

MAYO LAKE MINERALS INC: MANAGEMENT DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDING DECEMBER 31, 2020 AND 2021

INTRODUCTION

The following provides management's discussion and analysis of results of operations and financial condition for the fiscal years ended December 31, 2021 and 2020. Management's discussion and analysis (MD&A) was prepared by Mayo Lake Minerals Inc. (Mayo or the Company) management and approved by the Board of Directors on XXX, 2022.

This MD&A should be read in conjunction with the Company's annual financial statements for the years ended December 31, 2021 and 2020, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are presented in Canadian dollars unless otherwise indicated. The financial statements include all of the assets, liabilities and expenses of Mayo.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document may contain or refer to certain forward-looking statements relating but not limited to the Company's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, the failure to obtain sufficient funding for operating, capital and exploration requirements and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. MLM undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

NATURE OF OPERATIONS AND DESCRIPTION OF BUSINESS

Mayo is an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of mineral properties in the Yukon, Canada. The Company has not determined whether its properties contain mineral resources that are economically recoverable. It is focused on exploring and developing its gold and silver prospective properties located in the Mayo Lake District of the Yukon. The recoverability of amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to complete the development of these resources and attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

The Company closed a private placement with some of its accredited shareholders on September 30, 2021 for \$275,850, which will allow it to complete a drill program at the Carlin-Roop Silver Project by mid- October before operations were restricted by winter weather.

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In July, the Company filed a preliminary prospectus (Prospectus) with the Ontario Securities Commission (OSC) in respect to the issue and sale of units of the Company for minimum gross proceeds of \$750,000 (Minimum Offering) and maximum gross proceeds of \$1,500,000 (Maximum Offering) plus a listing application on the Canadian Stock Exchange (CSE). It subsequently received a receipt for the prospectus from the OSC and response from both agencies regarding certain matters of issue. On October 5, 2021, the Company filed a revised Prospectus for a Minimum Offering of \$650,000 and a Maximum Offering of \$1,500,000. On November 8, 2021, the Company received conditional approval for a listing on the CSE subject to final receipt of a Prospectus, completion of any outstanding CSE documentation and payment of fees, and closing of the Initial Public Offering. On November 22, 2021 the Company filed a restated Prospectus. On December 15, it received a final receipt of the Prospectus from the OSC. On December 30, 2021 the Company closed a first tranche of the Initial Public Offering, namely \$943,155 for 6,287,701 flow through (FT) Units and \$240,401 for 2,003,340 common share (CS) units. Subsequently, on March 15, 2022 it closed a further \$316,444 for 2,637,033 CS units, completely filling the Maximum Offering of \$1,500,000 at that time.

The principal purposes for the combined available working capital on September 30, 2021 and the funds being raised under the Maximum Offerings, exclusive of the Cost of the Offering and Broker Fees; are as follows:

Property	Principle Purpose	Estimated amount to be expended
Carlin- Roop Silver Project	Drilling (1400m)	\$284,200
	Drilling Samples (1400)	\$77,000
	Trenching	\$47,500
	Trench Access Trail	\$4,700
	Trench Samples	\$12,500
	Ip-Resistivity Surveys	\$52,000
	Rock- Prospecting	\$2,201
	Geochemical – Soil Survey Grids	\$58,660
	Geochemical – Soil Survey Recon	\$21,000
	Contingency (10%)	\$56,076
	Total Carlin-Roop	\$615,737
Anderson-Davidson	Soil Sampling	\$39,000
	IP Survey	\$33,000
	Total Anderson-Davidson	\$72,000
Trail-Minto	Soil Sampling	\$88,500
Edmonton	SGH Survey	\$10,500
Cascade	Soil sampling	\$16,500
	Total Exploration	\$803,237
Overhead (General and Administration)		\$220,000
Ironstone Payment		\$59,400
Unallocated Working Capital		\$238,165

Some modifications were made to the allocation of exploration funds subsequent to realized exploration results and interpretation in early 2022. The proposed exploration still focusses on the Carlin-Roop property. Proposed exploration and its costs as estimated in April, 2022 are presented in “*Summary of Planned Exploration for 2022*”.

Yukon Property Acquisitions

The Company entered into binding letter agreements with Auropean Ventures Inc. (Auropean), a related company, in December of 2011 (amended in July 2014) for the acquisition of the Anderson, Davidson and Edmonton Creek claim groups comprising 881 claims and totalling 184 square kilometres. Initial consideration included a total of \$720,000 in cash and 180,000 common shares of the Company valued at \$18,000. On the first and second anniversary

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of the letter agreements, the Company completed additional payments totalling 6,480,000 common shares of the Company valued at \$648,000 in lieu of previously agreed cash payments, share issuances and exploration expenditure commitments. The vendor retained a 2.75% net smelter return royalty (NSR) on the Anderson claim group and a 2.5% NSR on the Davidson and Edmonton claim groups. The NSRs are subject to a 1% buyback.

The Company also entered into binding letter agreements with Auropac in February 2012 (amended in July 2014) for the acquisition of the Roop and Trail-Minto claim groups comprising 608 claims. Initial consideration paid included \$50,000 cash, 300,000 shares of the Company valued at \$30,000 and the assumption of demand note payable in the amount of \$100,000. This demand note bore interest at 12% per annum and was payable on demand after a three-month term. The Company agreed to provide a further 5,040,000 shares of the Company valued at \$504,000 in lieu of previously agreed future cash payments, share issuances and exploration expenditure commitments. Auropac retained a 2.75% NSR royalty on the Trail-Minto claim group and a 2.5% NSR on the on the Roop claim group, which are both subject to a 1% buyback.

The Company entered into a binding letter agreement with Auropac in April 2012 (amended in July 2014) for the acquisition of the Carlin claim group comprising 185 claims. Initial consideration paid included \$50,000 in the form of a promissory note and 100,000 common shares of the Company. On the first and second anniversary of the purchase agreement, the Company provided an additional 1,440,000 shares of the Company valued at \$144,000 in lieu of previously agreed cash payments, share issuances and exploration expenditure commitments. Auropac retains a 2.5% NSR royalty on the property, which is subject to a 1% buyback.

All of the NSR buybacks are applicable at any time up to commercial production. Any full 1% NSR can be bought back for \$1 million if gold is at \$1,000 per ounce or less; \$2 million if gold is at \$3,000 per ounce or more with a sliding scale between \$1,000 and \$3,000 per ounce. A buyback can be exercised in increments of 0.5%.

Following the initial acquisitions, claims were added and deleted according to the value potential of areas underlying claims and the amount of assessment work (qualified exploration costs under the Yukon Mining Act) available to maintain the claims in good standing.

Property Details

Carlin-Roop consists of two adjacent claim groups. The Company melded these two into one claim group totalling 190 claims in 2017. Originally Roop was comprised of 378 claims and Carlin 185 claims. A further 32 claims were added to Carlin within the common Area of Interest. In 2014 and 2015 a total of 405 claims lapsed. A total of 190 claims, totalling 37.5 sq. km. in area, were in good standing at the end of 2016. Application of assessment work completed in 2017, 2018 and 2019 will leave 186 Carlin-Roop claims, totalling 36.3 sq. km. in area, in good standing until April, 2024.

Anderson-Davidson is a combination of two claim groups totalling 881 claims that were staked separately in 2011. Two claims were disqualified from the original application for registration. In 2015, 4 claims were added, 73 claims lapsed and the two claim groups were melded together. At the end of 2016, 605 claims were in good standing. During 2017, a further 22 claims were added, bringing the total to 627 claims, totalling 129.4 sq. km. in area. Assessment work was applied during 2017 to extend the claims until 2022.

Trail-Minto consisted of 284 claims at the end of 2013; initially 230 claims were purchased from the vendor, subsequently 54 claims were added in the common Area of Interest. A total of 105 claims lapsed prior to the end of 2017 and 5 claims were added in 2019. Assessment work and payments in lieu applied in 2018, 2019 and 2020 has resulted in 184 claims; totalling 37.1 sq. km. in area, being in good standing until September, 2022.

Edmonton was originally comprised of 205 claims, but because of geographic separation, 52 claims were sectioned off into the **Cascade** claim group. In 2015, 58 claims lapsed leaving Edmonton with 95 claims. Between 2017 and

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2019, a further 19 Edmonton claims lapsed leaving Edmonton with 76 claims, totalling 19.5 sq. km. in area, which after applications of assessments from 2012 through 2017 kept them in good standing until April, 2022. They have been extended through July, 2022.

Cascade has been left with 52 claims totaling 10.5 sq. km. in area, which are in good standing until July, 2022 after application of assessment work from 2012 through 2019 and extensions from Covid-19 pandemic.

Title to Properties

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee property title which may be subject to non-compliance with regulatory requirements or aboriginal land claims or affected by undetected defects.

Geology and Mineralization of the Mayo Lake Area

Regional geology shows metamorphosed Upper Proterozoic to Lower Cambrian Hyland Group sediments in contact with younger Devonian to early Carboniferous metasedimentary units of the Ern Group and Keno Hill Quartzite along a major thrust fault, the Robert Service Thrust. Mid-Triassic mafic sills and greenstones are common within the younger units but are rarely encountered in other units. All units have been affected by the Tombstone Thrust and intruded by the Mid-Cretaceous Age Tombstone Plutonic Suite, which host several gold deposits, such as the Eagle Project at Dublin Gulch with resources of 6.3 million ounces of gold at a grade of 0.66g Au/t including reserves of 2.7 million ounces of gold at a grade of 0.67 g Au/t. All the claim groups lie within the Tombstone Plutonic Belt.

