



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

**For the six months ended June 30, 2021**

**August 3, 2021**

### **GENERAL**

This Management Discussion and Analysis ("MD&A") is dated August 3, 2021 and is in respect of the six month period ended June 30, 2021. The following discussion of the financial condition and results of operations of Metals Creek Resources Corp. (the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the six month period ended June 30, 2021.

The discussion should be read in conjunction with the condensed interim financial statements and corresponding notes to the condensed interim financial statements for the six month period ended June 30, 2021 and the annual audited financial statements and corresponding notes to the financial statements for the year ended December 31, 2020, the most recently completed fiscal period. The Company's annual audited financial statements have been prepared in accordance with International financial reporting standards ("IFRS"). Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars which is the Company's functional and reporting currency.

Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

### **GOING CONCERN**

The condensed interim financial statements of the Company for the six month period ended June 30, 2021 have been prepared in accordance with International Financial Reporting Standards ("IFRS") on the basis applicable to a going concern. The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations, and the ability of the Company to raise additional capital. Specifically, the recovery of the Company's investment in exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to develop its properties and establish future profitable production from the properties, or from the proceeds of their disposition.

The Company is an exploration stage company that has not earned any significant revenues to date, is in the process of exploring its exploration and evaluation assets and has not yet determined whether these properties contain ore reserves that are economically recoverable.

### **OVERVIEW OF BUSINESS**

The focus of the Company is to seek out and explore mineral properties of potential economic significance and advance these projects through prospecting, sampling, geological mapping and geophysical surveying, trenching, and diamond drilling in order for management to determine if further work is justified. The Company's property portfolio consists of projects focusing on gold, base metals and platinum group metals.

## **IMPACT OF COVID-19**

During the period ended June 30, 2021, the Covid-19 pandemic remained a crisis not only in Canada but around the globe. The health and economic effects of this pandemic have been catastrophic. While the Company is a development stage enterprise and is not reliant on revenue streams to fund operations, the effects of the pandemic will no doubt impact the Company's operations moving forward as the world's health authorities and governments navigate through these unprecedented times. Below is a discussion on key areas the Company has been impacted and how it intends to manage both the short and long-term challenges presented.

### *Health and Safety of Employees*

The health and safety of the Company's employees is paramount. As such the Company, through the advice of Canadian health authorities, adopted a work-from-home policy for all employees in order to adhere to social distancing recommendations and keep employees healthy. The Company will continue to follow these recommendations until such time as authorities update employers on next steps. In addition, the Company has suspended field activities temporarily in order to comply with recommendations. As restrictions are lifted, the Company will re-evaluate its own policies on office re-opening and field activities in order to ensure continued health and safety of employees and the communities within which they operate.

### *Business and Supply Chain Interruption*

The Company relies heavily on contracted services to complete certain field exploration activities such as diamond drilling. The companies that provide these services have also been significantly impacted by the Covid-19 crisis in the form of operational shut-downs. These companies operate crews that are often in close proximity to each other which presents health risks to these individuals. In addition, the Company's employees are often in close contact with these service providers as work is carried out compounding the risks. There are no alternatives to these services and therefore the risk does exist that the Company will not be able to conduct certain exploration initiatives for the foreseeable future. The Company will however endeavour to work closely with these service providers on safety protocols and distancing policies as restrictions are lifted to ensure the continued health and well-being of all personnel and to ensure that exploration related goals can be achieved safely. In the meantime, the Company will continue to compile information related to its projects and prepare plans in order to move forward once it is feasible to do so.

### *Government Relief Measures*

The government of Canada has introduced several relief measures aimed at fiscal easing for both employers and employees alike. Many of the business related relief measures were designed for companies that have suffered catastrophic declines in revenues from operations. As the Company does not have revenue from operations, many of these measures do not apply but the Company continues to monitor these programs and will pursue relief if practical and beneficial to do so.

### *Capital Management*

While the Company does not presently rely on revenues from operations given it is a development stage enterprise, it does rely solely on capital raised on the public equity markets in order to fund operations. The Covid-19 pandemic has created drastic volatility on the equity markets and as such will have a foreseeable negative impact on capital raising initiatives moving forward as economic growth projections have contracted significantly. While the Company feels it can effectively manage its capital in the short term, there is no guarantee that future fundraising attempts will be successful. In this case, the Company would look to alternative sources of capital such as disposition or option of non-core exploration assets to reduce exposure and preserve capital or through disposition of equity holdings at opportune times to replenish cash reserves.

### *Commodity Prices*

The Covid-19 pandemic has sharply contracted world demand of many commodities and as a result prices for these commodities have declined significantly. While the Company does not currently operate any producing mines, this commodity price volatility still impacts the valuations of exploration companies. It can hamper investor interest in

capital raising scenarios if the underlying commodities of interest in the property portfolio of the Company are out of favour.

## **FINANCIAL AND OPERATIONAL PERFORMANCE**

### **Financial Condition**

The Company's cash balance as at June 30, 2021 was \$216,949 (December 31, 2020 - \$569,384) of which nil is restricted for flow-through purposes (December 31, 2020 - \$363,959). The Company also holds short term investments totaling \$3,591,594 (December 31, 2020 - \$768,277) of which \$2,404,019 is restricted for flow through purposes (December 31, 2020 – nil). All investments are held in fully liquid instruments with Canadian Financial Institutions.

Current assets of the Company as at June 30, 2021 were \$4,005,797 compared to \$1,463,813 as at December 31, 2020. The increase is attributable a significant private placement of flow-through and non-flow through units completed in March 2021, the proceeds of which are held in cash and short term investments.

Total assets as at June 30, 2021 were \$14,093,797 compared to \$9,480,738 as at December 31, 2020, an increase related to the abovementioned private placement completed near the end of the current period and an increase in the fair market value of the Company's long-term investments during the current period.

Current liabilities as at June 30, 2021 were \$770,170 compared to \$113,037 at December 31, 2020 related to the timing of expenditures around the period end and the large deferred premium on flow-through shares issued in March 2021.

Shareholders' equity increased to \$13,295,110 from \$9,333,395, as a result the private placement previously mentioned.

### **Results of Operations**

The Company earned interest and investment income of \$3,915 during the period ended June 30, 2021 (June 30, 2020: \$2,615) as a result of investment income earned on short term investments during the period. In addition, the Company recorded a net gain on sale of exploration and evaluation assets of \$22,403 (June 30, 2020: \$40,000) related to an option payment received from General Gold Resources Inc. related to the Clark's Brook property option. In addition, the Company recorded a gain on sale of investments of \$9,455 (June 30, 2020: \$9,590) related to various dispositions of long term investments during the current period. As well, the Company recorded an adjustment to fair market value for fair market value through profit and loss investments during the period related to their appreciation in value and totaled \$484,534 in the current period (June 30, 2020: \$938,848).

Total expenses for the period ended June 30, 2021 were \$577,753 compared to \$346,895 for the previous year, a change related largely to the current period's share-based payments expense of \$223,989, a non-cash expenditure. After-tax comprehensive income for the period ended June 30, 2021 was \$178,695 or nil income per share versus after tax comprehensive income of \$664,034 or \$0.01 income per share in the previous year's comparative period, due to the swing in value of the Company's long-term investments between periods and the deferred income tax recovery related to flow-through.

Expenses incurred during the period ended June 30, 2021 consist of:

- i) Business development of \$65,210 (June 30, 2020 - \$79,337) (decreased due to a reduction in the engagement of certain marketing and investor relations services during the current period)
- ii) Depreciation of capital assets and right-of-use assets of \$8,890 (June 30, 2020 - \$5,825)
- iii) Office and general of \$80,363 (June 30, 2020 - \$48,244) (representing office supplies, printing, and presentations, consulting and occupancy costs and increased due to an increase in stock exchange filing fees incurred in the current period related to the private placement completed in March 2021)
- iv) Professional fees of \$20,200 (June 30, 2020 - \$11,220) (these amounts include legal, audit and accounting fees)

- v) Consulting fees of \$29,869 (June 30, 2020 – \$11,220) (includes amounts paid to the Company’s CFO on a quarterly basis and increased in the current period due to consultants paid to assist with the Company’s OTC listing)
- vi) Salaries and benefits of \$138,655 (June 30, 2020 - \$148,945) (decreased due to a higher level of personnel time charged to exploration and evaluation assets versus general and administrative expenses during the current year)
- vii) Share-based payments of \$223,989 (June 30, 2020 – \$223) (recorded upon vesting of stock options to employees, directors and officers and is dependent upon vesting levels in a given year)
- viii) Write-down of exploration and evaluation assets of nil (June 30, 2020 - \$24,865) (due to no near term work planned on certain of the Company’s exploration and evaluation projects).
- ix) Pre-acquisition exploration and evaluation expenses of \$10,577 (June 30, 2020 - \$18,236) (which consists of costs incurred to evaluate potential exploration properties, prior to acquiring a legal title to the properties)

The cumulative deficit from inception of the Corporation is \$13,223,876.

### Cash Flows

Cash used in operating activities was \$368,717 during the period ended June 30, 2021 versus cash used in operating activities of \$334,735 in the comparative year, a change related to the change in non-cash working capital items.

Cash flows from financing activities was \$1,253,755 in the current period versus cash flows from financing activities of \$483,585 in the prior year’s comparative period, a change related to the large private placement completed in the current period net of purchases of short term investments versus the previous period.

Cash flows used in investing activities was \$1,237,473 for the period ended June 30, 2021 versus cash flows used in investing activities in the amount of \$56,822 for the prior year’s comparative period, the increase due to increased exploration expenditures related to the Company’s Dona Lake project in the current period.

### SUMMARY OF QUARTERLY RESULTS

The following table sets out selected quarterly information for the eight most recent completed quarters since incorporation.

