

# **MAYO LAKE MINERALS INC: MANAGEMENT DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTHS ENDING SEPTEMBER 30, 2022 (Information as at September 30, 2022 unless otherwise noted)**

## **INTRODUCTION**

The following provides management's discussion and analysis of results of operations and financial condition for the nine month periods ended September 30, 2022 and 2021. 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 November 28, 2022.

This MD&A should be read in conjunction with the Company's financial statements for the quarters ended September 30, 2022 and 2021. It should also 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. Mayo 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.*

## **QUARTERLY HIGHLIGHTS**

### **Q3, 2022 Highlights**

#### **Corporate**

1. On August 30, 2022 the Company closed a Flow Through private placement for 1,433,340 flow through units at \$0.15, totalling \$215,001. Finder's fees of \$14,000 and 93,334 broker unit warrants were awarded. A flow through liability of \$43,000 was incurred.
2. As of September 30, 2022, the Company's flow through liability was reduced to \$31,364 as a result of the a liability of \$43,000 being incurred on August 30th and a recovery of \$206,278 of flow through liability for exploration expenses incurred during 2022.
3. On July 21, 2022 the Company awarded 3,990,000 incentive options to management, consultants and contractors with a strike price of \$0.15, valid for 5 years from issuance. The options are to vest in three equal segments of 1,330,000 each on August 1, 2022, August 1, 2023 and August 1, 2024.
4. On September 30, 2022, the Company awarded 930,158 options exercisable at \$0.15 for a period of 3 years from the date of issuance and 549,307 Restricted Share Units (RSUs) to management, directors, consultants and contractors for their dedication to the company and to supplement their compensation for fiscal 2021 as well as the period up to the Company's public listing in May of 2022. The options and RSUs will vest in three separate equal segments on January 30 of 2023, 2024 and 2025.

### Exploration

1. The field components for all exploration programs in the Mayo area of the Yukon were completed.
  - Carlin-Roop. A total of 1070m in diamond drilling at Carlin West plus splitting, logging and delivery of samples to the Bureau Veritas Canada (BVC) laboratory for assaying. In addition, a detailed soil sampling program to the east of the Carlin West zone involving the collection of 192 samples was completed.
  - Anderson-Davidson. A total of 602 samples over 6 grids were collected and submitted to BVC for analysis.
  - Trail-Minto. A total of 585 samples were collected and submitted to BVC for analysis. Trails for future trenching were delineated.
  - Edmonton. A total of 136 samples were collected and forwarded to Activation Laboratories (Actlabs) for analysis.
  - Anderson-Davidson, Trail-Minto, Edmonton and Cascade. A total of 104 samples were collected to investigate the effects on analytical results from coarse gold and material texture.
2. A total of \$486,894 was spent on exploration during Q3 2022, which when combined with the expenditures from the two previous quarters totals \$1,117,016.

### Subsequent Event

1. October 25, the Company announced receipt of results from 1,619 geochemical and SGH soil samples collected from its properties in 2022.
2. A total of 1,483 geochemical soil samples from Carlin-Roop, Anderson-Davidson, Trail-Minto, Edmonton and Cascade and 136 soil gases (SGH) samples from Edmonton.
  - The Company issued a press release interpreting the results of its soil sampling programs on October 25, 2022.
  - Carlin-Roop. A detailed soil sampling program further detailed a 125m by 55m zone at Carlin West where the soil samples all analyzed  $\geq 30\text{g Ag/t}$  ( $\geq 1\text{oz Ag/t}$ ).
  - Anderson-Davidson. The Anderson Gold Trend was extended to an area of 16km by 3 km. Over 9500m of drill-ready, anomalous gold in soil zones, subject to further investigations in some cases, were outlined. At Owl-Anderson, an individual zone's length was increased to 3,000 m, with gold values up to 527 ppb. At Steep Creek, an individual zone's length was increased to 1700 m with gold values up to 142 ppb. At Peak, an individual zone's length was delineated over 1600m with gold values up to 272 ppb. At Norman, one individual zone of 670m length with gold values up to 46 ppb was delineated.
  - The Anderson Gold Trend was extended to 16km + in length with recognition of further targets zones at Dawn Gulch, and in the drainage basins of Owl and Anderson Creeks.
  - At Trail-Minto, results from the soil sampling continued to define north-trending irregular parallel bands of gold anomalies, mainly at the edges, and on the halo, of the Roaring Fork Stock. It was also noted that a potential correlation existed between the gold in soil anomalies and the magnetic analytical signal.
  - At Anderson-Davidson, Trail-Minto, Edmonton and Cascade, 104 samples were collected to investigate irregularities in previous results because of (i) coarse gold being not included in the analyzed -80 mesh portion (standard) of soil samples and (ii) sampling of loess and transported silts overlying glacial sediments.
  - At Edmonton, an SGH survey validated the potential presence of sub-surface gold and base mineral mineralization as previously delineated by geochemical soil sampling. The anomalous zones flank a large magnetic low that is believed to be indicative of an underlying intrusive and associated alteration.
3. On October 28, an assessment of the lithologies, structures, alterations and mineralogy of the eight holes at Carlin West was completed and released by way of a press release. Galena and sphalerite in 6 out of 8 holes, abundant pyrite mineralization (common to the Husky and Husky southwest mines in the Keno Hill Silver Camp) and laminated siderite and sulfosalts in at least one hole were recognized.
4. On October 31, Auropean Ventures Inc. was no longer deemed to be an insider as its share holdings fell below 10% of the Company's outstanding shares.

