CASSIAR GOLD CORP.
(FORMERLY MARGAUX RESOURCES LTD.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT AND FOR THE
THREE AND NINE-MONTHS PERIODS ENDED JUNE 30, 2021 AND 2020

DATED: August 25, 2021

INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") of Cassiar Gold Corp. ("Cassiar" or the "Corporation") should be read in conjunction with the unaudited interim condensed consolidated financial statements of the Corporation as at and for the three and nine-months periods ended June 30, 2021 and 2020 (the "Financial Statements"), the most recent audited consolidated financial statements of the Corporation for the years ended September 30, 2020 and 2019 and the related MD&A, and is based on information available to August 25, 2021. Amounts herein are expressed in Canadian dollars except where indicated otherwise. The unaudited Financial Statements of the Corporation for the three and nine-months periods ended June 30, 2021 and 2020, are prepared in accordance with IAS 34 Interim Financial Reporting and do not include all information required for full annual financial statements. The most recent audited financial statements of the Corporation for the years ended September 30, 2020 and 2019 and all comparative information herein have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Further information about the Corporation and its operations, including the annual information form for the Corporation, can be obtained from the offices of the Corporation or from **www.sedar.com**.

This MD&A, is dated August 25, 2021 and was prepared by management of the Corporation. The board of directors of the Corporation approved this MD&A on August 25, 2021.

FORWARD-LOOKING INFORMATION

This document contains certain forward-looking statements, including management's assessment of future plans and operations, and capital expenditures and the timing thereof, that involve substantial known and unknown risks and uncertainties, certain of which are beyond Cassiar's control. Forward-looking information does not relate strictly to historical or current facts and can be identified by words such as "anticipate", "believe", "estimate", "expect", "forecast", "intend", "may", "project", "should", "will" or similar expressions. These statements represent management's reasonable projections, expectations and estimates as of the date of this document but undue reliance should not be placed upon them, as they are derived from many assumptions. Such assumptions are subject to known and unknown risks and uncertainties, including the business risks discussed in the MD&A, which may cause actual performance and financial results to differ materially from any projections of future performance or results implied by such forward looking statements.

The forward-looking information in this MD&A is subject to significant risks and uncertainties and is based on many factors and assumptions which may prove to be incorrect; including, but not limited to, the following:

- the Corporation's expectations with regards to qualified expenditures for flow-through shares;
- the sufficiency of the Corporation's financial resources with which to conduct its capital program;
- whether or not the Corporation can obtain additional capital through equity or debt issuances; and
- the potential impacts of COVID-19.

The forward-looking information presented herein represents management's views as of the date of this MD&A and such information should not be relied upon as representing our views as of any date subsequent to the date of this document. Management has attempted to identify important factors that could cause actual results to vary from those current expectations or estimates expressed or implied by the forward-looking information. However, there may be other factors that cause actual results or performance to differ materially from current estimates and expectations. Other risks and uncertainties include, but are not limited to:

- normal risks common to the mining industry, including various operational risks in the implementation of exploration, development and production operations;
- risks and uncertainties of mining economic geological reserves;
- revisions or amendments to capital expenditure programs, including development and exploitation opportunities;

- the Corporation's ability to attract and retain qualified professional employees and consultants;
- risks as to the availability and pricing of appropriate financing alternatives on acceptable terms;
- potential changes in government policies, rules, approval process changes, delays or enhancements, or income tax regulations;
- economic slowdown as a result of COVID-19; and
- fluctuations in commodity prices.

The preparation of the financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. Estimating reserves is also critical to several accounting estimates and requires judgment and decisions based on available geological, engineering and economic data. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes.

Cassiar's actual results, performance or achievements could differ materially from those expressed in, or implied in, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that Cassiar will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. All subsequent forward-looking statements, whether written or oral, attributable to Cassiar or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this document are made as of the date of this document and Cassiar does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

DESCRIPTION OF THE BUSINESS AND OVERALL PERFORMANCE

The Corporation was incorporated under the Alberta Business Corporations Act on August 5, 2009 and was a Capital Pool Company under Policy 2.4 of the TSX Venture Exchange (the "**TSX-V**"). In January 2011, the Corporation completed an initial public offering ("**IPO**") and the common shares of the Corporation currently trade on the TSX-V and the OTCQB Venture Market under the trading symbols "GDLC" and "CGLCF" respectively. The registered address of the Corporation is 15th Floor, Bankers Court, 850 – 2nd St. SW, Calgary, Alberta, T2P 0R8.

The Corporation is a Canadian gold exploration company focused on exploration in British Columbia.

