



VAL-D'OR MINING CORPORATION

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020**

DATED: May 21, 2021

SCOPE OF THIS MANAGEMENT'S DISCUSSION AND ANALYSIS AND NOTICE TO INVESTORS

This management's discussion and analysis of financial position and results of operations ("MD&A"), is prepared as of May 21, 2021, and complements the unaudited condensed interim financial statements of Val-d'Or Mining Corporation ("Val-d'Or" or the "Company"), for the three months ended March 31, 2021 and 2020.

The condensed interim financial statements and related notes have been prepared in accordance with IAS 34, "Interim Financial Reporting". They do not contain all the information required to be disclosed in annual financial statements. Certain information and notes usually provided in the annual financial statements have been omitted or condensed when not deemed essential to the understanding of the interim financial information of the Company. Therefore, this MD&A should be read in conjunction with the information contained in the annual audited financial statements of the Company and the notes thereto for the year ended December 31, 2020. All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all amounts are in Canadian dollars unless otherwise indicated.

The unaudited condensed interim financial statements and the MD&A have been reviewed by the audit committee and approved by the Company's Board of Directors on May 21, 2021. These documents and more information about the Company are available on SEDAR at www.sedar.com.

Mr. Glenn J. Mullan P. Geo., the President and Chief Executive Officer of Val-d'Or Mining, and Mr. Michael P. Rosatelli M.Sc., P.Geo., the Vice-President Exploration of Val-d'Or Mining are the Qualified Persons (as that term is defined in National Instrument 43-101 - Standards of Disclosure for Mineral Projects) who approved the technical disclosure included in this MD&A.

FORWARD LOOKING STATEMENTS

Certain statements made in this MD&A are forward-looking statements or information. The Company is hereby providing cautionary statements identifying important factors that could cause the Company's actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, the Company has assumed that the current market will continue and grow and that the risks listed below will not adversely impact the business of the Company. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Company that could influence actual results are summarized below under the heading "Risks and Uncertainties".

Further, unless otherwise noted, any forward-looking statement speaks only as of the date of this MD&A, and, except as required by applicable law, the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is

made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Company, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement.

ABOUT VAL-D'OR MINING CORPORATION

The Company, incorporated on February 18, 2010 under the Business Corporations Act of British Columbia, is involved in the process of exploring, evaluating and promoting its mineral properties and other projects.

The head office of the Company is located at 152 Chemin de la Mine École, Val d'Or, Québec, J9P 7B6. The Company's registered and records office is located at #530 - 355 Burrard Street, Vancouver, B.C. V6C 2G8. The Company also has exploration offices located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9.

The Company's shares trade on the TSX Venture Exchange ("TSX-V") under its trading symbol "VZZ".

As at March 31, 2021, Golden Valley Mines Ltd. ("Golden Valley"), a significant shareholder, held a 39.46% (December 31, 2020 – 39.57%) interest in the Company.

CORPORATE DEVELOPMENTS

On May 6, 2021, the Company announced that it had completed a non-brokered private placement offering (the "Offering") for gross proceeds of \$303,790 (which was over-subscribed by \$3,790 to the amount previously announced on March 25, 2021). The Company issued 2,336,846 Units under the Offering at a per Unit price of \$0.13, each Unit comprised of one common share in the capital of the Company and one-half of one non-transferable common share purchase warrant, each whole warrant exercisable for the purchase of one common share of the Company at a per share price of \$0.19 until May 6, 2023.

The net proceeds raised from the Offering will be used by the Company to conduct further exploration work on its properties in the Abitibi Greenstone Belt, Ontario, and for general corporate purposes. All securities issued under the Offering, including common shares underlying the warrants, are subject to a hold period until September 7, 2021, in accordance with applicable securities legislation and the policies of the TSX Venture Exchange.

BUSINESS OVERVIEW

Val-d'Or Mining is a natural resource issuer involved in the process of acquiring and exploring its diverse mineral property assets, most of which are situated in the Abitibi Greenstone Belt of NE Ontario and NW Québec. To complement its current property interests, the Company regularly evaluates new opportunities for staking and/or acquisitions. Outside of its principal regional focus in the Abitibi Greenstone Belt, the Company holds several other properties in Northern Québec (Nunavik) covering different geological environments and commodities.

