



**INTERNATIONAL PROSPECT VENTURES LTD.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019**

**DATED: April 22, 2021**

## **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 April 22, 2021, and complements the audited consolidated financial statements of International Prospect Ventures Ltd. (the "Company" or "International Prospect"), for the years ended December 31, 2020 and 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. Additional information is provided in the Company's audited consolidated financial statements for the year ended December 31, 2020.

The audited consolidated financial statements and the MD&A have been reviewed by the Audit Committee and approved by the Company's Board of Directors on April 22, 2021. These documents and more information about the Company are available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **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 INTERNATIONAL PROSPECT VENTURES LTD.**

International Prospect Ventures Ltd., ("International Prospect" or 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 #1810 - 1111 West Georgia Street, Vancouver, B.C. V6E 4M3. The Company also has exploration offices located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9.

International Prospect is the parent company of Valroc Ventures Pty Ltd. ("Valroc"), a New South Wales company, located in Australia.

The Company's common shares trade on Tier 2 of the TSX Venture Exchange under the trading symbol "IZZ".

Golden Valley Mines Ltd. ("Golden Valley"), a significant shareholder, holds a 13.44% interest in the Company as at December 31, 2020 (December 31, 2019 – 16.50%).

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS**

International Prospect Ventures strives to ensure that its exploration activities on its properties in Western Australia and in Canada support environmental sustainability and social responsibility. International Prospect Ventures also makes every effort to ensure that it meets all required standards of corporate governance, following industry best practices and satisfying legal and regulatory requirements.

## **PROJECTS IN THE PILBARA CRATON, WESTERN AUSTRALIA**

In 2017, the Company and Valroc made an application for eight tenements in the Marble Bar and Nullagine areas of the Pilbara Region, Western Australia (Fortescue Basin). The eight properties cover more than 1,026 square kilometres and are proximal to and/or cover target lithologies for gold-bearing conglomerate/sedimentary rocks at the base of the Mt. Roe Basalt (2 tenements), gold-bearing Mosquito Creek and Hardey formations (4 tenements), and other prospective rocks of the Fortescue Group (2 tenements). Seven of the eight tenements are proximal to lands held by Novo Resources, Pacton Gold, and Millennium Minerals. The strategic locations of the claims were determined on the basis of a review of known geology and historical exploration results, and a focus on coarse-grained conglomerate host rocks at, or in proximity to, a prominent and well-documented geological unconformity. Granting of the exploration licences for all eight properties was completed in 2019.

The following table provides a summary of the Company's eight tenements in eastern part of the Pilbara, Western Australia:

Licence	Area (ha)	Description	Known Prospects
E45/5024	4650	Dominated by Fortescue Group including interpreted Mt. Roe Basalt and Hardey Formation at depth. Proximal to Novo Resources and Pacton Gold.	-
E46/1197	2170	Covers Nullagine Group including Mosquito Creek Formation which hosts multiple gold prospects and mines along strike to the west.	Little Linden West (Au) Little Linden South 1 (Au) Little Linden South 2 (Au) Little Linden South 3 (Au)
E46/1198	4030	Covers Nullagine Group including Mosquito Creek Formation which hosts multiple gold prospects and mines along strike to the west.	-
E46/1202	930	Covers Nullagine Group including Mosquito Creek Formation which hosts multiple gold prospects and mines along strike to the west.	-
E46/1201	1240	Covers Nullagine Group including Mosquito Creek Formation which hosts multiple gold prospects and mines along strike to the west.	-
E46/1199	7440	East half dominated by Fortescue Group.	Coondamar Creek CEC (Cu-Pb-Zn) Coondamar Creek Mogul (Cu-Pb-Zn-Ag)
E45/5023	62000	Covers Fortescue Group that include prospective conglomerates. Two prospects on the Property hosted by Hardey Formation.	Fletchers Find (Au) Pearana 1 (Cu-Pb-Zn)
E46/1200	20150	Dominated by Fortescue Group with Mt. Roe Basalts and Hardey Formation in the area.	-

In 2020, the Company received two (2) Prospecting Permit notices and executed five (5) Prospecting Agreements with local prospectors. The prospectors use metal detecting methods to search for gold nuggets at or near the surface. Results from 2020 third party prospecting include 246 gold nuggets with a total weight of 153.4 g with individual nuggets ranging from 0.1 to 1.5 g from Licence E46/1197 and 35 gold nuggets with a total weight of 21.99 g with individual nuggets ranging from 0.1 to 3.5 g from Licence E46/1198. Some time was spent prospecting Licence E46/1201 but no nuggets were reported.

