Mountain Boy Minerals Ltd

MOUNTAIN BOY MINERALS LTD.
(An Exploration Stage Company)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED NOVEMBER 30, 2019

INTRODUCTION

This is Management's Discussion and Analysis ("MD&A") for Mountain Boy Minerals Ltd. ("Mountain Boy" or the "Company") and has been prepared based on information known to management as of March 13, 2020. This MD&A is intended to help the reader understand the financial statements of Mountain Boy.

The following information should be read in conjunction with the audited financial statements as at November 30, 2019 and 2018 and the related notes thereto, prepared in accordance with International Financial Reporting Standards ("IFRS"). The MD&A provides a review of the performance of the Company for the year ended November 30, 2019. Additional information relating to the Company can be found on SEDAR www.sedar.com.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management also ensures that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable.

The Company's board of directors follows recommended corporate-governance guidelines for public companies to ensure transparency and accountability to shareholders. The board's audit committee meets with management regularly to review the financial statements, including the MD&A, and to discuss other financial, operating and internal-control matters.

All currency amounts are expressed in Canadian dollars unless otherwise noted.

FORWARD LOOKING STATEMENTS

Certain sections of this MD&A provide, or may appear to provide, a forward-looking orientation with respect to the Company's activities and its future financial results. Consequently, certain statements contained in this MD&A constitute express or implied forward-looking statements. Terms including, but not limited to, "anticipate", "estimate", "believe" and "expect" may identify forward-looking statements. Forward-looking statements, while they are based on the current knowledge and assumptions of the Company's management, are subject to risks and uncertainties that could cause or contribute to the actual results being materially different than those expressed or implied. Readers are cautioned not to place undue reliance on any forward-looking statement that may be in this MD&A.

The following forward looking statements have been made in this MD&A:

- Impairment of long-lived assets;
- The progress, potential and uncertainties of the Company's mineral properties in British Columbia; and
- Expectations regarding the ability to raise capital and to continue its exploration and development plans on its properties.

ADDITIONAL INFORMATION

Financial statements, MD&A's and additional information relevant to the Company and the Company's activities can be found on SEDAR at www.sedar.com, and/or on the Company's website at www.mountainboyminerals.ca.

SUMMARY AND OUTLOOK

During the year ended November 30, 2019, the Company continued to manage its cash and corporate overhead activities carefully in order to provide capital to fund exploration in subsequent periods. Detailed Mineral Property information, including 2019 activity, can be found in Section 3.

Management's overall expectations for the Company are positive, owing in part to the following factors:

- The Company entered into various option agreements with regards to the properties in Stewart, British Columbia.
- On December 20, 2019, the Company completed a non-brokered private placement, issuing 1,040,000 flow-through shares for gross proceeds of $260,000.

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1. Background

The Company is a publicly listed company incorporated on April 26, 1999 with limited liability under the legislation of the Province of British Columbia.

Mountain Boy Minerals Ltd. is a Canadian based mineral exploration company with a property portfolio of gold and silver projects in the Stewart area within the highly prolific Golden Triangle of northwestern British Columbia. It holds a 35% interest in the Red Cliff gold project, 100% of the high-grade American Creek West silver project, and is acquiring 100% of the Barbara and Surprise Creek volcanic massive sulphide (VMS) copper-lead-zinc-silver projects. The Company received 3.7 million shares of Ascot Resources Ltd. in 2018 for selling its minority interest in the Silver Coin project.

The Company's head office is 410-325 Howe Street, Vancouver, BC V6C 1Z7. The Company's common shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "MTB".

2. Overview

2(a) Company Mission and Focus

The Company is focused on exploring and developing economic mineral projects in the province of British Columbia.

2(b) Qualified Person

Mr. Andrew Wilkins, P.Geo, is a Qualified Person, as defined by National Instrument 43-101. Mr. Wilkins has reviewed the technical contents of this MD& A.

2(c) Description of Metal Markets

Market interest for all metals such as gold and copper is volatile and the Company will monitor its resources relative to its opportunities during the coming fiscal year.

2(d) Use of the terms "Mineral Resources" and "Mineral Reserves"

The reader is referred to the document entitled "CIM DEFINITION STANDARDS - For Mineral Resources and Mineral Reserves", published by the Canadian Institute of Mining, Metallurgy and Petroleum at: https://mrmr.cim.org/media/1092/cim_definition_standards_20142.pdf.

Any reference in this MD&A to Mineral Resources does not mean Mineral Reserve.

A Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral

Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

2(e) Historical estimates are not NI 43-101 compliant

The historical estimates contained in this MD&A have not been calculated in accordance with the mineral resources or mineral reserves classifications contained in the CIM Definition Standards on Mineral Resources and Mineral Reserves *(op. cit.)*, as required by National Instrument 43-101 ("NI 43-101"). Accordingly, the Company is not treating these historical estimates as current mineral resources or mineral reserves as defined in NI 43-101, and such historical estimates should not be relied upon. To date, no qualified person has done sufficient work to classify the historical estimates as current mineral resources or mineral reserves.

3. Mineral Properties

Mountain Boy is engaged in the exploration and evaluation of a portfolio of mineral properties located in the prolific Golden Triangle of north-western British Columbia.

The Company has four primary properties, namely the Barbara (BA) and Surprise Creek properties (silver-zinc-lead), the Red Cliff property (gold-copper-zinc-lead-silver), the American Creek West properties (silver-zinc-lead) and the More Creek property (gold-copper).

3(a) Barbara (BA) and Surprise Creek Properties

By an agreement dated September 21, 2006, the Company acquired a 50% interest in the Barbara property which consisted of 10 mineral claims situated in the Skeena Mining Division of British Columbia. The Company was required to complete an 800-metre drill program on the property (completed). The property is subject to a 2% net smelter return royalty to a former director of the Company of which 1% may be purchased for $500,000. During the year ended November 30, 2007, the Company acquired the remaining 50% interest in the property.

The Barbara property encloses over five kilometres of known massive-sulphide-type mineralization. In the main area, extensive drilling has defined a mineralized zone over 1,500 metres in length, open along strike to the north and to depth. Within the project area, over 30 kilometres of known mineralization has been outlined for this mineralization type.

The Barbara property has the potential to host a very large, open-pittable deposit approximately three kilometres from paved Highway 37A and an electric transmission line. Highlights of past drilling by the Company on the Barbara property include:

57.93 metres of 140.44 g/t Ag, 1.66% Pb and 2.51% Zn in DDH 2007-BA-1
12.20 metres of 145.3 g/t Ag, 3.13% Pb and 2.30% Zn in DDH 2007-BA-5
28.96 metres of 203.5 g/t Ag, 2.50% Pb and 1.00% Zn in DDH 2007-BA-15
18.29 metres of 246.5 g/t Ag, 0.78% Pb and 1.71% Zn in DDH 2007-BA-17
3.05 metres of 401 g/t Ag, 4.14% Pb and 0.46% Zn in DDH 2010-BA-82
15.24 metres of 117.5 g/t Ag, 1.68% Pb and 2.81% Zn in DDH 2010-BA-147

On January 28, 2010, the Company entered into an option and joint venture agreement with Great Bear Resources Ltd. ("Great Bear") which granted Great Bear the option to acquire up to a 70% interest in the Barbara, Stro, Booze and George Copper properties ("Barbara Properties"). On April 1, 2010, the Company received TSX-V approval for the agreement and issued 120,000 common shares valued at $1.00 per share as a finder's fee with respect to this transaction. The agreement gave Great Bear the option to earn an initial 50% interest in the Barbara Properties by paying $158,000 (paid) and incurring $5,500,000 in exploration expenditures on or before December 31, 2013 (incurred). Great Bear could earn an additional 20% interest by completing a bankable feasibility study on or before December 31, 2015.

In 2010, Great Bear completed an 82-hole, 15,000 metre drill program. Results included 96.25 metres (core length) of 34.1 g/t silver, 0.26% lead and 0.73% zinc in drill hole BA-2010-153, and the discovery of higher-grade feeder zones such as 3.05 metres of 4.93% zinc, 1.11% lead and 236.0 g/t silver in hole BA-2010-79. The Barbara property was increased to 24 mineral claims covering 9,778 hectares.