### Q2, 2022 Highlights

#### Corporate

1. On May 4, 2022 the Company closed a private placement for a total of 1,572,637 Common Share Units @ \$0.15 per Unit and 167,000 Flow Through Units at \$0.24 per Flow Through Unit for a total of \$218,776.44.

2. On May 5, 2022 the common shares of the Company began trading on the Canadian Securities Exchange.

### **Exploration**

The Company launched its summer exploration program on May 25, 2022 for an estimated \$900,000. The proposed final program included 1,470m of diamond drilling at Carlin-Roop, 550 m of trenching at Trail-Minto, and extensive soil sampling to refine and define drill targets at the Company's Carlin-Roop, Trail-Minto, Anderson-Davidson and Cascade properties. A SGH soil sampling program was to be completed at Edmonton to delineate the position and extent of gold ± base metal mineralization.

### **Q1, 2022 Highlights**

#### **Corporate**

1. The final tranche of an Initial Prospectus Offering (IPO) was closed on March 15, 2022 with receipt of \$316,444. This completed the maximum offering of \$1,500,000 under the IPO. In total, 4,640,374 Units (common share) and 6,287,701 Flow through Units were issued.

#### **Exploration**

1. Two significant gold in soil anomalies were delineated within the Anderson Gold Trend following the receipt and interpretation of geochemical soil samples collected in October, 2021. One 500m zone contained values of between 10 and 45 ppb Au; a second 200 + m zone with values of 25 and 55 ppb Au.
2. The exploration planned for 2022 was finalized based on a budget of \$906,503.  
Carlin-Roop: \$644,399 for 1,470m drilling plus prospecting and geochemical soil surveys for definition of prospective areas and drill targets.  
Anderson-Davidson: \$131,934 for prospecting, IP-Resistivity surveys, geochemical soil surveys for delineation of drill targets.  
Trail-Minto: \$96,366 for 150m plus of trenching plus; prospecting and geochemical soil surveys for delineation of drill targets.  
Edmonton: \$22,224 for prospecting and SGH surveys to determine potential location of gold and base metal mineralization.  
Cascade: \$11,580 for prospecting and geochemical soil surveys to determine the potential location of gold and silver mineralization for trenching and drilling.

### **NATURE OF OPERATIONS AND DESCRIPTION OF BUSINESS**

Mayo Lake Minerals Inc. 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 and 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.

In July 2021, 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 responses from both agencies regarding certain matters at 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, 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 for the Prospectus from the OSC. On December 30, 2021 the Company closed the first tranche of its Initial Public Offering consisting of 6,287,701 flow through (FT) Units @ \$0.15 each for a total of \$943,155 and 2,003,340 common share (CS) Units @ \$0.12 each for \$240,401. Subsequently, on March 15, 2022 it closed on a further 2,637,034 CS Units for a total of \$316,444 and thereby completely filled the Maximum Offering of \$1,500,000.

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The combination of available working capital on September 30, 2021 and the funds raised under the Maximum Offering, that were to be utilized for exploration was:

Property	Principle Purpose	Estimated amount to be expended
Carlin- Roop Silver Project	Drilling, Trenching, IP-Resistivity Survey, Prospecting and Geochemical Soils	\$615,737
Anderson-Davidson	Soil Sampling and IP-Survey	\$72,000
Trail-Minto	Soil Sampling	\$88,500
Edmonton	SGH Survey	\$10,500
Cascade	Soil sampling	\$16,500
	Total Exploration	\$803,237

Some modifications were made to the allocation of exploration funds subsequent to receipt of exploration results and their interpretation in early 2022 plus the anticipation of onerous operating conditions on certain projects. The proposed exploration continues to focus on the Carlin-Roop property.

### 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 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 Auropean 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. Auropean 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 Auropean 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. Auropean 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 \$1M if gold is at \$1,000 per ounce or less; \$2M 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. In 2022, 40 claims totalling 8.3 sq.

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km were added. Work completed in 2017, 2018, 2019 and 2022 will leave 230 Carlin-Roop claims, totalling 45.8 sq. km. in area, in good standing beyond April, 2027 upon filing of available assessment work.

**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 and during 2018 to extend the claims until October 2023.

**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. In 2022, 44 claims totaling 8.9 sq. km. in area were added. Assessment work and payments in lieu applied in 2018, 2019, 2020 and 2022 has resulted in 228 claims totalling 46.0 sq. km. in area in good standing beyond 2025.

**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 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. Completion of payments in lieu of assessment work and the filing of assessments completed during 2022 leaves the claims in good standing beyond July, 2024. Further filing of assessment work is pending.

**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 due to the Covid-19 pandemic. Payments in lieu and the filing of assessment work from 2022 leaves the claims in good standing until July 2024.

### **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 Mayo'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. During the Tombstone Thrust multiple sheets of sediment were thrust over one another and the bedrock was also fractured and faulted in such a manner as to relieve the stresses from the thrusting. 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 Mayo'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 230 contiguous quartz claims covering an area of 45.8 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 silt 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.