The dominant structural features in the area are a pair of imbricated thrust sheets. The Robert Service Thrust (RST) and the Tombstone Thrust Sheet (TTS), which collectively have transported the Selwyn Basin sediments over 150 kilometres to the northeast. The RST Sheet is marked by many internal thrusts, subsequent folds and faults and a strong penetrative structural fabric imparted by the later underlying TTS. The magnetics on all properties clearly show this structural complexity. The complicated structural history has resulted in much of the terrain being fertile for mineralization and mineral deposits.

Mineralization within the Tintina Gold Belt is primarily the result of intrusion related gold systems. These large felsic epizonal systems result in variable deposits that on the surface may appear unrelated. Proximal mineralization associated with Tombstone intrusives are sheeted gold veins or stockworks within the rim or immediately adjacent to Tombstone Suite plutons. Deposits such as Dublin Gulch, Brewery Creek and Fort Knox are examples of this type of mineralization. The numerous significant gold anomalies surrounding the Roaring Fork Stock on MLM's Trail-Minto claim group could also indicate a sheeted-vein stockwork type of mineralization.

Thick sequence of sediments in the Tombstone Plutonic Belt have resulted from thrusting and stacking of sediment sequences during mountain building and erosion. This environment is favourable for intrusion-related and orogenic mineral deposits. The Pogo Mine (4.9M oz Au at 12.45g Au/t) in Alaska is an example of a high grade orogenic deposit lying within Yukon-Tanana Terrace. Numerous projects within the Tombstone Belt to the south of Mayo Lake represent the mesothermal phase of orogenic mineralization, including Gold Strike's Plateau Project (numerous high-grade intersections including drill intersections of 13.3g Au/t over 17.5m and 12.5g Au/t over 20.7m) and Golden Predator's 3 Aces (81.5 g Au/t over 5.6m; 50.4g Au/t over 8m; 58.8g Au/t over 4.6m). Much of the geochemical and geophysical data collected and compiled on Anderson-Davidson, Trail-Minto, Edmonton and Cascade claim groups points to magmas and fluids moving through tectonized rocks from intrusions. The recently drilled gold occurrence on the Anderson-Davidson claim group likely corresponds to this orogenic type of mineralization.

Silver Mines at Keno Hill (282M oz Ag mined; 1.2M t at 805g Ag/t resources) are unique in that they are mesothermal silver-base metal deposits with a projected metal source being a buried intrusion. Investigations on the Carlin-Roop Property indicate it has a similar geologic history to those mines at Keno Hill.

Exploration Property Descriptions

A description of the geology, mineralization and MLM's exploration for each claim group is provided below. See "*Planned Exploration and Evaluation 2021-2022*" and "*Mineral Exploration Properties and Deferred Exploration Expenditures*" for additional details.

Carlin-Roop Claim Group

Carlin-Roop, which is the amalgamation of two contiguous claim groups, is composed of 190 contiguous quartz claims covering an area of 36.3 square kilometres. The claim groups cover the eastern reaches of the Gustavus Range, which is bisected east to west by the Granite-Keystone Creek valley. Peaks are generally rounded with steep drop-offs or cliffs at the lips of valleys. It lies within the Keno Hill Silver District (KHSD).

Granite Creek was historically prospected for placer potential. Beginning in 2013, a placer operation has been active and pockets containing up to 300 ounces of gold have been mined. Many of the tributaries to Granite Creek have been staked for additional placer potential. The placer operation on Granite Creek can be accessed by a road originating in Keno.

The claim group has been subjected to multiple glaciations. The youngest glaciation was confined to the trunk valleys occupied by Mayo Lake and the lower part of Granite Creek. Its limits are well marked by lateral moraines and lateral meltwater channel. Above this glacial limit, the ice was probably cold-based, resulting in minimal erosion except within part of the Granite Creek valley where most of the terrain is now covered by variable thicknesses of till. In the core of the valley the glaciers transported rock debris and mineral material in a westerly direction. Outcrop is uncommon, mostly along scarps on the edge of glacial valleys. Soil development is immature and extensively cryoturbated.

Carlin-Roop is underlain by Keno Hill Quartzite (KHQ) interlayered with minor andesitic volcanics and intruded by Triassic gabbros silts and plugs (Greenstones) and the Cretaceous Roop Lakes Stock. A contact metamorphic aureole extends up to 4 kilometres away from the Stock, impacting most units underlying the property.

Airborne magnetics were flown over the large area covered by the two claim groups in 2012. Magnetic patterns clearly showed the Roop Lake Stock and mafic plugs, the Stocks alteration halo and a broad NW trending mag low on the west side of the Roop Lake Stock. A NW trending anticline parallel the mag low with most of the area being underlain by the KHQ and Greenstones. The airborne magnetics defines numerous parallel breaks and terminations in the magnetics. These lineations are related to fracturing and folding patterns, induced by the Tombstone Thrust.

MLM completed soil sampling at various scales on the property in 2012, 2014, 2016 and 2017. It delineated several geochemical targets. The geochemistry and a follow-up SGH survey has indicated potential for Au bearing veins, copper of unknown provenance and for Keno Hill type $Ag \pm Pb \pm Zn$ veins. At the northern extremity an Au and Ag target plus a copper target have been defined by soil sampling and SGH. In the southern area soil sampling has indication Au and Ag potential at two localities; some Ag pathfinders indicate a potential for a KHSM silver mineralization in the east-central part of the property. In the western part of the property, highly anomalous Ag, Zn, Pb Sb and As are present over two segments of soil anomaly totaling 1000m in length. One has a length of 600m (Carlin West occurrence) and trends WSW. It in turn is cut by liners trending ESE, with the same elements paralleling this trend. This situation is similar to that in the central KHSD where Ag fault veins are focused along the Tombstone-related fractures and faults.

In 2018, a ground magnetics survey was completed over parts of the 600m long soil anomaly to confirm and refine the position of the soil anomaly s projected by the airborne magnetics. In 2019, IP-Resistivity survey across the soil anomaly indicated 15m wide high silica, mineralized zone, crossing the axis of the Ag soil anomaly, the Carlin West occurrence.

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In late October of 2020, a short drill program, 2 holes totalling 205m, was completed, but was terminated prior to achieving its objectives due to severe weather. The first hole was drilled to 127.5m depth at an inclination of 45° and intersected a greenstone unit (Greenstone) below the Keno Hill Quartzite (KHQ) at 93.5m downhole. A second hole was drilled to 75.4m depth at an inclination of 60° and bottomed in KHQ. The Greenstone is secondary to the KHQ in acting as a host to Keno Hill Style Mineralization (KHSM). Nevertheless, a classic KHS breccia, which yielded values of 6.9 g Ag/t over 1.85m, including 12.8g Ag/t over 0.85m, was intersected within the Greenstone. These breccias generally increase in widths and grades by orders of magnitude when intersected within the KHQ. Structural measurements indicate that this breccia likely intersects the KHQ 5-10m above where it cored into the Greenstone. New intervals of KHSM from the two hole collars to 20m downhole drilled through interbedded graphitic schist and quartzite. Assays from many prospective quartz vein and breccia intervals in this new zone assayed to 2.65m at 64.4 g Ag/t from 16.1m, including 0.85m at 124.4g Ag/t from 18m in the second hole; and 0.5m at 18.3g Ag/t from 21.5m and 1.0m at 33.7g Ag/t from 82.5m in the first hole. Structural measurements from the first hole indicate that the drilling did not intercept the 15m wide IP-Resistivity anomaly.

Exploration 2021. During July, 2021, a prospecting and soil sampling program was completed to define and confirm drill targets in the vicinity of the Carlin West silver occurrence. Results received September, 2021, defined two strong Ag in soil zones trending parallel to regional structural lineations. Four grab samples assayed 72, 197, 199 and 562g Au Eq/t along this trend. In some sectors of the Keno Hill silver district, silver ore can be found in similarly trending vein-faults along this trend. In the vicinity of the Carlin West silver occurrence, two grab samples assayed 4,311 Ag Eq/t and 737g Ag Eq/t along Ag in soil anomalies at obtuse angles to the regional trend.

In October of 2021, two diamond drill holes, totalling 310.8m, were completed on the Carlin West Ag in soil anomaly some 150m along strike from those holes drilled in 2020. The 2021 holes were drilled from the northeast edge of the broad geochem anomaly here, whereas the 2020 holes were drilled from the southwest edge of the broad geochem anomaly. In both cases the diamond drill holes encountered greenstone (Greenstone) before intersecting the central 15m wide near-surface target as identified by an IP-Resistivity survey. The Greenstone was not anticipated to be present at an anticipated 30m depth in the central area. the primary target within the KHQ, the preferred host for high grade KHSM. The first hole was drilled to 203.1m depth at an inclination of 45° and intersected graphitic schist to a depth of 15.05m, KHQ between 15.05 and 54.20m, Greenstone between 54.20 and 107.7m and interbedded schist and KHQ between 107.7 and 203.1m. The second hole was drilled to 117m depth at an inclination of 60° and intersected KHQ continuing layers of graphitic schist, sandstone and Greenstone to 44.6m; Greenstone between 44.6 and 67.0m; and interlayered KHQ and graphitic schist from 67.0 to 117.5m depth. Most notable was the 1.8m long intercept of a fractured quartz vein in the first hole. This zone was intercepted within the soil anomaly, but well outside the expected prime target associated with the 15m wide IP-Resistivity anomaly. Results from the two diamond drill holes are pending and anticipated in late May.