	Period Ended Jun/21	Period Ended Mar/21	Period Ended Dec/20	Period Ended Sept/20	Period Ended June/20	Period Ended Mar/20	Period Ended Dec/19	Period Ended Sep/19
Revenue – Interest Income (loss)	\$3,064	\$851	\$812	\$682	\$732	\$1,883	\$2,218	\$4,622
Comprehensive Income (Loss) for the Period	\$385,386	\$(206,692)	\$(42,184)	\$14,307	\$1,032,657	\$(368,623)	\$114,094	\$(219,009)
Income (Loss) Per Share	-	-	-	-	0.01	-	-	-

### SELECTED ANNUAL FINANCIAL INFORMATION

Year Ended December 31	2020 \$	2019 \$	2018 \$
Interest and investment income	4,109	13,832	13,215
Net loss and comprehensive loss before tax	576,039	(628,525)	(800,104)
Income (loss) per share – basic and diluted	0.01	(0.01)	(0.01)
Total assets	9,480,738	7,548,897	7,972,191
Deferred income tax expense (recovery)	(60,118)	(17,670)	(51,907)
Dividends	-	-	-

## LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2021 the Company had cash of \$216,949 (December 31, 2020 - \$569,384) including nil restricted for flow-through purposes (December 31, 2020 - \$363,959). In addition, the Company held short-term investments of \$3,591,594 (December 31, 2020 - \$768,277) including \$2,404,019 restricted for flow-through purposes (December 31, 2020 - nil). H.S.T from the Canada Revenue Agency and other receivables at June 30, 2021 were \$111,954 (December 31, 2020 - \$83,944). Prepaid expenses were \$61,200 (December 31, 2020 - \$42,008). Finally, staking security deposits were \$24,100 at June 30, 2021 (December 31, 2020 - \$200).

Current liabilities of \$770,170 at June 30, 2021 (December 31, 2020 - \$113,037) includes period end accruals for expenditures on mineral properties, legal and audit fees, consultants and other amounts as well as the current portion of the lease liability and the deferred premium on flow-through shares related to the flow-through private placement completed during the current period. These were incurred in the normal course of business and settled subsequently.

Working capital at June 30, 2021 is \$3,235,627 (December 31, 2020 - \$1,350,776).

During the period ended June 30, 2020, the Company completed the following private placement:

- In March 2021, the Company completed a non-brokered private placement of both flow-through and non-flow through units. The Company issued 21,889,276 flow-through units at a price of \$0.15 per unit. Each flow-through unit consists of one flow-through common share and one common share purchase warrant, each whole warrant entitling the holder therein to purchase an additional common share of the Company for \$0.165 until March 17, 2023. The Company also issued 6,107,326 non-flow through units at a price of \$0.11 per unit. Each non-flow through unit consists of one common share and one common share purchase warrant, each warrant entitling the holder therein to purchase an additional common share of the Company for \$0.165 until March 17, 2023. Aggregate proceeds raised in the private placement were \$3,955,197. A portion of the gross proceeds, \$34,500, was received in the subsequent period.

In connection with the private placement, the Company paid cash finders' fees totalling \$111,126 as well as 450,545 finders' warrants exercisable at \$0.165 expiring March 17, 2023.

During the year ended December 31, 2020, the Company completed the following private placements:

- In December 2020, the Company completed a non-brokered private placement of both flow-through and non-flow through units. The Company issued 7,190,234 flow-through units at a price of \$0.06 per unit. Each flow through unit consists of one flow-through common share and one-half of one common share purchase warrant, each whole warrant entitling the holder therein to purchase an additional common share of the Company for \$0.10 until June 17, 2022. The Company also issued 7,060,000 non-flow through units at a price of \$0.05 per unit. Each non-flow through unit consists of one common share and one common share purchase warrant, each warrant entitling the holder therein to purchase an additional common share of the Company for \$0.10 until June 17, 2022. Aggregate proceeds raised in the private placement were \$781,414.

In connection with the private placement, the Company paid cash finders' fees totalling \$50,835 as well as 333,338 finders' warrants exercisable at \$0.10 expiring June 17, 2022.

- In July 2020, the Company completed a non-brokered private placement of flow-through units. The Company issued 3,516,666 flow-through units at a price of \$0.06 per unit. Each flow-through unit consists of one flow-through common share and one-half of one common share purchase warrant, each whole warrant entitling the holder therein to purchase an additional common share of the Company for \$0.01 until July 14, 2022. Aggregate proceeds raised in the private placement were \$211,000

In connection with the private placement, the Company paid cash finders' fees totalling \$14,770 as well as 213,333 finders' warrants, which are exercisable at \$0.10 expiring July 14, 2022.

- In June 2020, the Company completed a non-brokered private placement of both flow-through and non-flow through units. The Company issued 1,166,800 flow-through units at a price of \$0.06 per

unit. Each flow-through unit consists of one flow-through common share and one-half of one common share purchase warrant, each whole warrant entitling the holder therein to purchase an additional common share of the Company for \$0.10 until June 3, 2022. The Company also issued 5,400,000 non-flow through units at a price of \$0.05 per unit. Each non-flow through unit consists of one common share and one common share purchase warrant, each warrant entitling the holder therein to purchase an additional common share of the Company for \$0.10 until June 3, 2022. Aggregate proceeds raised in the private placement were \$340,008.

In connection with the private placement, the Company paid cash finders' fees totalling \$23,801 as well as 397,344 finders' warrants exercisable at \$0.10 expiring June 3, 2022.

The deferred premium on the issuance of the flow-through common shares described above was \$875,571. This difference between the proceeds of the placement and the net amount recorded in the Company's share capital account is treated as a liability in accordance with IFRS. This liability is reversed into earnings as the Company incurs flow-through eligible exploration and evaluation expenditures. This reversal amounted to \$234,499 for the period ended June 30, 2021 (June 30, 2020 - \$19,876) resulting in a deferred premium balance of \$641,072 at June 30, 2021 (December 31, 2020 - nil).

At this time the Company does not own or operate any revenue producing mineral properties, and accordingly, does not have cash flow from operations. The Company raises funds for exploration, development and general overhead and other expenses through the issuance of shares from treasury. This method of financing has been the principal source of funding for the Company since inception. Due to the Covid-19 pandemic which has caused devastating health and economic effects around the world including extreme volatility in the financial markets, there are no assurances that the Company will be able to continue to raise funds sufficiently during these times. The Company does presently have sufficient cash reserves on hand to meet obligations and achieve near-term project milestones.

The Company also funds exploration at certain of its other properties through payments received from option agreements with other companies who have agreed to fund exploration in exchange for the right to earn an interest in the properties.

In addition to the funds in the Company's treasury, the Company intends to continue raising funds for future exploration and general overhead and other working capital through the continuation of issuances of shares from treasury and through earn-in or option agreements with other mineral exploration and mining companies dependent upon market conditions as discussed above.

The Company applies the fair value method of accounting for share-based payments to directors, officers, and employees and accordingly \$126,634 (March 31, 2020 - \$223) is recorded as share-based payments expense and under capital stock as reserves for the 1,217,636 options vesting to directors, officers, employees and consultants during the period ended March 31, 2021.

The Company funds its project expenditures by raising equity financing. If in the event that future private placement financings cannot be completed, the Company would have to review its budgeted project expenditures and revise where necessary including reviewing property option agreements to determine if continuation in such agreements on their anniversary dates is feasible. Management continues to seek out capital required to undertake its exploration work commitments and for working capital to meet project work commitments.

The Company has an obligation to expend \$2,404,019 on qualified Canadian exploration expenditures related to private placements from which flow-through shares were issued during the period ended June 30, 2021. These funds must be fully expended on qualified Canadian exploration expenditures by December 31, 2022. The Company is in compliance with all mineral property obligations to the best of the Company's knowledge.

## **MINERAL PROPERTIES**

Mineral property acquisition, exploration and development expenditures are deferred until the properties are placed into production, sold, impaired or abandoned or if substantive expenditure on further exploration and evaluation is neither budgeted nor planned. These deferred costs will be amortized over the estimated useful life of the properties following commencement of production or written-down if the properties are allowed to lapse, are impaired or are abandoned or if substantive expenditure on further exploration and evaluation is neither budgeted or planned. The deferred costs associated with each property are as follows:

**For the six months ended June 30, 2021**

		<b>Flint Lake (a)</b>	<b>Ogden (b)</b>	<b>Dona Lake (c)</b>	<b>Other (d)</b>	<b>Total</b>
<b>Dec. 31, 2020 - Acquisition Costs</b>	\$	6,259	538,447	104,468	11,738	660,912
						-
Additions		-	-	350,000	7,984	357,984
Writedowns/Recoveries		-	-	-	(555)	(555)
<i>Subtotal</i>	\$	-	-	350,000	7,429	357,429
<b>June 30, 2021 - Acquisition Costs</b>	\$	<b>6,259</b>	<b>538,447</b>	<b>454,468</b>	<b>19,167</b>	<b>1,018,341</b>
<b>Dec. 31, 2020 - Exploration and Evaluation Expenditures</b>	\$	80,717	5,099,104	789,668	27,117	5,996,606
Assaying		3,256	-	19,036	484	22,776
Prospecting		-	-	-	3,015	3,015
Geological		2,853	13,559	9,755	385	26,552
Geophysical		-	3,766	51,710	-	55,476
Line Cutting		-	-	-	-	-
Trenching		-	-	-	-	-
Diamond Drilling		-	231	1,147,424	-	1,147,655
Miscellaneous		-	-	-	-	-
Aboriginal Consultation		-	-	31,563	-	31,563
Road Building/Maintenance		-	-	-	-	-
Writedowns/Recoveries		(10,228)	-	-	(9,042)	(19,270)
<i>Subtotal</i>	\$	(4,119)	17,556	1,259,488	(5,158)	1,267,767
<b>June 30, 2021 - Exploration and Evaluation Expenditures</b>	\$	<b>76,598</b>	<b>5,116,660</b>	<b>2,049,156</b>	<b>21,959</b>	<b>7,264,373</b>
<b>June 30, 2021 - Total</b>	\$	<b>82,857</b>	<b>5,655,107</b>	<b>2,503,624</b>	<b>41,126</b>	<b>8,282,714</b>

**For the year ended December 31, 2020**

		<b>Flint Lake (a)</b>	<b>Ogden (b)</b>	<b>Dona Lake (c)</b>	<b>Other (d)</b>	<b>Total</b>
<b>Dec. 31, 2019 - Acquisition Costs</b>	\$	6,259	520,117	24,365	6,552	557,293
						-
Additions		-	18,330	80,103	23,285	121,718
Writedowns/Recoveries		-	-	-	(18,099)	(18,099)
<i>Subtotal</i>	\$	-	18,330	80,103	5,186	103,619
<b>Dec. 31, 2020 - Acquisition Costs</b>	\$	<b>6,259</b>	<b>538,447</b>	<b>104,468</b>	<b>11,738</b>	<b>660,912</b>
<b>Dec. 31, 2019 - Exploration and Evaluation Expenditures</b>	\$	137,590	5,064,802	171,263	21,149	5,394,804
Assaying		-	-	8,375	289	8,664
Prospecting		5,125	19,634	6,278	7,776	38,813
Geological		6,002	13,668	31,097	7,229	57,996
Geophysical		-	-	30,435	3,500	33,935
Line Cutting		-	-	-	-	-
Trenching		-	-	-	-	-
Diamond Drilling		-	1,000	447,715	-	448,715
Miscellaneous		-	-	-	300	300
Aboriginal Consultation		-	-	48,999	-	48,999
Road Building/Maintenance		-	-	45,506	-	45,506
Writedowns/Recoveries		(68,000)	-	-	(13,126)	(81,126)
<i>Subtotal</i>	\$	(56,873)	34,302	618,405	5,968	601,802
<b>Dec. 31, 2020 - Exploration and Evaluation Expenditures</b>	\$	<b>80,717</b>	<b>5,099,104</b>	<b>789,668</b>	<b>27,117</b>	<b>5,996,606</b>
<b>Dec. 31, 2020 - Total</b>	\$	<b>86,976</b>	<b>5,637,551</b>	<b>894,136</b>	<b>38,855</b>	<b>6,657,518</b>



### **(a) Flint Lake Gold**

The Flint Lake gold project is located approximately 40 km east of Kenora, Ontario and consists of 14 claims totaling 160 units. The Company previously entered into an option agreement with Endurance Gold Corp. With the Company earning in on the Option and having earned a 75% interest in the Property, a joint venture was formed on an 81.3% (the Company) and 18.7% (Endurance Gold Corp.) basis.