Mayo 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 ± Pb ± Zn veins. At the northern extremity an Au and Ag target plus a Cu target have been defined by soil sampling and SGH. In the southern area soil sampling has indication of 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 (AJ soil zone). 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 as 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 on the Carlin West occurrence.

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 down hole. 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 this breccia likely intersects the KHQ 5-10m above where it cored into Greenstone. New intervals of KHSM from the two hole collars to 20m down hole 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 from the AJ zone 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. 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 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 geo-chem anomaly here, whereas the 2020 holes were drilled from the southwest edge of the broad geo-chem 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 is 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.

**Exploration 2022.** Splitting, logging, sampling and delivery to the BVC laboratories for assaying of 832 samples from eight diamond drill holes centred in the Carlin West zone has been completed. A review of the logging indicates that lithologies, structures and alteration, favourable for hosting KHSM, have been noted to some degree in all holes sampled. Galena and sphalerite were noted in 6 of 8 holes; considerable pyrite mineralization common to the Husky Southwest and Husky Mines in the Keno Hill Silver Camp was noted; and laminated siderite and sulfosalts were noted in one hole. A total of \$914,373 had been spent to the end of September, 2022 at Carlin-Roop.

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Carlin-Roop explorations expenditures 2011 to September 30, 2022.

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
2022	Soil geochemistry, diamond drilling	\$914,373

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

### ***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.

Mayo delineated numerous areas of anomalous gold from ridge and spur sampling in 2012. Further testing of one promising area by Mayo 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.

## Mayo Lake Minerals MD&A as September 30, 2022

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 received 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.

**Exploration 2022.** Anderson-Davidson. The Anderson Gold Trend was extended to an area of 16km by 3km and over 9500 m of drill-ready anomalous gold in soil zones, subject to further investigations in some cases, were outlined. At Owl-Anderson an individual zone length was increased to 3000 m, with gold values up to 527 ppb. At Steep Creek an individual zone length was increased to 1600 m with gold values up to 142 ppb. At Peak an individual zone length with gold values to 272 ppb was delineated over 1600 m. At Norman, one individual zone of 670 m length with gold values to 46 ppb was delineated. The Anderson Gold Trend was extended to 16km + in length with recognition of further targets zones at Dawn Gulch and in the drainage basins of Owl and Anderson Creeks. Sites were sampled to investigate the possibility that (i) coarse-grained Au was removed from the standard analyzed -80 mesh samples and (ii) loess and transported silt were analyzed in part with glacial materials and colluvium caused irregularities in analytical results. A total of \$82,105 had been spent to the end of September, 2022

### Anderson-Davidson Explorations Expenditures 2011 to September 30, 2022

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
2022	Soil geochemistry	\$82,105

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

All claims are in good standing until 2023.

***Trail-Minto Claim Group***

Trail-Minto is currently composed of 228 contiguous quartz claims covering an area of 46.0 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 variable thicknesses of silt where mass wastage has concentrated loess derived from large areas of outwash to the east during a younger glaciation.

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 Mayo 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 Mayo 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.

**Exploration 2022.** At Trail-Minto, results from the soil sampling continued to define north-trending irregular parallel bands of gold anomalies, mainly in the edges and halo of the Roaring Fork Stock. It was also noted that a potential correlation existed between the gold in soil anomalies and the magnetic analytical signal. Sites were sampled to investigate the possibility that (i) coarse-grained Au was removed from the standard analyzed -80 mesh samples and (ii) loess and transported silt were analyzed in part with glacial materials and colluvium caused irregularities in analytical results. A total of \$91,889 has been spent to the end of September, 2022.

Trail-Minto exploration expenditures 2011 to September 30, 2022.

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
2022	Soil Geochemistry	\$91,889

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

**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 were 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. Significant thicknesses of silt may be locally present where mass wastage has concentrated loess derived from outwash during a younger glaciation.

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 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 geo-chem anomalies were commonly parallel to geophysical linears suggestive of fractures and faulting related to the Tombstone thrusting. The pattern of geo-chem 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.

**Exploration 2022.** At Edmonton, an SGH survey validated the potential [presence of sub-surface gold and base mineral mineralization as previously delineated by geochemical soil sampling. The anomalous zones flank a large magnetic low that is believed to be indicative of an underlying intrusive and associated alteration. The base metal and gold zones may relate to the different fractionation of metals within an intrusive or its sub-phases. Sites were sampled to investigate the possibility that (i) coarse-grained Au was removed from the standard analyzed -80 mesh samples and (ii) loess and transported silt were analyzed in part with glacial materials and colluvium caused irregularities in analytical results. A total of \$25,777 has been spent up to the of September, 2022.

## Mayo Lake Minerals MD&A as September 30, 2022

Edmonton explorations expenditures 2011 to September 30, 2022.

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
2022	Payment in lieu, extending claims to July 19, 2022	\$1,595
2022	Soil geochemistry	\$25,777

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

### ***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. A variable layer of loess is present on parts of Cascade.

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 Mayo 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.

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, Mayo 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.