Carlin-Roop explorations expenditures 2011-2021

Year	Exploration Expenditures	
2012	Airborne geophysics, soil geochemistry, geology	\$214,671
2013	Geology	\$10,572
2014	Soil geochemistry	\$17,685
2015	Geology	\$2,023
2016	Soil geochemistry, SGH survey	\$21,395
2017	Soil geochemistry, SGH survey	\$21,959
2018	Ground magnetic survey , environmental	\$30,052
2019	Mechanical probing, IR-Resistivity survey	\$13,036
2020	Diamond drilling	\$331,163
2021	Soil geochemistry, diamond drilling	\$362,008

Note. Geology includes the synthesis and interpretation of various exploration works for economic evaluation and planning of future exploration.

All claims are all in good standing until 2023.

Planned 2022 Exploration. A total of 1,470m of diamond drilling is planned for drill targets identified by soil sampling at Carlin West through to 2021 plus those to be identified by detailed soil sampling, 30m by 30m grids in 2022 at Carlin West.

Some trenching is contemplated across higher grade Ag in soil anomalies here. Prospecting is to be completed over the Carlin West and adjacent areas.

Reconnaissance soil sampling will be completed on ground to the south and southwest of Carlin West.

Anderson-Davidson Claim Group

Anderson-Davidson is comprised of 627 contiguous quartz claims covering an area of 129.4 square kilometres, near the community of Mayo, Yukon. The claim group is over 30 kilometres long and covers the highlands south of Mayo Lake where several placer operations actively recover gold from creeks draining the highlands. Access to Anderson-Davidson is provided by a seasonal road connecting placer operations on Davidson Creek to the all-weather Mayo Lake Road. A pre-existing, four-wheel drive track runs east-west through the center of the claim group. Anderson-Davidson is also accessible from Mayo Lake and via helicopter from the airport in Mayo.

The area has been subjected to multiple glaciations. The surface cover is a mixture of colluvium and till. Rock exposure is less than 5 percent. During an older glaciation, the uplands were covered by glacial ice which was probably cold-based with the transport of rock and debris being minimal.

The Anderson-Davidson claim group is underlain by phyllites, schists and carbonates of the Hyland Group, occasionally intruded by felsic dykes. Most stratigraphy has bedding parallel or sub-parallel to foliation, which dips shallowly generally southeast except where modified by small scale isoclinal folding.

Anderson-Davidson has a long history of placer mining. Currently Davidson Creek is being mined during the summer, whereas Anderson Creek and another locale, Dawn Gulch are operated sporadically. During Operation Keno several creeks draining the north part of the property were sampled, yielding up to 275,000 ppm Au in heavy mineral concentrates. Samples from the Yukon's regional stream geochemistry are sparse but confirmed the presence of gold on the eastern part of the property. The property has similarities to that of the Plateau Project, some 40 km to the southwest, where Newmont is required to spend \$53M to earn a 75% interest in the project.

High resolution airborne magnetic completed in 2012 identified numerous magnetic linears associated with broad magnetic trends that were interpreted as having the potential for precious metal veining; and magnetic lows indicating alteration zones and igneous intrusions with associated precious metal that have potential for polymetallic deposits.

MLM delineated numerous areas of anomalous gold from ridge and spur sampling in 2012. Further testing of one promising area by MLM delineated the Anderson Gold Trend, a 10-kilometre-long zone of elevated and anomalous Au-As-Sb values. Three gold-in-soil anomalies, with zones more than 50 ppb Au for greater than 200m of strike length within trends of elevated Au up to 2 kilometres long were identified within the Anderson Gold Trend in 2013 to 2015. Significant sections of these soil anomalies contain greater than 100 ppb Au with others up to 500 ppb. A trench excavated at the Anderson-Owl Occurrence yielded anomalous gold in soil samples and a grab sample that assayed 3.5 g Au/t. These targets remain open along strike in up to three directions, in some cases following or crossing untested topographic depressions. Many geochemical targets remain to be tested, both within and outside of the Anderson Gold Trend.

On the Davidson claims, stream sediment and soil sampling has identified a number of gold anomalies ranging from 400m to 1500m in length with associated Sb and As halos. One Au target was verified with a SGH survey. Some of the grids need extending to better determine the probable bedrock source of the Davidson Creek placers.

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On the Anderson claims, a 2017 scout reverse circulation (RC) drilling campaign tested the Anderson-Owl anomaly, within the Anderson Gold Trend and intersected a gold-bearing system in drift covered bedrock; this in spite of the fact that the soil anomaly had been displaced by surficial processes. In total, 640m was drilled in 8 RCHs on two separate fences 50m apart. The newly discovered bedrock vein gold system had two mineralized structures, which correlated across both fences. The quartz sulfide vein structures had significant Au+As+Sb+Hg and contained abundant stibnite-arsenopyrite-pyrite mineralization associated with quartz veins and silica-cemented breccia.

One structure (Alpha) yielded 0.77g Au/t over 6.1m, including 0.90 g Au/t over 3.1m, from the bedrock-drift interface 4.6m down-hole in RCH MLM17-005; and 0.55 g Au/t over 3.0m from 3.1m down hole in RCH MLM17-006. Gold grades were highest at the bedrock – drift interface. The structure appears continuous for at least 50m between holes. The width and grade of the Alpha structure could not be determined because of the drill entering into the structure at the bedrock interface. The higher grades of gold at the top of the holes suggest that gold grades could increase in the undrilled part of the structure. A second structure was intersected by RCHs MLM17-002, 003, 005, 006 and 007 and yielded grades averaging about 0.14g Au/t over intervals of between 1.5m to 7.6m, at an average depth of 70m.

Exploration 2021. During July, 2021, IP-Resistivity profiles were completed, running across the strike of the Au in soil anomaly defining the Anderson-Owl gold anomaly. These profiles appeared to define two parallel steeply dipping zones, suggestive of mineralization.

A total of 331 soil samples over approximately 4 square kms, were collected in the vicinity of the Norman Au in soil anomaly. Results in early 2022 showed two significant Au in soil anomalies. The first zone had a length of 200+ m and trended SW. It had gold values of 25 and 55 pb and associated As, Sb and Bi anomalies. It was cut-off at the south edge of the soil grid. The second zone had a length of 500m and trends north-west. Gold values range between 10 and 45 ppb.

The Owl-Anderson, Norman and Steep Creek Au in soil anomalies plus the restricted geophysical magnetic character associated with these anomalies appear to be confined within a 500m wide zone within the broader Anderson Gold Belt.

Anderson-Davidson explorations expenditures 2011-2021

Year	Exploration Expenditures	Total Expenditures
2011	Geology	\$1,380
2012	Airborne geophysics, soil geochemistry, environmental	\$270,185
2013	Soil geochemistry, geology	\$38,694
2014	Soil geochemistry	\$67,621
2015	Soil geochemistry, SGH survey	\$60,026
2016	SGH survey	\$6,616
2017	RC drilling, soil geochemistry	\$273,078
2018	Geology , environmental, community	\$18,942
2019, 2020	Geology	\$934
2021	Ground IP and resistivity survey, soil geochemistry	\$60,088

Note. Geology includes the synthesis and interpretation of various exploration works for economic evaluation and planning of future exploration.

Annual minimum assessment work requirement in 2022, \$62,700.

2022 Planned Exploration. In 2022, the Company plans to define and refine Au in soil anomalies within the Anderson Gold Belt 500m wide prospective zone with further soil sampling, IP-Resistivity surveys and prospecting. It is anticipated that at least 4 or 5 well defined zones will be defined as diamond drill targets for 2023.

Trail-Minto Claim Group

Trail-Minto is currently composed of 184 contiguous quartz claims covering an area of 36.5 square kilometres. Access to Trail-Minto is provided by two pre-existing seasonal roads that cut across the northern and southern edges of the claim group. The roads connect to the Silver Trail Highway, 2.5 kilometres east of the property. Two past producing placer operations are present on creeks draining the property.

Trail-Minto is over 15 kilometres long and covers the highlands west of Silver Trail and south of Mount Haldane. The uplands within Trail-Minto are covered by a mixture of colluvium and till. Outcrop is sparse on the property, rarely exceeding 5 per cent. Trail Minto has been subjected to multiple glaciations but lies beyond the western limit of the most recent glaciation. Due to the elevation of the upland, ice was probably cold-based and transport of rock and debris was minimal. However, some of the upland's surface may be covered by patches of stratified glaciofluvial sediments and/or fluvial sediments formed through periglacial slope processes.

Trail-Minto is underlain by phyllites, schists and carbonates of the Hyland Group metasediments, occasionally intruded by felsic and mafic plugs and dykes. Most stratigraphy has bedding parallel or sub-parallel to foliation, which generally dips shallowly southeast except where modified by small scale isoclinal folding. The Roaring Fork Stock underlies the south part of the Trail-Minto.

Airborne magnetics flown by MLM in 2012, delineated patterns that were indicative of (i) an underlying N-S oriented intrusion or alteration related to the same intrusion in the southern two-thirds of the property and (ii) a broader E-W oriented buried intrusion in the northern one-third of the property. Magnetic lineations primarily paralleled or are oblique to the major oblong magnetic anomalies. The N-S oriented pattern relates to the Roaring Fork Stock and the E-W pattern probably relates to a buried intrusion as witnessed by small mafic and granodiorite plugs outcropping in this area. A ground magnetic survey completed in 2018 confirmed that a major magnetic low traversed the west flank of the Roaring Creek Stock with adjacent small lows in the surrounding area showing greater magnetism.