The Flint Lake Property lies within the central portion of the east-trending Wabigoon Sub-province and is host to numerous gold occurrences which have seen little exploration. This western part of the Wabigoon greenstone belt is an emerging gold camp with exciting drill intercepts coming from both Houston Lake Mining (Dubenski Showing) and Rainy River Resources (17 Zone, and ODM Zone).

During the year ended December 31, 2020, the Company signed an option agreement with Manning Ventures Inc, ("Manning") whereby Manning has the right to earn a 100% interest of Metals Creeks 81.3 % interest in the Flint Lake project by making cash payments to the Company totaling \$145,000 over three years (\$20,000 upon signing received); issue a total of 2,200,000 common shares of Manning to the Company over three years (300,000 shares upon signing and received); and incur work expenditures of \$775,000 over three years. Upon exercise of the Flint Lake Option, the Company will retain a 1% NSR royalty. Manning will retain the right to purchase 50% of this NSR royalty from the Company upon payment of \$500,000 at any time.

### **(b) Ogden Township Property – Goldcorp Canada Joint Venture**

During 2008 the Company signed an option agreement with Goldcorp Canada Ltd. ("Goldcorp"), a wholly owned subsidiary of Newmont Goldcorp Corporation, to jointly explore Goldcorp's mining claims located in Ogden and Deloro Townships, located six km south of Timmins city centre, Ontario. The package consists of 84 patented and unpatented claims totaling approximately 1,184 hectares (the "Property") and covers eight kilometers of strike length along the east-west striking, highly prospective, Porcupine-Destor "Break". The Dome Mine complex and five large past producers are located between three and eight kilometers to the east of the Property along the gold trend. Past production of these mines include: the Delnite (920,000 oz), Aunor (2,502,000 oz), Buffalo-Ankerite (957,000 oz), Paymaster (1,192,000 oz), and Preston (1,539,000 oz). Goldcorp's current operation at the Dome Mine Complex is located 8 km from the Property, and has produced in excess of 17 million oz. of gold to date. (Source: Government of Ontario, MNDM, Gold Production in the Timmins Regional Resident Geologist's District to the end of 2006). Recent discoveries in the district include Lake Shore Gold's Timmins West project, located 10 km to the west of the Property and currently producing gold from several zones. The Timmins West Project is along the same gold trend as the Company's Ogden project.

The Company has met all obligations with regards to the above mentioned option agreement and have since formed a joint venture in which Metals Creek owns 50%, and Goldcorp owns 50% (as manager and on behalf of the Porcupine Joint Venture. If either party becomes diluted to a 10% interest, that interest will be converted into a 2% Net Smelter Return Royalty.

Within the Property, the Porcupine-Destor Break is represented as a sheared and altered contact between ultramafic and mafic volcanics. A discontinuous Timiskaming-aged conglomerate and a variety of felsic porphyries are found proximal to the Break with carbonate and sericite alteration being widespread. The Property hosts the past producing Naybob Mine, which had historic gold production of 50,731 oz (source: Government of Ontario, MNDM, Gold Production in the Timmins Regional Resident Geologist's District to the end of 2006). Drilling in the past has been wide spaced and shallow with most of the drilling concentrated near the Naybob Mine and a cluster of shallow holes in the Thomas Ogden Zone, located 4 km to the west. Prior to 2000, claim ownership and gold exploration was disjointed and the Property had been comprised of at least six separate packages. Since then, the properties have been combined and a more systematic exploration approach has been made possible.

Since the signing of this option joint venture agreement with Goldcorp Canada Ltd. and Goldcorp Inc. in November, 2008, Metals Creek has drilled a total of 137 diamond drill holes totaling 35,830 meters. The majority of these holes targeted both the Naybob South mineralized horizon and the Thomas Ogden Zone which is located 4km to the west.

During 2009, the Company announced the results of data compiled on the Property identifying 3 historic zones of gold mineralization, including the Thomas Ogden Zone, the Naybob South Zone and the Naybob North Zone. Both the Naybob South and Naybob North Zones have seen differing degrees of development and production which

includes historic production of 50,731 oz of gold (Source: Government of Ontario, MNDM, Gold Production in the Timmins Regional Resident Geologist's District to the end of 2006).

The Naybob North Zone was the focus of underground development down to 411m, including 11 levels, with the majority of the production occurring within the upper 6 levels. The Naybob South Zone is located approximately 155m to the south and sub-parallel to Naybob North Zone and has seen substantially less development. The Thomas Ogden Zone is located 4 km west of the Naybob mine. Drilling in the past has been wide spaced and shallow with most of the drilling concentrated near the Naybob Mine and a cluster of shallow holes in the Thomas Ogden Zone. Outside of these two areas has seen very little exploration drilling. A linear 4km prospective IP (Induced Polarization) ground geophysical anomaly has been identified over a majority of the 4 km between the two zones and remains relatively untested and adds to the exploration potential for additional resource discovery on the property.

The Naybob South Zone provides an excellent exploration target with historic near surface results including down hole intercepts of 5.37m of 6.33 g/t Au and 1.83m of 11.85 g/t Au. Historically, 600m of mineralization has been defined down to a depth of approximately 200m vertically. Near surface high grade mineralization has been a focus for the Corporation on the Naybob South Zone as well as targeting for possible mineralized zones at depth.

Initially, the majority of the exploration work conducted by the Corporation was focused on the Naybob South Zone targeting mineralization within 100m of surface since this was the most drill ready target as well as it's close proximity to Goldcorp's mine and mill complex. Highlights of drilling performed by the Corporation on the Naybob South zone are listed below.

Highlights:

- OG09-012 6.61m down hole intercept (45.24m to 51.85m) of 9.244 g/t Au including 0.76m (45.24m to 46.00m) of 50.132 g/t Au
- OG010-025 7.0m down hole intercept (46.0m to 53.0m) of 5.68 g/t Au.
- OG11-02 6.63m down hole intercept (87.80m to 94.43m) of 6.217 g/t Au

More recent drilling by the Corporation on the Naybob South zone targeted the western portion of the 600m mineralized trend as well as further defining a potential second zone of mineralization parallel and footwall to the south dipping Naybob South main zone. Results include 7.03 g/t gold over 2.16m from hole OG15-039 with associated strong albitization and associated pyrite and arsenopyrite mineralization. In December 2017, the Company completed 2 holes on the Naybob South zone. Hole OG17-41 was drilled within the Naybob South Stratigraphy and was drilled on the western limits of the Naybob South Zone. Several zones of mineralization was intercepted including a downhole intercept (189.43m to 192.72) of 4.16 g/t gold over 3.29m and (218.57m to 220.20m) of 3.01 g/t gold over 1.63m. The hole was described as a strongly altered and brecciated sedimentary and volcanic unit with strong albitization and silicification with associated pyrite and arsenopyrite mineralization.

The Thomas Ogden Zone which is located 4 kilometers west of Naybob South has seen a significant increase in the amount of work being performed over the last couple of years. This is primarily due to a better understanding of the of the complex geology and significant folding of the mineralized zone thus resulting in greater success from recent drilling. Recent interpretation of the structural complexity of the Thomas Ogden Zone has led to the identification of a close correlation of higher grade gold intercepts in close proximity to the fold hinges. Increasing the drill density and extending the near surface mineralization to depth has been the focus of recent drill programs as well as additional drilling west of Thomas Ogden Zone resulting in the discovery of Thomas Ogden West. Gold mineralization within TOG coincides with a significant flexure in the Thomas Ogden Stratigraphy at depth, thus making this new target a high priority going forward. This deeper drilling has confirmed the extension of higher grade gold associated with the fold hinges to depth greatly enhancing the potential to extend gold mineralization to depth. Gold mineralization has now been traced in excess of 400m and still open in both directions and at depth. A summary of significant holes within the Thomas Ogden Zone is listed below.

- TOG10-021 75.85m intercept of 1.94 g/t gold including 23.4m intercept of 4.37 g/t gold. Near surface intercept.
- TOG11-011 94.0m intercept of 1.92 g/t gold. Near surface intercept.

- TOG12-07 9.46 g/t gold over 18.55m
- TOG13-025 12.53m intercept of 210.19 g/t gold

On June 19, 2012, the Corporation announced that it has sent formal notice to Goldcorp informing them that the Corporation has met the expenditure requirements to earn a 50% interest in the Ogden Gold Property located in the Timmins Gold camp. Final share issuance has also been submitted. The Company has now earned a 50% interest in the Ogden Property and Goldcorp has up to six months to inform the Company of its decision regarding three options. These options include whether it will fund an on-going exploration program at 50%, reduce its interest by not contributing to an exploration program or exercise a 20% back-in by committing to make a cash payment to the Company, funding a total of 4.1 million dollars in exploration expenditures and completing a feasibility study.