In Western Australia, operations and the advancement of the Company's key prospects were limited due to COVID-19 restrictions introduced by the State and Federal Governments relating to movement and travel into, and within Western Australia. In addition, restrictions introduced by the West Australian and Federal Governments to curb the spread of COVID-19 has disrupted operations and increased the economic pressures on mining and exploration companies. Under the Mining Act 1978 (WA) (Mining Act), the holder of a tenement (other than a retention licence) is required to meet minimum expenditure requirements in respect of exploration and mining activities. On March 27, 2020, the Minister for Mines and Petroleum announced an exemption from exploration expenditure if tenement holders are unable to meet expenditure requirements as a direct result of COVID-19 or because of restrictions imposed by State or Federal Governments. This exemption was valid until March 31, 2021.

## Update on COVID-19

The global outbreak of COVID-19 has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. Similarly, the government of Western Australia has imposed strict travel restrictions where the tenements are located. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

## **CANADIAN MINERAL PROPERTIES**

### The Porcupine Miracle Prospect

The Company owns a 100% interest in the Porcupine Miracle Prospect, located approximately 30 km southeast of South Porcupine (Timmins, Ontario) and is comprised of 9 mining claim cells (64 ha) within Langmuir Township, north-eastern Ontario. Historical work completed in the early 1900's by the Porcupine Miracle Gold Mining Company reportedly included shaft sinking, underground development and the construction of a stamp mill. No records exist as to any production.

The property is subject to a royalty in favour of 2973090 Canada Inc., a company controlled by a director of the Company, equal to 3% of net smelter returns. In addition, advance royalty payments of \$10,000 per annum is payable by the Company, which commenced in July 2017; the advance royalty payments will be deducted from the amounts payable under the royalty. The Company has completed a Phase I property-scale ground magnetic, induced polarization (IP) and Horizontal Loop Electromagnetic (HLEM) geophysical surveying. A follow-up Phase II program of prospecting, mapping, bedrock stripping, sampling and diamond drilling is recommended.

The property is available for option and International Prospect is actively seeking joint venture partners.

### Beartooth Island Prospect

The Company holds a 40% interest in the Beartooth Island Prospect located in the Athabasca Basin in the province of Saskatchewan. The property consists of one claim totaling 5,940 hectares. Ditem Explorations Inc. is the operator. No exploration work was conducted on the properties in 2020.

### Otish/Mistassini Prospect - North Central Québec

The Company owns a 100% interest in the Otish/Mistassini Prospect located in north-central Québec. The prospect comprises of 46 claims covering an area of 2,447 hectares, within four (4) separate claim blocks located in the province of Québec. No exploration work was conducted on the properties in 2020.

## CORPORATE DEVELOPMENT

### Non-brokered private placement

On May 20, 2020, the Company announced that it conducted a non-brokered private placement offering, which offering was completed on June 17, 2020. The Company issued 6,161,109 Units at a per Unit price of \$0.09 for gross proceeds of \$554,500. Each Unit consisted of one common share in the capital of the Company and one non-transferable share purchase warrant, each warrant entitling the holder to purchase one common share at a per share price of \$0.13 until June 17, 2022. The proceeds raised from this offering will be used by the Company to explore the Wits End Prospect in the Pilbara Craton, Western Australia, and to evaluate additional properties and NSR royalties, and for general corporate purposes.

