CASSIAR GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT AND FOR THE
THREE AND SIX-MONTHS PERIODS ENDED MARCH 31, 2022 AND 2021

DATED: MAY 30, 2022

INTRODUCTION

The following management's discussion and analysis ("**MD&A**") of the financial condition and results of the operations of Cassiar Gold Corp. ("**Cassiar**" or the "**Corporation**") constitutes management's review of the factors that affected the Corporation's financial and operating performance for the three and six-months periods ended March 31, 2022 and 2021. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited financial statements of the Corporation for the years ended September 30, 2021 and 2020, together with the notes thereto (the "**Financial Statements**"). Results are reported in Canadian dollars, unless otherwise noted. The Financial Statements are prepared in accordance with IAS 34 Interim Financial Reporting and do not include all information required for full annual consolidated financial statements. The most recent audited consolidated financial statements of the Corporation for the years ended September 30, 2021 and 2020 and all comparative information herein have been prepared in accordance with International Financial Reporting Standards ("IFRS").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the common shares (the "**Common Shares**") in the capital of the Corporation; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity. The date of this MD&A is May 30, 2022.

Further information about the Corporation and its operations, including the annual information form for the Corporation, can be obtained from the offices of the Corporation or from **www.sedar.com**.

FORWARD-LOOKING INFORMATION

This document contains certain forward-looking statements, including management's assessment of future plans and operations, and capital expenditures and the timing thereof, that involve substantial known and unknown risks and uncertainties, certain of which are beyond Cassiar's control. Forward-looking information does not relate strictly to historical or current facts and can be identified by words such as "anticipate", "believe", "estimate", "expect", "forecast", "intend", "may", "project", "should", "will" or similar expressions. These statements represent management's reasonable projections, expectations and estimates as of the date of this document but undue reliance should not be placed upon them, as they are derived from many assumptions. Such assumptions are subject to known and unknown risks and uncertainties, including the business risks discussed in the MD&A, which may cause actual performance and financial results to differ materially from any projections of future performance or results implied by such forward looking statements.

The forward-looking information in this MD&A is subject to significant risks and uncertainties and is based on many factors and assumptions which may prove to be incorrect; including, but not limited to, the following:

- the Corporation's expectations with regards to qualified expenditures for flow-through shares;
- the sufficiency of the Corporation's financial resources with which to conduct its capital program;
- whether or not the Corporation can obtain additional capital through equity or debt issuances; and
- the potential impacts of COVID-19 to the drill and exploration program.

The forward-looking information presented herein represents management's views as of the date of this MD&A and such information should not be relied upon as representing our views as of any date subsequent to the date of this document. Management has attempted to identify important factors that could cause actual results to vary from those current expectations or estimates expressed or implied by the forward-looking information. However, there may be other factors that cause actual results or performance to differ materially from current estimates and expectations. Other risks and uncertainties include, but are not limited to:

- normal risks common to the mining industry, including various operational risks in the implementation of exploration, development and production operations;
- risks and uncertainties of mining economic geological reserves;
- revisions or amendments to capital expenditure programs, including development and exploitation opportunities;
- the Corporation's ability to attract and retain qualified professional employees and consultants;
- risks as to the availability and pricing of appropriate financing alternatives on acceptable terms;
- potential changes in government policies, rules, approval process changes, delays or enhancements, or income tax regulations;
- economic slowdown as a result of COVID-19; and
- fluctuations in commodity prices.

The preparation of the financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. Estimating reserves is also critical to several accounting estimates and requires judgment and decisions based on available geological, engineering and economic data. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes.

Cassiar's actual results, performance or achievements could differ materially from those expressed in, or implied in, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that Cassiar will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. All subsequent forward-looking statements, whether written or oral, attributable to Cassiar or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this document are made as of the date of this document and Cassiar does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

DESCRIPTION OF THE BUSINESS AND OVERALL PERFORMANCE

The Corporation was incorporated under the Alberta Business Corporations Act on August 5, 2009 and was a Capital Pool Company under Policy 2.4 of the TSX Venture Exchange (the "**TSX-V**"). In January 2011, the Corporation completed an initial public offering ("**IPO**") and the Common Shares of the Corporation currently trade on the TSX-V and the OTCQB Venture Market under the trading symbols "GDLC" and "CGLCF" respectively. The registered address of the Corporation is 15th Floor, Bankers Court, 850 – 2nd St. SW, Calgary, Alberta, T2P 0R8.

The Corporation is a Canadian gold exploration company focused on exploration in British Columbia.

On September 23, 2020, the Corporation changed its name to "Cassiar Gold Corp." from "Margaux Resources Ltd." and completed a share consolidation with respect to the Common Shares of the Corporation (the "**Consolidation**"). The Corporation's Common Shares were consolidated on a basis of one post-consolidated Common Share for every 5 pre-consolidated Common Shares. The number of Common Shares, options and warrants presented have been adjusted to reflect the impact of the Consolidation.

<u>Cassiar Gold Project</u>

On March 25, 2019, the Corporation entered into an Option Agreement with Wildsky Resources Inc. ("**Wildsky**") for an option to acquire a 100% interest in the Cassiar Gold Project ("**Cassiar Gold Option Agreement**") by way of an all-share agreement. Pursuant to the Cassiar Gold Option Agreement, and in order to be eligible to exercise its option, the Corporation agreed to issue 11,640,000 Common Shares to Wildsky over the course of 18 months. The Corporation also agreed to undertake exploration on the Cassiar property and to certain other conditions as follows:

(a) the Corporation would expend at least $400,000 on the planning, development and execution of the Cassiar 2019 work program, based on a mutually approved budget;
(b) Wildsky retains the right to appoint one member to the board of directors of Cassiar, which right may be exercised at any time in the six months after the issuance of the Common Shares;
(c) Wildsky retains the right to appoint an additional person (for a total of two board members) to the board of directors of Cassiar, which right may be exercised any time in the twelve months after the issuance of the Common Shares;
(d) Wildsky retains the right to appoint one person to the senior management team of Cassiar, on terms and conditions to be agreed upon by Cassiar and Wildsky, acting reasonably, which right may be exercised any time in the twelve months after the issuance of the Common Shares; and
(e) Wildsky is to be granted a 30% net profit interest on all minerals processed from Cassiar's tailings pond located on the Cassiar property, after capital payout of up to $500,000.