During 2012, the Corporation received notification from Goldcorp Canada Ltd. and Goldcorp Inc. (“Goldcorp”) that it does not intend to pursue its “Back-in Right” on the Ogden Township property. This now paves the way to formalize a 50/50 joint venture with Goldcorp, to continue exploring the Ogden property. The Company will be the operator and subsequent programs will be funded on a 50/50 basis while both companies contribute its share of required funding.

Drilling performed in 2016 resulted in the discovery of high grade mineralization (Thomas Ogden West) 480m west of the Thomas Ogden Zone (TOG). Results include 5.06 g/t gold over 2.6 meters within a moderately to strongly altered Timiskaming sediment with associated pyrite and arsenopyrite mineralization. Additional holes were drilled to follow-up on above mentioned hole. Results include TOG-16-46 which was drilled 100 meters east of OG15-040, and returned a down hole intercept (282.0-288.58m) of 1.19 g/t over 6.58m. This intersection is described as a strongly altered conglomerate and greywacke characterized by heavy albitization and silicification associated with 1 to 8% disseminated pyrite and local arsenopyrite. At this time there is insufficient data to calculate true orientations.

In addition, the Company has been accepted to participate in the Junior Exploration Assistance Program (JEAP) grant of up to 33.3% of approved exploration expenses up to a maximum of \$100,000 on the Ogden Project. The Company would like to thank the Northern Ontario Heritage Fund and the Ontario Prospectors Association for the opportunity to participate in this program. During the year ended December 31, 2017, the Company received the \$100,000 grant. The grant was fully accrued in the 2016 fiscal year and reflected as a reduction of the deferred exploration and evaluation costs associated with the Ogden project. During the year ended December 31, 2018, the Company applied for and received the JEAP grant again on the project for \$100,000 and recorded it as a reduction in the deferred exploration and evaluation costs associated with the project.

During the 2016 year and in the current year, the Company announced drill results from the completed six hole drill program on the Ogden project. A total of 2382m was drilled, targeting the down dip extension of the Thomas Ogden Zone as well as testing for secondary fold structures. Results from the first hole, TOG-16-47, which included an intersection of 5.73 g/t (grammes per tonne) gold over 8.2m (meters). Highlights from the remaining 5 holes included an intersection of 4.39 g/t over 12.45m from hole TOG-16-48.

TOG 16-48 was a 45m undercut below previously released hole TOG 13-27 which intersected several zones of mineralization including a down hole intercept of 49.96 g/t Au over 9.0m (MEK NR April 10, 2013). Hole TOG 16-48 intersected the zone at a down-hole depth of 199.95m and assayed 4.39 g/t gold over 12.45 m. This intersection is typical of the TOG Zone and is described as a strongly altered felsite and conglomerate characterized by strong albitization and silicification with associated disseminated pyrite, local arsenopyrite and visible gold.

During the year ended December 31, 2017, the Company completed a 4 hole drill program targeting Thomas Ogden (TOG), Thomas Ogden West as well as an untested Induced Polarization (IP) ground geophysical anomaly 1 kilometer west of TOG. This untested IP anomaly is interpreted to be on the main host stratigraphy. Results from this program includes Hole OG17-002 which was collared to test a geophysical Induced Polarization (IP) target and was successful in intersecting two zones of gold mineralization. The first zone, which is interpreted to be the main zone, intersected 3.97 meters (m) (96.88m to 100.85m) of 4.96 grams per ton (g/t) Gold (Au) within a broader zone which assayed 3.07 g/t Au over 8.22m. This intercept is characterized by pervasive albitization and silicification with associated pyrite-arsenopyrite mineralization as well as visible gold, which is similar to the main zone at TOZ. A second zone returned a core length intercept (129m to 143m) of 1.43 g/t Au over 14m. This mineralization is hosted within a strongly altered felsic dyke with visible gold and is similar to footwall mineralization in the TOZ.

The second hole, OG17-01 was drilled 150m west of hole OG17-02 and also intersected stratigraphy typical of the TOZ, returning a down hole intercept (76.0m to 93.0m) of 0.24 g/t Au over 17m.

Management is highly encouraged by this latest discovery exhibiting similar alteration and mineralization to that of TOZ and other deposits in the Timmins Camp consisting of albitization, silicification, with associated pyrite, arsenopyrite and minor amounts of galena, sphalerite and visible gold. The Company also released results of the final two holes in the program. Hole TOG-17-53 was a 75m undercut below TOG-16-48 which intersected 4.39 grammes per tonne (g/t) gold over 12.45m. Hole TOG-17-53 intersected the zone at a down-hole depth of 322m and assayed 2.11 g/t gold over 1.0 m. A second zone of mineralization was intersected at a downhole depth of 332meters (m) returning an intercept of 1.85 g/t gold over 2.43m. This second zone consisted of altered conglomerate with moderate to strong silicification with 3-4% pyrite and local arsenopyrite.

The Company also announced that a short prospecting program has led to the discovery of a new mineralized gold showing approximately 465 meters southeast of the Thomas Ogden Zone. This new mineralization is characterized by strongly brecciated albitization, silicification with associated pyrite and stringer style arsenopyrite.. Due to the nature of the pervasive and brecciated alteration, primary textures have been overprinted. Results from grab samples range from 23 parts per billion (ppb) Gold to 1340 ppb Gold. Pyrite and arsenopyrite percentages range from 2-15%, co-incident with a 600m long moderate to strong Induced Polarization (IP) ground geophysical chargeability anomaly. Given the extensive overburden cover, mineralization has only been located in one location to date. The Company is in the process of applying for trenching and drilling permits on the new discovery. The surface grab samples mentioned are selective by nature and are unlikely to represent average grades of the property.

During the year ended December 31, 2017, the Company announced that it has commenced diamond drilling at the project. During the year ended December 31, 2018, the Company received results from this 5 hole 1104m drill program targeting Thomas Ogden West mineralization. Results from all holes are list below in table 1.

Results from all drill holes in the recent program are included in table 1 below:

Hole #	From	To	Interval (m)*	Gold (g/t)
TOG17-57	59.70	62.30	2.6	1.57
TOG17-58	238.0	245.0	7.0	0.83
TOG17-59	108.95	118.0	9.05	0.85
TOG17-60	96.0	98.0	2.0	8.37
and	170.50	195.30	24.8	1.21
TOG17-61A	74.15	75.10	0.95	4.46

\* Reported drill intercepts are not true widths. At this time there is insufficient data to calculate true orientations.

In addition, during the year ended December 31, 2018, the Company completed an additional 9-hole 2382m drill program designed to further test multiple targets at Ogden. The following is a table of results from this program:

Hole#	From	To	Interval (m)*	Grade (g/t)
TOG18-62	298.0	304.0	6.00	1.42
TOG18-63	314.0	324.14	10.14	1.12
OG18-42	114.33	116.50	2.17	1.69
And	124.0	124.40	0.40	5.54
And	134.05	138.08	4.03	0.85
OG18-43	83.63	84.83	1.20	2.64
And	105.68	106.45	0.77	7.12
And	114.25	116.20	1.95	3.25
And	144.55	147.55	3.00	3.19
And	175.82	178.15	2.33	2.14
OG18-44	282.63	284.25	1.72	2.90

And	313.60	314.90	1.30	3.01
OG18-45	55.05	55.77	0.72	3.35
PH18-01	92.00	96.80	4.80	2.31
NZ18-01	48.00	50.00	2.00	1.31
And	111.5	115.14	3.64	0.91
NZ18-02	95.00	97.00	2.00	1.20

\* Reported drill intercepts are not true widths. At this time there is insufficient data to calculate true orientations.

The Company is currently in the process of reinterpreting ground and airborne geophysics previously performed over the entire property for the purpose of applying the current geological model and geophysical signatures generated from known mineralization at Naybob and Thomas Ogden, to the rest of the property in search of similar targets. Planning for potential SGH sampling over areas of extensive overburden coverage and little previous work is currently underway. This work was completed in September 2020 and the Company released results from this sampling subsequent to December 31, 2020. During Phase 1 of the SGH program, the Company collected 235 samples spread over two separate areas, targeting the Porcupine Destor Fault stratigraphy East and West of the Thomas Ogden Gold (TOG) zone. This program was initiated to determine if SGH could be used as an exploration tool to identify gold targets below the extensive overburden coverage on the Ogden property. This survey was very successful in delineating buried gold targets over prospective stratigraphy with ratings below.

The subjective SGH signature rating for Ogden East and West are as follows:

- Ogden East - a rating of 4.5 on a scale of 6.0 for **Gold**
- Ogden West - a rating of 5.0 on a scale of 6.0 for **Gold**

Metals Creek is in the process of planning for additional sampling based on the success of this initial program. Phase 2 will continue to complete the gaps between TOG and South Zone, as well as the western property boundary and TOG, and east of South Zone to the eastern property boundary.

During the period ended June 30, 2021, the Company received exploration permits to conduct diamond drilling, line cutting and ground geophysics with priority focus on the Thomas Ogden Zone and Naybob South. The exploration program is expected to commence in the coming weeks.

Diamond Drilling is expected to commence the latter part of July or early August, dependant on drill rig availability. The Thomas Ogden Zone will be the main focus of the upcoming diamond drill program with emphasis on further defining the orientation of high-grade cross cutting veins as well as mineralization associated with cross-cutting structures as seen down plunge along the Thomas Ogden fold structure. Core orientation will be utilized. Ground geophysics consisting of Deep Section Induced Polarization (IP) will also take place over Naybob South, Thomas Ogden (TOG) and Thomas Ogden West (TOGW) to help further define mineralization down-plunge associated with fold structures of TOG and TOGW as well as further defining the plunge direction of known sulfide mineralization within Naybob South.

### (c) **Dona Lake**

The Dona Lake property consists of 32 patented and leased mining claims totaling approximately 430.1 hectares and covers the past producing Dona Lake Mine.