On September 23, 2020, the Corporation changed its name to "Cassiar Gold Corp." from "Margaux Resources Ltd." and completed a share consolidation with respect to the common shares of the Corporation (the "**Consolidation**"). The Corporation's common shares were consolidated on a basis of one post-consolidated common share (the "**Common Shares**") for every 5 pre-consolidated common shares. The number of shares, options and warrants presented have been adjusted to reflect the impact of the Consolidation.

Cassiar Gold Project

On March 25, 2019, the Corporation entered into an Option Agreement with Wildsky Resources Inc. ("**Wildsky**") for an option to acquire a 100% interest in the Cassiar Gold Project ("**Cassiar Gold Option Agreement**") by way of an all-share agreement. Pursuant to the Cassiar Gold Option Agreement, and in order to be eligible to exercise its option, the Corporation agreed to issue 11,640,000 Common Shares to Wildsky over the course of 18 months. The Corporation also agreed to undertake exploration on the Cassiar property and to certain other conditions as follows:

(a) the Corporation would expend at least $400,000 on the planning, development and execution of the Cassiar 2019 work program, based on a mutually approved budget;

(b) Wildsky retains the right to appoint one member to the board of directors of Cassiar, which right may be exercised at any time in the six months after the issuance of the Common Shares;

(c) Wildsky retains the right to appoint an additional person (for a total of two board members) to the board of directors of Cassiar, which right may be exercised any time in the twelve months after the issuance of the Common Shares;

(d) Wildsky retains the right to appoint one person to the senior management team of Cassiar, on terms and conditions to be agreed upon by Cassiar and Wildsky, acting reasonably, which right may be exercised any time in the twelve months after the issuance of the Common Shares; and

(e) Wildsky is to be granted a 30% net profit interest on all minerals processed from Cassiar's tailings pond located on the Cassiar property, after capital payout of up to $500,000.

During the nine months period ended June 30, 2021, the Corporation satisfied all the requirements outstanding to Wildsky and the 100% interest in the Cassiar Gold Project was fully acquired by the Corporation.

The Corporation incurred $2,404,036 of E&E costs on the Cassiar Project during the period ended June 30, 2021 (2020 - $686,757) relating to exploration activity.

<u>Sheep Creek Gold District</u>

Bayonne and Sheep Creek Property, British Columbia

On December 23, 2016, the Corporation entered into an option agreement with Yellowstone Resources Ltd. (a private company, based in British Columbia) ("**Yellowstone**"), as amended on February 10, 2020, July 10, 2020 and February 15, 2021 (the "**YSR Agreement**") for the acquisition of 100% of the Bayonne and Sheep Creek properties, located in Salmo, British Columbia (collectively, the "**YSR Properties**").

Pursuant to the YSR Agreement, the Corporation was granted the exclusive option to acquire the Bayonne property, by making payments to Yellowstone of an aggregate $154,000 in cash and an aggregate issuance of 182,727 Common Shares, paid in several installments as follows:

(a) within ten (10) business days of execution of the YSR Agreement, a non-refundable cash payment of $5,000 (paid);

(b) within ten (10) business days of completion of title due diligence on the Properties, a cash payment of $9,000 (paid);

(c) upon receipt of TSX-V approval, a cash payment of $10,000 and issuance of 10,000 Common Shares (paid and issued);

(d) on or before the first anniversary of TSX-V approval, a cash payment of $30,000 and the issuance of 30,000 Common Shares (paid and issued);

(e) on or before the second anniversary of TSX-V approval, a cash payment of $50,000 and issuance of 30,000 Common Shares (paid and issued); and

(f) on or before July 31, 2020, a cash payment of $50,000; (paid); and

(g) on or before July 31, 2020, the issuance of 40,000 Common Shares and an additional $30,000 in Common Shares at a Discounted Market Price of $0.41 (issued).

In addition, the Corporation has the exclusive option to acquire the Sheep Creek property by making payments to Yellowstone of an aggregate $436,000 in cash and an aggregate issuance of 150,000 Common Shares, paid in several installments as follows:

(a) upon receipt of TSX-V approval, a cash payment of $25,000 (paid);

(b) on or before six months, following TSX-V approval, a cash payment of $25,000 (paid);

(c) on or before the first anniversary of TSX-V approval, a cash payment of $25,000 (paid);

(d) on or before eighteen (18) months following, TSX-V approval, a cash payment of $25,000 (paid);

(e) on or before the second anniversary of TSX-V approval, a cash payment of $100,000 and issuance of 60,000 Common Shares (paid and issued);

(f) on or before July 31, 2020, $100,000 payable in Shares at a Discounted Market Price of $0.41 (paid);

(g) on or before the fourth anniversary of TSX-V approval, a cash payment of $136,000 (paid); and

(h) on or before the fifth anniversary of TSX-V approval, a cash payment of $100,000 and issuance of 90,000 Common Shares.

