SCOTTIE RESOURCES CORP.
FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")
for the three months ended November 30, 2019

INTRODUCTION

Scottie Resources Corp. ("Scottie" or "the Company") was incorporated on November 24, 2009 in the Province of British Columbia, Canada. On January 14, 2019, the Company changed its name from Rotation Minerals Ltd. to Scottie Resources Corp. In addition, the Company changed its trading symbol on the TSX Venture Exchange from "ROT" to "SCOT".

Scottie is an exploration stage company engaged in the acquisition, exploration and evaluation of mineral properties located in the "Golden Triangle" area of British Columbia, Canada. The area known as the Golden Triangle of British Columbia is among the world's most prolific mineralized districts, host to past and current mining operations including Johnny Mountain, Red Mountain, Snip Mine, Premier Mine, Golden Bear and Valley of the Kings. The Golden Triangle has reported mineral resources (past production and current resources) in total of 67 million oz of gold, 569 million oz of silver and 27 billion pounds of copper.

The Company's objective is to undertake mineral exploration on properties assessed to be of merit to define mineral resources, and to put plans in place in order that the properties may be put into operation in an economic and sustainable manner. Metals being targeted are precious metals with a focus on gold and silver. In the course of executing its business objectives, it is expected the Company will enter into various agreements specific to the mining industry, such as purchase or option agreements to acquire mineral claims and joint venture agreements.

This discussion and analysis of financial position, results of operations and cash flows of Scottie Resources Corp. for the three months ended November 30, 2019 includes information up to and including January 28, 2020 and should be read in conjunction with the Company's unaudited condensed interim financial statements for the three months ended November 30, 2019 and the Company's audited annual financial statements for the years ended August 31, 2019 and 2018. The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). All currency amounts are expressed in Canadian dollars.

The reader is encouraged to review the Company's statutory filings on www.sedar.com and to review other information about the Company on its website at www.scottieresources.com

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A includes certain forward-looking statements or information. All statements other than statements of historical fact included in this MD&A including statements relating to the potential mineralization or geological merits of the Company's mineral properties and the future plans, objectives or expectations of the Company are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include among other things, statements regarding future commodity pricing, estimation of mineral reserves and resources, timing and amounts of estimated exploration expenditures and capital expenditures, costs and timing of the exploration and development of new deposits, success of exploration activities, permitting time lines, future currency exchange rates, requirements for additional capital, government regulation of mining operations, environmental risks, anticipated reclamation expenses, timing and possible outcome of pending litigation, timing and expected completion of property acquisitions or dispositions, and title disputes. They may also include statements with respect to the Company's mineral discoveries, plans, out-look and business strategy. The words "may", "would", "could", "should", "will", "likely", "expect", "anticipate", "intend", "estimate", "plan", "forecast", "project" and "believe" or other similar words and phrases are intended to identify forward-looking information.

Forward-looking statements are predictions based upon current expectations and involve known and unknown risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to the actual results of exploration programs, fluctuating commodity prices, the possibility of equipment breakdowns and delays, the availability of necessary exploration equipment including drill rigs, exploration cost overruns, general economic or business conditions, regulatory changes, and the timeliness of government or regulatory approvals to conduct planned exploration work. Additional factors that could cause actual results to differ materially from the Company's plans or expectations include political events, fluctuations in mineralization grade, geological, technical, mining or processing problems, future profitability on production, the ability to raise sufficient capital to fund exploration or production, litigation, legislative, environmental and other judicial, regulatory, political and competitive developments, inability to obtain permits, general volatility in the equity and debt markets, accidents and labour disputes and the availability of qualified personnel.

Although the Company has attempted to identify all of the factors that may affect our forward-looking statements or information, this list of the factors is not exhaustive. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks and uncertainties detailed throughout this MD&A.

PERFORMANCE SUMMARY AND SUBSEQUENT EVENTS

During the Three Months Ended November 30, 2019 and to the date of this report the Company:

- Granted 2.4 million options to acquire common shares to certain directors, officers and consultants of the company. The options are exercisable at a price of 19.5 cents per share and are valid for a period of five years.

- Announced it begun and completed its 2,000-metre 2019 drilling program at the Scottie and Bow properties. The 2019 drill program was the culmination of fieldwork conducted over the last two exploration field seasons. Detailed fieldwork included: property-scale geological mapping at 1:5,000 scale; detailed mapping on selected targets; resampling of known mineralization; digitizing historical maps and underground mine workings; and relogging historical drill core. This extensive fieldwork and reinterpretation have enabled Scottie to better assess the controls on mineralization, geochemical tracers and the orientation of high-grade ore shoots. Please refer to the exploration section below and the news releases dated September 24 and November 15, 2019 for additional information.