Reconnaissance-type soil sampling completed by MLM in 2012 and 2015 outlined a number of WNW trending Au+As+Sb anomalies in the northern part of the property. Soil sampling completed in 2012, 2015 and 2016 over the southern part of the property adjacent to the Roaring Fork Stock and its buried projections is characterized by Au in soil anomalies that generally have a N-S orientation with some obliquely-oriented variations. Contours for other elements seem to define patterns that reflect the presence of the Roaring Fork Stock, alteration of the Stock and adjacent wallrock mineralization. The gold mineralization appears to have been transported and precipitated along faults and joints within the Roaring Fork Stock and the adjacent altered wallrock; the mineralization, faults and joints being in part induced by the Roaring Fork Stock. Gold mineralization is expected to be intrusion related, such as at Victoria Gold's Eagle deposit, or structurally controlled intrusion related mesothermal or epithermal gold bearing veins and stockworks.

A ground magnetic survey completed in 2018 confirmed the magnetic low crossing the west flank of the Roaring Fork Stock and some accessory small mag lows imposing on the surrounding areas in an area where limited soil sampling indicates a high potential for gold mineralization. In 2019 a shallow penetrating IP-Resistivity line identified the contact between the Roaring Fork Stock and adjacent schistose rock. Probing and some geochemical analysis, also in 2019, delineated some gold in soil anomalies that appear correlated with linear gold in soil anomalies.

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Trail-Minto exploration expenditures 2011-2021

Year	Exploration Expenditures	Total Expenditures
2012	Airborne geophysics, soil geochemistry	\$121,654
2013 - 2014	Geology	\$6,483
2015	Soil geochemistry	\$30,817
2016	Soil geochemistry	\$25,869
2017	Geology, soil geochemistry	\$6,912
2018	Ground magnetic survey	\$20,874
2019 - 2020	Mechanical probing, IP and Resistivity	\$21,735
2021	Payment in lieu	\$4,095

Note. Geology includes the synthesis and interpretation of various exploration works for economic evaluation and planning of future exploration.

Annual minimum assessment requirements 2022, \$42,900.

Exploration plans 2022. A large area over the Roaring Fork Stock (RFS) will be sampled for determination of multielement, including Au, content in soils. Funds will be allotted to sampling grids that would cover (1) an area at the south end of the property where no grid sampling has been previously completed, mainly because of difficult seasonal access, (2) a large area known to be underlain by the RFS and adjacent altered and fractured rock, which shows favorable magnetics and soil sampling results and (3) a third area at the south end of the RFS, adjacent to a road transecting Trail-Minto. The Company is planning to trench Au in soil anomalies that it has delineated within, and adjacent to, the Roaring Fork Stock. This will determine priority targets for subsequent drilling in 2023 and beyond.

Edmonton Claim Group

The Edmonton claim group is composed of 76 contiguous quartz claims covering an area of 19.5 square kilometres near the eastern arm of Mayo Lake. Access is primarily by helicopter. The claim group is also accessible from Mayo Lake. It is bordered to the west by Edmonton Creek, a historically active placer creek. Other creeks that drain to the east are shown to have been placer mined in the past.

The surface cover at Edmonton is a mixture of colluvium and till. The youngest glaciation affecting Edmonton, was confined to the valley occupied by Mayo Lake. This valley was filled with westward fast-flowing ice that scoured its bottoms and sides. The youngest glacial limits are marked by moraines. Small ice-dammed ponds are present along the periphery of this moraine system. The highest part of uplands was probably covered by older cold-based glacial ice during an older glaciation, transport of rock and debris being minimal.

Edmonton is underlain by the Robert Service Thrust (RST), which is a broad structure containing a complex intermingling of Keno Hill Quartzites and Hyland Group metasediments intruded by competent gabbroic rocks. Local prominences on the plateau that Edmonton covers correspond to gabbro stocks. The thrust limit of the RST is mapped as a surface trace on Edmonton, when it is more likely a series of multiple sub-horizontal faults. The rocks have also been intensively strained during Tombstone thrusting.

Airborne magnetics was flown over the property in 2012. It delineated a large geophysical anomaly in the southern part of the claim group with one boundary that is marked by elevated gold in soil values. This large anomaly is interpreted to be a buried stock or alteration zone of unknown provenance. The true extent and nature of gold in rock source has yet to be determined. Other magnetic lineations clearly showed faults and fractures that are common within the Tombstone strain zone.

Reconnaissance geochemical soil sampling was completed in 2012. It was followed by definition geochemical soil sampling was completed in stages in 2014, 2015, 2017, the later being reported in 2018. It delineated an E-W

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trending Au anomaly along the northern edge of the large mag low. Other gold and base metal soil anomalies are also evident. A thorough interpretation of the geophysical, geochemical and glacial history of the data was completed in 2019. It became evident that base metal anomalies formed a ring around the large mag low in the southern part of the property. Slightly elevated, variably trending Au anomalies were present in the centre of the mag low. A strong multi-element anomaly trended to the northeast from the mag low. The geochem anomalies were commonly parallel to geophysical linears suggestive of fractures and faulting related to the Tombstone thrusting. The pattern of geochem anomalies and geophysical suggests that base metal mineralization along the flanks of the mag low and Au mineralization within and along the north flank of the mag low reflect fluids from different magmas. Edmonton explorations expenditures 2011-2021.

Year	Exploration Expenditures	Total Expenditures
2011	Geophysics	\$20,734
2012	Soil geochemistry, geology, environmental	\$23,857
2013	Geology	\$15,451
2014	Soil geochemistry, geology	\$30,066
2015	Soil geochemistry	\$19,988
2016	Soil geochemistry	\$7,108
2017	Soil geochemistry	\$12,597
2018	Geology	\$18,421
2019	Soil geochemistry, geology	\$11,534
2020	Geology	\$282

Note. Geology includes the synthesis and interpretation of various exploration works for economic evaluation and planning of future exploration.

Annual assessment requirements in 2022, \$6,600.

Planned exploration 2022. The Company will continue to investigate possible mineralization that may well be related to buried an intrusive(s) and related deformation, alteration and mineralization under the large magnetic low. It will complete a SGH sampling program on a 150 m square grid supplemented by prospecting in order to define trenching and drill targets.

Cascade Claim Group

The Cascade claim group is composed of 52 contiguous quartz claims covering an area of 10.5 square kilometres near Mayo Lake. Cascade covers a moderately sloping prominence overlooking a former producing placer creek draining into the Nelson Arm of Mayo Lake. The claim group is also accessible from Mayo Lake, which has a boat launch at its west end. An old road leading from the lake crosses the south part of Cascade.

The surface cover is a mixture of colluvium and till. Cascade has been subjected to multiple glaciations. The ice was probably cold-based due to the elevation of the upland, and transport of rock and debris was minimal.

The property is underlain by the Robert Service Thrust (RST), which is sub-horizontal. It includes a complex intermingling of Hyland Group Metasediments intruded by competent gabbroic rocks and amphibolite dykes. Rock was also intensely strained during the subsequent Tombstone thrusting.

Geophysics flown in 2012 by MLM suggests that the surface trace of the RST is folded around the nose of the Mayo Lake Antiform on or adjacent to the property. This structurally complex zone has good potential to host mineralized structures. Reconnaissance sampling suggests the presence of a gold in soil anomaly, with the most anomalous sample yielding 2.25 g Au/t.

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Definition sampling in 2017 has delineated five gold in soil anomalies. The anomalies are all open in at least one direction. Two anomalies have associated element anomalies suggesting a felsic intrusive or skarn-type provenance. The other Au anomalies have element associations suggesting intrusion related or orogenic-type provenances for the gold; two of them have strong As and Sb associations. In 2018, MLM reanalyzed soil samples for Au by fire assay to confirm previous Au in soil anomalies defined by INAA and ICP-MS after acid digestion techniques because of the possibility that gold values may have been negated or muted where graphite was present in the soil. The results did not indicate any obvious affects from the graphite or any other soil component. Further definition sampling in 2020 around the exterior of the original soils grid extended those anomalies along the east part of the grid. A new grid in the south part of the property delineated one E-W trending gold in soil anomaly.

Cascade exploration expenditures 2011-2021

Year	Exploration Expenditures	Total Expenditures
2012	Soil geochemistry, geology	\$20,164
2013	Geology, soil geochemistry	\$9,452
2014	Soil geochemistry	\$54
2015	Soil geochemistry	\$570
2017	Soil geochemistry geology	\$15,078
2018	Geology, soil geochemistry	\$2,315
2019	Soil geochemistry	\$8,880
2021	Cash in lieu	\$4,200

.Note. Geology includes the synthesis and interpretation of various exploration works for economic evaluation and planning of future exploration.

Assessment requirements in 2022, \$4,000

Planned Exploration 2022. The Company intends to conduct more detailed soil sampling to define potential gold mineralization in areas where reconnaissance soil sampling and airborne magnetics indicate good potential for gold mineralization, mainly to the east and north part of the claim group. Soil sampling will also cover those parts of Cascade showing Au and Ag gold in soils anomalies.

All technical information, including costs and costs estimates of programs within this document has been reviewed and approved by Dr. Vern Rampton, P. Eng. in his capacity as a qualified person as defined under NI 43-101.

SELECTED ANNUAL INFORMATION

The following tables contain selected annual financial information for the fiscal years ended December 31, 2021, 2020, and 2019.

Revenue, expenses, losses, dividends for 2019, 2020, 2021.