The Company has expertise in the identification and generation of new projects, and in early-stage exploration. The mineral commodities of interest are diverse, and range from precious and base metals

(gold, copper-zinc-silver, nickel-copper-PGE) to industrial and energy minerals. After the initial value creation in the 100%-owned, or majority-owned properties, the Company seeks option/joint venture partners with the technical expertise and financial capacity to conduct more advanced exploration projects.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

Val-d’Or Mining strives to ensure that exploration activities on its properties in Ontario and Québec support environmental sustainability and that it makes efforts to contribute to the socio-economic advancement of communities where its properties are located. Val-d’Or Mining also makes every effort to ensure that it meets all required standards of corporate governance, following industry best practices and satisfying legal and regulatory requirements.

PROPERTY PORTFOLIO AS OF MARCH 31, 2021

As of March 31, 2021, Val-d’Or Mining’s assets included 100% ownership interests in a total of 47 actively operated properties covering an area of 33,818 hectares. Divided by its principal areas of interest, the property ownership was as follows:

Ontario	13 properties	13,710 hectares
Québec	30 properties	11,337 hectares
Québec North	4 properties	8,771 hectares

In addition to the actively operated property holdings, the Company has NSR’s in three groups of properties, which are operated by different companies, covering an area of 18,447 hectares. Divided by its principal areas of interest, the property ownership was as follows:

Ontario	2 groups of properties	5,628 hectares
Québec	1 group of properties	12,819 hectares

MANAGEMENT OF PROPERTY PORTFOLIO

As part of its ordinary business activities, the Company stakes new claims to enhance existing properties or to pursue new geological ideas and/or drops claims that are no longer considered to be material based on results or changing commodity prices over time.

In the first quarter of 2021, the Company made no changes to its portfolio of mineral properties, which is attributed to restrictions and relief measures that are related to COVID-19 (see the COVID-19 section further below).

OBJECTIVES FOR 2021

The Company devoted most of its time during the first quarter of 2021 to the preparation of the upcoming exploration season. Provided that exploration can be conducted as planned, the Company aims to complete several exploration programs in Québec and Ontario. The exploration budget for actively operated properties is estimated to exceed \$300,000 in Québec. The Company is currently working on the budgeting process for its Ontario properties and expects to allocate a significant portion of the funds recently raised in the private placement financing for programs on its properties in Ontario.

In addition, the Company may enter into other property transactions, which have the potential to supplement the internally financed exploration programs with partner-financed programs.

DETAILS ABOUT OTHER CONTRACTUAL OBLIGATIONS REGARDING CERTAIN MINERAL PROPERTIES

The Company acquires and disposes of its properties as part of its ordinary business. In the case of property acquisitions from third parties, there may be contractual obligations. A description of significant contracts and certain specific obligations follows:

Amended Mining Option Agreement and Exercise of Option with Golden Valley

In April 18, 2017, the Company signed an Option Agreement with Golden Valley to acquire a 100% interest in a group of properties located in the Abitibi Greenstone Belt consisting of 61 grassroots properties. This Agreement was subsequently amended on November 28, 2019, and the Company exercised its option on December 5, 2019.

In fiscal 2020, the Company issued 8,333,334 shares to Golden Valley, as partial and final satisfaction of consideration for the acquisition by the Company from Golden Valley of the 100% interest in the group of properties in accordance with the terms of the amended agreement between the Company and Golden Valley dated November 28, 2019.

Golden Valley is eligible to receive 20% of the proceeds of all third-party transactions pertaining to the properties that Val-d'Or Mining enters into and announces on or before December 31, 2022. Further, the properties are subject to a royalty in favour of Golden Valley Mines equal to 1.25% of the net smelter returns, whereby Val-d'Or Mining has a partial buyback right. The partial buyback right pertains to each individual property, whereby 1% may be bought for \$500,000 on a property-by-property basis with a maximum total consideration of \$5,000,000 at which point in time the NSR royalty on all the properties would be reduced by 1.0%.