- Issued 819,000 flow through common shares at $0.22 per share, and 8,087,933 non flow-through units at $0.15 per share for total gross proceeds of $1,393,370. Each non flow-through unit consists of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one non flow-through common share of the Company at a price of $0.22 for a period of 24 months.

- Issued 2,036,726 flow-through common shares at $0.22 per share, and 3,263,332 non flow-through units at $0.15 per share for total gross proceeds of $937,580. Each non flow-through unit consists of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one non flow-through common share of the Company at a price of $0.22 for a period of 24 months.

- Announced sampling results from the Bitter Creek property. Targeted geological mapping and sampling during the 2019 field season on the 4,832-hectare Bitter Creek property has delivered several promising results, including a new showing (Blue Goat) located one kilometre along strike from a past-producing adit, as well as high-grade gold grab samples from historic trenches. Outcrop samples from the area exhibit favourable polymetallic grades, including up to 5,380 grams per tonne silver, 8.22 g/t gold, greater 30 per cent zinc, 3.2 per cent lead and 0.8 per cent copper. Please refer to the exploration section below and the news release dated November 12, 2019 for additional information.

- Announced assay results from the newly discovered Domino zone, including grab samples of up to 536 grams per tonne gold and 735 g/t silver, and a chip sample grading 10.5 g/t Au and 14 g/t Ag over 5.3 metres. The Domino zone is situated on a mineralized east-west trending structure, 1.9 kilometres west on strike of the 100-per-cent-owned past-producing Scottie gold mine, where mineralization is primarily controlled by east-west structures. Please refer to the exploration section below and the news release dated November 14, 2019 for additional information.

- Announced assay results from three new showings (The Mayor, Tope Rope, Tombstone) discovered on the Summit Lake property during the 2019 field season. The Summit Lake property is situated between Pretium's Brucejack mine and Ascot's Premier mine in British Columbia, Canada, and falls within the prolific Golden Triangle. Assays include grades of up to: 9.48 grams per tonne gold, 3,510 grams per tonne silver, 2.84 per cent copper, greater than 20 per cent lead and 28 per cent zinc. Please refer to the exploration section below and the news release dated December 5, 2019 for additional information.

- Announced assay results from two new showings (Kingpin and Lone Wolf) discovered during the 2019 exploration program. Grades from the two new showings range up to 26.9 grams per tonne gold and 370 g/t silver. The Summit Lake property surrounds the 100-per-cent-owned, past-producing Scottie gold mine located in British Columbia's Golden Triangle. Please refer to the exploration section below and the news release dated December 16, 2019 for additional information.

- Announced drill results and the confirmation and expansion of the Bend vein target on the Bow property. During September, the Company completed 877.7 metres of diamond drilling on the Bend vein within the Bow property, which is located just two kilometres northeast of the 100-per-cent-owned, past-producing Scottie gold mine, located in British Columbia's Golden Triangle region. Highlights include drill hole SR19-11, with results including 73.32 grams per tonne gold and 71.01 grams per tonne silver over 4.38 metres of core length, including 152.5 grams per tonne gold and 143.56 grams per tonne silver over 1.89 m. These results exemplify the high-grade gold and silver potential of the Bow property. Please refer to the exploration section below and the news release dated January 2, 2020 for additional information.

- Announced additional drill results from the Scottie gold mine property. Results from drill hole SR19-13 include 7.27 grams per tonne gold and 3.83 g/t silver over 25.02 metres, which includes 11.72 g/t gold and 5.83 g/t silver over 10.95 m. Drill results include an extension of the historic M zone of the 100-per-cent-owned Scottie gold mine, which produced 95,426 ounces at an average recovered grade of 16.25 g/t gold. The Scottie gold mine is located in British Columbia's Golden Triangle, 20 kilometres south of Pretium's Brucejack mine. Please refer to the exploration section below and the news release dated January 7, 2020 for additional information.

- Announced Stephen Sulis was appointed as Chief Financial Officer of the Company. Stephen Sulis has previous experience in the financial sector with TD Canada Trust and is currently working with a number of public and private companies in the resource and technology industries providing accounting and consulting services. Mr. Sulis graduated with distinction at Capilano University, North Vancouver, and holds a bachelor’s degree in business administration as well as an advance diploma in international business studies.