### Changes to Senior Management

The Company welcomes Mr. Martin Walter as the new President and CEO of the Company, replacing Mr. Glenn Mullan who has been appointed Chairman of the Board. Mr. Walter has over 20 years of exploration and mine geology experience on precious metal projects worldwide. He is currently Chief Executive Officer at Nubian Resources Ltd. He has also served as a Director of, and led a number of junior mining and development companies listed on the Toronto Stock Exchange including Forrester Resources Corp., Treasury Metals Inc. and Aquiline Resources Inc. Mr. Walter holds a BSc. Degree in Geology from the University of Ballarat, Australia and an MBA from the University of Toronto.

The Company has also formally appointed Dr. Scott Jobin-Bevans as the new Vice President, Exploration. He has almost 30 years in the mineral exploration business and more than 17 years of direct experience with public and private companies as an officer, director and technical advisor and has been involved with taking several private companies public. Dr. Jobin-Bevans is the President & CEO, Director and Principal Geoscientist at Caracle Creek International Consulting Inc., a geological and geophysical consulting group which he co-founded in 2001. He is a registered geoscientist with the Association of Professional Geoscientists of Ontario, an Adjunct Professor in the Department of Geology, Lakehead University and a certified Project Management Professional.

## SELECTED FINANCIAL POSITION

	As at December 31,	
	2020	2019
Cash and cash equivalents	\$ 468,143	\$ 336,830
Other current assets	17,789	24,526
Advance to related party	-	1,465
Exploration and evaluation assets	625,708	552,303
<b>Total Assets</b>	<b>\$ 1,111,640</b>	<b>\$ 915,124</b>
Accounts payable and accrued liabilities	19,371	1,444
Due to related parties	77,224	101,703
<b>Total Liabilities</b>	<b>\$ 96,595</b>	<b>\$ 103,147</b>
<b>Total Equity</b>	<b>\$ 1,015,045</b>	<b>\$ 811,977</b>

## TOTAL ASSETS

### *Cash and cash equivalents*

The Company ended fiscal year 2020 with cash and cash equivalents of \$468,143 compared to \$336,830 in fiscal 2019, an increase of \$131,313 resulting from the non-brokered private placement offering of 6,161,109 Units at a per Unit price of \$0.09 for gross proceeds of \$554,500 as discussed above.

### *Other current assets*

Other current assets of \$17,789 as at December 31, 2020 (December 31, 2019 -\$24,526) included sales taxes recoverable of \$11,851 (December 31, 2019 -\$18,266), and prepaid expenses and deposits of \$5,938 (December 31, 2019 - \$6,260).

### *Exploration and evaluation assets*

Exploration and evaluation assets of \$625,708 as at December 31, 2020 (December 31, 2019 - \$552,303) include the following properties:

<b>Prospects</b>	<b>As at December 31, 2020</b>	
	<b>2020</b>	<b>2019</b>
Pilbara Region	\$ 532,000	\$ 453,214
Porcupine Miracle	93,708	93,708
Other	-	5,381
<b>Total</b>	<b>\$ 625,708</b>	<b>\$ 552,303</b>

The increase in Exploration and evaluation assets relates to additions of \$88,785 mainly for claim and claim maintenance fees for the prospects in the Pilbara Region, Western Australia.

## TOTAL LIABILITIES

As discussed further in the related party balances and transactions section below, amounts due to related parties of \$77,224 (December 31, 2019 - \$101,703) include balances owing to Golden Valley, a significant shareholder of the Company, in the amount of \$65,782 (December 31, 2019 - \$68,520), to Val-d'Or Mining Corporation ("Val-d'Or Mining"), an entity that has common key management personnel with the Company, in the amount of \$nil (December 31, 2019 - \$33,183), to the VP Exploration of the Company in the amount of \$5,250 (December 31, 2019 - \$nil), to 2973090 Canada Inc. a company controlled by a director of the Company in the amount of \$4,024 (December 31, 2019 - \$nil) and to a director of the Company in the amount of \$2,168 (December 31, 2019 - receivable of \$1,465).