UPDATE ON COVID-19

The Company continues to actively monitor the impact of the COVID-19 pandemic, including the impact on economic activity and financial reporting. The duration and full financial effect of the COVID-19 pandemic is unknown at this time, as are the measures taken by governments, companies and others to attempt to reduce the spread of COVID-19.

Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Company's operations, financial results and condition in future periods are also subject to significant uncertainty.

In the current environment, the assumptions and judgements made by the Company are subject to greater variability than normal, which could in the future significantly affect judgments, estimates and assumptions made by management as they relate to potential impact of the COVID-19 and could lead to a material adjustment to the carrying value of the assets or liabilities affected. The impact of current uncertainty on judgments, estimates and assumptions extends, but is not limited to, the Company's valuation of its long-term assets, including the assessment for impairment and impairment reversal. Actual results may differ materially from these estimates.

SELECTED FINANCIAL INFORMATION

FINANCIAL CONDITION REVIEW

	As at March 31, 2021		As at December 31, 2020	
Cash and cash equivalents	\$	566,602	\$	639,255
Investments		1,575,534		1,535,534
Tax credit receivable		1,447		1,447
Other current assets		49,251		52,993
Exploration and evaluation assets		155,027		154,728
Right-of-use asset		2,432		2,919
Total Assets		2,350,293	\$	2,386,876
Accounts payable and accrued liabilities	\$	35,816	\$	55,195
Flow-through premium liability		141,736		147,010
Due to related parties		1,727		6,027
Loan		60,000		40,000
Lease liabilities		1,911		2,354
Total Liabilities	\$	241,190	\$	250,586
Total Equity	\$	2,109,103	\$	2,136,290

ASSETS

Cash and cash equivalents

The Company ended the first quarter of 2021 with cash and cash equivalents of \$566,602 compared to \$639,255 as at December 31, 2020. Refer to *Cash Flow Review* section below for further discussion on the Company's cash position and its changes thereof for the three months ended March 31, 2021 and 2020.

Investments

The short-term portion of investments of \$90,000 (December 31, 2020 - \$50,000) is comprised of marketable securities representing shares of a publicly traded mining exploration company that are recorded at fair value using quoted market prices.

The long-term portion of investments of \$1,485,534 as at March 31, 2021 (December 31, 2020 - \$1,485,534) is comprised of common shares with a fair value of \$1,327,653 (December 31, 2020 - \$1,327,653) and special warrants with a fair value of \$157,881 (December 31, 2020 - \$157,881) of private mining exploration companies that do not have a quoted market price in an active market. The Company assessed the fair value of these shares and special warrants based on techniques and assumptions that emphasized both qualitative and quantitative information.

Tax credit receivable

Tax credit receivable of \$1,447 (December 31, 2020 - \$1,447) relate to government tax mining credits, which has been applied against the exploration and evaluation costs to which it relates

Due from/to related parties

For efficiency reasons, where the Company and related parties are dealing with the same suppliers one may pay for both and be reimbursed by the other. As at March 31, 2021, the Company had a net payable balance of \$1,727 (December 31, 2020 - \$6,027) due to related parties of which \$600 (December 31, 2020 - \$1,753 due from Golden Valley) was due from Golden Valley, \$1,045 (December 31, 2020 - \$1,150) was due to a company controlled by the President, \$1,282 (December 31, 2020 - \$6,735) was due to the VP Exploration and of \$nil (December 31, 2020 - \$105) due from companies related by common management.

Other current assets

Other current assets mainly relate to sales taxes recoverable of \$9,276 (December 31, 2020 - \$10,258), deposits of \$24,288 (December 31, 2020 - \$24,185) held with Ministère de l'Énergie et des Ressources Naturelles for claims staking and management of corporate owned properties and an advance of \$11,604 (December 31, 2020 - \$11,604) held with one of the Company's suppliers for geophysics services.