- Arranged a settlement of $141,750 of debt through the issuance of common shares of the company. Pursuant to the debt settlement, the company would issue 567,000 common shares of the company at a deemed price of 25 cents per share to an arm's-length creditor of the company.

- Announced it closed a non-brokered private placement financing with Eric Sprott, consisting of 10 million units at a price of 20 cents per unit for gross proceeds of $2-million. Each unit consists of one common share and one common share purchase warrant in the capital of the company. Each warrant is exercisable into one common share of the company for a period of 24 months from closing at a price of 30 cents per common share.

EXPLORATION AND EVALUATION PROJECTS

Scottie Property, British Columbia

On September 27, 2012, the Company entered into an agreement with a company with former directors in common with the Company to purchase an 80% interest in the Scottie Property. The Scottie property is located in the Golden Triangle near Stewart, British Columbia.

The Company purchased the 80% interest for $370,000. The Company paid $20,000 upon signing the agreement with the remaining $350,000 payable within one year of signing the agreement. The due date of the $350,000 payment was extended a number of times.

On August 31, 2016, the vendor of the Scottie property agreed to transfer the remaining 20% interest in the Scottie property to the Company at no cost provided that the Company pay the $350,000 on or before November 30, 2016. The Company and the vendor then negotiated an extension of that due date to September 1, 2017. The $350,000 balance owing was paid in full on August 24, 2017.

The property is subject to a 3% gross smelter return royalty. The Company has the right to purchase 2% for $600,000.

Edward Kruchkowski, a former director of the Company, was also a director and shareholder of the vendor, and as a result, the transaction was considered to be a related party transaction as defined under Multilateral Instrument 61-101. The transaction was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101, as the fair market value of the consideration paid by the Company for the acquisition of the 20% interest did not exceed 25% of the Company's market capitalization at that time.

The Scottie property is located approximately 50 kms north of Stewart, British Colombia and consists of 14 Crown Granted claims and 2 Modified Grid System (MGS) claims that are contiguous. The property covers 107 hectares of MGS claims and 213 hectares of Crown Granted claims.

The Scottie Gold Mine operated from 1981 to 1985 and produced 95,426 ounces of gold from 183,147 tonnes of mineralization. Four separate vein zones labelled the ‘L”, “M”, “N” and “O” zones were partially explored by drilling and underground development. These four zones were the source of the gold produced during the milling operation.

After closure of the mine, Wright Engineers prepared a report dated July 1985 that indicated diluted mineral resources in the Proven, Probable and Possible categories the four zones as 120,279 tonnes grading 19.31 g/t gold for a total of 74,333 ounces. Wright Engineers used information supplied by the Scottie Gold Mine engineers and did not independently confirm the information. The report by Wright Engineer’s relied on drill hole data and underground sampling results from programs completed by the Scottie Gold Mine operators.

During the period from 2004 to 2006, further drilling by Tenajon Resource Corp. (“Tenajon”), led to a historical resource estimation by Giroux Consultants in October, 2007. This historical resource estimation was based on Tenajon's drill hole data, Scottie Gold Mine drill hole data, and underground sampling. The results of the estimation are outlined below:

2007 Resource Estimation for the Scottie Property

Veins	Category	Tonnes	Au g/t	Ag g/t	Ounces Gold	Ounces Silver
L, M, N and O	Indicated	20,100	9.91	4.32	6,400	2,800
L, M, N and O	Inferred	203,000	8.40	4.25	54,800	27,800

The Scottie Gold mine historical estimates from the Wright Engineer's (1985) and the Giroux Consultants (2007) reports have not been verified by the Company and do not comply with CIM Definition Standards on Mineral Resources and Mineral Reserves as required by NI 43-101 and is not relevant to NI 43-101. These estimates are historical and are used for reference purposes only. The company is not treating the historical estimate as current mineral resources. The company plans on conducting an exploration program that will include twinning of drill holes to verify the historical data and prepare a current mineral resource.

The estimations of previous operators were based on mineralization defined in a zone 200 metres wide and 200 metres long with a vertical range of 440 metres. The mineralization is open along strike and to depth. Exploration to date has identified 13 potential zones of gold-bearing quartz-sulphide veining of the same nature as ore milled at Scottie during its operation.

The Company believes that with over 1,000 metres of unexplored strike and an additional 600 metres of open vertical extent, there exists great potential to expand the known mineralization.

2016 Exploration Program

In May 2016, the Company posted a reclamation bond of with the Minister of Finance and, in July 2016 received a work permit to commence 2016 exploration on the Scottie gold property.