During the year ended December 31, 2019, the Company entered into an option and joint venture agreement with Goldcorp Canada Ltd. (“Goldcorp”), a wholly owned subsidiary of Newmont Goldcorp Corporation (“Newmont Goldcorp”). The option agreement allows for the Company to earn 100% of Goldcorp’s interest in the Dona Lake property by issuing to Goldcorp a total of 7,000,000 common shares of the Company and funding \$4,000,000 in exploration expenditures over 36 months as per the following schedule:

- Issuing 500,000 shares (issued) within 5 days of definitive agreement and TSX approval (the “Start Date”) (received) and spending a minimum \$500,000 prior to 1st anniversary of the Start Date (completed)

- Issuing 1,500,000 shares on or before 1st anniversary (issued) of the Start Date and spending an additional \$1,000,000, to include a minimum 2,500 m drilling, prior to 2nd anniversary of the Start Date (optional)
- Issuing 2,000,000 shares on or before 2nd anniversary (issued) of the Start Date and spending an additional \$2,500,000, to include a minimum 10,000 m drilling, prior to 3rd anniversary of the Start Date (optional)
- Issuing 3,000,000 shares on or before 3rd anniversary of the Start Date (Year 3 – optional)

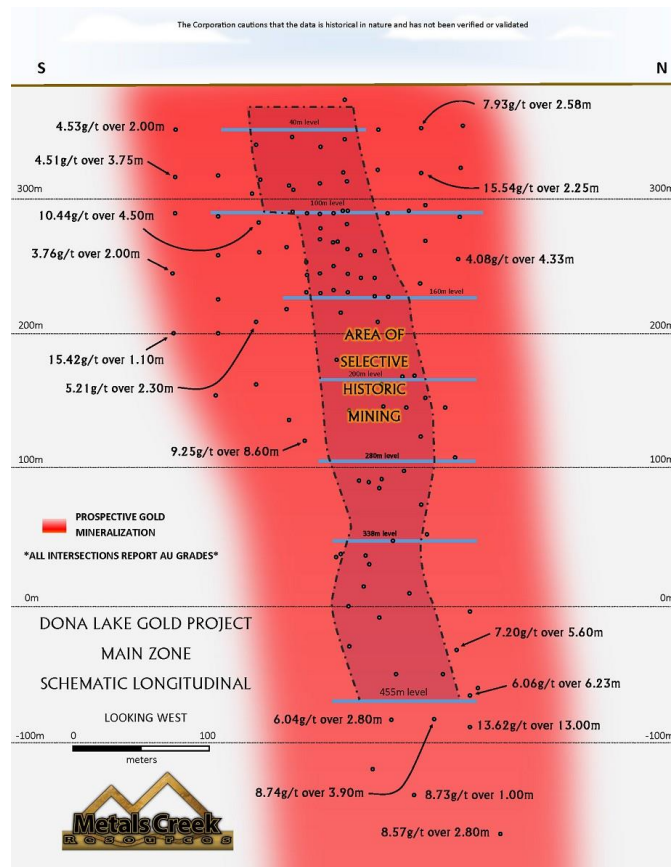
Pursuant to an investor rights agreement entered into between Metals Creek and Newmont Goldcorp concurrent with the Option, Newmont Goldcorp will have: i) the right (but not the obligation) to participate in future financings undertaken by Metals Creek in the amount necessary to maintain its issued and outstanding ownership percentage of Metals Creek, or to acquire such number of Metals Creek shares such that Newmont Goldcorp's ownership percentage on closing of the financing would equal no more than 19.9% on a non-diluted basis; ii) the right to request the formation of a technical committee to determine exploration priorities in respect of the Dona Lake Mine Property, such committee to consist of members 50% of whom to be selected and appointed by Newmont Goldcorp. Metals Creek will have a deciding vote in respect of work programs and budgets on the Property; iii) the right to receive monthly updates reporting the status of the Dona Lake Property work programs; and iv) the right of first refusal to match any third party offers regarding a tolling arrangement, streaming arrangement, royalty sale or other non-equity financing for the purpose of funding the future exploration and development of the Dona Lake Property. The investor rights agreement expires on the date that is two years following the day on which Metals Creek fully exercises the Option on the Dona Lake Property (the 'Exercise Anniversary'). However, the agreement will continue provided that Newmont Goldcorp holds more than 5% of the issued and outstanding common shares of Metals Creek on a non-diluted basis on the Exercise Anniversary and thereafter until such time as Newmont Goldcorp's ownership interest in Metals Creek falls below 5%.

The Dona Lake Mine, an underground operation from 1989 to 1994 produced 246,500 ounces of gold at a grade of 7.44 grams per tonne (Source: 2015 Institute of Lake Superior Geology Fieldtrip Guidebook).

In 1994, when the mine closed, the average gold price was approximately \$383.23 (US) per ounce. (Source; <http://onlygold.com/Info/Historical-Gold-Prices.asp>) The Dona Lake Mine Property is located in the Pickle Lake Greenstone Belt which is host to several historic mines including the Dona Lake mine, the Central Patricia mine and the Pickle Crow mine. Dona Lake is accessible by an all-weather road southeast from the Town of Pickle Lake.

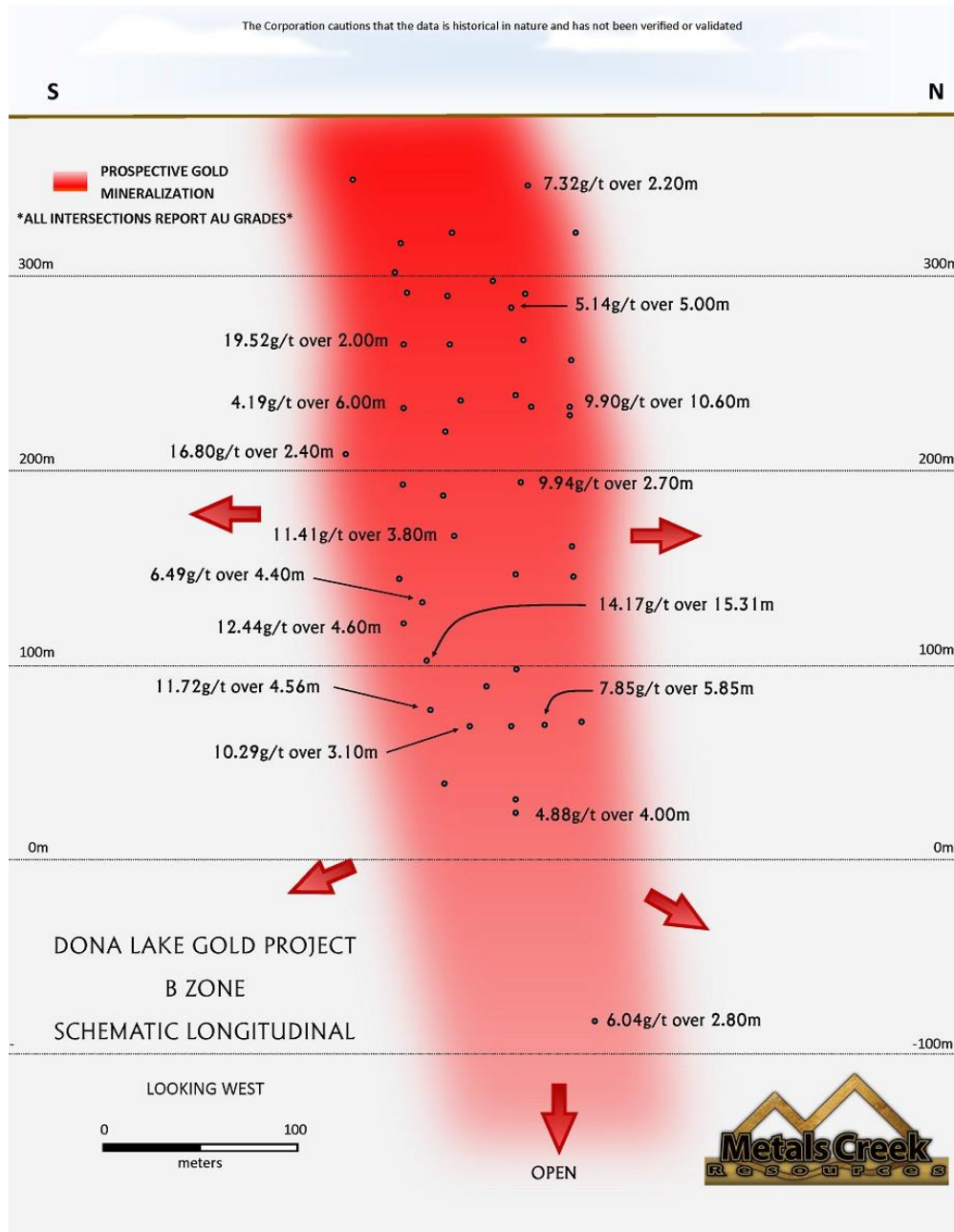
Gold mineralization at Dona Lake is hosted within three prominent banded iron formations (BIF's) with the middle iron formation hosting the Dona Lake Mine (Main Zone). The Main Zone remains open at depth with limited drilling along strike. Mining stopped at the 455 metre (m) level with historic drill results below the 455m level that selectively include 13.62 gram per tonne (g/t) gold (Au) over 13.00m, 8.74 g/t Au over 3.9m and 8.57 g/t Au over 2.8m, indicating the continuation of high-grade mineralization at depth below the bottom level (455 Level) of the Dona Lake Mine (Source: Project update reports and assessment drill reports, 1989-1992) as illustrated in Figure 1. Previous mining focused mainly on the Main Zone.

**Figure 1. Schematic vertical long section of the Dona Lake Mine illustrating mined out portion and highlights of diamond drill results within Main Zone.**



A second zone (B Zone), footwall to the Main Zone, was partially drilled off but only saw limited development and test mining and is open at depth with limited drilling along strike. B Zone is defined as a steeply plunging zone with selective historic intersections including 14.17 g/t Au over 15.31 m, 9.9 g/t Au over 10.6 m, 7.85 g/t Au over 5.85m and 12.44 g/t Au over 4.6m as illustrated in Figure 2.

**Figure 2. Schematic vertical long section of B Zone illustrating pierce points of historic diamond drill holes.**



The initial focus was on compilation, creating robust geological models and generating targets. Conversion of historic drilling and geological data to digital format is currently underway as well as converting to UTM co-ordinates from mine grid co-ordinates. Prospecting and geological mapping will take place upon completion of an airborne geophysical program. There are several other prospective targets outside the Main and B Zones and these will also be evaluated as potential drill targets. No modern exploration techniques have been applied to the Dona Lake Property over the last 25 years.

During the year ended December 31, 2019, as a result of continued compilation work, the Company determined that the deepest hole found to date was drilled approximately 100m below the mine workings of the Main Zone (455m). This hole (455-2) returned a down hole intercept of 4.36 g/t Gold over 21.08 meters indicating the continuation of mineralization at depth below the bottom level (455 Level) of the Dona Lake Mine (reported intercept is not true width. At this time there is insufficient data to calculate a true orientation). The Company continued to compile historical data which includes drill hole lithologies, down hole surveys and assays. Underground workings and



geological information from both underground and surface were digitized for the purpose of generating a 3D model of the historic mine as well as prospective targets along strike to aid in drill target generation.