Exploration and evaluation assets

Exploration and evaluation assets totaled \$155,027 as at March 31, 2021 compared to \$154,728 as at December 31, 2020. At each reporting period, the Company performs a comprehensive review of the recoverability of its properties in light of the objective of advancing and enhancing a limited number of key properties.

LIABILITIES AND EQUITY

Total liabilities of \$241,190 as at March 31, 2021 (compared to \$250,586 as at December 31, 2020) consisted of trade payables of \$35,816 (December 31, 2020 - \$55,195), loan of \$60,000 (December 31,

2020 - \$40,000) relating to the Canada Emergency Business Account interest-free loan to cover operating costs, which repayment on or before December 31, 2022 will result in a loan forgiveness of \$20,000, due to related parties of \$1,727 (December 31, 2020 - \$6,027), lease liabilities of \$1,911 (December 31, 2020 - \$2,354) and a flow-through premium liability of \$141,736 (December 31, 2020 - \$147,010) as discussed below.

Flow-through premium liability

On July 3, 2020, the Company completed a non-brokered private placement offering (the “Offering”) for gross proceeds of \$360,000. The Company issued 1,500,000 Flow-Through Common Shares (the “FT Shares”) under the Offering at a price of \$0.24 per FT Share. The FT Shares are “flow-through shares” as defined in the Income Tax Act (Canada). The flow-through shares were issued at a premium of \$0.11 per share to the current market price of the Company’s shares at the day of issue.

As at December 31, 2020, the flow-through premium liability amounted to \$147,010, decreasing to \$141,736 as at March 31, 2021 as flow-through share premium of \$5,273 was reallocated to “other income from flow-through funding” in the statement of net loss and comprehensive loss as a result of the Company incurring qualifying exploration expenditures during the three months ended March 31, 2021.

Total Equity

Total equity as at March 31, 2021 were \$2,109,103 compared to \$2,136,290 as at December 31, 2020, a decrease of \$27,187, mainly from the net loss of \$209,560 for the three months ended March 31, 2021, offset by proceeds of \$11,538 from the Company issuing 177,500 of its common shares from the exercise of incentive stock options at prices of \$0.065 per share and share-based payment of \$170,835 from the granting to the Company’s directors, officers, employees and consultants of incentive stock options entitling the purchase of an aggregate 1,615,233 common shares at an exercise price of \$0.13 per share.

DISCUSSION AND RESULTS OF OPERATIONS

This table presents selected information for the three months ended March 31, 2021 and 2020:

	For the three months ended March 31,	
	2021	2020
Operating expenses	\$ 255,205	\$ 136,865
Other income	(45,645)	(25,176)
Net loss and comprehensive loss	\$ 209,560	\$ 111,689
Basic and diluted loss per common share	\$ 0.003	\$ 0.002

The net loss for the three months ended March 31, 2021 was \$209,560 (or \$0.003 loss per share) compared to \$111,689 (or \$0.002 loss per share) for the same period in 2020.

Operating expenses for 2021 increased compared to the same period in 2020 mainly due to the share-based compensation of \$170,835 from the granting to the Company’s directors, officers, employees and consultants of incentive stock options entitling the purchase of an aggregate 1,615,233 common shares at

an exercise price of \$0.13 per share. The increase in share-based compensation was offset by lower evaluation and exploration expenses and related consulting fees in 2021 compared to 2020 whereby the Governments of Québec and Ontario’ decision to close all non-essential businesses to address the COVID-19 pandemic came into effect only in late March 2020; lower office expenses resulting from the Cost Sharing Arrangement with Golden Valley as discussed below, and no impairment charge on exploration and evaluation assets for 2021.

Other income of \$45,645 for the three months ended March 31, 2021 mainly included an unrealized gain on short-term investments of \$40,000 and other income from flow-through funding of \$5,273 as discussed above. Other income of \$25,176 for the three months ended March 31, 2020 mainly included a gain of \$24,881 resulting from a mineral claim sale transaction.