**Exploration 2022.** The Company planned 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. However, logistics and funding limited investigations to trying to determine the cause of past irregularities in soil sampling results, i.e., mainly the positioning of samples having low values close to those showing high Au values. Sites were sampled to investigate the possibility that (i) coarse-grained Au was removed from the standard analyzed -80 mesh samples and (ii) loess and transported silt were analyzed in part with glacial materials and colluvium caused irregularities in analytical results. A total of \$2,872 has been spent to the end of September, 2022.

Mayo Lake Minerals MD&A as September 30, 2022

Cascade exploration expenditures 2011 to September 30, 2022

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
2022	Soil geochemistry	\$2,872

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

All technical information, including costs and cost 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.

**SUMMARY OF QUARTERLY RESULTS**

*Selected financial information for the three month periods ended September 30, 2022 and September 30, 2021.*

	September 30, 2022 (\$)	September 30, 2021 (\$)	Increase (Decrease) 2022-2021 (\$)
Revenue	0	0	0
Total expenses	179,075	147,775	31,300
Other income	207,266	0	207,266
Net gain (loss) for quarter	28,191	(147,775)	(175,966)
Loss per share - diluted	0.000	(0.002)	(0.002)
Cash dividend per share	Nil	Nil	Nil

Total expenses in 2022 were \$31,300 more than those in 2021 primarily because of the share-based payments of \$49,538 in 2022 vs \$1,924 in 2021. Other changes in expenses were relatively small except for a decrease in Professional fees of \$67,437 between 2021 and 2022. The \$207,266 Other income includes a flow through liability recovery of \$206,278. For more detail see *Annual General and administrative expenses for quarters ending September 30 2022 and September 30, 2021.*

*Annual General and administrative expenses for quarters ending September 30, 2022 and September 30, 2021.*

Category	September 30, 2022 (\$)	September 30, 2021 (\$)	Increase (decrease) 2022-2021 (\$)
Investor relations and promotion	32,479	8,530	23,949
Professional; legal, audit, accounting, regulatory	18,517	85,954	(67,437)
General and administrative	68,882	46,431	22,451
Project generation	-	-	-
Interest expense and bank charges	6,089	3,083	3,006
Share based payments	49,538	1,924	47,614
Other expenses	3,570	1,853	1,717
<b>Total overhead expenses</b>	<b>179,075</b>	<b>147,775</b>	<b>31,300</b>

## Mayo Lake Minerals MD&A as September 30, 2022

The decrease of \$67,437 in Professional fees is mainly due to audit and legal fees that were related to the IPO in 2021. The increase in Investor relations and promotion and General and administrative is also related to the IPO. Share based payments were higher in 2022 due to the vesting of options grant in Q3 of 2022.

### SUMMARY OF THE NINE MONTH PERIOD RESULTS

*Selected financial information for the nine month periods ended September 30, 2022 and September 30, 2021.*

	September 30, 2022 (\$)	September 30, 2021 (\$)	Increase (decrease) 2022-2021 (\$)
Revenue	0	0	0
Total expenses	447,453	459,451	(11,998)
Other income	210,147	0	210,147
Net loss for nine months	237,306	459,451	(222,145)
Loss per share - diluted	0.002	0.005	(0.003)
Cash dividend per share	Nil	Nil	Nil

Total expenses for the first nine months in 2022 were \$11,998 less than in 2021 primarily because of a decrease in Share based payments and Professional fees, which together were more than the \$124,090 increase in the total costs of all other expense categories between 2021 and 2022. The \$210,147 in Other income in 2022 includes a flow-through recovery of \$206,278. For more detail see *Annual general and administrative expenses for nine month period ending September 30, 2022 and September 30, 2021.*

*Annual general and administrative expenses for nine months ending September 30, 2022 and September 30, 2021.*

Category	September 30, 2022 (\$)	September 30, 2021 (\$)	Increase (decrease) 2022-2021 (\$)
Investor relations and promotion	75,887	31,474	44,413
Professional; legal, audit, accounting, regulatory	99,898	150,831	(50,933)
General and administrative	187,098	124,608	62,490
Project generation	-	-	-
Interest expense and bank charges	18,714	6,124	12,590
Share based payments	55,516	140,671	(85,155)
Other expenses	10,340	5,743	4,597
<b>Total overhead expenses</b>	<b>447,453</b>	<b>459,451</b>	<b>(11,998)</b>

A decrease of \$85,155 in share based payments was due to the vesting of RSU and DSU grants in 2021 of \$138,748 exceeding those in 2022 of \$55,156. The share based payments of \$55,516 included \$46,550 for the vesting of options and \$8,966 attributed to expensing DSUs. The increase in Investor relations and promotion of \$44,413, General and administrative of \$62,490 and Interest, bank and other charges of \$12,590 were largely due to increased activities related to running a public company. Interest expenses were more in 2022 because of an increase in loans being serviced in 2022. The decrease in Professional fees of \$50,933 was mainly due to substantial audit and legal fees in 2021 related to the IPO.