During the year ended December 31, 2019, the Company completed an airborne time-domain electromagnetic (EM) and magnetic (MAG) geophysical survey over the property. Upon further interpretation of the airborne survey data, two additional magnetic trends have been delineated and are possibly indicative of oxide iron formations trending roughly parallel to iron formations that host the gold mineralization at the Dona Lake deposit. These discreet anomalies are located in an underexplored area of the Property and represent prospective targets requiring further exploration. Currently there are four known gold bearing oxide iron formations that host gold mineralization on the Dona Lake Gold Project. It is interpreted that the more pyrrhotite rich sections of the iron formation within the Dona Lake deposit tend to exhibit a strong spatial relationship to increased gold mineralization. This could be a result of pyrrhotite replacing magnetite, decreasing the magnetite content and magnetic signature. The company has also acquired through staking additional ground contiguous to the Dona Lake project.

During the year ended December 31, 2020, the Company has signed a Memorandum Of Understanding (MOU) with Mishkeegogamang First Nation. The goal is to establish a long term, mutually beneficial and co-operative relationship based on trust and certainty.

In addition during the year ended December 31, 2020, the Company conducted a prospecting and geological mapping program at the property to follow up on two discreet magnetic trends outside of the Dona Lake Mine area and may be indicative of oxide iron formations trending roughly parallel to iron formations that host the gold mineralization at the Dona Lake deposit. These discreet anomalies are located in an underexplored area of the Property and represent prospective targets and will be the focus of the prospecting program.

During the year ended December 31, 2020, the Company completed a 3-hole, 1,411m diamond drill program at Dona Lake. Two shallow holes tested the Main Zone and B Zone and a deep hole was drilled to confirm the continuation of gold mineralization below the lower most level of the mine (455 level). All drill results completed to date are contained in Table 1 below.

Hole DL-20-002 was collared to test the continuation of gold mineralization immediately south of Dona Lake mine workings at approximately 220m below surface. The first zone which is interpreted to be the Main Zone and returned a core length intercept of 8.45 grams per tonne (g/t) Gold (Au) over 3.15 meters (m) (254.85-259.00m). This intercept was a part of a broader zone of mineralization returning a core length intercept of 5.67 g/t Au over 5.15m (254.85-260.00m). Mineralization is hosted within silicate-sulfide iron formation and characterized by stringer to semi-massive pyrrhotite ranging from 3 to 40% with local pyrite and magnetite. Alteration includes strong silicification with associated quartz veining and locally moderate to strong grunerite, garnet and biotite in conjunction with strong folding. A second zone of mineralization further down hole returned a core length intercept of 2.34 g/t Au over 9.2m (278.60-287.80m). Mineralization is hosted within silicate-sulfide iron formation with 1 to 6 percent disseminated to stringer pyrrhotite as well as trace to 1 percent pyrite and local magnetite. Alteration consists of Strong silicification with quartz veining and local biotite, garnet and grunerite. This second zone of mineralization is interpreted to B-Zone.

Hole DL20-001 was also collared to test the continuation of gold mineralization south of the Dona Lake mine at 121m level below surface. The Main Zone returned a core length intercept of 4.53 g/t Au over 1m (139.00-140.00m). Mineralization consisted of 1 to 2% disseminated pyrrhotite with associated strong silicification and quartz veining.

Hole DL20-003 was designed to test for the continuation of gold mineralization below the lower most level of the Dona lake Mine (455 level). This hole penetrated the Main Zone at approximately 500m below surface and returned an intercept of 8.07 grams per tonne (g/t) Gold (Au) over 7 meters (m) (531.6 – 538.6 m).

The Company then initiated a minimum 2,500m drilling program in November 2020. This program was designed to further test for gold mineralization immediately south of the Dona Lake Mine including both the Main and B-Zone mineralized horizons. Deeper drilling was planned to further evaluate the continuation of gold mineralization below the lower most level (455L) of the Dona Lake mine. A part of this deeper drilling program the Company tested for gold mineralization below hole DL20-03. During the period ended June 30, 2021, the Company released results for

the first 3 holes from this phase II drilling program. Hole DL20-004 returned the deepest intercept to date at the past producing Dona Lake Gold mine based on currently available data. This hole penetrated the Main Zone at approximately 573m below surface and returned a core length intercept of 5.31 grams per tonne (g/t) gold (Au) over 6.65 meters (m) (607.25-613.9). This was a part of a broader zone of mineralization of 3.64 g/t Au over 11.75 m (607.25-619.0m) (See Table Below). Mineralization is hosted within silicate-sulfide iron formation and characterized by stringer to disseminated pyrrhotite ranging from 3 to 20% with local pyrite and as well as sections of silicate-oxide iron formation. Alteration includes strong silicification with local quartz veining and locally moderate to strong grunerite, hornblende and biotite in conjunction with local folding.

Hole DL20-006 was collared to test the continuation of gold mineralization immediately south of Dona Lake mine workings at approximately 183m vertically. The first zone, which is interpreted to be the Main Zone, returned a core length intercept of 1.13 g/t Au over 16.90 m (222.9-239.8m), Included in this intercept is 6.17 g/t Au over 1m where three 0.5mm sized flakes of Visible Gold (VG) was noted (See attached Photos). A second zone of mineralization interpreted to be the "B" Zone, returned a down hole intercept of 2.21 g/t Au over 11.85 m (252.90-264.75m), included in this intercept is 7.25 g/t Au over 1.97m (262.78-264.75m). Mineralization is hosted within silicate-sulfide iron formation and characterized by stringer to semi-massive pyrrhotite ranging from 3 to 40% with local pyrite. Magnetite is also present within sections of banded silicate-oxide iron formation. Alteration includes strong silicification with associated quartz veining and locally moderate to strong grunerite, garnet and biotite with local folding.

DL20-005 was collared to test 190m vertically from surface and also located south of the Dona Lake Mine workings. The hole ran through a fault zone and did not intersect the targeted gold hosting horizon.

In addition to these results, the Company increased the planned drilling meterage in the phase II program 2500m to 5000m based on encouraging results to date. A large portion of this program will focused on deeper portions of mineralization between levels 360 to 455 as well as further expanding on mineralization returned from holes DL20-003 and hole DL20-004 both of which are below existing mine workings.

During the period ended June 30, 2021, the Company released the results of additional drill holes in the ongoing phase II drilling program. While targeting Main Zone, drill hole DL21-007 intersected new high grade near surface mineralization within reddish-brown biotite altered mafic volcanics with associated quartz veining, pyrite mineralization and visible gold. The reddish-brown biotite alteration is potentially indicative of high temperature hydrothermal alteration. Very fine visible gold was noted within the quartz vein material. Quartz veining makes up approximately 60 percent of the intercept. This new zone (QV Zone) returned a core length intercept of 23.48 grams per tonne (g/t) gold (Au) over 1.72 meters (m) (57.35 - 59.07m). Based on available information, no surface diamond drilling appears to have occurred within this portion of the property, leaving this zone open both along strike and down dip. At this time, there is insufficient data to determine an orientation of this new zone.

Hole DL21-007 continued to intercept Main Zone at approximately 390m below surface and returned a core length intercept of 5.21g/t Au over 14.80m (434.45 - 449.25m). This was a part of a broader zone of mineralization of 3.88g/t Au over 23.08m (427.02 - 450.10m). Mineralization is hosted within silicate-sulfide iron formation and characterized by stringer to disseminated pyrrhotite ranging from 3 to 20% with local pyrite as well as sections of silicate-oxide iron formation. Alteration includes strong silicification with local quartz veining and locally moderate to strong grunerite, hornblende and biotite in conjunction with locally strong folding. This intercept is located south of the mine workings between the 360 and 455 level. B-Zone was also intercepted returning a core length intercept of 4.89g/t Au over 4.00m (460.00 - 464.00m). This intercept consisted of mainly 2 to 10% pyrrhotite and 1% pyrite within a silicate-sulfide iron formation.

Due to excess deviation in holes DL21-008 and DL21-009, these holes intersected mine workings (009) and 455 level drift (008).

Hole DL21-010 returned the deepest intercept to date at the past producing Dona Lake Gold mine returning a core length intercept of 1.29 g/t Au over 10.84m (621.43 – 632.27m) including 3.20 g/t Au over 2.20m (626.50 – 628.70m) penetrating Main Zone at approximately 597m below surface. Mineralization is hosted within silicate-sulfide iron formation and characterized by stringer to disseminated pyrrhotite with local pyrite. Alteration includes moderate to strong amphibole, garnet alteration.

Drill hole DL21-011 intersected Main Zone at approximately 350m below surface and returned a core length intercept of 0.91 g/t Au over 16.25m (401.20-417.45m), including 1.15 g/t Au over 8.65m (408.00-416.65m). B-Zone was also intercepted returning a core length intercept of 1.70 g/t Au over 18.90m (429.70 – 448.60m), including 10.10 g/t Au over 1.15m (447.45 – 448.60m). (See Table of significant results below). Mineralization is hosted within silicate-sulfide iron formation and characterized by stringer to disseminated pyrrhotite. Local pyrite is also present locally. Alteration includes strong silicification with locally moderate to strong hornblende, garnet and biotite in conjunction with locally strong folding. This intercept is located south of the mine workings between the 360 and 455 levels.

Drill hole DL21-012 intersected the Main Zone at approximately 410m below surface and returned a core length intercept of 5.49 grammes per ton (g/t) gold (Au) over 8.70 meters(m) (449.00 - 457.70m). This was a part of a broader zone of mineralization of 3.04 g/t Au over 25.05m (439.85 - 464.90m). Mineralization is hosted within silicate-sulfide iron formation and characterized by stringer to disseminated pyrrhotite ranging from 3 to 15% with local pyrite as well as sections of silicate-oxide iron formation with magnetite comprising 10-25% of unit. Alteration consists of moderate to strong grunerite, hornblende and garnets with strong folding also present locally. This intercept is located south of the mine workings between the 360 and 455 levels and located 15m north of hole DL21-007 (See News Release March 29, 2021) (See figure 1). Hole DL21-012 along with hole DL21-007 continues to demonstrate the potential for high grade gold mineralization south of the mine workings.