For efficiency reasons, where the Company and the related parties are dealing with the same suppliers one may pay for both and be reimbursed by the other, which was formalized on July 1, 2020, with the Company entering into a Cost Sharing Arrangement with Golden Valley as further described below.

## EQUITY

Equity totalled \$1,015,045 as at December 31, 2020 compared to \$811,977 as at December 31, 2019, an increase of \$203,068 mainly due to the issuance of 6,161,109 common shares, for gross proceeds of \$554,500 relating to the private placement offering that closed on June 17, 2020, share-based payment of \$62,848 recognized on 665,000 incentive stock options at an exercise price of \$0.115 per share granted to directors, officers and consultants, offset by the net loss for the year ended December 31, 2020 of \$377,920.

## DISCUSSION AND RESULTS OF OPERATIONS

	For the year ended December 31,		
	2020	2019	2018
Operating expenses	\$ 376,597	\$ 295,495	\$ 194,369
Other expenses	1,323	2,036	420
<b>Net loss and comprehensive loss</b>	<b>\$ 377,920</b>	<b>\$ 297,531</b>	<b>\$ 194,789</b>
<b>Basic and diluted net loss per common share</b>	<b>\$ 0.012</b>	<b>\$ 0.011</b>	<b>\$ 0.008</b>

The net loss for fiscal year 2020 was \$377,920 (or \$0.012 loss per share), compared to \$297,531 (or \$0.011 loss per share) for the same period in 2019. The higher net loss in 2020 was mainly from consulting fees of \$60,000 and exploration and evaluation expenses of \$95,135 primarily paid to senior management starting on July 1, 2021, and impairment of \$15,380 relating to the Company's exploration and evaluation assets, offset by lower professional fees and travel expenses.

The net loss for the year ended December 31, 2019 was \$297,531 (or \$0.011 loss per share), compared to \$194,789 (or \$0.008 loss per share) for the same period in 2018. The higher net loss in 2019 was mainly due to share-based payments of \$60,172 being recognized on granting of 500,312 incentive stock options in 2019 compared to no incentive stock options being granted for the same period in 2018, an impairment charge of \$30,000 on exploration and evaluation assets and an increase in travel resulting from site visits completed in November 2019 by International Prospect management.

## CASH FLOW ANALYSIS

	For the year ended December 31,	
	2020	2019
Operating activities	\$ (299,507)	\$ (185,407)
Investing activities	(87,320)	(85,794)
Financing activities	518,140	(9,169)
<b>Increase (decrease) in cash</b>	<b>\$ 131,313</b>	<b>\$ (280,370)</b>



Cash outflows from operating activities for fiscal year 2020 totaled \$299,507 compared to \$185,407 for fiscal year 2019. The increase in cash outflows for 2020 was mainly due to increase in consulting and exploration fees as discussed above and timing of working capital requirements.

Cash outflows from investing activities for fiscal year 2020 totalled \$87,320 compared to \$85,794 for fiscal year 2019. Cash outflows in 2020 were related to claim and claim maintenance fees of \$78,785 on the Pilbara prospects in Western Australia and royalty advance of \$10,000 paid to 2973090 Canada Inc.

Cash inflows from financing activities for fiscal year 2020 totalled \$518,140 compared to cash outflows of \$9,169 for fiscal year 2019. Cash inflows in 2020 were mainly related to the non-brokered private placement offering of 6,161,109 Units at a per Unit price of \$0.09 for gross proceeds of \$554,500 as discussed above.

## 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, the notes to those statements and "Results of Operations" herein.

	Dec 2020	Sept 2020	Jun 2020	Mar 2020	Dec 2019	Sept 2019	Jun 2019	Mar 2019
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	118,721	120,730	99,016	38,130	93,269	37,250	101,385	63,591
Other expenses (income)	(45)	838	(119)	649	468	1,126	182	260
<b>Net loss and comprehensive loss</b>	<b>\$ 118,676</b>	<b>\$ 121,568</b>	<b>\$ 98,897</b>	<b>\$ 38,779</b>	<b>\$ 93,737</b>	<b>\$ 38,376</b>	<b>\$ 101,567</b>	<b>\$ 63,851</b>
Basic and diluted net loss per common share	\$ 0.004	\$ 0.004	\$ 0.004	\$ 0.001	\$ 0.003	\$ 0.001	\$ 0.004	\$ 0.002