CASH FLOW REVIEW

	For the three months ended March 31,	
	2021	2020
Operating activities	\$ (103,892)	\$ 13,096
Investing activities	(299)	(6,261)
Financing activities	31,538	(692)
Increase (decrease) in cash and cash equivalents	\$ (72,653)	\$ 6,143

Operating activities for the three months ended March 31, 2021 resulted in cash outflows of \$103,892 compared to cash inflows of \$13,096 for the same period of 2020. The cash outflows for 2021 mainly relates to timing of working capital requirements.

Investing activities for the three months ended March 31, 2021 resulted in cash outflows of \$299 compared to \$6,261 in 2020. Cash outflows of \$299 for 2021 relate to claim staking and management expenditures.

Financing activities for the three months ended March 31, 2021 resulted in cash inflows of \$31,538 compared to cash outflows of \$692 in 2020. Financing activities for the three months ended March 31, 2021 was related to the share issuance of 177,500 common shares from the exercise of incentive stock options for proceeds of \$11,538 and from the proceeds of \$20,000 from the Company applying and receiving the additional expansion loan of \$20,000 Canada Emergency Business Account.

SUMMARY OF QUARTERLY RESULTS

The following selected financial information is for the 8 most recently completed quarters as derived from the Company's respective financial statements and notes thereto. The following information should be read in conjunction with the referenced financial statements, the notes to those statements.

	Mar 2021	Dec 2020	Sept 2020	Jun 2020	Mar 2020	Dec 2019	Sept 2019	Jun 2019
Operating expenses	\$ 255,205	\$ 735,056	\$ 100,415	\$ 1,012,299	\$ 136,865	\$ 1,467,273	\$ 83,235	\$ 118,465
Other expenses (income)	(45,645)	(641,262)	(72,216)	(55,772)	(25,176)	(619,339)	(23,082)	585
Net loss and comprehensive loss	\$ 209,560	\$ 93,794	\$ 28,199	\$ 956,527	\$ 111,689	\$ 847,934	\$ 60,153	\$ 119,050
Basic and diluted net loss per common share	\$ 0.003	\$ (0.002)	\$ (0.000)	\$ (0.019)	\$ (0.002)	\$ (0.020)	\$ (0.001)	\$ (0.003)

LIQUIDITY, CAPITAL RESOURCES AND SOURCES OF FINANCING

As of March 31, 2021, the Company had cash and cash equivalents of \$566,602. Management routinely plans future activities including forecasting cash flows. Management has reviewed their plan with the Directors and has collectively formed a judgment that the Company has adequate resources to continue as a going concern for the foreseeable future, which Management and the Directors have defined as being at least the next 12 months. As previously discussed, the Company has recently completed a non-brokered private placement for gross proceeds of \$303,790 which will be used to conduct further exploration work on its properties in the Abitibi Greenstone Belt, Ontario, and for general corporate purposes.

Please refer to the Risk and Uncertainties section for more information.

INFORMATION ON OUTSTANDING SECURITIES

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

Common shares outstanding:		67,671,284
Stock options exercisable:		5,988,943
Average exercise price of:	\$	0.12
Warrants outstanding:		4,046,838
Average exercise price of:	\$	0.12

Stock options outstanding:		
Expiry date	Exercise price	Number of stock options outstanding
February 5, 2023	\$ 0.105	2,025,000
October 24, 2023	\$ 0.110	470,097
June 17, 2024	\$ 0.075	567,263
June 26, 2025	\$ 0.150	1,311,350
February 22, 2026	\$ 0.130	1,615,233
		5,988,943

Warrants outstanding:		
Expiry date	Exercise price	Number of warrants outstanding
October 18, 2021	\$ 0.150	1,159,090
May 7, 2022	\$ 0.100	2,797,332
July 3, 2022	\$ 0.240	90,416
		4,046,838

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at March 31, 2021 or as at the date of this MD&A.

CRITICAL ACCOUNTING ESTIMATES

The critical judgements and estimates are disclosed in note 5 of the audited financial statements as and for the year ended December 31, 2020.