**OVERALL PERFORMANCE AND RESULTS OF EXPLORATION FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2022.**

<i>Details of exploration and evaluation expenditures for nine months ending September 30, 2022.</i>						
<b>Work performed</b>	<b>Carlin-Roop</b>	<b>Trail-Minto</b>	<b>Anderson-Davidson</b>	<b>Edmonton</b>	<b>Cascade</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$
Geology	1,315	2,054	11,553	-	-	<b>14,922</b>
Geochemical	53,750	87,269	69,100	24,712	1,971	<b>236,802</b>
Geophysics	-	-	-	-	-	-
Line Cutting	-	-	-	-	-	-
Trenching and Probing	-	-	-	-	-	-
Drilling	854,937	-	-	-	-	<b>854,937</b>
Environmental	-	-	-	-	-	-
Community Social Development	-	-	-	-	-	-
Project Management	4,371	2,566	1,452	1,065	901	<b>10,355</b>
<b>Totals</b>	<b>914,373</b>	<b>91,889</b>	<b>82,105</b>	<b>25,777</b>	<b>2,872</b>	<b>1,117,016</b>

<i>Details of exploration and evaluation expenditures for nine months ending September 30, 2021.</i>						
<b>Work performed</b>	<b>Carlin-Roop</b>	<b>Trail-Minto</b>	<b>Anderson-Davidson</b>	<b>Edmonton</b>	<b>Cascade</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$
Geology	11,746	-	-	28	-	<b>11,774</b>
Geochemical	31,348	-	1,272	-	-	<b>32,621</b>
Geophysics	-	-	34,697	-	-	<b>34,697</b>
Line Cutting	-	-	-	-	-	-
Trenching and Probing	-	-	-	-	-	-
Drilling	36,955	-	-	-	-	<b>36,955</b>
Environmental	-	-	-	-	-	-
Community Social Development	-	-	-	-	-	-
Project Management	-	-	-	-	-	-
<b>Totals</b>	<b>80,049</b>	<b>-</b>	<b>35,969</b>	<b>28</b>	<b>-</b>	<b>116,046</b>

*Summary of exploration and evaluation during the nine months ending September 30, 2022 and 2021.*

**Carlin-Roop**

During the nine months of 2022 the Company paid \$854,937 for drilling, \$12,973 of which was related to costs encountered in the last quarter of 2021. A total of \$59,436 was spent on soil sampling, geology and management. Some of this expense was incurred for the review and interpretation of those sample results received during 2021, which assisted in the planning of the 2022 soil sampling and drilling programs.

During 2021 a total of \$126,360 was spent analyzing samples and assessing results from the previous quarter's diamond drill program. Some costs for work performed during that year were incurred in the first quarter of 2021. The increase in exploration costs of \$461,242 between 2022 and 2021 is largely due to the increase in the number of metres drilled in 2022.

**Trail-Minto**

During the nine months of 2022, \$91,889 was spent primarily on soil sampling.

During 2021, there was no activity.

**Anderson-Davidson**

During the nine months 2022, the total costs for soil sampling was \$82,105.

During 2021, soil sampling expense was \$1,272 and geophysics expense was \$34,697.

**Edmonton**

During the nine months 2022, \$25,777 was spent for the collection of SGH and soil samples.

During 2021, there was no activity.

**Cascade**

During the nine months 2022, \$2,872 was spent for the collection of soil samples.

During 2021, there was no activity.

**Planned exploration and completed exploration to the end of 2022, Q3.**

Exploration in 2022 is being focused on the silver prospect at Carlin West within Carlin-Roop. A total of 1,470m of diamond drilling was anticipated; 1,011m was drilled. Exploration of the other projects are structured to refine and define drill targets. Please refer to “*Nature of Operations and Description of Business*” for details of planned exploration on all properties for 2022. The budgeted and actual exploration and costs for 2022 to date are set out in table below:

**Summary of Budgeted Exploration Costs for 2022 Versus Actual Expenses**

<b>Carlin-Roop</b>	<b>Planned Expenditures</b>	<b>Expensed To End Q3 2022</b>
Reconnaissance Geochem - 161 samples	\$23,055	
Geochem Surveys - 627 samples	\$71,176	\$53,750
Prospecting - 107 rocks	\$17,794	\$1,315
Drilling - 1,470 m; assays – 882	\$424,974	\$854,937
Contingency	\$107,400	
<b>Total</b>	<b>\$644,399</b>	<b>\$910,002</b>
<b>Anderson Davidson</b>		
Reconnaissance Geochem - 131 samples	\$53,795	
Geochem Surveys - 511 samples	\$16,920	\$69,100
Prospecting - 88 rocks	\$4,230	\$11,553
IP Survey	\$35,000	
Contingency	\$21,989	
<b>Total</b>	<b>\$131,934</b>	<b>\$80,653</b>
<b>Trail-Minto</b>		
Reconnaissance Geochem - 138 samples	\$28,355	
Geochem Surveys - 536 samples	\$22,560	\$87,269
Prospecting - 92 rocks	\$5,640	\$2,054
Trenching - 550m; assays – 150	\$23,750	
Contingency	\$16,061	
<b>Total</b>	<b>\$96,366</b>	<b>\$89,323</b>
<b>Edmonton</b>		
Geochem Surveys - 196 samples	\$14,816	\$24,712
Prospecting - 35 rocks	\$3,704	
Contingency	\$3,704	
<b>Total</b>	<b>\$22,224</b>	<b>\$24,712</b>
<b>Cascade</b>		
SGH Survey - 98 samples	\$7,720	\$1,971
Prospecting - 17 rocks	\$1,930	
Contingency	\$1,930	
<b>Total</b>	<b>\$11,580</b>	<b>\$1,971</b>
<b>Total</b>	<b>\$906,503</b>	<b>\$1,106,661</b>