The Corporation incurred $nil of E&E costs on the Sheep Creek Project during the period ended June 30, 2021 (2020 - $nil) relating to exploration activity.

On February 15, 2021, the Corporation entered into a Third Amending Agreement with Yellowstone for the purpose of amending the fourth anniversary payment.

Pursuant to the Third Amending Agreement, the parties agreed that the fourth anniversary payment would be paid as follows:

- With respect to the Sheep Creek Property, in addition to the $100,000 cash payment, the 60,000 shares payable will be settled via cash payment at a deemed share price of $0.60 per share for a total payment of $36,000. The total aggregate payment will be $136,000

GOING CONCERN

The Corporation incurred a net loss of $242,066 and $1,545,576 for the three and nine-months periods ended June 30, 2021 (2020 - $157,651 and $1,161,822), had negative cash flows relating to operating activities of $209,787 and $1,703,465 (2020 - $148,406 and $578,383), and had a working capital of $3,117,641 (September 30, 2020 – $1,410,399). As such, there is a material uncertainty related to these events and conditions that may cast significant doubt on the ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Corporation as a going concern is dependent on the ability of the Corporation to achieve positive cash flow from operations and/or obtain necessary equity or other financing to continue exploration on its exploration and evaluation assets. The Financial Statements do not reflect any adjustments to the carrying values of assets and liabilities, reported expenses, and balance sheet classifications that would be necessary should the Corporation be unable to continue as a going concern, and these adjustments could be material. The Corporation intends to raise the required funds through the issuance of equity, by securing strategic partners or assuming debt.

The application of the going concern concept is dependent upon the Corporation's ability to generate future profitable operations and receive continued financial support from its shareholders. Management is actively engaged in the review and due diligence on new projects, is seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost cutting measures. There can be no assurance that management's plan will be successful. If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Corporation has no source of revenue and has significant cash requirements to meet its administrative overhead and maintain its mineral interests. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Corporation to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets.

COVID-19 Public Health Crisis

The Corporation's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. To date, there have been a large number of temporary business closures and government enforced lockdowns, along with a general reduction in consumer activity in Canada. The outbreak has caused companies and various governmental bodies to impose travel, gathering and other restrictions pursuant to public health orders. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Corporation cannot estimate whether or to what extent this outbreak and its financial impact may extend. Such public health crises can result in volatility and disruptions in the supply and demand for gold and other metals and minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people. All of the foregoing may impact mineral prices, interest rates, credit ratings, credit risk, share prices and inflation. The risks to the Corporation of COVID-19 and related public health orders may include but are not limited to the following: potential slowdowns or temporary suspensions of operations in locations impacted by an outbreak; interruptions to supply chains and supplies upon on which the Corporation relies; restrictions that the Corporation and its contractors and subcontractors impose to ensure the safety of employees and others; increased labor costs; regulatory changes; political or economic instabilities; and civil unrest.

As of the date hereof, the British Columbia provincial government has designated businesses engaged in mineral exploration and development as an "essential service". Provided the Corporation's exploration activities continue to be so designated and the current availability of labor and supplies is not materially affected by new developments respecting COVID-19 or responses thereto, the Corporation expects that its personnel and/or consultants will be able to continue surveying and drilling activities respecting any exploration activities without significant delays or increases in cost.

The Corporation has and will continue to take measures recommended by Health Canada and applicable regulatory bodies, as appropriate. At this point, the extent to which COVID-19 will or may impact the Corporation is uncertain and these factors are beyond the Corporation's control; however, it is possible that COVID-19 may have a material adverse effect on the Corporation's business, results of operations and financial condition.

CORPORATE UPDATES

Summary of 2021 Financing and Securities Matters

On October 1, 2020, the Corporation issued an aggregate of 4,656,000 Common Shares to Wildsky satisfying the fourth and final tranche issuable under the Cassiar Gold Option Agreement. The Common Shares issued are subject to a four-month and one day hold period in accordance with applicable securities laws and a subsequent contractual eight-month hold period pursuant to the terms of the Cassiar Gold Option Agreement, for an aggregate one-year hold period.

On October 9, 2020, the Corporation fully acquired 100% interest of the Cassiar Gold project pursuant to the Cassiar Gold Option Agreement. An aggregate total of 11,640,000 Common Shares were issued to Wildsky as per the Cassiar Option Agreement.