RELATED PARTY TRANSACTIONS

a) Transactions with a shareholder

Effective July 1, 2020, the Company entered into a Cost Sharing Arrangement (the "Sharing Arrangement") with Golden Valley, pursuant to which Golden Valley will provide certain management and financial services such as office space and administrative support relating to the exploration offices located at 2864 Chemin Sullivan, Val-d'Or, Québec, J9P 0B9, in consideration of \$8,919 per year (the "reimbursement"), payable on a monthly basis. The Sharing Arrangement provides for the reimbursement to be reviewed on an annual basis. For the three months ended March 31, 2021, the Company reimbursed Golden Valley the amount of \$1,814 (for the three months ended March 31, 2020 - \$nil) relating to this arrangement.

For efficiency reasons, where the Company and Golden Valley are dealing with the same suppliers one may pay for both and be reimbursed by the other. As at March 31, 2021, the Company had a net receivable of \$600 (December 31, 2020 – net receivable of \$1,753) due from Golden Valley.

b) Transactions with key management

Key management personnel of the Company comprise of the members of the Board of Directors, as well as the President, the Chief Operating Officer ("COO"), the Chief Financial Officer ("CFO") and the Vice-President Exploration ("VP Exploration").

For the three months ended March 31, 2021, the Company incurred consulting fees of \$3,000 (2020 - \$nil) with the CEO which was recorded under exploration and evaluation expenses in the statements of net loss and comprehensive loss. As at March 31, 2021, the amount of \$1,045 (December 31, 2020 - \$1,150) is due to the CEO and is included in due to related parties.

For the three months ended March 31, 2021, the Company incurred fees of \$24,000 (2020 - \$24,000) with the COO of which \$18,000 (2020 - \$nil) and \$6,000 (2020 - \$24,000) were recorded under exploration and evaluation expenses and consulting fees in the statements of net loss and comprehensive loss, respectively. As at March 31, 2021 and December 31, 2020, no amount is due to the COO.

For the three months ended March 31, 2021, the Company incurred fees of \$3,348 (2020 - \$30,127) with the VP Exploration, which was recorded under exploration and evaluation expenses in the statements of net loss and comprehensive loss. As at March 31, 2021, the amount of \$1,282 (December 31, 2020 - \$6,735) is due to the VP Exploration and is included in due to related parties.

For the three months ended March 31, 2021, the Company granted incentive stock options to key management personnel to purchase an aggregate 1,261,233 common shares of the Company. The Company recorded a stock-based compensation of \$133,394 relating to this grant. For the three months ended March 31, 2020, no incentive stock options were granted to key management personnel.

c) Transactions with related parties

For the three months ended March 31, 2021, the Company incurred fees of \$nil (2020 – \$7,000) with an individual, the spouse of the President, as part of a consulting agreement for corporate finance and

advisory services, which expired in February 2020. The fees for 2020 were recorded under consulting fees in the statements of net loss and comprehensive loss.

For the three months ended March 31, 2021, the Company incurred rent and occupancy fees of \$nil (2020 – \$3,000) with a company controlled by the President which was recorded under office expenses in the statements of net loss and comprehensive loss.

COMMITMENTS

- The Company entered into a consulting agreement with the CEO for an annual payment of \$12,000. This consulting agreement contains change of control provisions. If a change of control would occur, the total amount payable in respect of severance, would amount to \$200,000 if the consulting agreement is terminated by the Company, and \$100,000 if the consulting agreement is terminated by the CEO within six months from the date of change of control.
- The Company entered into a consulting agreement with the COO for an annual payment of \$96,000. This consulting agreement contains change of control provisions. If a change of control would occur, the total amount payable in respect of severance, would amount to \$200,000 if the consulting agreement is terminated by the Company, and \$100,000 if the consulting agreement is terminated by the COO within six months from the date of change of control.
- The Company entered into a consulting agreement with the VP Exploration for an annual payment of \$13,390. This consulting agreement contains change of control provisions. If a change of control would occur, the total amount payable in respect of severance, would amount to \$200,000 if the consulting agreement is terminated by the Company, and \$100,000 if the consulting agreement is terminated by the VP Exploration within six months from the date of change of control.
- As at March 31, 2021, the Company has still to incur exploration expenditures in an amount of \$324,335 (December 31, 2020 - \$336,402) from its flow-through funds.
- The Company has entered into a long-term agreement for the lease of an equipment expiring on July 25, 2022, which will require total lease payments of \$11,768. The minimum lease payments are \$2,769 in 2021 and \$1,384 in 2022.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The changes in accounting policies including those that have not been adopted are explained in note 3 of the unaudited interim financial statements as at March 31, 2021.