Subsequent to June 30, 2021, the Company released the results of drill hole DL 21-014. Drill hole DL21-014 intersected the Main Zone at approximately 427m below surface and returned a core length intercept of 13.1 grammes per ton (g/t) gold (Au) over 2.00 meters(m) (460.00 – 462.00m). This was a part of a broader zone of mineralization of 4.08 g/t Au over 20.85m (460.00 – 480.85m). Mineralization is hosted within silicate-sulfide iron formation and characterized by stringer to disseminated pyrrhotite ranging from 3 to 12% with local pyrite. Sections of silicate-oxide iron formation with magnetite present. Alteration consists of moderate to strong hornblende, grunerite and garnets with strong folding. This intercept is located south of the mine workings between the 360 and 455 level. Previously released holes DL21-07, 11 and 12 which are also south of the mine workings and between levels 360 and 455 in conjunction with hole DL21-014 continue to clearly demonstrate that high grade mineralization remains south of the mine workings above the 455 level.

**Table 1. Drill Hole Intercepts to date.**

<b>Drill Hole Number</b>	<b>Meters From</b>	<b>Meters To</b>	<b>Total Meters</b>	<b>Grams Per Tonne Gold</b>	<b>Remarks</b>
<b>DL-20-001</b>	137	153	16	0.74	
<i>including</i>	139	140	1	4.53	
<b>DL-20-002</b>	254.85	269.2	14.35	2.43	
<i>including</i>	254.85	260	5.15	5.67	
<i>Including</i>	255.85	259	3.15	8.45	
<i>and</i>	278.6	287.8	9.2	2.34	
<i>including</i>	286.7	287.8	1.1	5.89	
<b>DL20-003</b>	531.6	538.6	7	8.07	
<i>including</i>	532.45	533.45	1	17.6	
<b>DL20-004</b>	607.25	619	11.75	3.64	
<i>including</i>	607.25	613.9	6.65	5.31	
<b>DL20-005</b>	NSA				
<b>DL20-006</b>	222.9	239.8	16.9	1.13	
<i>including</i>	235.46	236.46	1.00	6.15 (VG)	
<i>and</i>	252.9	264.75	11.85	2.21	
<i>including</i>	262.78	264.75	1.97	7.25	

Continued...

<b>Drill Hole Number</b>	<b>Meters From</b>	<b>Meters To</b>	<b>Total Meters</b>	<b>Grams Per Tonne Gold</b>	<b>Remarks</b>
<b>DL21-007</b>	57.35	59.07	1.72	23.48	New Zone
<i>and</i>	421.55	424.64	3.09	1.98	
<i>and</i>	427.02	450.10	23.08	3.88	Main Zone
<i>including</i>	434.45	449.25	14.80	5.21	Main Zone
<i>and</i>	460.00	464.00	4.00	4.89	B Zone
<b>DL21-008</b>	495.50	501.00	5.50	0.98	Hit 455 Drift
<i>including</i>	497.00	500.00	3.00	1.46	
<b>DL21-009</b>	NSA				Hit Workings
<b>DL21-010</b>	621.43	632.27	10.84	1.29	Main Zone
<i>including</i>	626.50	628.70	2.20	3.20	Main Zone
<b>DL21-011</b>	401.20	417.45	16.25	0.91	Main Zone
<i>including</i>	408.00	416.65	8.65	1.15	Main Zone
<i>and</i>	429.70	448.60	18.90	1.70	B Zone
<i>including</i>	447.45	448.60	1.15	10.10	B Zone
<b>DL21-012</b>	439.85	464.90	25.05	3.04	Main Zone
<i>including</i>	449.00	457.70	8.70	5.49	Main Zone
<b>DL21-013</b>	PENDING				
<b>DL21-014</b>	460.00	480.85	20.85	4.08	Main Zone
<i>including</i>	460.00	462.00	2.00	13.10	Main Zone
<i>and</i>	468.00	474.00	6.00	5.99	Main Zone
<b>DL21-015</b>	PENDING				
<b>DL21-016</b>	PENDING				
<b>DL21-017</b>	PENDING				

Drill intercepts reported in these holes are not true widths. There is insufficient data at this point to determine a true orientation.

Future drilling will continue to target the down-plunge extension of the mine stratigraphy and continue to build on recent success in delineating high grade mineralization remaining south of the mine workings as well as testing for any high-grade mineralization north of the mine workings.

Management of the Company believes overall that this Option agreement gives it the opportunity to target known high-grade gold mineralization which hasn't seen any exploration work over the last 25 years in an historic gold camp.

**(d) Other Properties**

Included in Other Properties (located in Ontario and Newfoundland) are certain claims packages, the highlights of which are more fully described below. During the period ended June 30, 2021 the Company incurred \$10,577 (June 30, 2020 - \$18,236) in pre-acquisition exploration and evaluation costs which were included in expenses for the period. In addition, due to no current work plans at June 30, 2021, the Company wrote off exploration and evaluation expenditures totaling nil (June 30, 2020 - \$24,865) during the period related to other properties.

### ***Tilt Cove***

During the 2016 year, the Company entered into an option agreement, (the “Agreement”) with Anaconda Mining Inc. (“Anaconda”), whereas Anaconda has the right to acquire a 100% undivided interest in the Company’s property. To earn a 100% interest in the Tilt Cove property, Anaconda is required to make aggregate payments to Metals Creek of \$200,000 in cash (\$120,000 received), and 125,000 common shares (post 1 for 4 share consolidation that occurred during the current period) of Anaconda (75,000 shares received) over a three-year period. The Tilt Cove Agreement provides for a one percent (1%) NSR to the Company on the sale of gold-bearing mineral products from the Tilt Cove property. Anaconda is also assuming an existing two percent (2%) NSR (the “Existing NSR”) on one of the two licenses that comprises the Tilt Cove property. One percent (1%) of the Existing NSR is purchasable for \$1,250,000. Anaconda is required to spend a total of \$750,000 in qualified exploration expenditures on the Tilt Cove property during the option period.

During the year ended December 31, 2019, the Company and Anaconda renegotiated the third and final anniversary payment of the Agreement. On or before November 7, 2019, Anaconda will pay the Company \$20,000 and issue 100,000 common shares (received). Anaconda also paid the Company an additional \$60,000 in cash during the year ended December 31, 2020. Finally, Anaconda commits to incur a minimum of \$150,000 in exploration expenditures during the remainder of the option period. All other terms of the Agreement remain unchanged.

### ***Jackson’s Arm***

The Jackson’s Arm property consists of 53 staked claim units totaling 1,325 hectares and is located in north-central Newfoundland. The Company owns a 100% interest in the project.

During the 2016 year, the Company entered into an option agreement, (the “Jackson’s Arm Agreement”) with Anaconda Mining Inc. (“Anaconda”), whereas Anaconda has the right to acquire a 100% undivided interest in the Company’s Jackson’s Arm property. To earn a 100% interest in the Jackson’s Arm property, Anaconda is required to make aggregate payments to the Company of \$200,000 in cash (\$60,000 received), and 125,000 common shares (post 1 for 4 share consolidation that occurred during the current period) of Anaconda (37,500 shares received) over a three-year period. The Jackson’s Arm Agreement provides for a two percent (2%) net smelter returns royalty (“NSR”) to the Company on the sale of gold bearing mineral products from the Jackson’s Arm property. The NSR is capped at \$1,500,000, after which, the NSR will be reduced to one percent (1%). Anaconda is required to spend a total of \$750,000 in qualified exploration expenditures on the Jackson’s Arm property during the option period. During the year ended December 31, 2018, Anaconda paid \$60,000 cash and issued 37,500 shares to the Company pursuant to the terms of the Jackson’s Arm Agreement.

During the year ended December 31, 2019, Anaconda and Magna Terra Minerals Inc. (“Magna Terra”) announced they have entered into a definitive share purchase agreement dated October 14, 2019, whereby Magna Terra proposes to acquire all of the issued and outstanding common shares of Anaconda’s wholly owned subsidiary, 2647102 Ontario Inc. (ExploreCo). ExploreCo owns a 100-percent interest in the Great Northern and Viking projects in Newfoundland and Labrador, and the Cape Spencer project in New Brunswick. The Jackson’s Arm project is part of ExploreCo’s Great Northern Project. In conjunction with this restructuring, the Company and Anaconda renegotiated the third and final anniversary payment of the Jackson’s Arm Agreement. On or before November 7, 2019, Anaconda will issue to the Company 50,000 common shares of Anaconda (received). In addition, on or before January 6, 2020, and later extended to on or before August 31, 2020, Magna Terra will pay the Company \$20,000 (received) and issue common shares of Magna Terra valued at \$70,000 (350,000 shares received) at the time of issuance. All other terms of the Jackson’s Arm Agreement remain unchanged.

### ***Clarks Brook***

During the year ended December 31, 2020, the Company signed a letter of intent outlining terms whereby Deep Blue Trading Inc. (“DBT”) (a private company owned by an arm’s length third party) can earn a 100% interest in the Clarks Brook property by making cash payments of \$195,000 over three years (\$50,000 received) and issuing a total of 1,500,000 common shares over three years (200,000 shares of General Gold Resources Inc. (“General Gold”), the resultant issuer, received). Metals Creek will retain a 2% NSR, one-half (1%) of which can be purchased by DBT for \$1,000,000. DBT must also complete a 43-101 report on the property by the first anniversary.

During the period ended June 30, 2021, General Gold advised the Company that they will commence drilling at Clarks Brook in early July 2021.

### ***Yukon***

The Yukon property consists of 148 staked claims in two separate claim blocks in the Dawson Range gold district. The claim blocks are located in the Matson Creek area (Squid East and West properties). The Company owns a 100% interest in all claim blocks.

During the 2018 fiscal year, the Company optioned the property to Manning Ventures Inc. (“Manning”). Under the terms of the agreement, which was amended during the current year ended December 31, 2020, Manning has the option to acquire a 75% interest in the property by making cash payments to the Company of \$55,000 (\$35,000 received with remaining \$20,000 due on or before December 31, 2021), issue to the Company a total of 800,000 Manning common shares (600,000 received with remaining 200,000 due on or before December 31, 2021) and incur work expenditures of \$1,050,000 over four years (\$50,000 by December 31, 2021). Manning will be the operator during the option period.