The option and joint venture agreement was amended on October 25, 2010, such that Great Bear included the Surprise Creek property under the terms of the agreement, and the acquisition costs for the Surprise Creek property, borne entirely by Great Bear, and were applied against the earn-in requirement of the Barbara property.

The Surprise Creek property consists of 19 mineral claims situated in the Skeena Mining Division of British Columbia covering 7,472 hectares. The property covers much of the same stratigraphy as Barbara. Among other targets, Surprise Creek hosts semi-massive to massive zinc-silver-lead mineralization at the Ataman zone.

Great Bear did not complete a bankable feasibility study by December 31, 2015 and did not execute their option to acquire the additional 20% interest. The Barbara and Surprise Creek properties would go forward on a 50/50 joint venture basis between Mountain Boy and Great Bear.

On October 18, 2016, the Company and Great Bear amended their agreement and entered into separate joint venture agreements for the Barbara and Surprise Creek properties. The joint venture agreements set Great Bear as the operator of the Barbara property and set the Company as the operator of the Surprise Creek property. Both the Company and Great Bear retain a 50% ownership interest in the Surprise Creek and Barbara properties. Annual minimum work programs of $250,000 are required at each project to ensure continuing exploration activity.

All other provisions of the original agreement remain in effect.

On June 1, 2017, the Company and Great Bear entered into an additional option agreement in which the Company was granted the option to acquire Great Bear's 50% interest in the Barbara and Surprise Creek properties by issuing a total of 2,000,000 common shares and paying $1,300,000 to Great Bear in stages between the date of TSX-V acceptance of the agreement and August 20, 2020 as follows:

- On signing, Great Bear will receive 500,000 shares (issued)
- $150,000 by August 20, 2017 (paid);
- $150,000 by November 20, 2017 (paid);
- 500,000 shares by April 15, 2018 (issued) and $300,000 by August 20, 2018 (deferred to March 20, 2019 by issuing 120,000 shares; the Company transferred 323,000 common shares of Ascot to Great Bear in lieu of making the $300,000 cash payment t);
- 500,000 shares by April 15, 2019 (issued) and $350,000 by August 20, 2019 (the Company transferred 425,000 common shares of Ascot to Great Bear in lieu of making the $350,000 cash payment);
- 500,000 shares by April 15, 2020 (subsequently issued) and $350,000 by August 20, 2020.

In addition, the Company will make cash payments to Great Bear on achieving certain milestones toward establishing an economic resource, which could amount to as much as $3,700,000 were both properties to go into production.

(i) Barbara (BA)

On June 14, 2018, the Company reported that it has received the completed interpretation for an airborne survey over the 7,412 ha in the 100% owned Barbara (BA) mineral tenures. The airborne survey indicates an arcuate anomalous trend that is up to 9 km long. Mineralized areas detected in previous work along the interpreted trend include the Nelson, main BA and BOD zones. The Nelson zone is along the SE part of the indicated arcuate structure, the main BA is in the western most part and the BOD is along the northern part of trend.

The main BA zone appears as part of an anomaly that is 1.5 by 2.0 km in size. To date, drilling has only occurred along the western-most edge of this anomaly. Drilling has only tested 500 m of the SW edge of this anomaly. The mineralized zone dips at a low angle to the SE beneath a receding glacier and appears to be the source of the large indicated EM anomaly. To the south and north, thick sections of overlying sedimentary rocks partially obscure the EM anomaly. Magnetic exhalites overlie the sulphide zones in the main BA area. Magnetic interpretation indicates a correlation with the EM anomaly supporting the presence of a large VMS system.

(ii) Surprise Creek

The Surprise Creek claims consist of 7,472 hectares within 19 claims at headwaters of Surprise Creek. In the summer of 2016, Mountain Boy sampled a zone discovered by geologist Alex Walus in 2007 and further defined by Great Bear in 2010. This zone called the Ataman zone (formerly Rumble zone) is a wide barite-rich exhalative horizon with galena-, sphalerite-, minor chalcopyrite and minor pyrite. The zone is along a ridge extending into a wide valley bottom. The zone which is exposed over a vertical height of 600 metres and a width of at least 200 metres has been traced through float boulders into an adjoining valley approximately 1.3 kilometres away. The geological crew has identified the potential vent area (potential source of high-grade mineralization) to this system within the exposed portion of the zone. The Company applied for a drill permit to test the zone. The low elevations for the drill program would allow for drilling well into the fall season. Mountain Boy is the operator on the Surprise Creek claims.

On June 26, 2019, the Company reported that field work by the geological team on the Company's Surprise Creek property has produced further evidence for an extensive silver-lead-zinc Volcanogenic Massive Sulphide ("VMS") district. The latest discoveries are 1.6 and 3.4 kilometres north of the Ataman silver-lead-zinc zone and occur within similar stratigraphy. The two new discoveries feature galena and sphalerite mineralization; both zones are associated with barite or quartz veining. One of the zones occurs as sheeted quartz veins over 250 metres. The second zone occurs in a 50 to100 metre wide area that appears to be underlying the Salmon River formation. These newly found occurrences are similar to others in this emerging district as well as to other well-established VMS districts. VMS style mineralization continues to be found along this 20-kilometre trend and the retreating glaciers continue to expose new outcrops. The present work is focused on defining the prospective ore horizon and developing future drill targets.

On September 30, 2019, the Company reported further new discoveries on the Surprise Creek property. Results from the first batch of prospecting samples from the summer field program have extended the known mineralized zones and identified additional zones of interest in this emerging VMS district.

Highlights:

- Assays from the Grunwald zone assaying up to 6.1 g/t gold and 196 g/t silver as well as base metal values of up to 0.111% copper, 1.49% lead and 15.1% zinc.
- Extension of the Ataman base metal - barite zone 700 metres to the south (Upper Ataman), with up to 0.3% copper, 5.46% lead, 1.24% zinc, 147g/t silver and 1.04 g/t gold.
- Two new base metal zones north of the Ataman zone with up to 17.3% lead, 6.45% zinc and 126 g/t silver.

Work by the Mountain Boy geological team over the past year, along with input from a leading authority in this type of geology (Dr. Bruce Gemmell) supports a geological model of an extensive VMS district encompassing the Surprise Creek property as well as MTB's extensive BA property, located south of the highway.

The Surprise Creek and the BA properties are underlain by Jurassic Lower Hazelton intermediate and felsic volcanic rocks and Upper Hazelton clastic sedimentary rocks. Volcanogenic massive sulphide horizons and related feeder zones have been identified on the property and consist of barite, pyrite, sphalerite, galena, chalcopyrite, with significant silver and gold values. Mineralization has been traced along a north trending zone for eight kilometres extending from the historic Goat Mine in the south, through the Grundwald, Upper Ataman and Ataman showings and the newly discovered showings located on the next two ridges to the north.

The showings are believed to be hosted in the same package of rocks as the historic Eskay Creek deposit located 70 kilometres to the northwest, which exploited a stratiform volcanogenic massive-sulphide deposit at the base of the Salmon River Formation and produced 2.18 million tonnes of ore with an average grade of 46 g/tonne Au and 2267 g/tonne Ag (BC Geological Survey 2008). The contact between the Salmon River Formation and the underlying Mount Dillworth Formation has been mapped on the MTB property.

Select sample results are presented in Table 1.