**RESULTS OF OPERATIONS**

**SUMMARY OF QUARTERLY FINANCIAL PERFORMANCE**

*Financial results on a quarterly basis: Q4 2020 through Q3 2022.*

Category	2022 Q3 \$	2022 Q2 \$	2022 Q1 \$	2021 Q4 \$	2021 Q3 \$	2021 Q2\$	2021 Q1 \$	2020 Q4 \$
Revenue	-	-	-	-	-	-	-	-
Expenses net of income:								
Investor relations and Promotion	32,479	26,844	16,564	13,214	8,530	12,206	10,738	12,756
Professional; legal, audit, accounting, regulatory	18,517	62,912	18,470	59,485	9,442	59,931	4,946	39,455
General and administrative	68,882	52,421	65,794	36,435	46,431	45,076	33,091	32,597
Fair value adjustment on promissory note	3,570	3,266	3,504	(12,721)	-	-	-	(31,079)
Interest expense and bank	6,089	6,358	6,266	4,339	3,083	1,024	2,017	7,287
Share based compensation	49,538	2,989	2,989	62,744	1,924	138,748	-	148,630
Other income	(207,266)	(2,282)	(599)	(61,188)	1,853	(644)	4,543	(21,318)
<b>Net loss (gain)</b>	<b>(28,191)</b>	<b>152,508</b>	<b>112,988</b>	<b>102,308</b>	<b>71,263</b>	<b>256,341</b>	<b>55,335</b>	<b>188,328</b>
Net loss (gain) exclusive of share based compensation, other income and adjustments	125,967	149,519	107,094	113,473	67,486	118,237	50,792	92,095

Investor relations and Promotion varied between \$8,530 and \$32,479; largely due to the timing of trade meetings and share placements.

Some of the irregularity in Professional fees are due to irregular invoicing. The large sums of \$59,931 (Q2 2021) and \$59,485 (Q4 2021) are also related to fees incurred because of the preparation of the prospectus and the completion of the IPO during 2021. The large sums of \$62,912 in Q2, 2022 and \$39,455 in Q4, 2022 are related to audit fees.

The higher costs for General and Administrative for Q2 2021 (\$45,076), Q3 2021 (\$46,431), Q1 2022 (\$65,794), Q2 2022 (\$52,421) and Q3 2022 (\$68,882) were due mainly to internal costs related to the preparation of the prospectus, the application for a public listing plus planning and budgeting for exploration activities for 2022; the latter being necessary following the completion of the IPO and the public listing on the CSE.

Interest and bank expenses varied between \$1,024 and \$7,287 per quarter with the highest amount being for Q4 2020 (\$7,287) and Q1, Q2 and Q3 2022 (\$6,266, \$6,358 and \$6,089). These sums were directly related to outstanding debt.

Share based compensation of \$148,630 (Q4 2020), \$138,748 (Q2 2021), \$62,744 (Q4 2021) and \$49,538 (Q3 2022) relate to the timing of the awarding and vesting of bonuses and monthly compensation. Smaller sums of \$1,924 (Q3 2021) and \$2,989 in Q1 and Q2 2022 are due to the expensing of DSUs on a quarterly basis over 5 years.

Other income of \$206,278 during Q3 2022, \$61,188 during Q4 2021 and \$21,318 during Q4 2020 resulted from the reduction in flow through liability. The expense of \$4,543 in Q1 2021 and \$1,853 in Q3 2021 covers the fair value interest discounts on certain notes. The \$988, \$2,282 and \$599 in Q3, Q2 and Q1 2022 is the interest income for funds held in bank accounts.

## Mayo Lake Minerals MD&A as September 30, 2022

The average net loss for the eight quarters was \$117,384. Net loss varies according to all the components of the expense categories as discussed in the previous paragraphs. The large net losses of \$188,328 for Q4, 2020 and \$256,341 for Q2, 2021 are primarily due to share based compensation; \$148,630 in Q4, 2020 and \$138,748 in Q2, 2021. The net loss of \$152,508 in Q2, 2022 relates mainly to Professional and general administrative, related to the IPO and listing of the Company's shares costs totalling \$115,338 and the absence of significant Other income.

The near average net loss of \$112,999 for Q1, 2022 relates to very small share based compensation, nil other income and variations in other expenses leading to the near average net loss. The net losses of \$71,263 for Q3, 2021 and \$55,3356 for Q1, 2021 relate to below average costs for all expense categories and negative Other income. The actual income gain of \$28,191 for Q3, 2022 is primarily the result of the large amount of Other income of \$207,191 due to a reduction in flow through liability.

The net loss exclusive of share based compensation, other income and adjustment addresses the Company's net cash overhead. The average overhead for the eight quarters is \$103,083 per quarter. The overhead from Q4, 2020 through Q4, 2021 were lower than those for Q2, 2022 and Q3, 2022 because all management fees for the earlier periods were paid through share compensation. The overhead for Q1, 2021 of \$50,792 and Q3, 2021 of \$92,095, Q2, 2021 of \$118,237 and Q4, 2021 of \$113,473 were larger because of Professional, General and Administrative totalling \$72,052, \$105,007 and \$95,920 respectively. The higher overhead of 2022 relates primarily to the higher expenses in cash categories caused by the expense of the listing, new fees related to being a public company, the raising of capital, management fees paid in cash and reporting related to the 2022 exploration program.

### LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2022, the Company held cash of \$115,491 (September 30, 2021 - \$195,127) and had a working capital deficiency of \$11,334 (September 30, 2021 - \$249,626). Between Q4 of 2020 and Q3 of 2022, the Company financed its operating expenses, property costs and exploration costs primarily through equity financings and the issuance of small promissory notes.

### Financing Activity during the Quarter ending September 30, 2022

On August 30, 2022, the Company closed a Flow Through Private Placement for 1,433,340 Flow Through Units at \$0.15, totalling \$215,001. Each Unit consists of one flow through share and one-half common share purchase warrant. Each whole warrant is exercisable into one common share at \$0.20 per share expiring August 30, 2025. The warrants were valued at \$34,974 using the Black Scholes valuation model, the inputs of which are disclosed below. The Company recognized a flow through liability of \$43,000.

In conjunction with the offering, the Company paid finder's fees of \$14,000 and granted 93,334 Broker Unit Warrants. Each Broker Unit Warrant is exercisable into one common share at a price of \$0.12 expiring August 30, 2025. The Broker Unit Warrants were valued at \$4,550 using Black-Scholes valuation model, the inputs of which are disclosed below.

### OUTSTANDING SECURITIES

	September 30, 2022	June 30, 2022	March 31, 2022	Dec. 31, 2021
<b>Common Shares</b>	93,971,237	92,537,898	90,798,261	88,161,227
<b>Warrants</b>	20,564,872	19,848,202	18,978,383	17,659,866
<b>Broker Warrants</b>	679,594	586,260	586,260	586,260
<b>Options</b>	4,920,158	-	-	-
<b>RSU-DSUs</b>	1,575,557	900,000	900,000	900,000
<b>Fully Diluted</b>	121,711,418	114,458,620	111,262,904	107,307,353

<b>Warrants Out at September 30, 2022</b>	<b>Exercise Price</b>	<b>Expiry date</b>
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	November 5, 2024
1,001,670	\$0.18	December 30, 2024
4,462,370	\$0.20	December 30, 2024
786,319	\$0.18	May 4, 2025
83,500	\$0.24	May 4, 2025
716,670	\$0.20	August 30, 2025

<b>Broker Warrants at September 30, 2022</b>	<b>Exercise Price</b>	<b>Expiry date</b>
218,757	\$0.12	November 5, 2024
14,584	\$0.12	December 30, 2024
352,919	\$0.15	December 30, 2024
93,334	\$0.12	August 30, 2025

## **SUBSEQUENT EVENTS**

On October 25, the Company announced its results for 1,621 geochemical samples collected from its Carlin-Roop silver project; its Anderson-Davidson and Trail-Minto gold properties; as well as 136 soil gas (SGH) samples from its Edmonton gold-base metal property.

On October 28, the Company issued a press release covering its early summer drill program at its 45 square kilometres Carlin-Roop silver project in the Keno Hill Silver District of the Yukon where it drilled a total of 1,070 metres in eight diamond drill holes. Assays results are expected to be received by the end of the calendar year.

On October 31, European Ventures Inc. fell below 10% of the Company's outstanding shares and is no longer deemed to be an insider.

## RELATED PARTY TRANSACTIONS

The Company contracts with its officers for their management skills and geological services either directly or through companies controlled by them which provide the services. 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 those entities as well. In instances where a conflict of interest may arise or be apparent, the Company's policy provides that all such agreements must be negotiated within the realm of competitive pricing. Transactions are recorded at their fair value as agreed between all parties. When a member of the management team is referred to below, it also includes their individual holding or operating company.