On October 30, 2020, the Corporation closed on a non-brokered private placement for total proceeds of $6,650,000, consisting of: (i) 3,252,867 units of the Corporation at a purchase price of $0.60 per unit, each unit being comprised of one Common Share and one-half of one common share purchase warrant of the Corporation; (ii) 3,775,715 flow-through units at a purchase price of $0.70 per unit, each unit being comprised of one Common Share issued on a "CEE flow-through" basis and one-half of one flow-through warrant; and (iii) 2,508,333 charitable flow-through units a purchase price of $0.82 per unit, each unit being comprised of one Common Share issued on a "CEE flow-through" basis and one-half of one flow-through warrant. Each whole common share purchase warrant or flow-through warrant, respectively, shall be exercisable by the holder thereof to acquire one Common Share at a price of $0.90 for a period of 24 months from October 30, 2020.

On November 2, 2020, the Corporation changed its ticker on the OTCQB and now trades under the symbol CGLCF.

On November 5, 2020, the Corporation added Mr. David Rhys to its Advisory Committee. Mr. Rhys is a respected international geological consultant who brings nearly 30 years' experience in the industry to the Corporation.

On January 1, 2021 Tyler Rice resigned as President of the Corporation and Marco Roque took over as CEO and President.

On February 15, 2021, The Corporation entered into a Third Amending Agreement with Yellowstone for the purpose of amending the fourth anniversary payment as contained in the option agreement dated December 23, 2016, as amended February 10, 2020 and July 10, 2020.

Pursuant to the Third Amending Agreement, the parties agreed that the fourth anniversary payment would be paid as follows:

- With respect to the Sheep Creek Property, in addition to the $100,000 cash payment, the 60,000 shares payable will be settled via cash payment at a deemed share price of $0.60 per share for a total payment of $36,000. The total aggregate payment will be $136,000.

On March 23, 2021, Mr. James Letwin retired as Director and Chairman of the Board. Mr. Stephen Letwin assumed the role of Chairman of the Board and Stephen Robertson was appointed to the Board of Directors.

The Corporation also granted 1,764,000 stock options to directors, officers, employees, advisors and consultants in accordance with the Corporation's shareholder approved stock option plan. The options are exercisable at $0.60 per Common Share, expire in five years and vest as to one-third immediately and one-third on the first and second anniversaries of the grant date.

On May 26, 2021, the Corporation started trading on the OTCQX under the symbol "CGLCF".

SUBSEQUENT EVENTS

On August 14, 2021, the Corporation closed on a non-brokered private placement of 520,971 flow-through units of the Corporation at a purchase price of $0.60 per unit and 5,312,360 premium flow-through units at a purchase price of $0.60 per unit, for total proceeds of $3.5 Million. Each Flow-Through Unit consists of one common share issued on a "CEE flow-through" basis pursuant to the Income Tax Act (Canada) ("CEE Share") in the capital of the Company and one flow-through Common Share purchase warrant ("FT Warrant"). Each FT Warrant will be exercisable by the holder thereof to acquire one CEE Share at a price of $0.675 for a period of 24 months following the closing date of the Offering. Each Premium Flow-Through Unit consists of one CEE Share and one warrant ("Warrant"). Each Warrant will be exercisable by the holder thereof to acquire one common share in the capital of the Company (a "Warrant Share") at a price of C$0.675 for a period of 24 months following the closing date of the Offering.

HIGHLIGHTS

	Three months ended June 30, 2021	Three months ended June 30, 2020	**Nine months ended June 30, 2021**	Nine months ended June 30, 2020
Net Revenues	**$ -**	$ -	**$ -**	$ -
Cash related to financing activities	**-**	2,124,677	**6,057,349**	2,782,922
Cash flows relating to operating activities	**(209,787)**	(148,406)	**(1,703,465)**	(578,383)
Net loss	**(242,066)**	(157,651)	**(1,545,576)**	(1,161,822)
Loss per share - basic and diluted	**(0.00)**	(0.00)	**(0.03)**	(0.01)

As at,	**June 30, 2021**	**June 30, 2020**	September 30, 2020
Total assets	**$19,423,596**	$ 7,565,034	$ 9,006,747
Current assets	**3,967,129**	1,697,388	2,177,890
Current liabilities	**849,488**	2,094,745	767,491
Working capital (deficiency)	**$3,117,641**	(705,123)	$ 1,410,399
Common shares outstanding	**54,346,435**	27,529,482	40,153,520

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the Corporation's quarterly financial results:

	June 30		March 31		December 31		September 30	
Three-month periods ended,	**2021**	2020	**2021**	2020	**2020**	2019	**2020**	2019
Expenses								
General and administrative	**$ 201,388**	$ 197,363	**$ 389,236**	$ 191,665	**$ 758,222**	$ 212,731	**$ 956,057**	$ 339,388
Operating	**-**	16,057	**-**	15,413	**20,210**	14,120	**24,843**	16,613
Depreciation	**15,316**	7,648	**24,833**	7,648	**5,798**	7,648	**7,648**	14,467
Share based compensation	**165,841**	29,816	**171,463**	39,853	**82,507**	39,853	**267,911**	178,617
Loss before other items	**$ 382,545**	$ 250,884	**$ 585,532**	$ 254,579	**$ 866,737**	$ 274,352	**$ 1,256,459**	$ 549,085
Interest on note payable	**-**	7,700	**-**	4,500	**-**	3,930	**-**	3,150
Interest of payables	**-**	-	**-**	-	**-**	-	**1,861**	-
Flow through share premium	**(196,452)**	(100,933)	**(52,866)**	(56,786)	**(208,205)**	(31,630)	**55,107**	(127,492)
Other income	**(31)**	-	**-**	-	**304**	-	**(25,700)**	-
Impairment	**-**	-	**-**	-	**-**	555,226	**-**	20,497
Accretion	**56,004**	-	**112,008**	-	**-**	-	**-**	-
Net loss from Operations	**$ 242,066**	$ 157,651	**$ 644,674**	$ 202,293	**$ 658,836**	$ 801,878	**$ 1,287,727**	$ 445,240
Loss per share – basic and diluted	**$ 0.00**	$ 0.00	**$ 0.01**	$ 0.01	**$ 0.01**	$ 0.04	**$ 0.05**	$ 0.00

DISCUSSION OF OPERATIONS

The Corporation is focused on the exploration of gold in British Columbia. The Corporation's general and administrative expenses increased to $201,388 and $1,348,846 from the 2020 comparative amounts of $197,363 and $601,759. The increase in general and administrative expenses is primarily a result of increased consulting, marketing, office and administrative and professional fees related to the business of the Corporation for the three and nine-months periods ended June 30, 2021.

General and administrative details for the three and nine-months periods ended June 30:

	3 Months		9 Months	
	2021	**2020**	**2021**	**2020**
Management fees	$ 87,000	$ 67,500	$ 320,500	$ 212,500
Consulting	41,175	62,547	348,675	149,773
Travel & Meals	-	341	7,409	49,561
Office & Administrative	16,443	8,414	46,897	24,445
Marketing	38,491	27,616	532,644	77,106
Professional Fees	18,279	30,945	92,721	88,374
Total	**$ 201,388**	**$ 197,363**	**$ 1,348,846**	**$601,759**

General and administrative expenses increased during the three and nine-months periods ended June 30, 2021 over the prior comparative year principally due to the net effect of the following:

- Consulting fees increased to $41,175 and 348,675 (2020 – $62,547 and $149,773) as a result of additional consultants contracted during the period; and
- Marketing fees increased to $38,491 and $532,644 (2020 – $27,616 and $77,106) as a result of increased marketing expenses and consultants; and
- Professional fees increased to $18,279 and $92,721 (2020 - $30,945 and $88,374) mainly as a result due to increased listing fees.
- Office & Administrative fees increased to $16,443 and $46,897 (2020 – $8,414 and $24,445) as a result of increased expenses related to support administrative costs.

Total expenses

Total expenses for the three and nine-months periods ended June 30, 2021 was $382,545 and $1,834,814 (2020 - $250,884 and $779,815). The increase is a result of increased general and administrative costs and share-based payments.

FINANCIAL INTRUMENTS, LIQUIDITY AND CAPITAL RESOURCES

The Corporation's financial instruments, consisting of cash, GST receivables and trade payables, approximate fair values due to the relatively short-term maturities of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions and to maintain the development program for Corporation's properties. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity, by securing strategic partners or assuming debt. The Corporation is exposed to liquidity risk. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

As at December 31, 2020, the Corporation had cash and cash equivalents of $5,146,918 compared with $1,962,338 at September 30, 2020. The Corporation continues to experience negative operating cash flow as a result of no revenue coupled with the Corporation's ongoing expenses related to its exploration and business development activities. The Corporation anticipates a negative operating cash flow will continue until such time as production begins on its existing properties.