Sample No	Zone	Au (ppb)	Ag (g/tonne)	Cu (ppm)	Pb (ppm)	Zn (ppm)	Hg (ppm)
DG19-016R	Grunwald	**6100**	**44.4**	**1110**	835	**59000**	1220
DG19-012R	Grunwald	**5400**	20.5	502	80.3	239	400
DG19-011R	Grunwald	**978**	**196.0**	776	3260	**151000**	1350
AW19-007	Grunwald	**732**	**69.4**	784	577	191	230
KD19-049R	Grunwald	**582**	0.65	9.1	28.9	17.8	300
KD19-070R	Grunwald	142	**125.0**	303	4330	**26800**	**>10000**
LT19-097R	Grunwald	53	**54.3**	232	**12300**	1730	**5240**
LT19-089R	Grunwald	-2	25.4	76	**14900**	149	170
AW19-021	Upper Ataman	**1040**	3.25	119	503	2460	40
AW19-017	Upper Ataman	155	19.8	131	3230	**11200**	**3550**

Sample No	Zone	Au (ppb)	Ag (g/tonne)	Cu (ppm)	Pb (ppm)	Zn (ppm)	Hg (ppm)
AW19-023	Upper Ataman	131	**147.0**	189	**54600**	**11800**	**8830**
AW19-016	Upper Ataman	44	2.92	69.8	47.7	**12400**	630
AW19-018	Upper Ataman	38	2.84	38.9	491	**11200**	**1810**
DG19-021R	Upper Ataman	12	**39.1**	57.5	8000	**10400**	**2590**
DG19-023R	Upper Ataman	8	**106.0**	147	**29900**	4210	1370
DG19-022R	Upper Ataman	-2	**31.8**	**2990**	133	375	1850
DG19-005R	New Discovery	126	**121.0**	190	2110	**12100**	**>10000**
DG19-007R	New Discovery	82	**162.0**	63.2	**173000**	**64500**	**>10000**
DG19-006R	New Discovery	43	**76.8**	109	**12800**	**30900**	**4280**
LT19-011R	New Discovery	-2	**41.8**	61.9	**14700**	9860	**>10000**
DG19-009R	New Discovery2	36	**82.4**	**1150**	**11800**	122	1210
AW19-002	Jagiello	-2	**57.4**	63.2	324	40.1	560

Assays are still pending for 82 rocks samples. The Surprise Creek Project is drill ready with identified targets and a drilling permit in place.

3(b) Red Cliff Property

The Red Cliff property is a former producing copper and gold property located 20 kilometres north of Stewart, B.C. It consists of 8 Crown granted mineral claims. The Company owned a 100% interest in the Red Cliff property. The Red Cliff property was subject to a 2% net smelter return royalty of which the Company may purchase 1% for $1,000,000.

On November 19, 2008, the Company entered into an option agreement with Decade Resources Ltd. ("Decade"), a company with a former director in common with the Company to option Decade a 60% interest in the Red Cliff claims. In order to earn the 60% interest, Decade was required to incur exploration expenditures on the property of $500,000 in the first year, $500,000 in the second year and $250,000 in the third year. Decade incurred the exploration expenditures to earn the 60% interest in the Red Cliff claims. The companies then operated the Red Cliff property on a 60/40 joint venture basis.

The Silver Crown 6 claim, in which Decade is earning a 100-per-cent interest, is situated adjacent to the north portion of the Red Cliff claims. To the north of the Silver Crown 6 claim, Mountain Boy owns a 100% interest in the MB property. The Red Cliff Extension claim, owned 100% by Decade, is along the east side of the Silver Crown 6 claim. To date, Decade and Mountain Boy have identified four main separate gold-bearing zones on the Red Cliff property. These are called the Red Cliff, Upper Montrose, Lower Montrose and Waterpump zones, and are located within the Crown-granted claims.

On October 31, 2011, the Company informed Decade that the Company could not finance its share of exploration expenditures and therefore would have its interest diluted under the terms of the joint venture agreement. As at October 31, 2011, the Company owed Decade $435,785 in exploration expenditures related to its 40% interest in the Red Cliff property. Effective November 1, 2011, the Company agreed to dilute its interest by 5% in lieu of the $435,785 thereby reducing its interest to 35%.

A National Instrument 43-101 report on the Red Cliff property dated December 9, 2014 prepared by Dr. Lawrence Dick, PhD, PGeo was filed on www.SEDAR.com. The report states some preliminary characterizations that exist in the mineralized system hosting gold at the Red Cliff property.

On March 5, 2019, the Company reported that Decade had reported the final assay results from the 2018 drilling on the Red Cliff property. Highlights of drilling, as reported by Decade, include:

- 16.56 g/t gold over 5.12m in DDH-MON-18-50
- 13.90 g/t gold over 2.99m in DDH-MON-18-48
- 21.90 g/t gold over 1.83 m in DDH-MON-18-58
- 8.93 g/t gold over 6.1m in DDH-MON-18-67
- 13.58 g/t gold over 3.2 m DDH-MON-18-46

On March 28, 2019, Decade and the Company signed a settlement and amending agreement to settle the amount owed by the Company to Decade (net of the receivable from Decade) up to the date of the agreement being $925,000 and such amount shall be paid on or before June 30, 2019. As a result, the Company recorded a gain on settlement of debt of $172,757 during the year ended November 30, 2019 (2018 - $nil). As of November 30, 2019, the Company had a balance payable to Decade of $50,000 (subsequently paid) (November 30, 2018: $1,135,278) for joint venture exploration costs on Red Cliff which was included in due to joint venture partner and Decade owed $nil (November 30, 2018: $37,521) to the Company for the reimbursement of expenses. The amounts owing between Decade and the Company are non-interest bearing and due on demand.

During the year ended November 30, 2019, the Company incurred $8,533 (2018: $767,568) in joint venture exploration costs to Decade on the Red Cliff property.

3(c) American Creek West Project (formerly Mountain Boy Silver Property)

The Company owns a 100% interest in the Mountain Boy Silver property located in the Stewart camp of British Columbia's Golden Triangle. The Mountain Boy Silver ("MB Silver") property comprises 4 reverted Crown grants and 37 units in three modified grid claims located 22 kilometres north of Stewart, B.C. The property is a high grade silver prospect with a long history of exploration which commenced in 1910 and resulted in 8 adits exploring different vein systems, with small scale (pack horse) production through 1939.

On March 1, 2019, the Company entered into an option agreement to acquire a 100% interest in the Dorothy property. The 878-hectare (8.78-square-kilometre) property is contiguous with the Company's MB Silver property to the north.

Pursuant to the terms of the agreement, the following share issuances and payments are required:

		Cash		Shares			Cumulative Exploration Work Commitments
5 days from TSXV approval	$	5,000	Paid	100,000	Issued	$	-
March 1, 2020		15,000	Subsequently paid	100,000	Subsequently issued	$	50,000
March 1, 2021		25,000		150,000		$	125,000
March 1, 2022		25,000		200,000		$	200,000
March 1, 2023		50,000		250,000		$	500,000
TOTAL	$	120,000		800,000			

The MB Silver property hosts the historic high-grade Mountain Boy silver mine. The mine operated until 1939, and was accessed historically by packhorses from Stewart, BC, 24 kilometres away. Current access is by a 5-kilometre 4x4 road from Highway 37A. Mountain Boy conducted drill programs in 2006 and 2011. Significant intercepts included 8.53 meters of 2260 grams per tonne silver in DDH-2006-19 and 5.18 m of 5258.0 g/t Ag in DDH-2006-10 (Assessment Report 29066), and 396.33 g/t Ag over 4.57 m in DDH-2011-1 (Assessment Report 33036). Numerous mineralized veins, like those drilled in 2006 and 2011, have been identified on the property and have seen minimal modern exploration.

Another drill program in 2011 tested the Mann Vein with 2,381 metres in 36 holes. Results include 396 g/t silver over 4.57m in DDH-MB-2011-1. There are several other old mines and occurrences on the current MB Silver property.

The Dorothy property adjoins the MB Silver property on the north and includes a number of silver-bearing veins that are interpreted to be a continuation of the geological system on the MB Silver property. There is no record of drilling on the Dorothy property.

On March 17, 2019, the Company entered into an option agreement to acquire a 100% interest in a portion of the Silver Crown property. Under the agreement with Auramex Resource Corp. ("Auramex"), the Company participated in an underlying option agreement, by which the two companies divide the property based on the relative areas, each taking portions adjacent to existing projects, with Auramex being responsible for 15% of the payments to the underlying owners and the Company being responsible for 85% of the payments. The Silver Crown option property is contiguous to the MB Silver project (including Dorothy) to the south and west.

Auramex and the Company have one director in common with the decision on this agreement determined by the other directors.

