	(121,302)	(6,254)
Net loss	(116,448)	(59,670)	(195,464)	(97,796)
Basic loss per share	(0.01)	(0.01)	(0.02)	(0.01)
Total Assets				
Cash and cash equivalents	2,332,864	1,619,812	1,969,179	2,010,505
Other current assets	197,511	33,469	56,787	67,981
Exploration and valuation assets	11,327,832	11,302,998	10,956,979	10,941,685
Equipment and other assets	1,324	1,765	2,353	3,137
	13,859,531	12,958,044	12,985,298	13,023,308

Quarter ending December 31, 2021:
Ordinary operating expenses for the quarter with the exception of $386,999 in settlement of flow-through share premium and $158,813 in deferred tax expense.

Quarter ending September 30, 2021:
Ordinary operating expenses for the quarter due to the absence of any major impairment or recognition of any extraordinary charges.

Quarter ending June 30, 2021:
Ordinary operating expenses for the quarter due to the absence of any major impairment or recognition of any extraordinary charges.

Quarter ending March 31, 2021:
Ordinary operating expenses for the quarter due to the absence of any major impairment or recognition of any extraordinary charges.

Quarter ending December 31, 2020:
Ordinary operating expenses for the quarter due to the absence of any major impairment or recognition of any extraordinary charges.

Quarter ending September 30, 2020:
Ordinary operating expenses for the quarter due to the absence of any major impairment or recognition of any extraordinary charges.

Quarter ending June 30, 2020:
Ordinary operating expenses for the quarter with the exception of $120,518 in stock-based compensation.

Quarter ending March 31, 2020:
Ordinary operating expenses for the quarter due to the absence of any major impairment or recognition of any extraordinary charges.

8. Liquidity and Capital Resources

Currently, the Company has no operating revenues and does not anticipate any operating revenues until the Company is able to find, acquire, or place in production and operate a mining property. The Company has raised funds in total of $2,028,268 through two private placements during the year 2019, $1,157,750 through a private placement during 2020 and $3,343,149 through a private placement during 2021.

As at December 31, 2021, the Company had cash and cash equivalents of $3,426,767 (2020 - $2,332,864) and working capital of $3,255,042 (2020 - $2,276,723). Currently and into the foreseeable future, the Company is able to fund overhead expenses and to meet obligations committed to maintaining ownership and rights pertaining to all of the Company's mineral properties. Aside from mineral property option agreements, the Company has no other significant financial commitments.

In July 20, 2021, the Company completed a private placement for gross proceeds of $3,343,149 by issuing 4,291,308 units (the "Unit" or "Units") at $0.42 and 2,963,076 flow-through units (the "FT Unit" or "FT Units") at $0.52. Each Unit consisting of one common share of the Company and one common share purchase warrant, with each warrant being exercisable for an additional common share of the Company at $0.60 for 24 months from date of issuance, subject to the right of the Company to accelerate the exercise period should, after the expiration of the 4 month hold, shares of the Company trade close at or above $1.50 for 10 consecutive trading days. Each FT Unit consisting of one flow-through share and one common share purchase warrant, with each warrant being exercisable at $0.80 for a common share of the Company for 12 months from date of issuance, subject to the right of the Company to accelerate the exercise period should, after the expiration of the 4 month hold, shares of the Company trade close at or above $1.50 for 10 consecutive trading days. The flow-through shares will entitle the holder to receive tax benefits applicable to flow-through shares in accordance with the provisions of the Income Tax Act (Canada). The Company paid finder's fee of $107,200 (Note 10). On issuance, the Company recorded a flow-through premium of $296,308

During the year ended December 31, 2021, the Company issued 87,500 common shares upon the exercise of stock options with exercise prices at $0.28 for gross proceeds of $24,500.

During the year ended December 31, 2021, the Company issued 20,000 common shares related to the acquisition of a mineral property with a fair value of $9,000.

On December 29, 2020, the Company completed a private placement for gross proceeds of $1,157,750 by issued 362,500 Units at $0.40 and 2,250,554 FT Units at $0.45. Each Unit consists of one common share of the Company and one common share purchase warrant, each warrant entitling the holder to purchase an additional common share of the Company for $0.75 for a period of 24 months. Each FT Unit consists of one flow-through common share and one-half common share purchase warrant with each full warrant entitling the holder to purchase an additional non-flow-through common share of the Company for $0.80 for a period of 12 months. The Company paid finder's fee of $50,682. On issuance, the Company recorded a flow-through premium liability of $225,055.

Significant resources will be required to finance the Company's planned exploration expenditures. While there are no assurances new funds can be raised, management believes such financing will be made available as required.

The Company manages its capital base by monthly, quarterly, and annual cash flow forecasts. The timing and extent of both program implementation and financing are determined by management's evaluation of economic factors at the time, such as commodity prices, interest rates and foreign exchange, and non-economic factors such as expected impact that completion of a given program may have on the cost of capital.

9. Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

10. Transactions with Related Parties

Key personnel compensation:

Key management personnel compensation		December 31, 2021		December 31, 2020
Management and accounting fees incurred to a company controlled by the Chief Financial Officer of the Company	$	68,589	$	90,000
Management fees paid to the President and Chief Executive Officer of the Company	$	116,000	$	96,000
Director fees paid to the independent directors of the company	$	16,000	$	16,000
Share-based payments	$	-	$	109,628

As at December 31, 2021, $nil (December 31, 2020 - $45,000) owed by the CEO of the Company. These amounts are non-interest bearing.

At December 31, 2021, the Company owes a director $nil (December 31, 2020 - $331), which are payable on demand, does not bear interest and is unsecured.

Equity transactions with related parties:

On July 7, 2021, the Company issued 62,000 Units at a price of $0.42 and 100,000 FT Units at a price of $0.52 to the President and CEO of the Company for gross proceeds of $78,040. Each Unit consisting of one common share of the Company and one common share purchase warrant, with each warrant being exercisable for an additional common share of the Company at $0.60 for 24 months from date of issuance. Each FT Unit consisting of one flow-through share and one common share purchase warrant, with each warrant being exercisable at $0.80 for a common share of the Company for 12 months from date of issuance.

On December 29, 2020, the Company issued 100,002 FT Units of the Company at a price of $0.45 to the President and CEO of the Company for gross proceeds of $45,000. Each unit consists of one-half common share purchase warrant with each full warrant entitling the holder to purchase additional non-flow-through common share of the Company for $0.80 for a period of 12 months.

CRITICAL ACCOUNTING ESTIMATES

A detailed summary of all the Company's significant accounting policies is included in Note 2 of the Company's audited financial statements for the year ended December 31, 2021.

11. Outstanding Share Data

The following securities were outstanding as at April 28, 2022:

Securities	Number	Weighted-Average Exercised Price	Expiry Date
Common shares issued and outstanding	19,484,614	N/A	N/A
Share purchase options	622,500	0.48	December 30, 2023 – August 26,2025
Share purchase warrants	13,660,460	0.68	July 20, 2022 – July 20, 2023
Fully diluted share capital	33,767,574	N/A	N/A

For a breakdown of the securities as at December 31, 2021, refer to Note 8 of the audited financial statements for the year ended December 31 2021.

12. Proposed Transactions

On March 3, 2022, the Company signed an Option Agreement to acquire a 100% interest of the Squid East claims in the Yukon. Under the agreement, the Company will earn the interest upon cash payment of $100,000 and issuing 1,200,000 shares and expended a minimum of $850,000 of exploration expenditures on the Property on or before December 31, 2025. The Optionor will retain a 2.0% Net Smelter Royalty on the Property, of which up to 1.0% may be repurchased by the Company for $1,000,000.

13. Risk Factors

The Company operates as a mineral explorer in the mining industry, which presents the Company with new risks and uncertainties. Mineral exploration involves considerable financial and technical risks. Substantial time and expenditures are usually required to make a discovery and to establish economic ore reserves. It is impossible to assure that the current exploration properties and programs planned by the Company will result in an economic mineral discovery and development. Accordingly, success in achieving the objectives of the Company is affected by many circumstances over which the Company has no control. There is inherent risk in the exploration for mineral resources that is unavoidable.

Also, there are risks associated with the impact of commodity prices on the valuation of mineral properties and share prices and general changes in economic conditions.

Currency risk – The Company's operations are in Canada with most of its expenses being incurred in Canadian dollars. Therefore, currency risk is minimal.

Commodity risk – The valuation of the Company's gold projects and consequently its access to capital are influenced by the price of gold. The price of gold has continued to be robust; however, the long term trend is unpredictable.

Market risk – The Company's mineral exploration activities have to be financed either through joint ventures or in the capital markets through the sale of its Common Shares. The ability of the Company to raise exploration funds in the capital market is highly dependent on the value the market places on the Company's mineral properties and the strength of the metal markets. The value the market places on the Company's mineral properties is directly related to the grade and thickness of the contained mineralization being reported and the potential to develop mineral values into an economic deposit. There is no assurance that the Company will be successful in obtaining the required financing.

Since September 2008, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly those considered exploration stage companies, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur. Share prices of these companies have trended downward making equity financing for many in the shorter term extremely difficult.

The outbreak of the coronavirus, also known as "COVID-19," has spread across the globe and is impacting worldwide economic activity. The extent to which the coronavirus may impact the Company's business activities will depend on the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. The Company continues to closely monitor developments in the coronavirus outbreak, including the potential impact on the Company's activities and its liquidity.