During the year ended September 30, 2021, the Corporation satisfied all the requirements outstanding to Wildsky and the 100% interest in the Cassiar Gold Project was fully acquired by the Corporation. Proceeds for the asset acquisition were $3,259,200 settled in shares of the Corporation. Liabilities assumed by the Corporation were $2,666,584 and related to asset retirement obligation.

The Corporation incurred $2,116,154 of exploration and evaluation ("**E&E**") costs on the Cassiar Project during the period ended March 31, 2021 (2021 – $1,272,549) relating to exploration activity.

Sheep Creek Gold District

Bayonne and Sheep Creek Property, British Columbia

On December 23, 2016, the Corporation entered into an option agreement with Yellowstone Resources Ltd. (a private company, based in British Columbia) ("**Yellowstone**"), as amended on February 10, 2020, and as further amended on July 10, 2020 (the "**YSR Agreement**") for the acquisition of 100% of the Bayonne and Sheep Creek properties, located in Salmo, British Columbia (collectively, the "**YSR Properties**").

Pursuant to the YSR Agreement, the Corporation was granted the exclusive option to acquire the Bayonne property, by making payments to Yellowstone of an aggregate $194,000 in cash and an aggregate issuance of 110,000 Common Shares, paid in several installments as follows:

(a) within ten (10) business days of execution of the YSR Agreement, a non-refundable cash payment of $5,000 (paid);
(b) within ten (10) business days of completion of title due diligence on the Properties, a cash payment of $9,000 (paid);
(c) upon receipt of TSX-V approval, a cash payment of $10,000 and issuance of 10,000 Common Shares (paid and issued);
(d) on or before the first anniversary of TSX-V approval, a cash payment of $30,000 and the issuance of 30,000 Common Shares (paid and issued);
(e) on or before the second anniversary of TSX-V approval, a cash payment of $50,000 and issuance of 30,000 Common Shares (paid and issued); and
(f) on or before July 31, 2020, a cash payment of $50,000; (paid); and
(g) on or before July 31, 2020, the issuance of 40,000 Common Shares and an additional $30,000 in Common Shares at a Discounted Market Price of $0.41 (issued).

In addition, the Corporation has the exclusive option to acquire the Sheep Creek property by making payments to Yellowstone of an aggregate $500,000 in cash and an aggregate issuance of 210,000 Common Shares, paid in several installments as follows:

(a) upon receipt of TSX-V approval, a cash payment of $25,000 (paid);
(b) on or before six months, following TSX-V approval, a cash payment of $25,000 (paid);
(c) on or before the first anniversary of TSX-V approval, a cash payment of $25,000 (paid);
(d) on or before eighteen (18) months following, TSX-V approval, a cash payment of $25,000 (paid);
(e) on or before the second anniversary of TSX-V approval, a cash payment of $100,000 and issuance of 60,000 Common Shares (paid and issued);
(f) on or before July 31, 2020, $100,000 payable in Shares at a Discounted Market Price of $0.41 (paid);
(g) on or before the fourth anniversary of TSX-V approval, a cash payment of $136,000 (paid); and
(h) on or before the fifth anniversary of TSX-V approval, a cash payment of $100,000 and issuance of 90,000 Common Shares (paid and issued).

The Corporation incurred $25,222 of E&E costs on the Sheep Creek Project during the period ended March 31, 2022 (2021 – $nil) relating to exploration activity.

On February 15, 2021, the Corporation entered into a Third Amending Agreement with Yellowstone for the purpose of amending the fourth anniversary payment.

Pursuant to the Third Amending Agreement, the parties agreed that the fourth anniversary payment would be paid as follows:

- With respect to the Sheep Creek Property, in addition to the $100,000 cash payment, 60,000 Common Shares payable will be settled via cash payment at a deemed share price of $0.60 per share for a total payment of $36,000. The total aggregate payment was $136,000 (paid).

During the period ended March 31, 2022, the Corporation made the final option payment of $100,000 and issued 90,000 shares to acquire 100% interest in the Sheep Creek Gold District Project.

GOING CONCERN

The Corporation incurred a net loss of $650,858 and $1,010,144 (2021 - $644,674 and $1,303,510) and had negative cash flows relating to operating activities of $631,894 and $1,358,132 (2021 - $321,610 and $1,493,676) for the three and six-months periods ended March 31, 2022 and 2021and had a working capital of $3,984,272 (September 30, 2021 – $2,937,830). As such, there is a material uncertainty related to these events and conditions that may cast significant doubt on the ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Corporation as a going concern is dependent on the ability of the Corporation to achieve positive cash flow from operations and/or obtain necessary equity or other financing to continue exploration on its exploration and evaluation assets. The Financial Statements do not reflect any adjustments to the carrying values of assets and liabilities, reported expenses, and balance sheet classifications that would be necessary should the Corporation be unable to continue as a going concern, and these adjustments could be material. The Corporation intends to raise the required funds through the issuance of equity, by securing strategic partners or assuming debt.

The application of the going concern concept is dependent upon the Corporation's ability to generate future profitable operations and receive continued financial support from its shareholders. Management is actively engaged in the review and due diligence of new projects, is seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost cutting measures. There can be no assurance that management's plan will be successful. If the going concern assumptions were not appropriate for the Corporation's financial statements for the three and six-months periods ended March 31, 2022 and 2021 then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Corporation has no source of revenue and has significant cash requirements to meet its administrative overhead and maintain its mineral interests. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Corporation to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets.

COVID-19 Public Health Crisis

The Corporation's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. To date, there have been a large number of temporary business closures and government enforced lockdowns, along with a general reduction in consumer activity in Canada. The outbreak has caused companies and various governmental bodies to impose travel, gathering and other restrictions pursuant to public health orders. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Corporation cannot estimate whether or to what extent this outbreak and its financial impact may extend. Such public health crises can result in volatility and disruptions in the supply and demand for gold and other metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people. All of the foregoing may impact mineral prices, interest rates, credit ratings, credit risk, share prices and inflation. The risks to the Corporation of COVID-19 and related public health orders may include but are not limited to the following: potential slowdowns or temporary suspensions of operations in locations impacted by an outbreak; interruptions to supply chains and supplies upon on which the Corporation relies; restrictions that the Corporation and its contractors and subcontractors impose to ensure the safety of employees and others; increased labor costs; regulatory changes; political or economic instabilities; and civil unrest.

As of the date hereof, the British Columbia provincial government has designated businesses engaged in mineral exploration and development as an "essential service". Provided the Corporation's exploration activities continue to be so designated and the current availability of labor and supplies is not materially affected by new developments respecting COVID-19 or responses thereto, the Corporation expects that its personnel and/or consultants will be able to continue surveying and drilling activities respecting any exploration activities without significant delays or increases in cost.