The underlying Auramex option of the Silver Crown property is an arm's-length transaction and, in order to exercise the option, Auramex must pay to the vendor a total of $120,000 and 500,000 common shares of Auramex over a four-year period. The vendor retains a 2% net smelter return royalty, of which one-half can be purchased for $1 million until 90 days after the start of commercial production, with an advance royalty commencing in 2026. Auramex is required to keep the property in good standing. The Company is required to pay Auramex back 85% of the payments that Auramex made in cash within 5 business days and for the payments Auramex made in shares, the Company will make an equivalent cash payment based on the value that Auramex records as the transaction.

	Cash		Shares	
March 15, 2019	$ 10,000	Paid by Auramex and reimbursed by the Company	-	
5 days from TSXV approval	-		100,000	Issued by Auramex and reimbursed by the Company
March 15, 2020	15,000		100,000	
March 15, 2021	20,000		100,000	
March 15, 2022	25,000		100,000	
March 15, 2023	50,000		100,000	
TOTAL	$ 120,000		500,000	

The Silver Crown property adjoins the Dorothy and MB Silver properties to the west, south and north.

Collectively, the MB Silver, Dorothy and Silver Crown properties are referred to as the American Creek West Project. Given the numerous mineralized showings and historic mines on the claims and immediately surrounding area, the historic fragmentation of the land holdings and recent encouraging results reported by Pretium Resources on their property adjacent to the north and by the Company on its holdings, management considers the American Creek West Project to be highly prospective and underexplored.

A highly successful field season has greatly expanded the geological understanding of the property. Areas of known mineralization were examined in more detail and new discoveries were made.

On July 11, 2019, the Company reported that the geological team has compiled compelling evidence that the same geological conditions related to the deposits in the prolific Premier Camp are present on the American Creek West property (See Figures 1 and 2).

The abundance of gold-silver occurrences around the American Creek area has long been recognized. In addition to the historic Mountain Boy mine, two similar high-grade mines operated on the eastern side of American Creek and a gold-copper mine to the south. Several zones on the American Creek West property have yielded high-grade silver and base metal values, including drill hole MB-2006-10 which yielded 5.18 meters of 5,258 g/t Ag (Assessment Report 29066).

The Mountain Boy geological team has incorporated results from the historic data and fieldwork from the last two seasons to develop a geological model for the American Creek corridor. Going forward, this model will help guide exploration and drilling. Two styles of mineralization have been recognized in the area.

- The first style is hosted in quartz breccia, quartz veins and associated stock-works surrounding the breccia zones. Quartz-sericite-pyrite alteration commonly envelopes this mineralization. The best gold and silver values are generally associated with intense silicification and various amounts of base metals, including lead, zinc and copper.
- The second style is massive barite veins with secondary quartz, carbonate and base metals. These veins often carry impressive silver values.

Mineralization has been found throughout the property including the Unuk River, Betty Creek and Mount Dilworth formations of the Lower Hazelton Group. The neighboring Stewart Camp mineralization is found in Unuk River formation, close to the transition into the Betty Creek formation. This stratigraphy occurs on the American Creek West project as well.

Conduits for the mineralizing fluids are faults and are often found in the hinge regions of the large scale folds identified on the property.

In 2018, the Mountain Boy team identified an intermediate to mafic intrusion in the bottom of the American Creek valley. This intrusion may possibly be an analog to the Texas Creek intrusion that is considered to be directly related to the Premier Camp mineralization.

The current model that Mountain Boy is working with is an intermediate sulfidation type epithermal deposit that is telescoping off a deeper-seated porphyry. The porphyry is the heat engine that is driving the hydrothermal systems that are responsible for mineralization. This is a similar to that of the Premier Camp.

Work is continuing to further refine and validate the emerging geological understanding. The first priority is in the American Creek valley:

- Samples from the intrusion are now at a laboratory for petrographic analysis.

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- The field crew is testing the current geological interpretation through detailed geological and structural mapping.
- A two-kilometre-long section of the valley has been tested with a soil sample grid and prospecting, with results pending

A 1988 airborne magnetic and VLF-EM survey conducted over the western part of the American Creek West project area identified several VLF-EM anomalies. The author of the report stated that, in that the geological setting, the presence of VLF-EM conductors associated with faulting and magnetic highs suggests excellent potential for silver-gold vein-epithermal mineralization (Assessment report 17609). The survey results are being refined and the anomalous areas will be ground-truthed over the coming weeks.

Glacial retreat in the upper portions of the property has exposed ground in prospective areas that that were looked at for the first time.

Figure 1- ACW compiled geology from Mountain Boy and Geological Survey of Canada Open File 2931

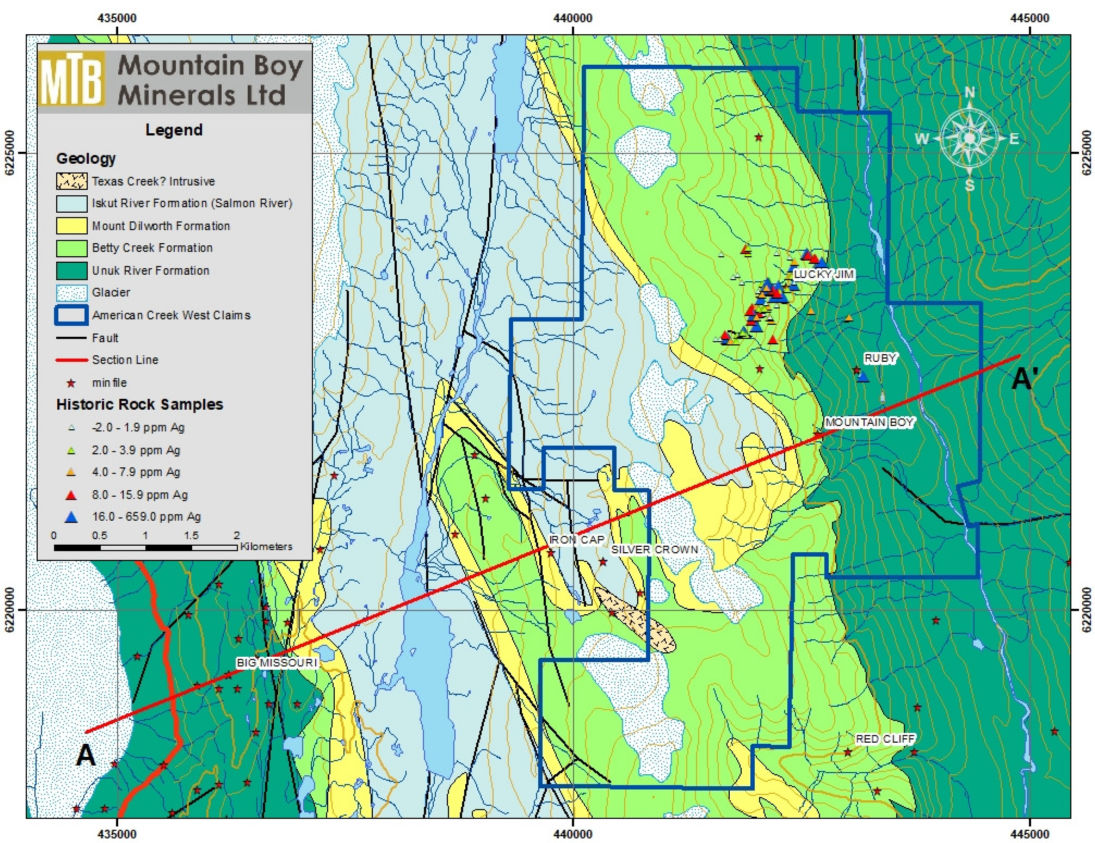
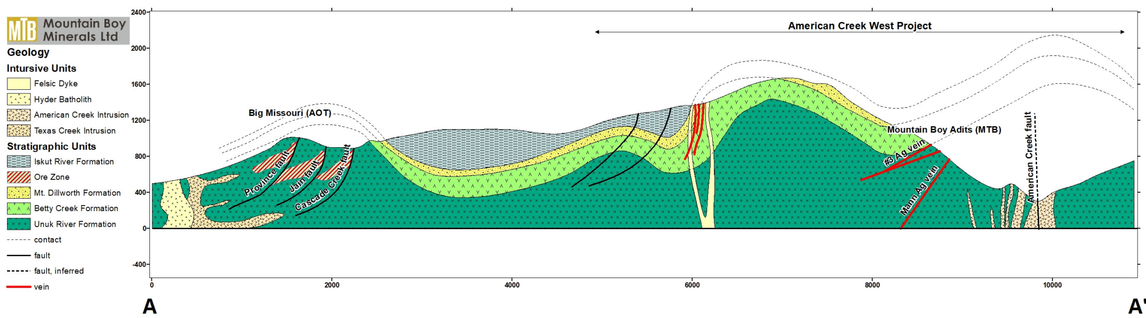


Figure 2-ACW cross section A-A' looking northwest



On August 27, 2019, the Company reported a new gold-silver discovery on its American Creek West project including these highlights:

- A rock sample from the new discovery assayed 8.4g/t gold and 903 g/t silver.
- 61 of 63 samples from the zone were anomalous in at least two metals.
- The geological team is now refining targets in preparation for initial drilling.
- Targets include:
    - The new discovery;
    - Extension of the Mountain Boy mine;
    - The Maybe vein system north of the mine that has never been worked or drilled.