The net loss for the three months ended December 31, 2020 was \$118,676 (or \$0.004 loss per share), compared to \$93,737 (or \$0.003 loss per share) for the same period in 2019. The net loss for the three months ended December 31, 2020 was mainly related to consultant and exploration fees paid to management that came into effect on July 1, 2020, while the net loss for the same period in 2019 was mainly related to travel expenses on site visits in the Pilbara, Western Australia prospects in November 2019 and an impairment charge of \$30,000 on exploration and evaluation assets.

## LIQUIDITY, CAPITAL RESOURCES AND SOURCES OF FINANCING

As at December 31, 2020, the Company had a cash position of \$468,143, which is sufficient to meet its current overhead requirements for 2021, which is estimated to be \$150,000. The Company will however require additional funding for its annual rent and the minimum annual expenditures required for its prospects in Pilbara, Western Australia.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To preserve or modify its capital structure and to carry on the development of its mining properties, the Company may issue additional common

shares or negotiate new loans. 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.

Readers are invited to refer to the Risk and Uncertainties section for more information.

## **COMMITMENTS**

Please refer to Note 19 of the audited consolidated financial statements for the Company's commitments.

## **RELATED PARTY TRANSACTIONS**

### *a) Transactions with a shareholder*

Effective July 1, 2020, the Company entered into a Cost Sharing Arrangement (the "Sharing Arrangement") with Golden Valley, pursuant to which Golden Valley will provide certain management and financial services such as office space and administrative support relating to the exploration offices located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9, in consideration of \$8,919 per year (the "reimbursement"), payable on a monthly basis. The Sharing Arrangement provides for the reimbursement to be reviewed on an annual basis. For the year ended December 31, 2020, the Company reimbursed Golden Valley the amount of \$5,291 relating to this Sharing Arrangement.

For the year ended December 31, 2020, general and administrative expenses of \$5,291 were recharged by Golden Valley to the Company (for the year ended December 31, 2019 - \$3,925), which were recorded in the consolidated statements of net loss and comprehensive loss. No consulting fees were recharged by Golden Valley to the Company for the services provided by its CEO (for the year ended December 31, 2019 - \$75,000, capitalized to Exploration and Evaluation Assets) and for the services provided by its CFO (for the year ended December 31, 2019 - \$12,000, recorded under professional fees in the consolidated statements of net loss and comprehensive loss).

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 December 31, 2020, the Company had indebtedness of \$65,782 (December 31, 2019 - \$68,520) to Golden Valley, which is included in due to related parties.

### *b) Transactions with key management*

Key management personnel of the Company comprise of the members of the board of directors, as well as the President and Chief Executive Officer, Vice President Exploration, and the Chief Financial Officer. The compensation paid to key management is presented below:

- For the year ended December 31, 2020, consultant fees of \$21,000 (2019 - \$nil) were paid by the Company to 2973090 Canada Inc. a company controlled by a director of the Company, relating to the services of the Company's Chairman of the Board. These fees are recorded under exploration and evaluation expense in the consolidated statements of net loss and comprehensive loss. In addition, as

part of a Mining Option Agreement signed on the Porcupine Miracle Prospect, the Company paid an advance royalty payment of \$10,000 (2019 - \$10,000) to 2973090 Canada Inc. As at December 31, 2020, the Company had indebtedness of \$4,024 (December 31, 2019 - \$nil) to 2973090 Canada Inc, which is included in due to related parties.