The Corporation has and will continue to take measures recommended by Health Canada and applicable regulatory bodies, as appropriate. At this point, the extent to which COVID-19 will or may impact the Corporation is uncertain and these factors are beyond the Corporation's control; however, it is possible that COVID-19 may have a material adverse effect on the Corporation's business, results of operations and financial condition.

CORPORATE UPDATES

Summary of Financing and Securities Matters

On November 15, the Corporation's board of directors approved a new equity compensation plan (the "**Share Unit Plan**") providing for the issuance of restricted share units ("**RSUs**") and deferred share units ("**DSUs**" and, collectively with the RSUs, "**Awards**"). In connection with the adoption of the Share Unit Plan, the Corporation terminated its previously announced restricted share unit plan (the "**Old Plan**"). No awards had been made under the Old Plan.

The Share Unit Plan had been established to provide equity-based incentives to eligible employees, consultants, directors and officers of the Corporation. The maximum number of Awards issuable under the Share Unit Plan, together with the number of stock options issuable under the Corporation's Option Plan, may not exceed 10% of the number of issued and outstanding common shares of the Corporation as at the date of a grant under the Share Unit

Plan or the Option Plan, as the case may be. Based on the number of common shares currently outstanding, an aggregate of 6,017,977 Awards and/or options can be granted under the Share Unit Plan and/or the Option Plan.

The Share Unit Plan remains subject to the approval of the TSX Venture Exchange and disinterested shareholder approval at the next annual and special meeting of shareholders of the Corporation, expected to occur in the first quarter of 2022. Further details of the Share Unit Plan will be included in the management information circular of the Corporation which will be sent to shareholders and filed on SEDAR in connection with the meeting.

The Corporation also granted stock options exercisable to purchase up to an aggregate of 650,000 Common Shares of the Corporation, along with 216,000 RSUs and 394,000 DSUs, to directors, officers, employees, advisors and consultants. The grants are made pursuant to the Corporation's Option Plan and Share Unit Plan.

The stock options will be exercisable at a price of $0.79 per share, and will vest over a period of three years, with one third of the options vesting immediately, and one third vesting at the end of each of the first and second anniversary of the date of grant. The options have an expiry of November 15, 2026. Similarly, the RSUs will vest over a period of three years, with one third of the RSUs vesting immediately upon receipt of final approval of the Share Unit Plan from the TSX Venture Exchange, and one third vesting at the end of each of the first and second anniversary of the date of grant.

Pursuant to the Share Unit Plan, each vested RSU entitles the holder to receive, at the discretion of the board of directors of the Corporation, either: (i) one common share of the Corporation; or (ii) a cash amount equal to the closing price of the common shares of the Corporation on the last trading date prior to the vesting date and shall be settled as soon as reasonably practicable following the vesting thereof.

The DSUs shall vest upon the termination of the holder's services to the Corporation (other than termination for cause or without the Corporation's consent) and includes eligible retirement or death of the holder. Pursuant to the Share Unit Plan, each vested DSU entitles the holder to receive, at the discretion of the board of directors of the Corporation, either: (i) one Common Share or (ii) a cash amount equal to the closing price of the Common Shares of the Corporation on the last trading date prior to the exercise thereof.

The grant of the Awards and the adoption of the Share Unit Plan is subject to receipt of the final approval of the TSX Venture Exchange.

On November 22, 2021, 36,000 common share purchase warrants were exercised at a price of $0.60. The Corporation received proceeds of $21,600 and issued 36,000 Common Shares.

On November 29, 2021, 260,000 common share purchase warrants were exercised at a price of $0.60. The Corporation received proceeds of $156,000 and issued 260,000 Common Shares.

On December 9, 2021, 400,000 common share purchase warrants were exercised at a price of $0.60. The Corporation received proceeds of $240,000 and issued 400,000 Common Shares.

On December 17, 2021, 106,500 common share purchase warrants were exercised at a price of $0.60. The Corporation received proceeds of $63,900 and issued 400,000 Common Shares.

On December 20, 2021, 111,111 common share purchase warrants were exercised at a price of $0.75 and 522,000 common share purchase warrants were exercised at a price of $0.85. The Corporation received aggregate proceeds of $527,033 and issued 633,111 Common Shares.

On December 29, 2021, 756,857 common share purchase warrants were exercised at a price of $0.60 and 83,333 common share purchase warrants were exercised at a price of $0.675. The Corporation received aggregate proceeds of $510,364 and issued 840,190 Common Shares.

On January 6, 2022, 100,000 stock options that were issued on June 24, 2019 were exercised at a price of $0.50 which. The Corporation received proceeds of $50,000 and issued 100,000 common shares.

On January 10, 2022, 388,283 common share purchase warrants were exercised at a price of $0.60 and 150,000 common share purchase warrants were exercised at a price of $0.70. The Corporation received aggregate proceeds of $337,970 and issued 538,283 common shares.

On January 19, 2022, 493,158 common share purchase warrants were exercised at a price of $0.60 and 29,166 common share purchase warrants were exercised at a price of $0.90. The Corporation received aggregate proceeds of $322,144 and issued 522,324 common shares.

On January 21, 2022, 236,000 common share purchase warrants were exercised at a price of $0.60. The Corporation received proceeds of $141,600 and issued 236,000 common shares.

On February 3, 2022, 150,000 common share purchase warrants were exercised at a price of $0.60 and 7,142 common share purchase warrants were exercised at a price of $0.90. The Corporation received aggregate proceeds of $96,428 and issued 157,142 common shares.

On February 4, 2022, the Corporation issued 90,000 common shares valued at a market price of $0.93 as per the Bayonne and Sheep Creek Property option agreement signed on December 23, 2016 and amended by amending agreements dated February 10, 2020, July 10, 2020 and February 15, 2021 and as per TSX-V approval received on February 6, 2017.

On February 22, 2022, 320,000 common share purchase warrants were exercised at a price of $0.60, 400,000 common share purchase warrants were exercised at a price of $0.675, 243,888 purchase warrants were exercised at a price of $0.70 and 20,833 purchase warrants were exercised at a price of $0.90. The Corporation received aggregate proceeds of $381,471 and issued 984,721 common shares.