The Mountain Boy team has developed a new geological model, based on a century of historic results and two field seasons on the ground. It is now recognized that the extensive mineralization in the area is related to an intermediate sulfidation epithermal system. An intrusive body identified by the MTB team near American Creek is believed to be the magmatic heat source and the source of the metals. Geochronology and other studies are on going to further characterize that intrusive.

The geological setting, style of mineralization, nature of the intrusive body and the scale of the system has many similarities to the Premier Camp, located immediately to the west. The Premier Camp produced 2.5 million ounces of gold and 50 million ounces of silver from 1918 to 1996.

The new discovery area, located west of the Mountain Boy mine, was covered by glaciers during the early years of exploration along American Creek and has not seen recorded work in modern times. Guided by the emerging geological model, the team mapped and sampled a prospective area that resulted in the new discovery. Select sample results are presented in Table 1.

Table 1: Select rock samples.

Sample No	TypeSam	Ag (g/t)	Cu (ppm)	Pb (ppm)	Zn (ppm)	Au (ppb)
KD19-155R	grab	**903**	214	**>5000**	**7470**	**8440**
LT19-139R	float	**724**	687	**>5000**	2670	16
LT19-162R	grab	**292**	38.7	1320	2620	**526**
LT19-161AR	grab	**283**	58.1	1060	3190	**889**
LT19-165R	grab	**72.8**	1880	**>5000**	**30900**	50
LT19-170R	grab	**46.1**	544	**>5000**	274	**362**
KD19-146R	grab	**35**	28.3	**>5000**	**83100**	3
LT19-155AR	grab	**33.6**	44.4	**>5000**	**>100000**	-2
AW19-045	grab	24.2	29.7	944	1110	284
KD19-097BR	grab	23.3	471	**>5000**	**55800**	190
KD19-097R	grab	18.3	212	**>5000**	**28800**	184
AW19-025	float	14.6	**>10000**	41.3	255	**3490**
KD19-158AR	grab	14.3	6	**>5000**	**10300**	15
LT19-166R	grab	7.58	23	1230	1950	23
LT19-103R	proximal float	5.26	**4940**	55.5	1560	48
KD19-080R	float	4.27	**4400**	19.2	605	139
LT19-114R	grab	3.1	154	1960	1310	24
KD19-147R	grab	2.79	7	2000	**4950**	-2
LT19-100AR	proximal float	2.08	**4210**	19.3	281	195
LT19-102R	grab	1.55	84.2	34.4	**59300**	101
LT19-099R	proximal float	0.86	20.3	63.2	**7160**	8
LT19-101R	proximal float	0.86	29.5	399	**10000**	-2

Note: Assays shown as > represent over limits, which are currently being further analyzed.

These samples are characterized by an ore mineralogy suite that in part defines intermediate epithermal deposits (Sillitoe and Hedenquist, 2003). Ore minerals, such as acanthite, Ag-sulfosalts, low Fe sphalerite, galena, tetrahedrite-tennantite and chalcopyrite were identified in the field; the correlating assays to these samples exemplify the poly-metallic nature of the prospect. In addition to the ore mineralogy, several vein textures that further support the intermediate epithermal model were observed, such as open space filling textures, crustiform banding and carbonate replacement.

3(d) More Creek Property

On September 18, 2019, the Company reported the acquisition, through staking and purchase, of a 100% interest in the More Creek property, located 40 km northwest of the historic Eskay Creek Mine.

The Company has compiled the available historic data and conducted an initial on-site review of the project. Similar mineralization to that described in the 1990 program was identified. Assay results are pending.

In 1990, Blue Gold Resources carried out a small exploration program of prospecting, geological mapping and rock sampling on the current claims. They identified two large gossans separated by a large glacier with pervasive silicification and pyrite alteration. Copper, lead, zinc, silver and gold mineralization was discovered within the alteration zones. Magnetite skarn mineralization with sphalerite and chalcopyrite was also discovered to the east of the large gossan. Rock samples from the 1990 program assayed up to 13.58% copper, 1.06% lead, 12.4% zinc, 2,500 ppb gold and 50.0 ppm silver. Samples were also anomalous in pathfinder elements such as antimony, arsenic, cadmium and bismuth (BC Assessment Report No. 21008).

Since 1990, the glacier separating the two gossans has retreated 1,200 metres and thinned substantially, exposing many new outcrops. The BC Assessment Report index contains no other records of work performed on the claims since 1990.

Sample Number	Au (ppb)	Ag (ppm)	Cu %	Pb %	Zn %	Sample Number	Au (ppb)	Ag (ppm)	Cu %	Pb %	Zn %
2228	**2500**	4.8	0.63		0.10	55946	160	5.2	0.44		**1.26**
31933	**1340**	2.4				55904	150	**17.3**	**1.18**		0.24
2170	**1280**	2.3	0.25			55929	130	3.8			**12.40**
31940	**1260**	**21.1**				55945	120	4.2	0.19		**2.94**
31941	**1260**	**41.4**				55943	100	5.9	**1.37**		
2111	**1060**	**10.5**			0.78	31948	90	2.9	**7.85**		**4.22**
31944	**1060**	**20.1**			0.25	55909	90	4.7	**1.73**		
55601	**910**	**11.0**		0.49	0.16	55938	70	3.5	0.13		**4.48**
31946	**900**	**34.0**	0.73	0.21	0.55	2145	60	7.9	**1.20**		**2.37**
2175	**870**	**50.0**	**3.75**			55907	50	**32.0**	**13.58**		0.34
31923	**810**	0.4				55908	50	6.9	**2.57**		0.13
31932	**760**	5.9				55905	40	**15.6**	**4.86**		0.27
55602	**750**	**28.0**				55919	40	**11.8**	**2.23**		
55903	**740**	8.7			0.12	55921	30	5.2	**9.67**	0.18	**9.67**

55941	**720**	**11.1**	0.44			55931	20	5.2	**1.18**	**1.06**	**3.40**
55937	**560**	**20.1**	**1.82**		0.23	30507	10	8.1	**1.22**		
31937	400	**10.7**				28205	-10	0.6		0.34	**2.56**

Table 2- Significant Assays from 1990 Program

The Company acquired the six tenures, comprising 4,140 hectares, from an arms-length party for 160,000 shares of Mountain Boy . A further 4 tenures, comprising 828 hectares, were staked by or on behalf of Mountain Boy.

On October 23, 2019, the Company reported assay results for the More Creek property.

The results point to the presence of mineralized systems similar geologically and in scale to other large deposits in the region.

The Mountain Boy team spent 8-man days mapping the geology, alteration and structure as well as sampling outcrop for geochemical analysis. Samples taken validate historic assays and outline new areas of mineralization.

Mineralization within the large gossan identified in 1990 has been extended 500 metres to the southwest. The gossan is interpreted as a northeast trending, structurally controlled, hydrothermal alteration conduit consisting of quartz + sericite + pyrite alteration with minor arsenopyrite and up to 1,260 ppb gold and 41.4 ppm silver. Significant base metal values were also encountered within the gossan. The best gold numbers appear to be associated with pyrite. Mineralization has been traced for 1,300 metres on surface.