	2021 (\$)	2020 (\$)	2019 (\$)
Revenue	0	0	0
Total expenses	562,211	424,991	527,348
Other income	76,964	56,130	0
Net loss for year	485,247	368,861	527,348
Loss per share - diluted	0.007	0.003	0.011
Cash dividend per share	Nil	Nil	Nil

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Total expenses varied from year to year primarily because variation in activities related to budgeting, financing, supervision of exploration activities and planning for a public listing. For more detail see “Annual general and administrative expenses: 2019, 2020 and 2021”.

Annual general and administrative expenses: 2019, 2020 and 2021 net of other income.

Category	2021 (\$)	2020 (\$)	2019 (\$)	Increase (\$) (Decrease) 2021-2020	Increase (\$) (Decrease) 2020-2019
Investor relations and Promotion	44,688	38,706	76,016	5,982	(37,310)
Professional; legal, audit, accounting, regulatory	133,806	56,859	60,351	76,947	(3,492)
General and administrative	161,030	148,608	236,128	12,422	(87,520)
Interest expense and bank charges	10,463	28,402	30,513	(17,939)	(2,111)
Fair value adjustment on promissory note	(12,721)	(31,079)	-	18,358	(31,079)
Share based payments	203,415	148,630	144,600	54,785	4,030
Other expenses or income	(55,434)	(21,265)	(20,260)	(34,169)	(1,005)
Total overhead expenses net of other income	485,247	368,861	527,348	116,386	(158,487)

The net decrease in overhead expenses net of other income between 2020 and 2019 of \$158,487 was primarily due to a decrease in General and administration costs and Investors Relations and promotions expenses, resulting from management receiving one-half of their compensation in RSUs in 2020; RSUs received in 2019 were for bonuses. More costs were incurred in 2019 due to corporate planning and fund raising in anticipation of a public transaction. A fair value adjustment of \$31,079 on promissory notes also reduced the total overhead in 2020.

The net increase in overhead expenses net of other income between 2021 and 2020 of \$116,386 was primarily due to increased Professional fees (\$76,947) and General and Administrative (\$12,422) relating to preparation of a prospectus and application for a listing that was initiated in 2021. Interest expenses were also down by \$17,939 in 2021. This was offset by a reduction of the Fair value adjustment on the promissory notes of \$18,358. Share based payments, RSU compensation plus bonuses, was \$54,785 higher in 2021.

OVERALL PERFORMANCE AND RESULTS OF EXPLORATION

Deferred Expenditures: Mining Properties and Exploration and Evaluation

Deferred Expenditures: mining properties (purchase, staking, and claim maintenance fees) and exploration and evaluation by MLM on its claim groups between acquisition in 2011 through December 31, 2021 was \$4,637,516 of which \$2,397,590 is attributable to mining properties and \$2,239,926 to exploration and evaluation. The later sum excludes the sum of \$100,732, which was the total sum recovered from government grants.

Deferred Expenditures: September 1, 2011 through December 31, 2021.

Expenditure Period	Mineral Properties	Exploration and Evaluation
September 1 2011 — December 31, 2016	\$2,353,537	\$1,028,790
January 1 — December 31, 2017	\$26,893	\$322,456
January 1 — December 31, 2018	\$3,180	\$79,351
January 1 — December 31, 2019	\$4,190	\$55,786
January 1 — December 31, 2020	\$1,495	\$331,419
January 1 — December 31, 2021	\$8,295	\$422,124

The majority of the mining property expenditures predating 2015 are related to the acquisition of the properties, whereas those covering January 1, 2015 through December 31, 2021 are related to renewal of claims.

Of the \$1,028,790 spent on exploration prior to 2017, \$382,267 was spent on airborne magnetics, \$405,407 on soil geochemistry and \$241,116 on geology (includes integration of other categories of exploration into the geology). Between January 1, 2017 and December 31, 2020, \$331,418 was spent on diamond drilling, \$242,586 was spent on RC drilling, \$28,343 on trenching, \$114,318 on geochemistry and geophysics, \$47,360 on geology and \$13,354 on environmental and community affairs. In 2021, \$314,414 was spent on diamond drilling, \$61,064 on geochemistry, \$34,900 on geophysics and \$11,746 on geology.

The variability in yearly exploration expenditures is largely related to the availability of funds to meet Mayo's exploration objectives. These funds were primarily expended on exploring those areas having the highest potential for minerals in order to add value and maintain the claims in good standing.

<i>Details of exploration and evaluation expenditures for 2021.</i>						
Work performed	Anderson-Davidson	Trail-Minto	Carlin-Roop	Edmonton	Cascade	Total
	\$	\$	\$	\$	\$	\$
Geology	-	-	11,746	-	-	11,746
Geochemical	25,188	-	35,848	28	-	61,064
Geophysics	34,900	-	-	-	-	34,900
Line Cutting	-	-	-	-	-	-
Trenching and Probing	-	-	-	-	-	-
Drilling	-	-	314,414	-	-	314,414
Environmental	-	-	-	-	-	-
Community Social Development	-	-	-	-	-	-
Totals	60,088	-	362,008	28	-	422,124

<i>Details of exploration and evaluation expenditures for 2020.</i>						
Work performed	Anderson-Davidson	Trail-Minto	Carlin-Roop	Edmonton	Cascade	Total
	\$	\$	\$	\$	\$	\$
Geology	900	-	40	195	40	1,174
Geochemical	(566)	(283)	(164)	88	(119)	(1,044)
Geophysics	-	-	-	-	-	-
Line Cutting	-	-	-	-	-	-
Trenching and Probing	-	-	-	-	-	-
Drilling	-	-	331,288	-	-	331,288
Environmental	-	-	-	-	-	-
Community Social Development	-	-	-	-	-	-
Totals	334	(283)	334,164	283	(79)	331,419

Results of exploration and evaluation

Of the \$753,543 spent on exploration in 2020 and 2021, \$686,172 was spent on Carlin-Roop. Sixty thousand dollars (\$60,000) spent at Anderson Davidson in 2021 was the only other significant exploration cost on the Company's properties during 2020 and 2021.

Carlin Roop

In 2021, A total of \$35,848 was expended on prospecting and geochemical soil sampling and analysis in the vicinity of the Carlin West silver occurrence. A total of 320m was drilled at Carlin-Roop in 2021 at a cost of \$314,414. Results are pending and anticipated in late May, 2022. Review and interpretation of the data collected by Mayo during the 2020 diamond drill program cost \$11,746.

In 2020 \$331,164 was spent on a diamond drilling program, targeting its Carlin West silver occurrence. The first hole was drilled to 127.5m depth and intersected a greenstone unit (Greenstone) below the Keno Hill Quartzite (KHQ) at 93.5m downhole. The second hole was drilled to 75.4m depth and bottomed in KHQ. The Greenstone is secondary to KHQ in acting as a host to Keno Hill Style Mineralization (KHSM). Nevertheless, a classic KHS breccia, which yielded values of 6.9 g Ag/t over 1.85m, including 12.8g Ag/t over 0.85m, was intersected within the Greenstone. These breccias generally increase in widths and grades by orders of magnitude when intersected within the KHQ. Structural measurements indicate that this breccia likely intersects the KHQ 5-10m above where it cored into the Greenstone. Intervals of KHSM from surface down to 20m downhole in the two holes intersected interbedded graphitic schist and quartzite. Intervals assayed 2.65m at 64.4 g Ag/t from 16.1m, including 0.85m at 124.4g Ag/t from 18m in the second hole; and 0.5m at 18.3g Ag/t from 21.5m. and 1.0m at 33.7g Ag/t from 82.5m in the first hole.

Anderson-Davidson

During 2021, IP-Resistivity profiles were completed at a cost of \$34,900 running across the strike of the Au in soil anomaly defining the Anderson-Owl gold anomaly. These profiles appeared to define two parallel steeply dipping zones, suggestive of mineralization. A total of 331 soil samples at a cost of \$25,199 were collected in the vicinity of the Norman Au in soil anomaly covering approximately 4 square kms. Results in early 2022 showed two significant Au in soil anomalies. The first zone had a length of 200+ m and trended SW. It had gold values of 25 and 55 pb and associated As, Sb and Bi anomalies. It was cut-off at the south edge of the soil grid. The second zone had a length of 500m and trends north-west. Gold values range between 10 and 45 ppb.

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During 2020, a total of \$900 was spent reviewing results from previous programs and \$566 was deducted from Anderson-Davison's geochemical expenditure because of a recovery from the Yukon Worker's Compensation Health and Safety Board.

Trail-Minto

In 2020, a total of \$288 was deducted from Trail;-Minto's geochemical expenses due to a recovery from the Yukon Worker's Compensation Health and Safety Board..

Edmonton.

In 2020 and 2021 expenditures were negligible, a total of \$283 in 2020 and \$28 in 2021.

Cascade

In 2020, \$119 were deducted from geochemical expenses because of a recovery from the Yukon Worker's Compensation Health and Safety Board.

Summary of Planned exploration for 2022

Exploration will be focused on the silver prospect at Carlin West within the Carlin-Roop. A total of 1,470m of diamond drilling is anticipated, Exploration of the other projects are structured to refine and define drill targets. It is anticipated that a total of 5 to 7 well defined drill targets will be defined within the Anderson Gold Belt.