Certain conditions exist that may cast significant doubt on the validity of the going concern assumption. The Corporation incurred a net loss of $242,066 and $1,545,576 for the three and nine-months periods ended June 30, 2021 (2020 - $157,651 and $1,161,822), had negative cash flows relating to operating activities of $209,787 and $1,703,465 (2020 - $148,406 and $578,383) and had a working capital of $3,117,641 (September 30, 2020 – $1,410,399). The continuation of the Corporation as a going concern is dependent on the ability of the Corporation to achieve positive cash flow from operations and/or obtain necessary equity or other financing to continue exploration on its exploration and evaluation assets. These financial statements do not reflect any adjustments to the carrying values of assets and liabilities, reported expenses, and balance sheet classifications that would be necessary should the Corporation be unable to continue as a going concern, and these adjustments could be material. The Corporation intends to raise the required funds through the issuance of equity, by securing strategic partners or assuming debt.

The Corporation defines capital to include equity, comprised of share capital including warrants, contributed surplus and deficit.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has not engaged in any off-balance sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Corporation or engages in leasing or hedging services with the Corporation.

PROPERTY AND EQUIPMENT

	Land $	Buildings $	Computers, Equipment & Vehicles $	Total $
Balance as at September 30, 2020	**-**	**-**	**260,286**	**260,286**
Acquired on acquisition	20,000	380,706	-	400,706
Balance as at June 30, 2021	**20,000**	**380,706**	**260,286**	**660,992**
Accumulated Depreciation				
Balance as at September 30, 2020	-	-	161,811	161,811
Charge for the period	-	28,553	17,394	45,947
Balance as at June 30, 2021	**-**	**28,553**	**179,205**	**207,758**
Net book value				
September 30, 2020	-	-	98,475	98,475
June 30, 2021	**20,000**	**352,153**	**81,081**	**453,234**

EXPLORATION AND EVALUATION ASSETS

	Cassiar Gold Project	Sheep Creek Gold District Project	Total
Balance at September 30, 2020	$ 4,846,166	$ 1,839,216	$ 6,685,382
Share option payments	3,259,200	-	3,259,200
Cash option payments	-	136,000	136,000
Acquisition of assets	2,094,171	-	2,094,171
Exploration costs	2,404,036	-	2,404,036
Balance at June 30, 2021	**$ 12,603,573**	**$ 1,975,216**	**$ 14,578,789**

E&E assets consist of costs expended on the Corporation's projects which are pending determination of technical feasibility and commercial viability.

RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere, all related party transactions are in the normal course of operations.

As at June 30, 2021, the Corporation had an amount of $36,000 (2020 - $29,190) due to directors and officers included in trade and other payables.

During the three and nine-months periods ended June 30, 2021 the Corporation paid $45,000 and $135,000 (2020 - $38,400 and $79,350) to an officer for compensation as Vice President Exploration of the Corporation. Costs associated with exploration costs of $1,359 and $10,402 (2020 - $242 and $923) was paid to an officer of the Corporation and was capitalized as exploration costs.

An aggregate of $33,000 and $88,500 (2020 - $22,500 and $67,500) in consulting fees was paid to a company owned by an officer of the Corporation for compensation as CFO.

An aggregate of $54,000 and $162,000 (2020 - $45,000 and $145,000) in consulting fees were paid to a company owned by an officer of the Corporation for compensation as CEO and President of the Corporation.

Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the year were as follows:

	3 Months		9 Months	
	2021	**2020**	**2021**	**2020**
Short-term compensation	$ 132,000	$ 105,900	$ 430,500	$ 291,850
Share-based payments	165,841	29,816	419,811	109,522
Capitalized share-based payments	26,184	550	55,641	1,650
Total	**$ 324,025**	**$ 136,266**	**$ 905,952**	**$ 403,022**

OUTSTANDING SHARES

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, all without nominal or par value. The preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series. As at the date hereof, no preferred shares have been issued by the Corporation.

Common Shares		
	Number of Common Shares	**Share capital**
Balance at September 30, 2020	**40,153,520**	**$16,525,261**
Shares issued (c)	9,536,915	6,651,554
Share option payments (a)	4,656,000	3,259,200
Share issue costs		(594,205)
Warrant allocation		(2,132,260)
Flow through share discount		(929,405)
Balance at June 30, 2021	**54,346,435**	**$22,780,145**

Warrants		
	Number of warrants	**Share capital**
Balance at September 30, 2030	**19,468,149**	**$5,815,846**
Warrants issued (c)	4,768,458	2,132,260
Warrants expired (b)(d)(e)(f)	(3,295,689)	(419,005)
Balance at June 30, 2021	**20,940,918**	**$7,529,101**

Total share capital at September 30, 2020	$22,341,107
Total share capital at June 30, 2021	**$30,309,246**

Overview of Share History

(a) On October 1, 2020, the Corporation issued an aggregate of 4,656,000 common shares Corporation valued at a market close price of $0.70 per share of the Corporation satisfying the fourth and last tranche issuable under the Cassiar Option Agreement.