- During 2021, promissory notes due to insiders totalling \$145,000 were repaid through the placement of Units to the insiders.
- On June 18, 2021 the Company issued a series of promissory notes totalling \$101,000 to certain members of the management team in lieu of payment for services rendered. The principal and interest on the notes are due on June 30, 2023; may be repaid earlier and bear interest at the rate of 6% per annum.
- Ironstone Capital Corporation (ICC), a corporation providing financial consulting services to the Company, was prepaid for the completion of an expected corporate transaction leading to a public listing through the award of 1,840,000 units (one share plus one-half warrant) on August 25, 2017. The shares and warrants were issued directly to its principal, who became a director of the company on December 4, 2017. These Units were valued at \$198,000 (December 31, 2020 - \$198,000). The warrants have since lapsed. The transaction was terminated unexpectedly by a third party in late 2017 and consequently the units were being held in escrow until ICC fulfilled its contractual obligations, specifically the completion of a corporate transaction by the Company in the near future. The completion of a public listing that is anticipated on May 5, 2022 fulfilled these obligations. In late 2021, it was determined that the Company needed to compensate ICC a further \$59,400 upon fulfilling its contractual obligations. The ICC consulting agreement stated that it would be offered a position upon completing its contractual obligations; remuneration to be determined. On June 1, 2022 its principal was appointed Business Development Manager of the Company
- Auropean Ventures Inc. (no longer an insider as of Q4) from time to time has provided credit to the Company.
- The President and CEO through his wholly owned corporation and the Company's Corporate Administrator provide similar management services to Auropean.
- The President & CEO and two directors of the Company are also the sole directors of Auropean.
- On November 12, 2021, the directors passed a resolution approving the borrowing of up to \$150,000 from Auropean at a rate of 18% per annum.
- The VP-Exploration is also an officer of Big River Mineral Exploration Inc. (BRME), an indigenous corporation, that provides exploration and related services under contract to the Company. Contracts are negotiated between BRME and the Company within full consideration of competitive pricing.
- Rampton Resource Group Inc. (RRG) a company controlled and owned by the President & CEO provides office facilities & accessories plus an office manager/bookkeeper to the Company under contracts negotiated within full consideration of competitive pricing. All costs are passed on the basis of a minimum mark up of the costs to those of RRG.
- Interest expense on the amounts due to related parties during the six months ending June 30, 2022 totalled \$9,858 (June 30, 2021 - \$799). Interest expense on the amounts due to related parties during the three months ending June 30, 2022 totalled \$4,889 (June 30, 2021 - \$389).
- On July 21, 2022 the Company awarded 3,990,000 incentive options to management, directors, consultants and contractors. Each option is exercisable into one common share at \$0.15; valid for a period of 5 years from the date of issuance; vesting in three separate equal segments of 1,330,000 (August 1, 2022, August 1, 2023 and August 1, 2024).
- On September 30, 2022, the Company awarded 930,158 options exercisable at \$0.15 for a period of 3 years from the date of issuance and 549,307 Restricted Share Units (RSUs) to management, directors, consultants and contractors for their dedication to the company and more specifically to supplement their compensation for fiscal 2021 as well as the period up to the Company's public listing in May of 2022. Both the options and RSUs shall vest in three separate equal segments, namely January 30 of 2023, 2024 and 2025.

**The following is a summary of charges incurred by the Company with related parties and compensation paid to directors, officers and key management for the nine months ending September 30, 2022 and 2021.**

Related Parties	9 months ending September 30, 2022 Compensation					September 30, 2022 Outstanding			
	Fees	RSUs/DSUs <sup>1</sup> Awarded & Vested		Options Awarded & Vested		RSUs/DSUs <sup>1</sup>	Options	Notes & Interest	Payables
		#	Award Value	#	Value <sup>1</sup>				
Rampton Resource Group President and CEO services	\$74,700	-	-	250,000	\$8,750	-	250,000	\$32,319	\$7,601
Rampton Resource Group Office services, accounting and secretarial	\$63,364	-	-	100,000	\$3,500	-	100,000	-	-
Sans Peur Exploration VP-Exploration Services	\$72,000	-	-	200,000	\$7,000	-	200,000	\$32,319	\$27,936
Administrator/Proprietorship Investor relations and other professional services	\$67,500	-	-	200,000	\$7,000	-	200,000	-	-
André Rancourt CPA, C.A. CFO services	\$4,050	-	-	100,000	\$3,500	-	100,000	-	\$1,150
Irwin Lowy LLP Legal Services	\$23,343	-	-	80,000	\$2,800	-	80,000	-	\$3,826
Ironstone Capital Corp. Financial Services	\$20,000	-	-	200,000	\$7,000	-	200,000	-	\$5,650
Director Jeff Ackert	-	-	-	100,000	\$3,500	300,000	100,000	-	-
Lee Bowles Director	-	-	-	-	\$3,500	250,000	-	-	-
Director Greg Leblanc	-	-	-	100,000	\$3,500	350,000	100,000	-	-

Related Parties	9 months ending September 30, 2021 Compensation					September 30, 2021 Outstanding			
	Fees	RSUs/DSUs <sup>1</sup> Awarded & Vested		Options Awarded & Vested		RSUs/DSUs <sup>1</sup>	Options <sup>1</sup>	Notes & Interests	Payables
		#	Award Value	#	Value <sup>1</sup>				
Rampton Resource Group President and CEO services	\$38,250	605,000	\$42,955	-	-	-	-	\$30,519	\$11,780
Rampton Resource Group Office services, accounting and secretarial	\$51,099	180,000	\$12,780	-	-	-	-	-	-
Sans Peur Exploration VP-Exploration Services	\$36,000	490,000	\$34,790	-	-	-	-	\$30,519	\$13,685
Administrator/Proprietorship Investors relations and other professional services	\$33,750	500,000	\$35,500	-	-	-	-	\$10,173	\$4,238
André Rancourt CPA, C.A. CFO services	\$7,175	125,000	\$8,875	-	-	-	-	-	\$3,150
Irwin Lowy LLP Legal Services	\$70,974	-	-	-	-	-	-	-	\$77,599
Ironstone Capital Corp. Financial Services	\$12,500	-	-	-	-	-	-	\$6,104	\$5,650
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	-	-	-

1. RSUs and DSUs paid in lieu of cash compensation are set forth at fair value as of the date of vesting.

#### **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 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 or nine months ended September 30, 2022.

#### **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. 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.

### **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 Properties**

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**

110 Westhunt Drive

PO Box 158

Carp, Ontario K0A 1L0

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