Surface geological work to locate many of the 13 gold-bearing veins previously reported was completed. Exploration work sampled the veins which are being exposed by the receding glacial ice and appear as linear rusty zones. In addition, the Company attempted to locate a three-metre vein located in 2006 that had chip sample values of 10.12 grams per tonne gold over 1.5 metres and 6.55 grams per tonne gold over three metres. The reader is cautioned that the above results are historical and have not been confirmed by the Company. These are being used for reference purposes and should not be relied upon.

On July 22, 2016, the Company announced that it had discovered a new wide zone of altered rocks containing veins and stockworks of sulphides on the Scottie gold property. The zone is in an overburden covered area and was exposed by drill pad building activities. It consists of massive pyrrhotite veins and stringers containing minor chalcopyrite cut by later narrow pyrite veins. Molybdenum and visible gold have been noted in one area of an exposed massive pyrrhotite vein. The overall width of this new alteration zone appears to be seven to eight metres. Drilling from this location was initially intended to intersect the C vein and, as a result, intersections on this new zone start near the drill collars. It is intended that new drill stations will be at lower elevations in order to test the downdip extension of this new zone.

ICP analysis of grab sampling from this zone indicates two separate mineralizing events. Assays from one of the sulphide-bearing phases indicate 0.5 gram per tonne gold with zinc values up to 0.6 per cent zinc with no molybdenum. The main and widest phase contains gold assays up to 447.95 grams per tonne Au with 0.3 per cent molybdenum but no zinc. The highest grade was from a sample at the farthest south of the exposed area. A total of 21 grab samples were collected from the main zone area over a distance of 15 metres and assays ranged from 1.4 g/t gold to the high of 447.95 g/t. The zone had five assays in the 20 to 40 g/t range, three assays in the 10 to 20 g/t range and 11 in the one to 10 g/t range. Any ICP results above one g/t gold were fire assayed. The reader is cautioned that the above results are grab samples and are not representative of the entire zone area. Further work is necessary to confirm the grade of the overall vein system.

On October 18, 2016, Scottie released its 2016 drill results from the Scottie gold property. During the 2016 exploration season, the Company focused on outlining gold-bearing areas outside of the immediate area of the mine workings.

Drilling intersected up to 1.13 metres of 31.54 grams per tonne gold in DDH-SG-4. Drilling was primarily focused on the intersection of the projected C and D veins. Highlights of the drill program are shown in the attached table.

Drill hole	From (m)	To (m)	Width (m)	Au (g/t)
SG-16-2	26.01	26.62	0.61	23.5
SG-16-3	17.68	20.79	3.1	5.04
Incl.	17.68	19.21	1.52	8.08
SG-16-4	7.16	10.52	3.35	3.42
and	55.71	56.92	1.13	31.54
SG-16-5	7.47	9.05	1.65	9.87
and	16.6	21.95	3.35	6
SG-16-7	6.71	11.28	4.57	3.2
and	19.21	22.26	3.05	8.6
SG-16-8	61.89	62.26	0.37	12.27
SG-16-11	21.71	26.52	4.82	2.63
SG-16-14	66.77	57.16	0.4	14.54

Within the 2016 drilling, numerous intersections grading one gram per tonne to two grams per tonne gold were also encountered.

2017 Exploration Program

In January, 2017, the Company hired Ecos Environmental Consulting Inc. to ensure that the active mine permit on the Scottie property is compliant with present government standards. The mine permit, which was in effect during the mining operations carried out during 1981 to 1985, is still in place. The Company is working at re-activating the mine. All the mill facilities are intact in their underground location.

2018 Exploration Program

Scottie engaged Equity Exploration Consultants Ltd. (“Equity”) to assist the Company with a compilation and review of the many reports and extensive data available on the Scottie gold mine. This has resulted in a geological interpretation of a deposit model that indicates the potential for additional high-grade gold resources within the footprint of the Scottie gold mine and its surrounding area and has led to recommendations regarding future exploration programs.

Scottie completed site and surface work during the summer of 2018 which will prepare and position the Scottie gold mine for future exploration and advancement, including on the environmental and permitting fronts.

New Zones on the Scottie Property

Mineralization at the Scottie property consists of a series of parallel, steeply dipping, northwest-trending, pyrrhotite-dominant shear veins. Past production from the mine was principally from one vein (the M zone); however, four other local veins were tested with success for future production (O, L, N and S zones). In addition to these zones, two new zones have been identified on the Scottie property, providing support for a geological model linking mineralization between the Scottie property and the Bow property.