On March 2, 2022, the Corporation entered into an agreement with Red Cloud Securities Inc. and Raymond James Ltd. (the "Co-Lead Underwriters") to act as co-lead underwriters and joint bookrunners on behalf of a syndicate of underwriters (collectively, the "Underwriters") pursuant to which the Underwriters have agreed to purchase 4,000,000 flow-through units of the Company (each, a "FT Unit") to be resold to charitable purchasers at a price of C$1.50 per FT Unit (the "Offering Price") on a "bought deal" basis by way of a short form prospectus for gross proceeds of C$6,000,000 (the "Offering").

Each FT Unit will consist of one common share of the Corporation to be issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (each, a "FT Share") and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each whole Warrant shall entitle the holder to purchase one non-flow-through common share of the Corporation (each, a "Warrant Share") at a price of C$1.60 at any time on or before that date which is 24 months after the closing date of the Offering.

The Corporation has granted to the Underwriters an option, exercisable for a period of 30 days after and including the closing date of the Offering, to purchase up to an additional 15% of the FT Units sold under the Offering for resale to charitable purchasers at the Offering Price to raise additional gross proceeds of up to C$900,000 to cover over-allotments, if any, and for market stabilization purposes.

Proceeds from the sale of FT Shares will be used to incur "Canadian exploration expenses" as defined in subsection 66.1(6) of the Income Tax Act and "flow through mining expenditures" as defined in subsection 127(9) of the Income

Tax Act. Such proceeds will be renounced to the subscribers with an effective date not later than December 31, 2022, in the aggregate amount of not less than the total amount of gross proceeds raised from the issue of FT Shares. The Corporation intends to use the net proceeds raised from the Offering for the exploration of the Corporation 's Cassiar Gold property in British Columbia, Canada.
The FT Units will be sold by way of a short form prospectus to be filed in British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia. The Offering is scheduled to close on or around March 24, 2022 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange.

On March 3, 2022, the Corporation amended its agreement with Red Cloud Securities Inc. and Raymond James Ltd. (the "Co-Lead Underwriters") to act as co-lead underwriters and joint bookrunners on behalf of a syndicate of underwriters (collectively, the "Underwriters") to increase the size of the Corporation's previously announced offering from $6.0 million to $10.0 million. Under the revised offering, the Underwriters have agreed to purchase 6,666,667 flow-through units of the Corporation (each, a "FT Unit") to be resold to charitable purchasers at a price of C$1.50 per FT Unit (the "Offering Price") on a "bought deal" basis by way of a short form prospectus for gross proceeds of C$10,000,001 (the "Offering").

The Corporation has granted to the Underwriters an option, exercisable for a period of 30 days after and including the closing date of the Offering, to purchase up to an additional 1,000,000 FT Units for resale to charitable purchasers at the Offering Price to raise additional gross proceeds of up to C$1,500,000 to cover over-allotments, if any, and for market stabilization purpose. Other terms of the agreement were unchanged.

On March 16, 2022, 24,328 common share purchase warrants were exercised at a price of $0.60, 1,333 purchase warrants were exercised at a price of $0.70 and 372,500 purchase warrants were exercised at a price of $0.90. The Corporation received aggregate proceeds of $350,750 and issued 398,161 common shares.

On March 23, 2022, 70,000 common share purchase warrants were exercised at a price of $0.60. The Corporation received proceeds of $42,000 and issued 70,000 common shares.

On March 29, 2022, 586,429 common share purchase warrants were exercised at a price of $0.60 and 141,666 purchase warrants were exercised at a price of $0.70. The Corporation received aggregate proceeds of $451,024 and issued 728,095 common shares.

As at March 31, 2022, the Corporation received funds of $23,700 for an option exercise. The shares were issued subsequent to the period ended March 31, 2022 (see subsequent events note).

SUBSEQUENT EVENTS

On April 11, 2022, 30,000 stock options that were issued on November 15, 2021 were exercised. The Corporation issued 30,000 common shares and received proceeds of $23,700. The proceeds were received during the period ended March 31, 2022 and was recorded as deferred share capital issuance.

On April 12, 2022, 399,657 common share purchase warrants were exercised at a price of $0.60. The Corporation received aggregate proceeds of $239,794 and issued 399,657 common shares.

On April 19, 2022, 454,857 common share purchase warrants were exercised at a price of $0.60. The Corporation received aggregate proceeds of $272,914 and issued 454,857 common shares.

On April 19, 2022, 53,332 stock options that were issued on March 22, 2021 were exercised. The Corporation issued 53,332 common shares and received proceeds of $31,999.

On May 5, 2022, 200,000 common share purchase warrants were exercised at a price of $0.60. The Corporation received aggregate proceeds of $120,000 and issued 200,000 common shares.

On May 11, 2022, the Corporation completed the filing on an independent National Instrument 43-101 technical report on its 100% owned flagship Cassiar Gold Property ("Property") located in northern British Columbia, Canada. The technical report, with an effective date of April 28, 2022, titled "National Instrument 43-101 Technical Report on the Cassiar Gold Property," can be viewed on Cassiar Gold's website and has been filed under the Company's profile on SEDAR. The new technical report was completed by Scott Zelligan, P.Geo.; James Moors, P.Geo.; and Chantal Jolette, P.Geo., all of whom meet the requirements of independent qualified persons as described in National Instrument 43-101 and the companion Policy 43-101CP.

On May 12, 2022, 271,400 common share purchase warrants were exercised at a price of $0.60. The Corporation received aggregate proceeds of $162,840 and issued 271,400 common shares.

On May 24, 2022, the Corporation entered into an amending agreement to the underwriting agreement dated March 8, 2022 to amend size and pricing of its previously announced bought deal public offering (the "Offering"). Under the amended terms of the underwriting agreement, the Underwriters (as defined below) have agreed to purchase 8,000,000 flow-through units of the Corporation (each, a "FT Unit") to be resold to charitable purchasers at a price of C$1.00 per FT Unit (the "Offering Price") on a "bought deal" basis by way of a short form prospectus for gross proceeds of C8,000,000. Red Cloud Securities Inc. and Raymond James Ltd. are acting as co-lead underwriters and joint bookrunners for the Offering on behalf of a syndicate of underwriters (collectively, the "Underwriters").

Each FT Unit will consist of one common share of the Corporation to be issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (each, a "FT Share") and one half of one common share purchase warrant (each whole warrant, a "Warrant"). Each whole Warrant shall entitle the holder to purchase one non-flow-through common share of the Corporation (each, a "Warrant Share") at a price of C$1.05 at any time on or before that date which is 24 months after the closing date of the Offering.