### ***Careless Cove/Yellow Fox***

During the year ended December 31, 2020, the Company signed a letter of intent (“LOI”) with Quadro Resources Ltd. (“Quadro”) pursuant to which Quadro has the right to earn a 100% interest in the Company’s Careless Cove/Yellow Fox claims in Central Newfoundland. Pursuant to the terms of the LOI, Quadro must issue to the Company a total of \$100,000 and 1,500,000 Quadro common shares according to the following schedule:

- i.) \$15,000 (received) and 300,000 Quadro common shares (received);
- ii.) \$20,000 and 300,000 Quadro common shares on or before the first anniversary;
- iii.) \$20,000 and 400,000 Quadro common shares on or before the second anniversary; and
- iv.) \$45,000 and 500,000 Quadro common shares on or before the third anniversary.

Upon completion of the above payments, Quadro will have earned a 100% interest. The Company will retain a 2% net smelter royalty (“NSR”) on any future mineral production. Quadro will retain the right to buy back on-half the of the NSR (1% of the 2%) from the Company for \$1 million.

During the period ended June 30, 2021, the Company was advised by Quadro that a soil sampling and prospecting program had been initiated on the property. These programs were initiated as first stage to defining targets for drill testing later in 2021.

### ***River Road***

The Company acquired the River Road property via staking. The property is located in central Newfoundland, encompasses 508 claim units totalling 12,700 hectares. The property also lies approximately 39.5 kms south west of Newfoundland Golds Keats Zone, 4.5 kms north west of the Beaver Brook Antimony mine, and 26.5 kms south of Sokoman Minerals’ Moosehead property. The property is easily accessible by forestry logging roads and the new Nalcor Transmission Line transects the property. The River Road Property has seen very little exploration work according to research conducted by Company personnel. The Company to evaluate the property through prospecting and soil sampling geochemistry. Metals Creek has applied for permits for this work.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Corporation has not entered into any off-balance sheet arrangements.

## RELATED PARTY TRANSACTIONS

The Company paid or accrued the following amounts to related parties during the periods ended June 30, 2021 and 2020:

Payee	Description of Relationship	Nature of Transaction	June 30, 2021 Amount (\$)	June 30, 2020 Amount (\$)
Eastrock Exploration/ Wayne Reid	Company controlled by Wayne Reid, Director and Officer	Payments for geological consulting services and reimbursement of expenses	7,200	-
Nick Tsimidis	Director and Officer	Payments for consulting fees	9,000	6,000
Stares Prospecting Ltd.	Company controlled by Alexander Stares, Director and Officer	Payments for field services capitalized in deferred development expenditures	813	-

The purchases from/fees charged by related parties are in the normal course of operation and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Included in accounts payable and accrued liabilities at June 30, 2021 is:

- \$1,380 payable to Eastrock Exploration Inc., (June 30, 2020: nil) (inclusive of HST)
- \$934 payable to Stares Prospecting Ltd., (June 30, 2020: nil) (inclusive of HST)

Key management personnel remuneration during the period ended June 30, 2021 included \$164,610 (June 30, 2020 - \$163,592) in salaries and benefits and \$67,300 (June 30, 2020 - \$89) in share-based payments. There were no post-retirement or other long-term benefits paid to key management personnel during the year.

## SUBSEQUENT EVENTS

The following events occurred subsequent to June 30, 2021:

- The Company granted 3.75 million stock options to directors, officers, employees, consultants and advisors exercisable at \$0.15 per share for a period of five years. The options vest in accordance with the Company's stock option plan.
- A total of 725,000 stock options exercisable at \$0.12 per share expired unexercised.

## CURRENT AND FUTURE CHANGES IN ACCOUNTING POLICY INCLUDING INITIAL ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS ('IFRS')

### *Statement of Compliance*

The financial statements, including comparatives for the period ended June 30, 2021 have been prepared using accounting policies in compliance with IFRS as issued by the International Accounting Standards Board ("IASB").

## RISK MANAGEMENT

The Company's financial instruments are exposed to certain risks, including credit risk, liquidity risk, interest rate risk and market risk.

### ***Credit Risk***

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of offset exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

#### *i) Trade credit risk*

The Company is in the exploration stage and has not yet commenced commercial production or sales. Therefore, the Company is not exposed to significant credit risk and overall the Company's credit risk has not changed significantly from the prior period.

#### *ii) Cash and cash equivalents*

In order to manage credit and liquidity risk the Company's cash and short term investments are held through large Canadian Financial Institutions. Staking security deposits are held by the Government of Newfoundland.

#### *iii) Derivative financial instruments*

As at June 30, 2021 the Company has no derivative financial instruments.

### ***Liquidity Risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. The Company monitors and reviews current and future cash requirements and matches the maturity profile of financial assets and liabilities. Accounts payable and accrued liabilities are due within the current operating period.

### ***Interest Rate Risk***

The Company's interest revenue earned on cash and or short-term investments is exposed to interest rate risk. The Company does not enter into derivative contracts to manage this risk. The Company's exposure to interest rate is very low as the Company's short term investments are either fully liquid or bear short staggered maturity dates to mitigate the risk of fluctuating interest rates.

The Company limits its exposure to interest rate risk as it invests only in short-term investments at major Canadian financial institutions.

### ***Market Risk***

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and is comprised of currency risk, interest rate risk, and other price risk. The Company currently does not have any financial instruments that would be impacted by changes in market prices.

## **OTHER MD&A REQUIREMENTS**

### ***Additional disclosure for Venture Issuers Without Significant Revenues:***

As of June 30, 2021, there has been \$8,282,714 incurred and capitalized as exploration and evaluation assets since inception of the Company net of write-downs and recoveries.

### ***Outstanding Share Data and Convertible Securities as at August 3, 2021***

As at August 3, 2021 the Company has 134,723,137 common shares issued and outstanding as well as:

- stock options to purchase an aggregate of 11,125,000 common shares expiring at various dates between September 2021 and June 2026 and exercisable at various prices between \$0.07 and \$0.15 per share
- warrants to purchase an aggregate of 46,516,344 warrants expiring between June 2022 and March 2023 exercisable between \$0.10 and \$0.165 per share.



For additional details of share data, please refer to note 8 of the June 30, 2021 condensed interim financial statements.

The Corporation is authorized to issue an unlimited number of voting shares and an unlimited number of preferred shares issuable in series.

During the period ended June 30, 2021, the Company granted 3,100,000 stock options to directors, officers, employees and consultants of the Company exercisable between \$0.13 and \$0.18 for a term expiring between February and June 2026 and subject to the vesting provisions of the Company's stock option plan.

## **DIVIDEND POLICY**

No dividends have been paid on any shares of the Corporation since incorporation, and it is not contemplated that any dividends will be paid in the immediate or foreseeable future.

## **LEGAL PROCEEDINGS**

To the knowledge of the Corporation, there are no actual or pending legal proceedings to which the Corporation is or is likely to be a party or of which any of its assets are likely to be subject.

## **INDEBTEDNESS OF DIRECTORS, OFFICERS, PROMOTERS AND OTHERS**

No director, officer, or promoter or other member of management of the Corporation, or any Associate or Affiliate of any such person, is or has been indebted to the Corporation.

## **CONFLICTS OF INTEREST**

There are potential conflicts of interest to which the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation, with a view to potential acquisition of interests in businesses and corporations on their own behalf and on behalf of other corporations, and situations may arise where the directors and officers will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies under the Business Corporations Act (Ontario).

## **RISK FACTORS**

In addition to risk factors discussed below, see discussion related to the impact of Covid-19 on the Company detailed above (see page 2).

### **Risks associated with exploration and mining operations**

The exploration and development of mineral properties involves a high degree of risk which cannot be avoided despite the experience, knowledge and careful evaluation of prospective properties by management. There can be no assurance commercial quantities of ore will be discovered on the Corporation's mineral properties. Even if such commercial quantities are subsequently discovered by the Corporation's exploration efforts, there can be no assurance such properties can be brought in to commercial production.

Operations may be subject to disruption due to weather conditions, labour unrest or other causes beyond the control of the Corporation. Hazards such as unexpected formations, pressures, flooding, or other conditions over which the Corporation does not have control may be encountered and may adversely affect the Corporation's operations and financial results.

The properties may be subject to prior unregistered agreements or transfers or land claims, including First Nations land claims and title may be affected by undetected defects. There is no guarantee that title to the Company's properties or its rights to earn an interest in its properties will not be challenged or impugned. Also, in many countries including Canada and the USA, claims have been made and new claims are being made by aboriginal

peoples that call into question the rights granted by the governments of those countries in respect of resource properties.

### **Environmental Risks**

Environmental legislation is continuing to evolve such as will require strict standards and enforcement, increased fines and penalties for non-compliance, more stringent assessment of proposed projects and a greater degree of corporate responsibility. There can be no assurance that future changes to environmental legislation may not adversely affect the Corporation's operations.

### **Mineral Market**

The market for minerals is subject to factors beyond the Corporation's control, such as market price fluctuation, currency fluctuation and government regulation. The effect of such factors cannot be accurately calculated. The existence of any or all such factors may restrict the access to a market, if same exists, for the sale of commercial ore which may be discovered.

### **Funding Requirements**

In order to move forward with its exploration and development activities, the Corporation will likely require additional funding. There can be no guarantee that such funds will be available as and when required or, if available, be accessible on reasonable commercial terms.

### **Reliance on Management**

The Corporation anticipates that it will be heavily reliant upon the experience and expertise of management with respect to the further development of the mineral properties. The loss of any one of their services or their inability to devote the time required to effectively manage the affairs of the Corporation could materially adversely affect the Corporation.

## **AUDITORS, TRANSFER AGENTS AND INVESTOR RELATIONS**

The auditors of the Corporation are Wasserman Ramsay, Chartered Accountants of Markham, Ontario.

The Transfer Agent and Registrar for the Common Shares of the Corporation is TMX Equity Transfer Services of Toronto, Ontario.

## **COMMITMENTS AND CONTINGENCIES**

Except as otherwise discussed, the Company is in compliance with commitments required by contractual obligations in the normal course of business.

The Company has an obligation to expend \$2,404,019 on qualified Canadian exploration expenditures related to private placements from which flow-through shares were issued during the period ended June 30, 2021. These funds must be fully expended on qualified Canadian exploration expenditures by December 31, 2022. The Company is in compliance with all mineral property obligations to the best of the Company's knowledge.

## **FORWARD LOOKING STATEMENTS**

This management discussion and analysis contains certain forward-looking statements relating but not limited to the Corporation's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited

to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results.

Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. The Corporation undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.