Additional structurally controlled alteration zones with up to 2,920 ppb gold were also mapped in the northern portion of the claims.

Samples from this summer's program are also anomalous in pathfinder elements such as antimony, mercury and arsenic. Barium is also anomalous in some areas and is a commonly associated with volcanic hosted massive sulphide deposits (VHMS). The property has had very little exploration on it to date and the potential for more discoveries is high.

Three styles of mineralization have been identified. These include the following:

1. Structurally controlled precious and base metal mineralization as found in the large gossan and the other veins to the north.
2. Bedded massive sulphides of copper, lead and zinc.
3. Massive sulphides within skarn identified in 1990 but not visited in the 2019 program.

SampleNo	Au (ppb)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Hg (ppm)	As (ppm)	Ba (ppm)
AW19-127	**2920**	**13.5**	0.010	0.008	0.01	**2020**	**1230**	28
WK19-64	**2520**	2.1	0.010	0.073	0.07	60	154	2270

AW19-125	**1360**	2.1	0.018	0.003	0.01	230	199	41
AW19-130	**1160**	9.0	0.038	0.058	0.02	**3490**	660	707
AW19-133	**841**	**32.0**	0.008	0.007	0.00	**3550**	**1720**	3760
AW19-132	**780**	**34.9**	0.010	0.002	0.01	**2510**	**2350**	6630
AW19-129	**500**	**12.0**	0.016	0.081	**0.21**	**10000**	**1700**	1720
AW19-115	387	**19.9**	0.011	0.005	0.02	**1580**	**2000**	3200
WK19-63	213	7.4	**>1.0000**	0.005	**4.87**	90	90.5	7010
AW19-134	194	**10.1**	0.017	0.008	**0.26**	**2820**	355	2100
AW19-124	170	1.6	**0.393**	0.001	0.01	110	198	61
WK19-66	164	2.9	**0.209**	0.009	0.02	310	67.6	2240
AW19-136	133	0.9	0.004	0.047	0.01	90	68.5	2810
WK19-68	125	1.3	0.006	0.016	0.03	340	78.9	2530
AW19-118	100	**12.6**	**>1.0000**	0.069	**1.25**	**2030**	50.5	11700
AW19-120	97	1.5	0.005	0.002	0.00	360	189	5530
AW19-114	89	**18.1**	0.008	0.005	0.01	270	**1910**	6070
AW19-112	86	**31.6**	0.090	**>0.50000**	**0.97**	**4580**	530	7800
AW19-117	53	**13.9**	**>1.0000**	0.006	0.07	140	62.7	1490
AW19-135	47	4.4	0.062	**>0.50000**	0.01	80	66.5	1310
AW19-131	41	0.4	0.007	0.020	0.01	170	31.4	2820
AW19-119	18	0.5	0.009	0.002	0.00	310	84.8	5970
AW19-113	13	4.3	**0.148**	0.024	0.06	290	26.7	1160
WK19-67	8	1.9	0.071	**0.168**	0.38	990	47.7	3390

Table *3- Significant Assays from* 2019 *Program*

3(e) West George Copper Property

On August 30, 2017, the Company entered into an option agreement with Auramex Resource Corp. whereby the Company can earn a 60% interest in West George Copper property as follows:

- On signing, Auramex received $700,000 in portable assessment credits;
- $10,000 cash (paid) and $30,000 of work expenditures before the second anniversary (amended and extended to August 30, 2020);
- $20,000 cash and $50,000 of work expenditures before the third anniversary;
- After earning a 60% interest, each $250,000 of work expenditures will increase the percentage ownership by 5%;
- If the Company earns a 95% interest, the remaining 5% converts to a 1.5% net smelter return royalty;
- Once the option is exercised, Auramex will receive a 2% net smelter return royalty of which 1% can be purchased for $1,000,000.

The property consists of 288 hectares adjacent to the Company's 100% owned George Copper property. The project has a silica cap over highly sericite altered andesitic rocks containing sulphide-bearing quartz stockworks. High copper values with two to three grams per tonne gold have been obtained on the talus slopes below the silica cap.

3(f) Manuel Creek Property

On December 9, 2016, the Company acquired a 100% interest in the Manuel Creek zeolite property located northeast of Keremeos, British Columbia for $15,000.

The Manuel Creek property consists of 42 mineral tenures (2,625 acres) overlaying the Manuel Creek zeolites zones. Tuff beds with zeolite can be traced for five kilometres in road cuts and range up to 10 metres in thickness. The property can be accessed from Highway 3A via the Twin Lakes and Grand Oro roads. In addition, a power transmission line runs through the property. Several assessment reports have been filed suggesting the effective zeolite to be a calcium-rich variety of clinoptilolite, very similar to Bromley Vale (Canadian Zeolite). ARIS (assessment report indexing system) 26889 (Dr. B.N. Church, Ph.D. P.Eng) estimated that the property could potentially host three million tonnes of zeolite within exposures along strike. This estimate is not National Instrument 43-101 compliant, and the Company has not verified this estimate. It is used for reference purpose only. Additional work including diamond drilling is needed to prove the tonnage, thickness, lateral continuity, grade and consistency of the zeolite mineralization.

Furthermore, dacitic tuff from the Manuel Creek member was submitted to AMEC Earth & Environmental Laboratories in Calgary (ARIS 31640) in 2011. This was done in order to determine pozzolanic activity and compressive strength variation with time of curing for the samples. This testing yielded excellent results. The zeolitic pozzolan is essentially equivalent to pure Portland cement and can be used in amounts up to 30% cement replacement. It should be competitive at this mixture level with fly ash. The process has many advantages, from environmental (less emission of carbon dioxide into the atmosphere) to enhanced strength, lower temperatures during curing and cost savings.

The Company has engaged in discussions with the Lower Similkameen Indian Band in order to complete a preliminary environmental assessment prior to applying for work permits. Once the company has received the completion of the assessment, it will apply for work permits to compete a bulk test.

In April 2018, the Company acquired two claims covering the Manuel Creek zeolite property for $3,500. The Company is currently in discussion with potential joint venture partners to fund further work on this project.

The Company's exploration expenses for the year ended and as at November 30, 2019 are:

	Barbara and Surprise Creek	Red Cliff	American Creek West	More Creek	Other Properties	Total
Property acquisition costs						
Balance November 30, 2018	$ 1,027,065	$ 201,974	$ 920,547	$ -	$ 43,557	$ 2,193,143
Property payments	635,430	-	39,395	35,876	10,000	720,701
Balance November 30, 2019	1,662,495	201,974	959,942	35,876	53,557	2,913,844
Deferred exploration costs						
Balance November 30, 2018	4,164,533	5,243,406	1,583,097	-	136,756	11,127,792
Assays	16,235	-	14,795	2,036	-	33,066
Camp costs	33,406	240	25,876	6,320	-	65,842
Drilling	10,059	-	-	-	-	10,059
General and administration	669	-	497	85	-	1,251
Geological	127,096	8,293	101,895	19,521	1,200	258,005
Helicopter	44,095	-	13,387	8,160	-	65,642
Holding costs	-	-	-	93	3,580	3,673
Labour	-	-	2,000	-	-	2,000
Supplies and miscellaneous	1,889	-	1,286	39	-	3,214
Trucking	152	-	2,487	229	-	2,868
	233,601	8,533	162,223	36,483	4,780	445,620
Balance November 30, 2019	4,398,134	5,251,939	1,745,320	36,483	141,536	11,573,412
Less:						
Mining tax credit BC METC	-	(215,032)	-	-	-	(215,032)
Total	$ 6,060,629	$ 5,238,881	$ 2,705,262	$ 72,359	$ 195,093	$ 14,272,224

4. Risks and Uncertainties

The Company is engaged in the exploration for mineral deposits. These activities involve significant risks which even with careful evaluation, experience and knowledge may not, in some cases, be eliminated. The Company's success depends on a number of factors, many of which are beyond its control. The primary risk factors affecting the Company include inherent risks in the mineral exploration and mining industries and metal price fluctuations.

General Risk Associated with the Mining Industry

Mineral exploration is an inherently risky business with no guarantees that the exploration will result in the discovery of an economically viable deposit. Among the risks faced are title risk, financing risk, permitting risk, commodity price risk and environmental regulation risk.