Given the proximity and the similarities (mineralization and structure) between the Bow and Scottie properties, the Company is actively testing a recently proposed geological model that links the vein mineralization. This model is supported by evidence of smaller parallel veins between them, including two new vein zones identified during Scottie's 2018 field season in the corridor between the Scottie property and the Bow property. The zones were discovered in a 2.1-kilometre access tunnel that was built during production to allow all-season access to the mine. Surprisingly, no historical data have been found to indicate that the tunnel was ever geologically mapped or sampled. During the 2018 field program, limited prospecting of the tunnel yielded two mineralized grab samples, 2.0 g/t and 8.1 g/t gold, both found in vein structures parallel to the main Scottie gold mine mineralization.

Bow Property, British Columbia

On December 12, 2018, the Company entered into an option agreement with Decade Resources Ltd. (“Decade”), a company with a former director in common with the Company, to acquire a 100% interest in the Bow property located in the Golden Triangle mining district of British Columbia. The Bow covers 471.92 hectares and is subject to a 3% net smelter return royalty. The Company has the right to purchase 2% for $600,000.

The Bow is contiguous with the Company’s 100% owned Scottie property which hosts the past producing Scottie Gold mine. Previous exploration work has identified 13 different gold-bearing veins on the Bow and Scottie properties.

The terms of the option agreement require cash payments totalling $1,000,000 to be paid in five equal installments as follows:

- $200,000 on TSX Venture Exchange approval of the option agreement (paid);
- $200,000 on or before June 12, 2019 (paid);

- $200,000 on or before December 12, 2019 (paid, subsequent to period end);
- $200,000 on or before June 12, 2020; and
- $200,000 on or before December 12, 2020.

In the event that all the payments are not made, Scottie will have no interest in the Bow property.

Edward Kruchkowski, a director of Decade and a former director of Scottie, abstained from approving the transaction and was not involved in negotiating its terms.

The Bow property covers a package of Hazelton Group volcanic rocks in contact with the Summit Lake stock, part of the Texas Creek plutonic suite. This sequence of rocks exhibits similar alteration and mineralization to the former-producing Premier mine 20 kilometres south of the Bow property, and the KSM copper-gold porphyries and Brucejack gold deposits 20 kilometres north of the Bow property.

In late 2013, Decade completed an extensive program of mapping, sampling, prospecting and trenching on the Bow property. Trenching of a 4.5 metre vein returned numerous high-grade gold results including 23 assays exceeding 500 g/t gold. Three main areas were explored, namely the Bend vein area, the Oro Grande/Blueberry vein area and an area near the south end of the Bow property. Work defined three new veins and a possible fourth along the access tunnel to the former Scottie Gold mine near its A portal. This access tunnel starts at the southwestern portion of the Bow property and was driven southwest for 2.3 kms to the Scottie Gold mine. The dumps for the broken muck from the first 500 metres of the tunnel (on the Bow property) are at the A portal. Pieces of massive pyrrhotite-pyrite mineralization are present in this dump, indicating the presence of a vein and/or veins in the first 500 metres of drifting. Fine visible gold is present in bluish quartz fragments within a matrix of massive pyrrhotite-pyrite.

In 2014 and 2016 Decade drilled a total of 22 holes on the Bow property, testing a number of the recently discovered mineralized zones. Highlights from the two most notable zones, the Big M zone and the Sixties zone, respectively returned gold intercepts 15.25 g/t gold over 49.6 metres (including 56.7 g/t gold over 13.20 metres), and 27.54 g/t gold over 13.11 metres. In addition, Decade reported anomalous cobalt in multiple holes, with values as high as 0.44% cobalt.
Following the recent acquisition of the Bow property, a comprehensive compilation and review of all available data were undertaken to help formulate exploration plans for the upcoming 2019 field season. Based on the data review, the mineralization present on the Bow property has strong similarities to that observed at the Scottie gold mine property, notably the vein mineralogy, host rock, grades and alteration. While the intercepts from the drilling done by Decade on the Bow in 2014 and 2015 were impressive, the Company suspects that they are not representative of true vein thicknesses. Regardless, the Company is strongly encouraged by the results as an indicator of the inherent grade potential and continuity within the system. The Company's planned 2019 fieldwork will aim to get a better sense of the true vein widths and delineate them at depth as well as along strike.

Despite the similarities to the Scottie gold mine mineralization and favourable gold intercepts, historic drilling programs on the Bow property have not tested the downdip potential of the vein, even though mineralization remains open at depth. Almost all drilling has been limited to less than 75 metres from surface. Assessing the vertical extent of the mineralization will be the primary objective during future drilling.