The Corporation has granted to the Underwriters an option, exercisable for a period of 30 days after and including the closing date of the Offering, to purchase up to an additional 1,200,000 FT Units for resale to charitable purchasers at the Offering Price to raise additional gross proceeds of up to C$1,200,000 to cover over-allotments, if any, and for market stabilization purposes.

Proceeds from the sale of FT Shares will be used to incur "Canadian exploration expenses" as defined in subsection 66.1(6) of the Income Tax Act and "flow through mining expenditures" as defined in subsection 127(9) of the Income Tax Act. Such proceeds will be renounced to the subscribers with an effective date not later than December 31, 2022, in the aggregate amount of not less than the total amount of gross proceeds raised from the issue of FT Shares. The Corporation intends to use the net proceeds raised from the Offering for the exploration of the Company's Cassiar Gold property in British Columbia, Canada.

The FT Units will be sold by way of a final short form prospectus to be filed in British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia, subject to regulatory approval. A preliminary prospectus dated March 8, 2022 was filed in respect of the original Offering and the final prospectus will be updated to reflect the terms of the amended underwriting agreement. The Offering is scheduled to close on or around June 8, 2022 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange.

HIGHLIGHTS

	Three months ended March 31, 2022	Three months ended March 31, 2021	**Six months ended March 31, 2022**	Six months ended March 31, 2021
Net Revenues	**$ -**	$ -	**$ -**	$ -
Cash related to financing activities	**2,171,547**	-	**3,986,013**	6,057,349
Cash flows relating to operating activities	**(631,894)**	(321,610)	**(1,358,132)**	(1,493,676)
Net loss	**(650,858)**	(644,674)	**(1,010,144)**	(1,303,510)
Loss per share - basic and diluted	**(0.01)**	(0.01)	**(0.02)**	(0.02)

As at March 31,	**2021**	2021	2020
Total assets	**25,028,857**	$19,573,659	$ 5,586,341
Total liabilities	**2,818,001**	3,967,342	556,454
Current assets	**4,320,359**	5,257,863	74,509
Current liabilities	**336,087**	1,005,513	556,465
Working capital (deficiency)	**3,984,272**	$ 4,252,350	$ (481,959)
Common shares outstanding	**66,280,294**	54,346,435	26,743,782

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the Corporation's quarterly financial results:

	March 31		**December 31**		**September 30**		**June 30**	
Three-month periods ended,	**2022**	2021	**2021**	2020	**2021**	2020	**2021**	2020
Expenses								
General and administrative	**$ 521,191**	$ 389,236	**$ 271,104**	$ 758,222	**$ 487,559**	$ 956,057	**$ 201,388**	$ 197,363
Operating	**-**	-	**-**	20,210	**-**	24,843	**-**	16,057
Depreciation	**12,974**	24,833	**12,974**	5,798	**15,316**	7,648	**15,316**	7,648
Share based compensation	**144,099**	171,463	**144,099**	82,507	**196,356**	267,911	**165,841**	29,816
Loss before other items	**$ 678,264**	$ 585,532	**$ 428,177**	$ 866,737	**$ 699,231**	$ 1,256,459	**$ 382,545**	$ 250,884
Interest on note payable	**-**	-	**-**	-	**-**	-	**-**	7,700
Interest of payables	**-**	-	**-**	-	**-**	1,861	**-**	
Flow through share premium	**(27,730)**	(52,866)	**(69,212)**	(208,205)	**(502,353)**	55,107	**(196,452)**	(100,933)
Other income	**(17)**	-	**(20)**	304	**(20)**	(25,700)	**(31)**	-
Impairment	**-**	-	**-**	-	**-**	-	**-**	-
Accretion and change in estimate of asset retirement obligation	**341**	112,008	**341**	-	**(139,480)**	-	**56,004**	-
Net loss from Operations	**$ 650,858**	$ 644,674	**$ 359,286**	$ 658,836	**$ 57,378**	$ 1,287,727	**$ 242,066**	$ 157,651
Loss per share – basic and diluted	**$ 0.01**	$ 0.01	**$ 0.01**	$ 0.01	**$ 0.00**	$ 0.05	**$ 0.00**	$ 0.00

Variances quarter over quarter can be explained as follows:

- For the quarter ended March 31, 2022, the higher net loss is related to higher general and administrative costs, lower depreciation and share-based compensation and a lower flow-through share premium.
- For the quarter ended December 30, 2021, the lower net loss is related a lower flow-through share premium and lower general and administrative costs.
- For the quarter ended September 30, 2021, the lower net loss is related to a decrease in professional fees and consultants as well as higher flow through premium.
- For the quarter ended June 30 2021, the higher net losses are related to higher share based compensation.

DISCUSSION OF OPERATIONS

The Corporation is focused on the exploration of gold in British Columbia. The Corporation's general and administrative expenses increased to $521,191 from the 2021 comparative amount of $389,236. The increase in general and administrative expenses is primarily a result of increased marketing and consulting fees related to the business of the Corporation for the three and six-months periods ended March 31, 2022 and 2021.

General and administrative details periods ended March 31:

	3 Months		6 Months	
	2022	**2021**	**2022**	**2021**
Management fees	$ 153,835	$ 87,000	$ 278,079	$ 233,500
Consulting	36,000	84,000	72,000	307,500
Travel & Meals	21,572	-	21,745	7,409
Office & Administrative	22,966	16,205	52,181	30,455
Marketing	101,332	172,689	146,196	494,153
Professional Fees	185,486	29,342	222,094	74,441
Total	**$ 521,191**	**$ 389,236**	**$ 792,295**	**$ 1,147,458**

General and administrative expenses increased during the three-month period ended March 31, 2022 and decreased during the six-months period ended March 31, 2022 over the prior comparative year principally due to the net effect of the following:

- Consulting fees decreased to $36,000 and $72,000 (2021 – $84,000 and $307,500) as a result of reduced needs for third party consultants;
- Travel and meals increased to $21,572 and $21,745 (2021 – $nil and $7,409) as a result of increased travel related costs;
- Office and Administrative costs increased to $22,966 and $52,181 (2021 – $16,205 and $30,455) as a result of increased administrative expenses related to the exploration activities at the Corporation's properties;
- Marketing fees decreased to $101,332 and $146,196 (2021 – $172,689 and 494,153) as a result of reduced needs for third party marketing consultants; and
- Professional fees increased to $185,486 and $222,094 (2021 – $29,342 and $74,441) mainly as a result of increased needs for legal services.