The proposed exploration and costs for 2022 are set out in table below

Summary of Proposed Exploration and Estimated Costs for 2022

Carlin-Roop	
Reconnaissance Geochem - 161 samples	\$23,055
Geochem Surveys - 627 samples	\$71,176
Prospecting - 107 rocks	\$17,794
Drilling - 1,470 m; assays - 882	\$424,974
Contingency	\$107,400
Total	\$644,399
Anderson Davidson	
Reconnaissance Geochem - 131 samples	\$53,795
Geochem Surveys - 511 samples	\$16,920
Prospecting - 88 rocks	\$4,230
IP Survey	\$35,000
Contingency	\$21,989
Total	\$131,934
Trail-Minto	
Reconnaissance Geochem - 138 samples	\$28,355
Geochem Surveys - 536 samples	\$22,560
Prospecting - 92 rocks	\$5,640
Trenching - 550m; assays - 150	\$23,750
Contingency	\$16,061
Total	\$96,366
Edmonton	
Geochem Surveys - 196 samples	\$14,816
Prospecting - 35 rocks	\$3,704
Contingency	\$3,704
Total	\$22,224
Cascade	
SGH Survey - 98 samples	\$7,720
Prospecting - 17 rocks	\$1,930
Contingency	\$1,930
Total	\$11,580
Total	\$906,503

Results of Operations

SUMMARY OF QUARTERLY FINANCIAL PERFORMANCE

Financial results on quarterly basis: Q1 2020 through Q4 2021.

Category	2021 Q4 \$	2021 Q3 \$	2021 Q2\$	2021 Q1 \$	2020 Q4 \$	2020 Q3 \$	2020 Q2 \$	2020 Q1 \$
Revenue	-	-	-	-	-	-	-	-
Expenses net of income:								
Investor relations and Promotion	13,214	8,530	12,206	10,738	12,756	6,527	6,277	13,146
Professional; legal, audit, accounting, regulatory	59,485	9,442	59,931	4,946	39,455	5,052	884	11,468
General and administrative	36,435	46,431	45,076	33,091	32,597	36,279	38,802	40,930
Fair value adjustment on promissory note	(12,721)	-	-	-	(31,079)	-	-	-
Interest expense and bank	4,339	3,083	1,024	2,017	7,287	6,146	7,193	7,776
Share based compensation	62,744	1,924	138,748	-	148,630	-	-	-
Other income	(61,188)	1,853	(644)	4,543	(21,318)	16	18	19
Total expenses net of income	102,308	71,263	256,341	55,335	188,328	54,020	53,174	73,339
Net loss	102,308	71,263	256,341	55,335	188,328	54,020	53,174	73,339

The very high expenses recorded for 2020 Q4 and Q2 2021 are largely due to higher Professional; legal, audit, accounting and regulatory fees and Share based compensation, partially offset in 2020 Q4 by a negative, other income and Fair value adjustment on promissory notes. The higher Professional fees in 2020 Q4 and 2021 Q2 are primary the results of irregular invoicing by lawyers and auditors. Increases and variation in Share based compensation for different quarters is due to the irregular timing in awarding and vesting of RSUs awarded for compensation and bonuses.

The quarterly norm for total quarterly expenses net of income is between ~ \$53,100 and \$73,400 based on the results for 2020 Q1-Q3, 2021 Q1 and 2021 Q3.

Small variations in Investor relations and promotion can be attributed to the number of trade shows attended and to the timing of fund raising. As indicated previously, variation in Professional fees are largely due to irregular invoicing by the Professionals (lawyers and auditors). Higher General and administrative costs in 2021 Q2 and Q3 relate to activities in support of fund raising, planning for going public and preparation of a prospectus and listing application. Fair value adjustments on promissory notes are an accounting exercise that is booked during the last quarter of a year. Interest expenses are related to the amount of loans outstanding, being much reduced in 2021 from 2020. Share based compensation costs vary dramatically due to the timing of RSU awards and vesting. Other income was significantly high in the Q4s of both years due to flow through premium recoveries.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2021, the Company held cash of \$1,104,056 (December 31, 2020 - \$35,335) and had a working capital of \$706,645 (December 31, 2020 – deficiency of \$295,057). Between 2018 and 2021, due to a lack of sufficient equity financing, the Company financed parts of operating expenses, property costs and exploration costs through promissory notes and deferral of insider consulting fees. In 2021, most funding was the result of private placements and the IPO raise.

Financing Activity 2021

On March 24, 2021, the Company closed a Common Share Private Placement for 2,947,000 Units at \$0.10 per Unit for total proceeds of \$294,700. Each Unit consists of one common share and one warrant exercisable at \$0.15 into one common share for a period of 30 months from a public listing. The warrants were valued at \$97,578 using the Black-Scholes valuation model. A placement with one related party resulted in the reduction of related party debt of \$100,000.

On April 30, 2021, the Company closed a Common Share Private Placement for 1,958,500 Units at \$0.10 per Unit for total proceeds of \$194,950. Each Unit consists of one common share and one warrant exercisable at \$0.15 into one common share for a period of 30 months from a public listing. The warrants were valued at \$63,776 using the Black-Scholes valuation model. Placements with five related parties resulted in the reduction of related party debt of \$184,950 (payables - \$149,950 and note - \$35,000).

On April 30, 2021, the Company closed a Flow Through Private Placement for 963,400 Units at \$0.12 per Unit for total proceeds of \$115,608. Each Unit consists of one common share and one warrant exercisable at \$0.15 into one common share for a period of 30 months from a public listing. The warrants were valued at \$35,205 using the Black-Scholes valuation model. The Company recognized a flow through liability of \$19,268. Placement with two related parties resulted in the reduction of related party debt of \$39,000.

In conjunction with the offering, the Company paid finder's fees of \$1,751 and granted 114,588 Broker Unit Warrants in relation to the flow through share offering. Each Broker Unit Warrant vested immediately and is exercisable at a price of \$0.12 for a period of 30 months from listing date. The Broker Unit Warrants were valued at \$462 using Black-Scholes valuation model.

On June 18, 2021, the Company closed a Common Share Private Placement for 2,080,000 Units at \$0.10 per Unit for total proceeds of \$208,000. Each Unit consists of one common share and one warrant exercisable at \$0.15 into one common share for a period of 30 months from a public listing. The warrants were valued at \$64,042 using the Black-Scholes valuation model.

On September 30, 2021 the Company closed on 60,000 Common Share (CS) units for \$6,000 and 2,248,751 Flow Through (FT) units for \$269,850. The CS units consist of one common share and one-half of a warrant with each full warrant being exercisable into a common share at a price of \$0.12 for a period of 30 months from a public listing. The FT units consist of one flow through share and one half of a warrant with each warrant being exercisable into a at a price of \$0.15. The Company recognized a flow through liability of \$44,975. A finder's fee of \$10,500 and 87,500 broker warrants were issued in concert with the FT placement. Each warrant is exercisable into a common share at a price of \$0.10 for a period of 30 months from a public listing. All warrants are subject to an acceleration clause that is triggered by the average price of the shares on any recognized Canadian exchange being \$0.25 or more for 10 consecutive days subsequent to a period of six months from the warrant's issuance.

On December 30, 2021, the Company closed the first tranche of the flow through (FT) component of its Initial Public Offering for 6,287,701 FTh Units at \$0.15, totalling \$943,155. Each FT Unit consists of one FT share and one half common share purchase warrant. Each whole warrant is exercisable into one common share at \$0.20 per share for

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expiring on December 30, 2024. The 3,143,853 warrants were valued at \$153,377 using the Black Scholes valuation model. The Company recognized a flow through liability of \$188,631.

In conjunction with the FT component offering, the Company paid finder's fees of \$57,500 and granted 352,919 Broker Unit Warrants in relation to the FT share offering. Each Broker Unit Warrant vested immediately and is exercisable at a price of \$0.15 Expiring December 30, 2024. The Broker Unit Warrants were valued at \$12,882 using Black-Scholes.

On December 30, 2021, the Company also closed the first tranche of the Common share (CS) component of its Initial Public Offering for 2,003,340 CS Units at \$0.12, totalling \$240,401. Each CS Unit consists of one common share and one half common share purchase warrant. Each whole warrant is exercisable into one common share at \$0.18 per share for expiring on December 30, 2024. The 1,001,670 warrants were valued at \$48,867 using the Black Scholes valuation model. Placement with related party resulted in the reduction of related party debt of \$12,000.

In conjunction with the CS component offering, the Company paid finder's fees of \$1,750 and granted 14,584 Broker Unit Warrants in relation to the CS offering. Each Broker Unit Warrant vested immediately and is exercisable at a price of \$0.12 Expiring December 30, 2024. The Broker Unit Warrants were valued at \$532 using Black-Scholes valuation model.

Financing Activity 2020

On January 10, 2020, the directors approved an amendment to warrants in good standing such that the exercise price was reduced from \$0.12 and \$0.15 to \$0.05 for the period ending January 31, 2020. Subsequently through a series of resolutions they extended the expiry date of the reduction in price to December 31, 2020. Furthermore, on March 10, 2020 the directors authorized the establishment of a 'Warrant Pool' managed by the Company under which those parties who surrender their existing warrants to the Warrant Pool, would receive one common share purchase warrant exercisable at \$0.15 per share for every two warrants so surrendered; with an expiry date of two years from the date of such surrender.

The Company closed on special warrant exercise for a total of \$307,378 (6,043,930 warrants) throughout 2020. The Company also issued 1,004,133 warrants to those shareholders, who had surrendered their warrants to the warrant pool. These warrants were valued at \$23,559 using the Black-Scholes valuation model.

On October 13, 2020, the Company closed the first tranche of a Flow Through Placement for 1,666,000 Flow Through Units at \$0.12, totalling \$200,004. Each Unit consists of one flow through share and one common share purchase warrant. Each whole warrant is exercisable into one common share at \$0.15 per share for a period of 30 months from listing date. The 1,666,000 warrants were valued at \$59,585 using the Black-Scholes valuation model. The Company recognized a flow through liability of \$21,308.