RISKS RELATED TO FINANCIAL INSTRUMENTS

Please refer to Note 20 of the unaudited interim financial statements for the three months ended March 31, 2021, for a full description of these risks.

RISKS AND UNCERTAINTIES

An investment in the common shares of the Company involves a high degree of risk and must be considered highly speculative due to the financial and operational risks inherent to the nature of the

Company's business and the present stage of exploration and development of its mineral resource properties. These risks may affect the Company's eventual profitability and level of operating cash flow. Prospective buyers of the common shares of the Company should consider the following risk factors:

COVID-19

At this time, the extent of the impact the COVID-19 pandemic may have on the Company is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place. Adverse effects of coronavirus developments on consumer confidence, market stability and public health creates uncertainties on macroeconomic conditions and may also result in closures, cancellations of, or reductions in operations or production on properties where the Company holds interests.

Climate Change

The Company has its own properties and properties under option agreements in various regions and jurisdictions where environmental laws are evolving and are not consistent. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impact of climate change, such as regulation relating to emission levels. If the current regulatory trend continues, this may result in increased costs directly or indirectly affecting the Company. In addition, the physical effect of climate change, such as extreme weather conditions, natural disasters, resource shortages, changing sea levels and changing temperatures, could have an adverse financial impact on operations located in the regions where these conditions occur, directly or indirectly impacting the business of the Company.

Investment of Speculative Nature

Investing in the Company, at this early stage of its development, is of a highly speculative nature.

Nature of Mineral Exploration and Mining

There is no known mineral resource on the Company's properties. Mineral exploration and development involve a high degree of risk, requires substantial expenditures and few properties that are explored are ultimately developed into producing mines.

Exploration and Development Risks

Resource exploration and development is a speculative business, involving considerable financial and technical risks, including the failure to discover mineral deposits, market fluctuations and government regulations, which are beyond the control of the Company.

Additional Financing

Future exploration and development activities will require additional equity and debt financing. Failure to obtain such additional financing could result in delay or indefinite postponement of exploration and development of the property interests of the Company.

Stress in the Global Economy and Financial Condition

The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing.

Permits and Licenses

There can be no assurances that the Company will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations for its proposed projects.

Competition

The mineral exploration and mining business is competitive in all of its phases. There is no assurance that the Company will be able to compete successfully with the competition in acquiring suitable properties or prospects for mineral exploration.

No Assurance of Title to Property

The Company's claims may be subject to prior unregistered agreements or transfers or third party and native land claims and title may be affected by undetected defects.

Dependence on Key Individuals

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company.

Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting the Company's ability to undertake exploration and development activities in respect of present and future properties.

Conflicts of Interest

The directors and officers of the Company are also directors and officers of other companies, some of which are in the same business as the Company. This situation may result in conflicting legal obligations which may expose the Company to liability to others and impair its ability to achieve its business objectives.

Insurance

The Company will remain at risk and will be potentially subject to liability for hazards associated with mineral exploration which it cannot insure against or which it has elected not to insure against because of premium costs or other reasons.

Influence of Third-Party Stakeholders

Claims by third parties on the lands in which the Company holds interests, or the exploration equipment and road or other means of access which the Company intend to utilize in carrying out work programs or

general exploration mandates, even if not meritorious, may create delays resulting in significant financial loss and loss of opportunity for the Company.

Fluctuation in Market Value of Shares

The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the entity. The future effect of these and other factors on the market price of Company's shares on the Exchange cannot be predicted.