Total expenses

Total expenses for the three and six-months periods ended March 31, 2022 was $628,264 and $1,106,441 (2021 – $585,532 and $1,452,269). The increase for the three-months period ended March 31, 2022 is mainly a result of increased general and administrative costs and the decrease for the six-months period ended March31, 2022 is mainly a result of decreased general and administrative costs.

Second Quarter

The table below details the significant changes in administrative expenditures for the three months ended March 31, 2022 as compared to the corresponding period ended March 31, 2021

Expenses	Increase / Decrease in Expenses	Explanation for Change
Professional Fees	Increase of $156,144	increase as a result of increased listing fees and legal fees.
Consultants	Decrease of $48,000	Decrease as a result of decreased consulting fees required during the quarter
Marketing	Decrease of $71,357	Decrease as a result of reduced needs for third party marketing consulting

FINANCIAL INTRUMENTS, LIQUIDITY AND CAPITAL RESOURCES

The Corporation’s financial instruments, consisting of cash, GST receivables and trade payables, approximate fair values due to the relatively short-term maturities of the instruments. It is management’s opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The Corporation’s primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions and to maintain the development program for the Corporation’s properties. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity, by securing strategic partners or assuming debt. The Corporation is exposed to liquidity risk. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

As at March 31, 2022, the Corporation had cash and cash equivalents of $3,880,887 compared with $3,473,561 at September 30, 2021. The Corporation continues to experience negative operating cash flow as a result of no revenue coupled with the Corporation’s ongoing expenses related to its exploration and business development activities. The Corporation anticipates a negative operating cash flow will continue until such time as production begins on its existing properties.

Certain conditions exist that may cast significant doubt on the validity of the going concern assumption. The Corporation incurred a net loss of $650,858 and $1,010,144 (2021 - $644,674 and $1,303,510) and had negative cash flows relating to operating activities of $631,894 and $1,358,132 (2021 - $321,610 and $1,493,676) for the three and six-months periods ended March 31, 2022 and 2021 and had a working capital of $3,984,272 (September 30, 2021 – $2,937,830). The continuation of the Corporation as a going concern is dependent on the ability of the Corporation to achieve positive cash flow from operations and/or obtain necessary equity or other financing to continue exploration on its exploration and evaluation assets. The Corporation’s financial statements for the three and six-months periods ended March 31, 2022 and 2021 do not reflect any adjustments to the carrying values of assets and liabilities, reported expenses, and balance sheet classifications that would be necessary should the Corporation be unable to continue as a going concern, and these adjustments could be material. The Corporation intends to raise the required funds through the issuance of equity, by securing strategic partners or assuming debt.

The Corporation defines capital to include equity, comprised of share capital including warrants, contributed surplus and deficit.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has not engaged in any off-balance sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Corporation or engages in leasing or hedging services with the Corporation.

PROPERTY AND EQUIPMENT

	Land $	Buildings $	Computers, Equipment & Vehicles $	Total $
Balance as at September 30, 2021 and March 31, 2022	**28,993**	**380,706**	**260,286**	**669,985**
Accumulated Depreciation				
Balance as at September 30, 2021	**-**	**38,071**	**185,003**	**223,074**
Charge for the period	-	17,132	8,816	25,948
Balance as at March 31, 2022	**-**	**55,203**	**193,819**	**249,022**
Net book value				
September 30, 2021	28,993	342,635	75,283	446,911
March 31, 2022	**28,993**	**325,503**	**66,467**	**420,963**

EXPLORATION AND EVALUATION ASSETS

	Cassiar Gold Project	Sheep Creek Gold District Project	Total
Balance at September 30, 2021	**$15,565,169**	**$1,978,346**	**$17,543,515**
Exploration costs	2,116,154	25,222	2,141,376
Cash option payments	-	100,000	100,000
Share option payments	-	83,700	83,700
Balance at March 31, 2022	**$17,681,323**	**$1,978,346**	**$19,868,591**

E&E assets consist of costs expended on the Corporation's projects which are pending determination of technical feasibility and commercial viability.

ASSET RETIREMENT OBLIGATION ("ARO")

Cassiar Gold (2020) Corp. ("**Cassiar 2020**"), a wholly owned subsidiary of the Corporation, has future obligations relating to retiring its exploration and evaluation assets at the Cassiar Property including dismantling, remediation and treatment of the site. The exact nature and costs of the obligation are subject to change because of the ongoing changes of environmental requirements enacted by government agencies.

A continuity of the asset retirement obligation is as follows:

Balance at September 30, 2021	**$ 2,481,232**
Accretion expense	23,820
Change in estimate	(23,138)
Balance at March 31, 2022	**$ 2,481,914**

The total undiscounted cash flow estimated to settle the obligations as at March 31, 2022was $2,451,948 (2021 – $ nil) which was adjusted for inflation at the rate of 2% and then discounted at a risk free rate of 1.07%. significant reclamation costs are expected to be incurred in 2029.

As at March 31, 2022, the Corporation had $418,944 (September 30, 2021 - $45,000) of reclamation bonds with the Ministry of Energy and Mines of British Columbia as commitments to meet its regulatory obligations. $354,944 of reclamation bonds were acquired pursuant to the acquisition of Cassiar (2020).

RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere, all related party transactions are in the normal course of operations.

As at March 31, 2022, the Corporation had an amount of $nil (2021 - $36,000) due to directors and officers included in trade and other payables.

During the three and six-months periods ended March 31, 2022 the Corporation paid $63,307 and $132,227 (2021 - $49,920 and $99,840) to an officer for compensation as Vice President Exploration of the Corporation. Costs associated with exploration costs of $nil and $nil (2021 - $1,359 and $10,402) was paid to an officer of the Corporation and was capitalized as exploration costs.

An aggregate of $36,000 and $69,000 (2021 - $33,000 and $55,500) in consulting fees was paid to a company owned by an officer of the Corporation for compensation as CFO.

An aggregate of $59,750 and $113,750 (2021 - $54,000 and $108,000) in consulting fees were paid to a company owned by an officer of the Corporation for compensation as CEO and President of the Corporation.

An aggregate of $50,000 and $87,244 (2021 - $nil and $nil) was paid to a an officer of the Corporation for compensation as VP Investor Relations and Communications.

Costs associated with general and administrative costs of $7,205 and $7,650 (2021 - $nil and $nil) was reimbursed to officers and directors of the Corporation.

Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year were as follows:

	3 Months		6 Months	
	2022	**2021**	**2022**	**2021**
Short-term compensation	$ 246,301	$ 132,000	$ 383,221	$ 298,500
Share-based payments	144,099	171,463	288,198	253,970
Capitalized share-based payments	10,411	26,184	20,821	29,457
Total	**$ 400,810**	**$ 329,647**	**$ 692,240**	**$ 581,927**

OUTSTANDING SHARES

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, all without nominal or par value. The preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series. As at the date hereof, no preferred shares have been issued by the Corporation.

Common Shares	Number of Common Shares	Share capital
Balance at September 30, 2021	**60,179,767**	**$24,899,843**
Warrants exercised	5,910,527	6,017,191
Options exercised	100,000	90,500
Share option payments	90,000	83,700
Balance at March 31, 2022	**66,280,294**	**$31,091,234**

Warrants	Number of warrants	Share capital
Balance at September 30, 2021	**24,802,821**	**$8,022,005**
Warrants expired	(560,000)	(116,052)
Warrant exercise	(5,885,581)	(2,104,878)
Balance at March 31, 2022	**18,357,240**	**$5,801,075**
Total share capital at September 30, 2021		$32,921,848
Total share capital at March 31, 2022		**$36,892,309**

Overview of Share History

On November 22, 2021, 36,000 common share purchase warrants were exercised at a price of $0.60. The Corporation received proceeds of $21,600 and issued 36,000 common shares.

On November 29, 2021, 260,000 common share purchase warrants were exercised at a price of $0.60. The Corporation received proceeds of $156,000 and issued 260,000 common shares.

On December 9, 2021, 400,000 common share purchase warrants were exercised at a price of $0.60. The Corporation received proceeds of $240,000 and issued 400,000 common shares.

On December 17, 2021, 106,500 common share purchase warrants were exercised at a price of $0.60. The Corporation received proceeds of $63,900 and issued 106,500 common shares

On December 20, 2021, 111,111 common share purchase warrants were exercised at a price of $0.75 and 522,000 common share purchase warrants were exercised at a price of $0.85. The Corporation received aggregate proceeds of $527,033 and issued 633,111 common shares.

On December 29, 2021, 756,857 common share purchase warrants were exercised at a price of $0.60 and 83,333 common share purchase warrants were exercised at a price of $0.675. The Corporation received aggregate proceeds of $510,364 and issued 840,190 common shares.

On January 6, 2022, 100,000 stock options that were issued on June 24, 2019 were exercised at a price of $0.50 which. The Corporation received proceeds of $50,000 and issued 100,000 common shares.

On January 10, 2022, 388,283 common share purchase warrants were exercised at a price of $0.60 and 150,000 common share purchase warrants were exercised at a price of $0.70. The Corporation received aggregate proceeds of $337,970 and issued 538,283 common shares.

On January 19, 2022, 493,158 common share purchase warrants were exercised at a price of $0.60 and 29,166 common share purchase warrants were exercised at a price of $0.90. The Corporation received aggregate proceeds of $322,144 and issued 522,324 common shares.

On January 21, 2022, 236,000 common share purchase warrants were exercised at a price of $0.60. The Corporation received proceeds of $141,600 and issued 236,000 common shares.

On February 3, 2022, 150,000 common share purchase warrants were exercised at a price of $0.60 and 7,142 common share purchase warrants were exercised at a price of $0.90. The Corporation received aggregate proceeds of $96,428 and issued 157,142 common shares.

On February 4, 2022, the Corporation issued 90,000 common shares valued at a market price of $0.93 as per the Bayonne and Sheep Creek Property option agreement signed on December 23, 2016 and amended by amending agreements dated February 10, 2020, July 10, 2020 and February 15, 2021 and as per TSX-V approval received on February 6, 2017.

On February 22, 2022, 320,000 common share purchase warrants were exercised at a price of $0.60, 400,000 common share purchase warrants were exercised at a price of $0.675, 243,888 purchase warrants were exercised at a price of $0.70 and 20,833 purchase warrants were exercised at a price of $0.90. The Corporation received aggregate proceeds of $381,471 and issued 984,721 common shares.

On March 16, 2022, 24,328 common share purchase warrants were exercised at a price of $0.60, 1,333 purchase warrants were exercised at a price of $0.70 and 372,500 purchase warrants were exercised at a price of $0.90. The Corporation received aggregate proceeds of $350,750 and issued 398,161 common shares.

On March 23, 2022, 70,000 common share purchase warrants were exercised at a price of $0.60. The Corporation received proceeds of $42,000 and issued 70,000 common shares.

On March 29, 2022, 586,429 common share purchase warrants were exercised at a price of $0.60 and 141,666 purchase warrants were exercised at a price of $0.70. The Corporation received aggregate proceeds of $451,024 and issued 728,095 common shares.

FLOW-THROUGH SHARES

As at March 31, 2022 the Corporation still needed to incur an additional $513,197 (2021 – $3,454,486) to meet its flow through share commitment related to the $8,199,833 raised on a CEE flow-through basis during the year ended September 30, 2021. A flow-through share premium liability of $21,023 (September 31, 2021 – $117,965) was recognized as the Corporation has not yet its flow-through share commitment by incurring sufficient qualifying expenditures as at March 31, 2022. The accumulated flow-through share premium of $27,730 and $96,942 (2021 - $52,866 and 261,071) was recognized during the three and six-months periods ended March 31, 2022 and 2021.

STOCK OPTION PLAN

The Corporation has adopted an incentive stock option plan in accordance with the policies of the TSX-V (the "**Stock Option Plan**") which provides that the Board of Directors of the Corporation may from time to time, at its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares exercisable for the period of up to ten (10) years. In addition, the number of Common Shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding Common Shares. The Board of Directors determines the price per Common Share and the number of Common Shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the policies of the TSX-V.

All options expire in five years and vest one-third immediately and one-third on the first and second anniversaries on the grant date respectively.

A summary of the Corporation's stock option plan activity is as follows:

	Number of Options	Weighted Average Exercise Price
Exercisable as at September 30,2021	**2,496,657**	**$0.77**
Outstanding at September 30,2021	**4,156,000**	**$0.71**
Issued	650,000	$0.79
Expired/Cancelled	(147,000)	$1.25
Exercised	(100,000)	$0.50
Exercisable as at March 31, 2022	**3,054,323**	**$0.75**
Outstanding at March 31, 2022	**4,559,000**	**$0.71**

During the period ended March 31, 2022, 650,000 options were issued to employees, officers, directors and consultants of the corporation (2021 – 1,764,000).