Mining activities involve risks which careful evaluation, experience and knowledge may not eliminate. The commercial viability of any mineral deposit depends on many factors not all of which are within the control of management. Management attempts to mitigate its exploration risk through a strategy of joint ventures with other companies which balances risk while at the same time allows properties to be advanced.

Inherent risks within the mining industry

The commercial viability of any mineral deposit depends on many factors, not all of which are within the control of management. Some of the factors that will affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure and use, environmental protection and reclamation and closure obligations could also have a profound impact on the economic viability of a mineral deposit.

Mining activities also involve risks such as unexpected or unusual geological operating conditions, floods, fires, earthquakes, other natural or environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or for other reasons. The Company does not currently maintain insurance against political or environmental risks. Should any uninsured liabilities arise, they could result in increased costs, reductions in profitability, and a decline in the value of the Company's securities.

There is no assurance at this time that the Company's current mineral properties will be economically viable for development and production.

Prices for metals

Metals prices are subject to volatile price fluctuations and have a direct impact on the commercial viability of the Company's exploration properties. Price volatility results from a variety of factors, including global consumption and demand for metals, international economic and political trends, fluctuations in the US dollar and other currencies, interest rates, and inflation. The Company has not hedged any of its potential future metal sales. The Company closely monitors metal prices to determine the appropriate course of action to be taken by the Company.

Dependence on Key Personnel

Loss of management personnel or key operational leaders could have a disruptive effect on the implementation of the Company's business strategy and on the running of day-to-day operations until their replacement is found. Recruiting personnel is expensive and the competition for professionals is intense. The Company may be unable to retain its key employees or attract other qualified employees which may restrict its growth potential.

5. Impairment of Long-lived Assets

The Company completed an impairment analysis as at November 30, 2019 and concluded that no impairment charge was required because:

- there have been no significant changes in the legal factors or climate that affects the value of the properties;
- all properties in British Columbia remain in good standing; and
- the Company and its joint-venture partners intend to continue its exploration and development plans on the properties.

6. Material Financial and Operations Information

6(a) Selected Annual Financial Information

Selected Annual Information

	Year Ended November 30, 2019	Year Ended November 30, 2018	Year Ended November 30, 2017
Total revenues	$ -	$ -	$ -
Loss for the year	1,590,275	49,165	866,449
Loss per share	0.05	0.00	0.03
Total assets	15,143,627	17,637,225	15,237,826
Total long-term financial liabilities	3,142,000	3,231,000	3,036,000
Cash dividends declared – per share	N/A	N/A	N/A

6(b) Summary of Quarterly Results

The following is a summary of the Company's financial results for the last eight quarters:

	Three months ended			
	November 30, 2019	August 31, 2019	May 31, 2019	February 28, 2019
Total revenues	$ -	$ -	$ -	$ -
Net income (loss) and comprehensive income (loss)	$ (115,305)	$ (253,901)	$ (922,955)	$ (298,114)
Earnings (loss) per share				
Basic	$ -	$ (0.01)	$ (0.03)	$ (0.01)
Diluted	$ -	$ (0.01)	$ (0.03)	$ (0.01)

	Three months ended			
	November 30, 2018	August 31, 2018	May 31, 2018	February 28, 2018
Total revenues	$ -	$ -	$ -	$ -
Net income (loss) and comprehensive income (loss)	$ 971,868	$ (904,929)	$ (32,881)	$ (83,223)
Earnings (loss) per share				
Basic	$ 0.03	$ (0.03)	$ -	$ -
Diluted	$ 0.02	$ (0.03)	$ -	$ -

6(c) Review of Operations and Financial Results

<u>For three months ended November 30, 2019 and three months ended November 30, 2018</u>

During the three months ended November 30, 2019, the Company reported a loss of $115,305 ($0.00 loss per share) (2018 – income of $971,868 ($0.03 earnings per share)).

The Company's general and administrative expenses amounted to $85,659 during the three months ended November 30, 2019 (2018 – $82,733), an increase of $2,926. The Company has been monitoring its use of cash and has been actively seeking ways to conserve cash.

The other major items for the three months ended November 30, 2019, compared with November 30, 2018 were:

- Gain on sale of exploration and evaluation assets of $nil (2018 - $580,927);
- Fair value gain on marketable securities of $94,545 (2018 - $569,231);
- Realized loss on marketable securities of $215,370 (2018 - $nil);
- Other income of $2,179 (2018 - $99,443).

During the three months ended November 30, 2019, the Company recognized deferred income tax recovery of $89,000 (2018 – deferred income tax expense of $195,000).

For the year ended November 30, 2019 and year ended November 30, 2018

During the year ended November 30, 2019, the Company reported a loss of $1,590,275 ($0.05 loss per share) (2018 – $49,165 ($0.00 loss per share)).

Excluding the non-cash share-based payment of $82,960 (2018 – $856,440), the Company's general and administrative expenses amounted to $258,687 during the year ended November 30, 2019 (2018 - $248,885), an increase of $9,802 from the year ended November 30, 2018 as a result of the increase in expenditures in management fees (from 2018's $17,600 to 2019's $37,100) and investor relations (from 2018's $24,750 to 2019's $36,000), while being offset by a decrease in shareholder communications (from 2018's $39,585 to 2019's $23,233). The Company has been monitoring its use of cash and has been actively seeking ways to conserve cash.

The other major items for the year ended November 30, 2019, compared with November 30, 2018 were:

- Gain on sale of exploration and evaluation assets of $nil (2018 - $580,927);
- Gain on settlement of debt of $172,757 (2018 - $nil);
- Fair value loss on marketable securities of $926,362 (2018 – fair value gain on marketable securities of $569,231);
- Realized loss on marketable securities of $589,296 (2018 - $nil);
- Other income of $5,273 (2018 - $101,002).

During the year ended November 30, 2019, the Company recognized deferred income tax recovery of $89,000 (2018 – deferred income tax expense of $195,000).

6(d) Liquidity and Capital Resources

As at November 30, 2019, the Company's working capital was $596,374 (November 30, 2018 – $2,941,281). With respect to working capital, $169,653 was held in cash (November 30, 2018 – $160,313). The increase in cash was mainly due to the proceeds from sale of marketable securities of $1,367,324 and cash received from the share subscription of $55,000 while being offset by $268,560 used in operations, $1,142,944 used in the exploration and evaluation assets, including increasing its reclamation bonds, and $1,480 used in the share issue costs.

During the year ended November 30, 2019, the Company issued 100,000 common shares with a fair value of $20,000 to the optionors for an option payment on the Dorothy property, 500,000 common shares with a fair value of $95,000 to Great Bear for an option payment on the Barbara and Surprise Creek properties and 160,000 common shares with a fair value of $35,200 to purchase the More Creek property.

On December 20, 2019, the Company completed a non-brokered private placement by issuing 1,040,000 flow-through shares ("FT Share") at a price of $0.25 per FT Share for gross proceeds of $260,000. In connection with the financing, the Company paid $15,000 as a cash finder's fee and issued 60,000 finder's warrants, each of which is exercisable into one common share at a price of $0.25 for a period of 12 months.

On February 25, 2020, the Company issued 500,000 common shares to Great Bear pursuant to the June 1, 2017 option agreement.

On February 26, 2020, the Company issued 100,000 common shares to the optionors for Dorothy Property.

The Company has $120,954 as reclamation bonds.

As of the date of this MD&A, the Company has no outstanding commitments. The Company has not pledged any of its assets as security for loans.

The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company's current treasury and the future cash flows from warrants and options, along with the planned developments within the Company as well as with its JV partners will allow its efforts to continue throughout 2020. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

6(e) Disclosure of Outstanding Share Data

The authorized share capital of the Company consists of an unlimited number of common shares without par value. As at November 30, 2019, the Company's share capital was $24,338,570 (November 30, 2018 - $24,189,850) representing 35,070,382 common shares (November 30, 2018 – 34,310,382 common shares).