In conjunction with the offering, the Company paid finder's fees of \$14,000 and granted 116,669 Broker Unit Warrants in relation to the flow through share offering. Each Broker Unit Warrant vested immediately and is exercisable at a price of \$0.15 for a period of 30 months from listing date. The Broker Unit Warrants were valued at \$4,000 using the Black-Scholes valuation model.

On October 15, 2020, the directors passed a resolution approving the borrowing of up to \$190,000 from European via a promissory note at 3% per annum. As the promissory note was issued at a below then market rate a fair value adjustment of \$31,079 was recorded at inception. The adjustment was determined by reference to a market rate of interest of 12% and the duration of the note. At December 31, 2020 the Company owed European \$145,600 on said note and \$34,860 in accrued interests (2019 - \$16,275) (from previous and current notes).

Mayo Lake Minerals MD&A as of December 31, 2021

On December 23, 2020, the Company closed a private placement with European Ventures Inc. consisting of a Common Share Unit placement for 1,550,000 Units at \$0.10 per Common Share Unit totalling \$155,000. Each Unit consists of one common share and one common share purchase warrant. Each whole warrant is exercisable into one common share at \$0.15 per share for a period of 30 months from listing date. The 1,550,000 warrants were valued at \$44,626 using the Black-Scholes valuation model.

On December 31, 2020, the Company closed the final tranche of a Flow Through Placement for 30,000 Flow Through Units at \$0.12 per flow through share totalling \$36,000. Each Unit consists of one common share and one common share purchase warrant. Each whole warrant is exercisable into one flow through share at \$0.15 per share for a period of 30 months from listing date. The 30,000 warrants were valued at \$10,992 using the Black-Scholes valuation model. The Company recognized a flow through liability of \$3,743.

The Company received government assistance in the form of CEBA loan for \$60,000. The loan bears no interest until December 31, 2023 upon which the term of repayment of the outstanding amount will be determined. Repayment of the loan before December 31, 2023 will result in a loan forgiveness of \$19,800.

OUTSTANDING SHARE DATA

	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Common Shares	88,161,227	66,961,285	55,258,020
Warrants	17,659,866	6,873,902	8,248,109
Broker Unit Warrants	586,260	188,069	220,290
Options	-	-	2,100,000
RSU-DSU Awards	900,000	600,000	375,000
Fully Diluted	107,307,353	74,623,256	66,201,419

Warrants

Exercisable and Outstanding at December 31, 2021

	Exercise Price	Expiry date
533,193	\$0.15	March 30, 2023
410,800	\$0.15	July 30, 2023
40,625	\$0.15	December 30, 2023
12,529,725	\$0.15	30 months after listing
1,001,670	\$0.18	December 30, 2024
3,143,853	\$0.20	December 30, 2024
Total	17,659,866	

Broker Unit Warrants

Exercisable and Outstanding at December 31, 2021

	Exercise Price	Expiry date
218,757	\$0.12	30 months after listing
14,584	\$0.12	December 30, 2024
352,919	\$0.15	December 30, 2024
Total	586,260	

Warrants

**Exercisable and Outstanding
at December 31, 2020**

	Exercise Price	Expiry date
212,500	\$0.15	April 16, 2021
1,640,000	\$0.15	April 30, 2021
100,000	\$0.15	May 1, 2021
501,334	\$0.15	December 31, 2021
533,193	\$0.15	March 30, 2023
410,800	\$0.15	July 30, 2023
40,625	\$0.15	December 30, 2023
3,435,450	\$0.15	30 months after listing
Total	6,873,902	

Broker Unit Warrants

**Exercisable and Outstanding
at December 31, 2020**

	Exercise Price	Expiry date
71,400	\$0.12	April 30, 2021
116,669	\$0.12	30 months after listing
Total	188,069	

SUBSEQUENT EVENTS

On January 11, 2022 the Company renounced the following expenditures to FT Investors via form T101A: \$115,608 re the March FT Placement and \$269,850.08 re the September FT Placement.

On February 2, 2022 the Company (VR) renounced the amount of \$943,155.15 raised in the IPO using the Lookback rule under FT ID 21-50191-6.

On March 15, the Company closed the second tranche of its IPO Placement. In summary, between the two tranches the Company issued an aggregate of 6,287,701 flow-through units of the Company ("FT Units") at a price of \$0.15 per FT Unit (the "FT Unit Offering Price") and 4,640,373 Units, for aggregate gross proceeds of \$1,500,000, the maximum offering under the Prospectus. Stephen Avenue Securities Inc. (the "Agent") acted as agent on a commercially reasonable efforts basis in respect of the Offering.

On March 17 the directors passed a resolution replacing Grant Thornton LLP as auditors of the Company with Jones & O'Connell LLP as their successors.

On March 21, 2022 the directors passed a resolution approving a private placement of any combination of CS Units and FT Units up to \$500,000. Each CS Unit will be comprised of one common share (a "Common Share") and one-half Common Share purchase warrant ("CS Warrant"). Each whole CS Warrant is exercisable into one Common Share at a price of \$0.18 per Common Share for a period of 36 months from the closing date. In the event of multiple closings, the day of the final closing will be the Closing Date of record. Each FT Unit will be comprised of one flow-through share in the capital of the Company (a "FT Share") and one-half purchase warrant (a "Warrant"). Each whole Warrant is exercisable into one Common Share at a price of \$0.24 for a period of 36 months from the closing date. Each FT Share will be issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (the "Tax Act").

RELATED PARTY TRANSACTIONS

The Company has contracts for management and geological services provided by key management, namely officers, administrators and directors of the Company and companies controlled or influenced by management. In addition, key management or their related companies may hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. Transactions are recorded at the fair value as agreed between all parties.

- The President's and CEO's wholly-owned corporation provides the Company under separate contracts with: (i) the provision of senior management, President, CEO and geological services; and (ii) the provision of office and storage space in addition to secretarial, accounting and bookkeeping services. The President or his corporation provides credit to the Company from time to time.
- The Vice President Exploration provides geological and management services, VP Exploration to the Company through his wholly owned corporation. Fees charged also include reimbursable costs incurred.
- The Secretary's law firm provides legal and securities advice and services to the Company. He also has provided credit to the Company through a separate corporation in the past.
- The Administrator's proprietorship provides investors relations, legal, and other professional services to the Company.
- An employee of the President's wholly owned corporation provides the Company with bookkeeping, secretarial and office services.
- Interest expensed on the amounts due to related parties during 2021 totalled \$5,412 (2020 - \$19,265).
- Ironstone Capital Corporation (ICC) a corporation providing financial consulting services to the Company related to the completion of an expected corporate transaction leading to a public listing. However, the transaction was terminated unexpectedly by a third party and consequently the prepayment of \$198,000 (2019 - \$198,000) is being held in escrow until the completion of the IPO the Company is planning for the future. ICC was paid separately \$20,000 (2020 - \$22,500) for its services. The controlling shareholder of ICC became a director of the Company in December 2017.
- European Ventures Inc. is a controlling shareholder of the Company and from time to time provides credit to the Company. The president and CEO through his wholly owned corporation and the Company's administrator provide similar services to European. In addition the President and two directors of the Company are also the sole directors of European. In addition the President is a controlling shareholder and has provided significant funds by way of credit to European.
- In January 2019, Big River Mineral Exploration Inc. (BRME), an indigenous corporation, began providing exploration and related services under contract to the Company. The Company's Vice President Exploration holds influence over the BRME by way of his position as an officer in BRME. Contracts are negotiated between BRME and the Company with full consideration of fair competitive prices.

Mayo Lake Minerals MD&A as of December 31, 2021

Related Parties	2021 Compensation					2021 Year-End Outstanding			
	Fees	RSUs/DSUs ¹ Awarded		Options Awarded		RSUs/DSUs ¹	Options ¹	Notes & Interests	Payables ²
		#	Award Value	#	Value ¹	#	#		
Rampton Resource Group President and CEO services	\$51,000	860,000	\$63,355	-	-	-	-	\$30,969	\$4,803
Rampton Resource Group Offices services, accounting and secretarial ³	\$67,929	180,000	\$12,780	-	-	-	-	-	\$6,061
Sans Peur Exploration VP-Exploration Services	\$48,000	730,000	\$53,990	-	-	-	-	\$30,969	\$22,725
Administrator/Proprietorship Investors relations and other professional services	\$45,000	725,000	\$53,500	-	-	-	-	\$10,323	-
André Rancourt CPA, C.A. CFO services	\$10,650	165,250	\$12,095	-	-	-	-	-	\$3,475
Irwin Lowy LLP Legal Services	\$121,886	-	-	-	-	-	-	-	\$139,407
Ironstone Capital Corp. Financial Services	\$79,400	-	-	-	-	-	-	\$6,194	\$27,597
Director Jeff Ackert	-	100,000	\$7,100	-	-	300,000	-	-	-
Lee Bowles Director	-	100,000	\$7,100	-	-	250,000	-	-	-
Director Greg Leblanc	-	100,000	\$7,100	-	-	350,000	-	-	-

Related Parties	2020 Compensation					2020 Year-End Outstanding			
	Fees	RSUs/DSUs ¹ Awarded		Options Awarded		RSUs/DSUs ¹	Options	Notes & Interests	Payables ²
		#	Award Value	#	Value ¹	#	#		
Rampton Resources Group President and CEO services	\$51,000	660,000	\$46,860	-	-	-	-	-	\$143,243
Rampton Resources Group Offices services, accounting and secretarial	\$59,151	90,000	\$6,390	-	-	-	-	-	-
Sans Peur Exploration VP-Exploration Services	\$48,000	630,000	\$44,730	-	-	-	-	-	\$158,000
Administrator/Proprietorship Investors relations and other professional services	\$25,565	600,000	\$42,600	-	-	-	-	-	\$56,937
André Rancourt CPA, C.A. CFO services	\$2,250	-	-	-	-	-	-	-	\$1,750
Irwin Lowy LLP Legal Services	\$16,383	-	-	-	-	-	-	-	\$43,205
Ironstone Capital Corp. Financial Services	\$22,500	-	-	-	-	-	-	-	\$25,000
Director Jeff Ackert	-	75,000	\$5,325	-	-	200,000	-	-	-
Lee Bowles Director	-	125,000	\$8,875	-	-	150,000	-	-	-
Director Greg Leblanc	-	75,000	\$5,325	-	-	250,000	-	-	-

1. RSU and DSU being in lieu of cash compensation are valued at the fair value at the date of grant.
2. Includes HST.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, accounts payable and accrued liabilities, demand notes payable, long-term note payable and due to related parties. Details relating to financial instruments and risk management are disclosed in note 14 to the annual consolidated financial statements for the years ended December 31, 2021 and 2020.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures in the notes thereto. These estimates and assumptions are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from those estimates.