On January 6, 2022 the Corporation received an exercise notice for 100,000 stock options that were issued with on June 24, 2019. The Corporation issued 100,000 common shares and received proceeds of $50,000.

During the period ended March 31, 2022, 147,000 options expired unexercised.

At March 31, 2022, the weighted-average life of the options outstanding was 3.5 years (2021 – 4.1 years).
The fair value of options is estimated using the Black-Scholes option pricing model based on the date of grant and using the following assumptions:

	2021
Risk-free interest rate	**1.48$**
Expected stock price volatility*	**134%**
Expected life	**5 years**
Expected dividend yield	**-**
Fair value per option granted	**$0.69**
Forfeiture rate	**12%**

Share-based payments expense of $144,099 and $288,198 for the three and six-months period ended March 31, 2022 (2021 – $171,463 and $253,970) was recognized based on the estimated fair value of the options on the grant date in accordance with the fair value method of accounting for share-based payments and recorded over the vesting period of the options. Share-based payments of $10,411 and $20,821 (2021 - $26,184 and $29,457) were capitalized to E&E. The Corporation also recognized a recovery of $726 and $1,451 (2021 - $8,716 and $10,429) in share-based payments expense due to forfeited options during the year.

CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management of the Corporation is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. Management is also responsible for the design and evaluation of internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and in the financial statements for the years ended September 30, 2021 and 2020.

Management of the Corporation has filed the Venture Issuer Basic Certificate with the filings for the three and six-months periods ended March 31, 2022 and 2021 on SEDAR at www.sedar.com.

In contrast to the certificate required under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in NI 52-109. In particular, the certifying officers filing certificates for venture issuers are not making any representations relating to the establishment and maintenance of:

(a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with the issuer's generally accepted accounting principles.

The Corporation's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement DC&P and ICFR as defined in NI 52-109 on a cost-effective basis may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

CRTITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the audited financial statements is in conformity with IFRS. Preparing the audited financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates. Note 4 of the Corporation's audited financial statements for the years ended September 30, 2021 and 2020 provide greater detail regarding all of the significant accounting policies.

BUSINESS RISKS AND UNCERTAINTIES

The Corporation's production and exploration activities are concentrated in Western Canada where activity is highly competitive and includes companies ranging from smaller junior producers to the much larger integrated petroleum and mining companies. The Corporation is subject to various types of business risks and uncertainties, including:

- Finding and developing mineral reserves at economic costs
- Commodity risk
- Production of minerals in commercial quantities
- Marketability of minerals produced
- Substantial capital requirements and access to capital markets
- Environmental risks
- Reliance on operators and key employees
- Third party credit risk
- Insurance
- Changes in legislation and incentive programs
- Potential impacts of COVID-19

The Corporation is not in a position to predict these risks or uncertainties, nor evaluate their impact, as the case may be, on its activities. The following summary of risks and uncertainties applicable to the Corporation are not comprehensive, and there may be other factors, or a combination of factors, that can cause actual results to differ from those presented in the Corporation's forward-looking statements.

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Corporation has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the three and six-months periods ended March 31, 2022 and 2021 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Corporation for future periods.

Commodity Risk

The value of the Corporation's exploration and evaluation of assets are related to the price of gold and other mineral commodities, and the outlook for the minerals. The Corporation's business could be affected by commodity market price movements and their impact on the future economic viability of the Corporation's projects and the ability of the Corporation to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly.

Exploration Risk

The Corporation operates as a mineral explorer in the mining industry which involves considerable financial and technical risk. Substantial time and expenditures are usually required to make discoveries and to establish economic reserves. It is impossible to ensure that the current properties and programs of the Corporation will result in economic discoveries and development. Accordingly, success in achieving the objectives of the Corporation is affected by some circumstances over which the Corporation has no control.

In order to reduce exploration risk, the Corporation strives to employ highly qualified and motivated professional employees with a demonstrated ability to generate quality proprietary geological and geophysical prospects. To help maximize drilling success, the Corporation combines exploration in areas that afford multi-zone prospect potential, targeting a range of low to moderate risk prospects with some exposure to select high risk, high reward opportunities.
Additional Financing

The business of the Corporation depends, in part, on its ability to raise funds by issuing securities of the Corporation. The Corporation is exposed to financing risks such as not being able to raise sufficient funds to meet the required option payments on the Corporation’s properties. To mitigate this risk, the Corporation has intermediaries with valuable commercial relationships actively searching for ways to raise funds. The Corporation intends to raise the required funds through issuance of equity by securing strategic partners or assuming debt. The exercise of stock options, as well as any new equity financings, represent dilution factors for present and future shareholders.

Credit Risk

Credit risk is the risk that a customer or counter party will fail to perform an obligation or fail to pay amounts due causing a financial loss. The Corporation’s credit risk is primarily attributable to cash and trade and other receivables which are with customers and are subject to normal credit risks.

Credit risk associated with cash is minimized substantially by ensuring that these financial assets are placed with major Canadian financial institutions.

The Corporation’s maximum exposure for the period ended March 31, 2022 relates to $3,880,887 (September 30, 2021 – $3,473,561) of cash and $91,812 (September 30, 2021 – $145,078) of GST receivables.

Liquidity Risk

Liquidity risk rises from the Corporation’s general funding needs and in the management of the Corporation’s assets, liabilities and mineral property expenditure requirements. The Corporation manages its liquidity risk to maintain sufficient liquid financial resources to meet its commitments and obligations as they come due in a cost-effective manner.

Environmental Risks

Mining can involve environmental risks such as pollution of the environment and destruction of natural habitat, as well as safety risks such as personal injury. In order to mitigate such risk, the Corporation conducts its operations at high standards and follows safety procedures intended to reduce the potential for personal injury to employees, contractors and the public at large.

The Corporation mitigates its risk related to producing hydrocarbons and minerals through the utilization of the most appropriate technology and information systems. In addition, the Corporation seeks to maintain operational control of the majority of its prospects.

Management and Employees

The Corporation depends on the skills and experience of its management team and other key employees. The Corporation also relies on its ability to attract and retain skilled personnel in a competitive environment. A failure to recruit and retain employees in order to assist the Corporation’s business may adversely affect the Corporation’s business or financial condition.

Directors and Officers

Marco Roque, CEO, President and Director
Don Nguyen, CFO
Shirley Anthony, VP Investor Relations and Communications
Stephen Letwin, Director and Chairman
Christopher Stewart, Director
Wenhong Jin, Director
Michael Wood, Director
Stephen Robertson, Director