Stock option transactions and the number of stock options are summarized as follows:

Expiry date	Exercise price ($)	November 30, 2018	Issued	Exercised	Expired / forfeited	November 30, 2019
August 17, 2021	0.25	240,000	-	-	-	240,000
September 7, 2021	0.375	600,000	-	-	-	600,000
July 10, 2023	0.40	2,160,000	-	-	-	2,160,000
July 10, 2024	0.21	-	400,000	-	-	400,000
Options outstanding		3,000,000	400,000	-	-	3,400,000
Options exercisable		3,000,000	400,000	-	-	3,400,000
Weighted average exercise price ($)		$ 0.38	$ 0.21	$ -	$ -	$ 0.36

During the year ended November 30, 2019, the Company granted a total of 400,000 stock options at an exercise price of $0.21 per share for a period of five years to an officer.

The continuity of warrants for the year ended November 30, 2019 is as follows:

Expiry date	Exercise price ($)	November 30, 2018	Issued	Exercised	Expired	November 30, 2019
March 15, 2019	0.50	728,733	-	-	(728,733)	-
September 25, 2019	0.50	566,000	-	-	(566,000)	-
September 25, 2019	0.65	720,000	-	-	(720,000)	-
November 19, 2020	0.30	640,000	-	-	-	640,000
Warrants outstanding		2,654,733	-	-	(2,014,733)	640,000
Weighted average exercise price ($)		$ 0.49	$ -	$ -	$ 0.55	$ 0.30

Subsequently, the Company issued 60,000 finder's warrants, each of which is exercisable into one common share at a price of $0.25 for a period of 12 months.

If the remaining options, warrants, finder's options, including the warrants associated with the finder's options, were exercised, the Company's available cash would increase by $1,356,000.

As of the date of this MD&A, there were 36,710,382 common shares issued and outstanding and 40,810,382 common shares outstanding on a diluted basis.

6(f) Commitment and Contingency

None.

6(g) Off-Balance Sheet Arrangements

None.

6(h) Transactions with Related Parties

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the year ended November 30, 2019

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Other expenses	Share-based payments (1)	Total
Lawrence Roulston Chief Executive Officer, Director	$95,000	$Nil	$Nil	$Nil	$Nil	$Nil	$95,000
Lucia Theny VP Exploration	$Nil	$Nil	$Nil	$Nil	$Nil	$82,960	$82,960
Total:	$95,000	$Nil	$Nil	$Nil	$Nil	$82,960	$177,960

For the year ended November 30, 2018

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Other expenses	Share-based payments [1]	Total
Lawrence Roulston Chief Executive Officer, Director	$25,000	$Nil	$Nil	$Nil	$Nil	$237,900	$262,900
Rene Bernard Former Chief Financial Officer, Director	$7,500	$Nil	$Nil	$Nil	$Nil	$79,300	$86,800
Mark T. Brown Former Chief Executive Officer, Director	$Nil	$Nil	$Nil	$Nil	$Nil	$158,600	$158,600
Winnnie Wong Chief Financial Officer	$Nil	$Nil	$Nil	$Nil	$Nil	$79,300	$79,300
Nancy Curry VP Corporate Development	$Nil	$Nil	$Nil	$Nil	$Nil	$237,900	$237,900
Ron Cannan Director	$Nil	$Nil	$Nil	$Nil	$Nil	$63,440	$63,440
Total:	$32,500	$Nil	$Nil	$Nil	$Nil	$856,440	$888,940

(1) Share-based payments are the fair values of the stock options granted during the years ended November 30, 2019 and 2018 calculated using the Black-Scholes Option Pricing Model.

Related party assets / liabilities

Amounts in accounts payable:	Services for:	Years ended November 30 2019	November 30 2018	Payable as at November 30 2019	Payable as at November 30 2018
Lawrence Roulston	Management fee	$ 95,000	$ 25,000	$ -	$ 1,250
Rene Bernard	Management fee	-	7,500	-	-
A private company controlled by a director of the Company [(a)]	Accounting and management services	95,421	103,500	8,400	8,400
A private company controlled by an officer of the Company [(b)]	Marketing services	36,000	15,000	-	-
A public company with a director in common with the Company [(c)]	Geological services and property option payments	42,054	-	-	-
A private company controlled by an officer of the Company [(d)]	Geological services	223,591	-	-	-
Total		$ 492,066	$ 151,000	$ 8,400	$ 9,650

(a) Mark T. Brown was appointed as the Chief Executive Officer and director effective December 15, 2017 and resigned as the Chief Executive Officer on June 27, 2018, but remains as a director. Mark T. Brown is the president of this private company.

(b) Nancy Curry was appointed as the Vice President Corporate Development effective July 3, 2018.
(c) Lawrence Roulston was appointed as the director effective December 15, 2017 and he is also a director of this public company.
(d) Lucia Theny, the Vice President Exploration effective April 23, 2019, is a co-owner of this private company where it employs several geologists to provide geological services to the Company.

6(i) Financial Instruments

The fair values of the Company's financial assets and liabilities approximate their carrying amounts because of their current nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, marketable securities, due from joint venture partner, reclamation bonds, trade and other payables and due to joint venture partner. Cash and marketable securities are measured at fair value through profit and loss. Due from joint venture partner and reclamation bonds are measured at amortized cost. Trade and other payables and due to joint venture partner are measured at amortized cost.

The fair value of the Company's cash and marketable securities is measured using level one of the fair value hierarchy.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Credit Risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash is exposed to interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's accounts payable are all current and due within 90 days of the balance sheet date. At November 30, 2019, the Company had working capital of $596,374 which will provide sufficient capital to meet its short-term financial obligations.

Market Risk
Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The sale of financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company is exposed to market risk in trading its investments, and unfavourable markets conditions could result in dispositions of investments at less than favourable prices. The Company's investments are accounted for at estimated fair values and are sensitive to changes in markets prices, such that changes in market prices results in a proportionate change in the carrying value of the Company's investments.

6(j) Management of Capital Risk

The Company manages its cash and cash equivalents, common shares, warrants and share purchase options as capital. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash and cash equivalents held.

In order to maximize ongoing operating efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry out its exploration and operations in the near term.

7. Subsequent Events

None other than disclosed already in other sections.

8. Policies and Controls

8(a) Significant Accounting Policies and Estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both. Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

a) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

b) Title to Mineral Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

c) Rehabilitation Provisions

Rehabilitation provisions have been determined to be $Nil based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period.

d) Share-Based Payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

e) Recognition of Deferred Tax Assets and Liabilities

The carrying amounts of deferred tax assets and liabilities are reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Changes in estimates of future taxable income can materially affect the amount of deferred income tax assets and liabilities recognized.

f) Going Concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

8(b) Future Accounting Pronouncements

Certain new accounting standards and interpretations have been published that are not mandatory for the November 30, 2019 reporting period. The Company has not early adopted the following new and revised standards, amendments and interpretations that have been issued but are not yet effective:

- IFRS 16 Leases (effective December 1, 2019);
- IFRIC 23 Uncertainty over Income Tax Treatments (effective December 1, 2019)

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position as the Company does not have any leases as at November 30, 2019.

8(c) Changes in Internal Controls over Financial Reporting ("ICFR")

Changes in Internal Control Over Financial Reporting ("ICFR")

In connection with National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109") adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Disclosure Controls and Procedures

The Company's CEO and CFO are responsible for establishing and maintaining the Company's disclosure controls and procedures. Management, including the CEO and CFO, have evaluated the procedures of the Company and have concluded that they provide reasonable assurance that material information is gathered and reported to senior management in a manner appropriate to ensure that material information required to be disclosed in reports filed or submitted by the Company is recorded, processed, summarized and reported within the appropriate time periods.

While management believes that the Company's disclosure controls and procedures provide reasonable assurance, they do not expect that the controls and procedures can prevent all errors, mistakes, or fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

9. Information on the Board of Directors and Management

Directors:
Mark T. Brown
Lawrence Roulston
Rene Bernard
Ron Cannan

Audit Committee members:
Rene Bernard, Ron Cannan, Mark T. Brown

Management:
Lawrence Roulston – Chief Executive Officer, President
Winnie Wong – Chief Financial Officer and Corporate Secretary
Nancy Curry – VP – Corporate Development