(b) On October 16, 2020, 1,406,620 warrants expired unexercised.

(c) On October 30, 2020, the Corporation closed on a non-brokered private placement of 3,252,867 units of the Corporation at a purchase price of $0.60 per unit, 3,775,715 flow-through units at a purchase price of $0.70 per unit, and 2,508,333 charitable flow-through units a purchase price of $0.82 per unit, for total proceeds of $6,650,000. Each unit consists of one common share of the Corporation and one-half of one common share purchase warrant of the Corporation. Each flow-through unit and charitable flow-through unit consists of one Common Share issued on a "CEE flow-through" basis and one-half of one flow-through purchase warrant. Each whole warrant will entitle the holder to acquire one Common Share (each a "Warrant Share") at an exercise price of $0.90 per Warrant Share for a period of two years from October 30, 2020.

Risk-free rate	0.24%
Weighted-average life	2 years
Dividend yield	nil
Annualized Volatility	168%
Weighted-average fair value	$0.45
Expected Life	2 years

(d) On December 4, 2020, 710,000 warrants expired unexercised.

(e) On April 15, 2021, 775,000 warrants expired unexercised.

(f) On May 30, 2021, 404,069 warrants expired unexercised.

FLOW-THROUGH SHARES

As at October 1, 2020, the Corporation still needed to incur an additional $64,185 related to the $1,541,000 raised on a CEE flow-through basis during the year ended September 30, 2020. During the three and nine-months periods ended June 30, 2021, the Corporation incurred the remaining amounts. The remaining $5,059 flow-through share premium liability was amortized during the period.

During the period ended June 30, 2021, the Corporation raised $4,699,834 on a CEE flow-through share basis and was required to incur a net total of $4,699,834 of qualifying expenditures to renounce the tax deductions to investors. As at June 30, 2021, $2,200,972 of qualifying expenditures were incurred. The Corporation still needs to incur an additional $2,498,862 to meet its flow through share commitment. A flow-through share liability of $476,940 was recognized as the Corporation has not met its flow-through share commitment by incurring sufficient qualifying expenditures as at June 30, 2021. The accumulated flow-through share premium of $457,523 was amortized during the period. The Corporation expects to meet its flow-through share commitment.

STOCK OPTION PLAN

The Corporation has adopted an incentive stock option plan in accordance with the policies of the TSX-V (the "Stock Option Plan") which provides that the Board of Directors of the Corporation may from time to time, at its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares exercisable for the period of up to ten (10) years. In addition, the number of Common Shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding Common Shares. The Board of Directors determines the price per common share and the number of Common Shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of TSX-V.

All options expire in five years and vest one-third immediately and one-third on the first and second anniversaries on the grant date respectively.

A summary of the Corporation's stock option plan activity is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at September 30, 2020	2,402,001	$0.82
Granted	**1,764,000**	**$0.60**
Forfeited	(123,333)	$0.86
Cancelled	(36,667)	$0.61
Exercisable as at June 30, 2021	**2,063,324**	**$0.81**
Outstanding at June 30, 2021	**4,006,001**	**$0.72**

During the period ended June 30, 2021, 1,764,000 options were issued. At June 30, 2021, the weighted-average life of the options outstanding was 2.0 years (2020 – 2 years).

The fair value of options is estimated using the Black-Scholes option pricing model based on the date of grant and using the following assumptions:

Risk-free interest rate	0.99%
Expected stock price volatility*	143%
Expected life	5
Expected dividend yield	-
Fair value per option granted	$0.39
Forfeiture rate	12%

Share-based payments expense of $165,841 and $419,811 for the three and nine-months periods ended June 30, 2021 (2020 – $29,816 and $109,522) was recognized based on the estimated fair value of the options on the grant date in accordance with the fair value method of accounting for share-based payments and recorded over the vesting period of the options. Share-based payments of $26,184 and $55,641 (2020 - $550 and $1,650) were capitalized to E&E.

The Corporation also recognized a recovery of $14,388 and $24,767 (2020 - $nil) in share-based payments expense due to forfeited options during the year.

CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management of the Corporation is responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. Management is also responsible for the design and evaluation of internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and in the financial statements for the three and nine-months periods ended June 30, 2021 and 2020.

Management of the Corporation has filed the Venture Issuer Basic Certificate with the filings for the three and nine-months periods ended June 30, 2021 and 2020 on SEDAR at www.sedar.com.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing certificates for venture issuers are not making any representations relating to the establishment and maintenance of:

(a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and

(b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with the issuer's generally accepted accounting principles.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement DC&P and ICFR as defined in NI 52-109 on a cost-effective basis may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

CRTITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the financial statements is in conformity with IFRS. Preparing the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates. Note 4 of the Corporation's audited financial statements for the years ended September 30, 2020 and 2019 provide greater detail regarding all of the significant accounting policies.