- For the year ended December 31, 2020, consultant fees of \$60,000 (2019 - \$nil) were incurred by the Company to Ironbark International Limited relating to the services of the Company's President and CEO. These fees are recorded under consulting fees in the consolidated statements of net loss and comprehensive loss.
- For the year ended December 31, 2020, consultant fees of \$31,975 (2019 - \$nil) were incurred by the Company for the services of the Company's VP Exploration. These fees are recorded under exploration and evaluation expenses in the consolidated statements of net loss and comprehensive loss. As at December 31, 2020, the Company had indebtedness of \$5,250 (December 31, 2019 - \$nil) to the Company's VP Exploration, which is included in due to related parties.
- For the year ended December 31, 2020, consultant fees of \$30,000 (2019 - \$nil) were incurred by the Company to a company controlled by the Chief Operating Officer of the Company for technical services. These fees are recorded under exploration and evaluation expenses in the consolidated statements of net loss and comprehensive loss.
- For the year ended December 31, 2020, director fees of \$5,000 (2019 - \$nil) were incurred by the Company. As at December 31, 2020, the Company had indebtedness of \$2,168 (December 31, 2019 – receivable of \$1,465) to the Company's director, which is included in due to related parties.
- For the year ended December 31, 2020, the Company granted stock options to Directors and Officers to purchase an aggregate 630,000 common shares of the Company, of which share-based payments of \$59,540 was recorded by the Company. For the year ended December 31, 2019, the Company granted stock options to Directors and Officers to purchase an aggregate 475,312 common shares of the Company, of which share-based payments of \$67,240 was recorded by the Company.

*c) Transactions with related parties*

For the year ended December 31, 2020, the Company was recharged exploration and evaluation expenses for \$2,063, respectively (general and administrative expenses of \$28,625 for the year ended December 31, 2019) from Val-d'Or Mining Corporation ("Val-d'Or Mining"), an entity that has common key management personnel with the Company. No consulting fees were recharged by Val-d'Or Mining to the Company for the services provided by its COO (for the year ended December 31, 2019 - \$48,000, capitalized to Exploration and Evaluation Assets).

For efficiency reasons, where the Company and Val-d'Or Mining are dealing with the same suppliers one may pay for both and be reimbursed by the other, which was formalized on July 1, 2020, with the Company entering into a Cost Sharing Arrangement with Golden Valley, as described above. As December 31, 2020, the Company had no indebtedness (December 31, 2019 –\$33,183) to Val-d'Or Mining.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

## JUDGMENT, ESTIMATES AND ASSUMPTIONS

The judgements, estimates and assumptions used by management are described in Note 6 of the audited consolidated financial statements.

## INFORMATION ON OUTSTANDING SECURITIES

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

<b>Common shares outstanding:</b>	33,264,237
<b>Stock options outstanding:</b>	3,325,312

Expiry date	Exercise price	Number of stock options outstanding
February 28, 2024	\$ 0.170	50,000
June 17, 2024	\$ 0.160	450,312
June 26, 2025	\$ 0.115	665,000
July 10, 2027	\$ 0.050	1,565,000
December 12, 2027	\$ 0.265	595,000
		3,325,312

### Warrants outstanding:

Expiry date	Exercise price	Number of warrants outstanding
June 17, 2022	\$ 0.130	6,249,270
		6,249,270

## CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The changes in accounting policies including those that have not been adopted are explained in Notes 4 and 5 of the audited consolidated financial statements as at December 31, 2020.

## RISKS RELATED TO FINANCIAL INSTRUMENTS

Readers are invited to refer to Note 18 of the audited consolidated financial statements for the year ended December 31, 2020, 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 properties and joint venture 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 are no known mineral resources on the Company's properties. Mineral exploration and development involves 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.

### *Country risk*

The Company has operations outside Canada in Australia. The Australian regulatory regime is generally stable. Country risk refers to the risk of investing in a country, dependent on changes in the business environment that may adversely affect operating profits or the value of assets in a specific country. For example, financial factors such as currency controls, devaluation or regulatory changes, or stability factors such as mass riots, civil war and other potential events contribute to companies' operational risks.

### *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. Adverse effects of coronavirus developments (COVID-19) on consumer confidence, market stability and public health creates uncertainties on macroeconomic conditions and may also result in closures, cancellations of, or reductions in operations or production on properties where the Company holds royalty interests or investments.

### 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 aboriginal 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.