The most significant items requiring the use of management estimates and valuation assumptions are related to the recoverable value of mineral exploration properties and deferred exploration expenditures; the valuation of all liability and equity instruments including flow-through share premiums, warrants, compensation options and stock options; and, the ability of the Company to continue as a going concern. Details with respect to critical accounting estimates, judgments and estimation uncertainties are disclosed in note 4 to the annual consolidated financial statements for the years ended December 31, 2021 and 2020.

NEW ACCOUNTING STANDARDS

New and revised accounting standards

The Company did not adopt any new standards within the year ended December 31, 2021.

COVID-19 Outbreak

The current global uncertainty with respect to the spread of COVID-19, the rapidly evolving nature of the pandemic and local and international developments related thereto and its effect on the broader global economy and capital markets may have a negative effect on the Company and the advancement of its projects. While the precise impact of the COVID-19 outbreak on the Company remains unknown, rapid spread of COVID-19 and declaration of the outbreak as a global pandemic has resulted in travel advisories and restrictions, certain restrictions on business operations, social distancing precautions and restrictions on group gatherings which are having direct and indirect impacts on businesses in Canada and around the world and could result in travel bans, closure of assay labs, work delays, difficulties for contractors and employees getting to site, and diversion of management attention all of which in turn could have a negative impact on development of the its projects and the Company generally. The immediate outlook is a lessening in the effects on the Company from the pandemic as the restrictions on activities due to it continue to ease. The spread of COVID-19 may continue to have a material adverse effect on global economic activity and could result in volatility and disruption to global supply chains and the financial and capital markets, which could affect the business, financial condition, results of operations and other factors relevant to the Company, including its ability to raise additional financing and on the price of gold and silver.

Provided the current availability of labour and supplies is not materially affected by new developments respecting COVID-19 or responses thereto, the Company expects that its personnel will be able to carry out activities and complete the work program without significant delays or increases in costs. However, there can be no assurances that the COVID-19 pandemic will not result in the Company having inadequate access to required skilled labour and qualified personnel, which could have an adverse impact on the Company's business, financial performance and financial condition.

The Company has and will continue to take measures recommended by Health Canada and applicable regulatory bodies, as appropriate. To date, the Company has an optional "work from home policy" for its executive officers and key employees. It has also reduced travel and transitioned to virtual meetings where feasible. At this point, the extent to which COVID-19 will or may impact the Company is low, however it is still possible that COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition.

CORPORATE AND BUSINESS RISK

The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of gold deposits. The Company's property interests are in the exploration stage only and are without a known economic mineral deposit. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be dependent upon locating an economic mineral deposit, which itself is subject to numerous risk factors. Furthermore, there can be no assurance, even if an economic deposit of minerals is located, that it can be commercially mined. The exploration and development of mineral deposits involves a high degree of financial risk over a significant period of time which even a combination of careful evaluation, experience and knowledge of management may not eliminate risk. While the discovery of ore-bearing structures may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current business relationships or exploration programs of the Company will result in profitable commercial mining operations. The profitability of operations will be, in part, directly related to the cost and success of exploration programs on its properties which may be affected by a number of factors. Substantial expenditures are required to establish reserves sufficient to commercially mine and to construct, complete and install mining and processing facilities in those properties that are actually mined and developed.

Economic Risk

The prices of copper, gold, silver and other metals fluctuate. The future direction of the price of any metal or mineral will depend on numerous factors beyond the Company's control, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of commodities, and therefore on the economic viability of the Company's properties, cannot accurately be predicted. As the Company is only at the exploration stage, it is not yet possible for it to adopt specific strategies for controlling the impact of fluctuations in the price of the commodities for which it explores.

Management; Dependence on Key Personnel, Contractors and Service Providers

Shareholders of the Company rely on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company.

Industry Conditions

The exploration and development of mineral deposits involve significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves, to develop processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration and development programs planned by the Company or its joint venture partners will result in a profitable commercial operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as commodity prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. The Company's operations will be subject to all the hazards and risks normally encountered in the exploration and development of minerals, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

Value of Common Shares

The value of the Company's common shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other factors plus general market conditions beyond the direct control of the Company.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other interests, many of which have greater financial resources than it has, for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Additional Funding and Financing Risk

Additional funds will be required for future exploration and development. The source of future funds available to the Company is through the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favourable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders.

Environmental Risk

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes to environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests that have been caused by previous or existing owners or operators.

Title to Property

Although the Company has taken reasonable measures to ensure proper title to its properties' mineral rights, there is no guarantee that the mineral rights to all of its properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests.

Uninsured Hazards

The Company may not always be able or may choose not to obtain insurance for many of the risks that it faces. In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or

other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in an increase in costs and a decline in the value of the Company's securities.

The Company is currently not insured against environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. The Company may periodically evaluate the cost and coverage of the insurance that is available against certain environmental risks to determine if it would be appropriate to obtain such insurance.

Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate the Company's available funds or could exceed the available funds that the Company has and result in bankruptcy. Should the Company be unable to fully fund the remedial cost of an environmental problem, it might be required to enter into interim compliance measures pending completion of the required remedy.

Conflicts of Interest

Certain directors and officers of the Company also serve as directors or officers of other companies involved in natural resource exploration, development and production. Consequently, there exists the possibility that such directors will be in a position of conflict of interest. Any decision made by such directors involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a material conflict of interest.

Political Risk

The Company's properties or business operations may be exposed to various degrees of political, economic and other risks and uncertainties. The Company's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of governmental orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on foreign ownership, inability to obtain or delays in obtaining necessary exploration or mining permits, opposition to exploration and mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as bylaws and policies of Canada affecting foreign trade, investment and taxation.

Permits, Licences and Approvals

The operations of the Company may require licences and permits from various governmental authorities or permits from surface right landowners. The Company believes it holds or is in the process of obtaining all necessary licences and permits to carry on the activities which it is currently conducting under applicable laws and regulations.

Such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licences and permits that may be required to maintain its exploration activities, construct mines or other facilities and commence operations of any of their exploration properties.

In addition, if the Company proceeds to production on any exploration property, it must obtain and comply with permits and licences which may contain specific conditions concerning operating procedures, water use, the discharge of various materials into or on land, air or water, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to obtain such permits and licences or that it will be able to comply with any such conditions.

Community Risks

In addition to mineral tenure and environmental permitting, the Company attempts to engage local communities where it explores. Communities may respond differently to exploration and mineral development activities from region to region. Increasingly the exploration sector is required to engage in social contracts with local residents, communities and surface land owners. Factors affecting social acceptance of exploration are variable and can be unpredictable over time. Local opinions can change rapidly about exploration activities and opinions may not be related to the activity of the Company although its ability to enter an area and conduct its programs may be affected by shifts in perception.

Regulatory Matters

The Company's business is subject to various federal, provincial and local laws governing prospecting and development, taxes, labour standards and occupational health, mine safety, toxic substances, environmental protection and other matters. Exploration and development are also subject to various federal, provincial, state and local laws and regulations relating to the protection of the environment.

These laws impose high standards on the mining industry to monitor the discharge of waste water and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate mine properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents. A violation of these laws may result in the imposition of substantial fines and other penalties.

Mineral Price Fluctuations

The marketability of any mineral is subject to numerous factors beyond the control of the Company. The price of minerals can experience volatile and significant movements over short periods of time. Factors impacting price include, but are not limited to, demand for the particular mineral, political and economic conditions and production levels and costs of production in other areas or countries.

CORPORATE INFORMATION

Officers and Directors

Vern Rampton, P. Eng., Ph.D. — Chief Executive Officer, President and Director

Andre Rancourt, CPA, C.A. --- Chief Financial Officer

Tyrell Sutherland, M.Sc., P. Geo. — Vice-President, Exploration and Director

Chris Irwin, BA, LL.B — Corporate Secretary

Jeffrey Ackert, BSc. — Independent Director

Gregory LeBlanc, B.A, M.A. — Independent Director

Lee Bowles —Independent Director

Corporate Office

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Phone: (613) 836-2594

Independent Auditor

Jones & O'Connell LLP, St. Catharines, Canada

Corporate Legal Counsel

Irwin Lowy LLP, Toronto, Canada

Corporate Banker

The Bank of Nova Scotia, Kanata (Ottawa), Canada