BUSINESS RISKS AND UNCERTAINTIES

The Corporation's production and exploration activities are concentrated in Western Canada where activity is highly competitive and includes companies ranging from smaller junior producers to the much larger integrated petroleum and mining companies. The Corporation is subject to various types of business risks and uncertainties, including:

- Finding and developing mineral reserves at economic costs
- Commodity risk
- Production of minerals in commercial quantities
- Marketability of minerals produced
- Substantial capital requirements and access to capital markets
- Environmental risks
- Reliance on operators and key employees
- Third party credit risk
- Insurance
- Changes in legislation and incentive programs
- Potential impacts of COVID-19

The Corporation is not in a position to predict these risks or uncertainties, nor evaluate their impact, as the case may be, on its activities. The following summary of risks and uncertainties applicable to the Corporation are not comprehensive, and there may be other factors, or a combination of factors, that can cause actual results to differ from those presented in the Corporation's forward-looking statements.

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Corporation has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the period ended December 31, 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Corporation for future periods.
Commodity Risk

The value of the Corporation's exploration and evaluation of assets are related to the price of gold and other mineral commodities, and the outlook for the minerals. The Corporation's business could be affected by commodity market price movements and their impact on the future economic viability of the Corporation's projects and the ability of the Corporation to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly.

Exploration Risk

The Corporation operates as a mineral explorer in the mining industry which involves considerable financial and technical risk. Substantial time and expenditures are usually required to make discoveries and to establish economic reserves. It is impossible to ensure that the current properties and programs of the Corporation will result in economic discoveries and development. Accordingly, success in achieving the objectives of the Corporation is affected by some circumstances over which the Corporation has no control.

In order to reduce exploration risk, the Corporation strives to employ highly qualified and motivated professional employees with a demonstrated ability to generate quality proprietary geological and geophysical prospects. To help maximize drilling success, the Corporation combines exploration in areas that afford multi-zone prospect potential, targeting a range of low to moderate risk prospects with some exposure to select high risk, high reward opportunities.

Additional Financing

The business of the Corporation depends, in part, on its ability to raise funds by issuing securities of the Corporation. The Corporation is exposed to financing risks such as not being able to raise sufficient funds to meet the required option payments on the Corporation's properties. To mitigate this risk, the Corporation has intermediaries with valuable commercial relationships actively searching for ways to raise funds. The Corporation intends to raise the required funds through issuance of equity by securing strategic partners or assuming debt. The exercise of stock options, as well as any new equity financings, represent dilution factors for present and future shareholders.

Credit Risk

Credit risk is the risk that a customer or counter party will fail to perform an obligation or fail to pay amounts due causing a financial loss. The Corporation's credit risk is primarily attributable to cash and trade and other receivables which are with customers and are subject to normal credit risks.

Credit risk associated with cash is minimized substantially by ensuring that these financial assets are placed with major Canadian financial institutions.

The Corporation's maximum exposure for the period ended June 30, 2021 relates to $3,831,827 (September 30, 2020 – $1,962,338) of cash and $41,414 (September 30, 2020 – $105,004) of GST receivables for period ended June 30, 2021.

Liquidity Risk

Liquidity risk rises from the Corporation's general funding needs and in the management of the Corporation's assets, liabilities and mineral property expenditure requirements. The Corporation manages its liquidity risk to maintain sufficient liquid financial resources to meet its commitments and obligations as they come due in a cost-effective manner.

Environmental Risks

Mining can involve environmental risks such as pollution of the environment and destruction of natural habitat, as well as safety risks such as personal injury. In order to mitigate such risk, the Corporation conducts its operations at high standards and follows safety procedures intended to reduce the potential for personal injury to employees, contractors and the public at large.

The Corporation mitigates its risk related to producing hydrocarbons and minerals through the utilization of the most appropriate technology and information systems. In addition, the Corporation seeks to maintain operational control of the majority of its prospects.

Management and Employees

The Corporation depends on the skills and experience of its management team and other key employees. The Corporation also relies on its ability to attract and retain skilled personnel in a competitive environment. A failure to recruit and retain employees in order to assist the Corporation's business may adversely affect the Corporation's business or financial condition.

Directors and Officers

Marco Roque, CEO, President and Director
Don Nguyen, CFO
Kaesy Gladwin, Vice-President of Exploration
Stephen Letwin, Director & Chairman
Christopher Stewart, Director
Wenhong Jin, Director
Michael Wood, Director
Stephen Robertson, Director