Bow's Cobalt-Rich Bend Vein

In addition to the high-grade gold mineralization, the Bend vein (traced strike length of 700 metres) on the Bow property is distinctively cobalt rich, with mineralization primarily occurring as cobaltite. In 2005, Tenajon Resources completed 535 metres of drilling on the Bend vein. Within the drilled mineralized zone, the weighted average grade was calculated at 13.3 g/t gold, 36.7 g/t silver, 0.25% cobalt and 0.16% copper across an average true width of 1.64 metres. In 2016, significant cobalt was intersected in all seven holes drilled by Decade; intercept widths (not true width) ranged from 2.19 metres to 6.4 metres, with values ranging from 0.1% to 0.23% cobalt. Follow-up work by the Company will focus on characterizing the cobalt mineralization and understanding its distribution and controls.

Summit Lake

On April 26, 2019, the Company entered into an option agreement to acquire a 100% interest in a land package property known as the Summit Lake property. The mineral claims comprising the land package cover 1,583 hectares.

Summit Lake surrounds the Scottie crown grants expands the existing footprint of the Company’s land package. The property has shown multiple geophysical anomalies as well as high grade mineralization along the boundary bordering the Scottie property. Summit Lake opens up the area to further exploration, including unexplored areas exposed by retreating ice fields.

The terms of the option agreement call for cash payments totalling $250,000 to be paid as follows:

- $50,000 on TSXV approval of the option agreement (paid);
- $50,000 on or before April 26, 2020;
- $50,000 on or before April 26, 2021;
- $50,000 on or before April 26, 2022; and
- $50,000 on or before April 26, 2023.

The terms of the option agreement call for share payments totalling 2,200,000 common shares to be issued as follows:

- 200,000 on TSXV approval of the option agreement (issued);
- 400,000 on or before April 26, 2020;
- 500,000 on or before April 26, 2021;
- 500,000 on or before April 26, 2022; and
- 600,000 on or before April 26, 2023.

The Summit Lake property is subject to a 1.8% net smelter return royalty. The Company has the right to purchase 0.8% of the royalty for $1,000,000 at any time.

The Company staked additional adjacent mineral claims for $13,695.

Stock Property, British Columbia

The Company staked a 100% interest in the Stock property.

The Stock property covers 2,506.11 hectares and is located west of Ascot's Dilworth property and south of the Company's Scottie property. The Stock property has been explored intermittently since 1921 with numerous tunnels and crosscuts, one extending 300 metres. Mineralization on the property includes silver, gold, tungsten, copper, lead and zinc in beds of a siltstone complex. The most recent assessment report from 1980 indicated that silver mineralization "is widespread in the sedimentary sequence – every one of the 201 samples taken in 1980 contained silver values."

The Company forfeited 1622.68 ha of claims on the Stock Property on February 17, 2019.

The Company staked 360.59 ha of additional adjacent mineral claims on July 3, 2019 for $631.02.

The historical sample information quoted above is not National Instrument 43-101 compliant and should not be relied upon.

Black Hills Property, British Columbia

On January 17, 2013, the Company purchased a 100% interest in the Black Hills mineral claims.

The Black Hills property is situated 7 kms east-northeast of Stewart, BC, along the edge of the retreating Cambria Icefield. The property comprises 1,252 hectares and is primarily underlain by argillite rocks of the Middle Jurassic Salmon River and andesitic rocks of the Unuk River Formation.

The two main mineral occurrences on the property are past producers of high-grade lead-zinc-silver, named the Black Hills and Blue Grouse. Sorted ore production from both totaled 53 tonnes (from 1930, 1935 and 1983), and graded an average of 1.17 g/t gold, 5,658 g/t silver, 16.1% lead, 2.92% zinc and 0.41 % copper.

The mineral occurrences consist of steeply dipping, narrow quartz-sulphide veins hosted in diorite and argillite. Recent grab sampling from the dump pile of a north-trending adit on the property included a sample that returned 1.3 g/t gold, 4,080 g/t silver, 0.36 % copper, 11 % lead, and 17.1 % zinc.

Ruby Silver Property, British Columbia

On March 9, 2018, Scottie purchased a 100% interest in the Ruby Silver property located in the Golden Triangle. The Ruby Silver property is located 21 kilometres north of Stewart, B.C. The property covers approximately 4,300 hectares and is situated over numerous mineral occurrences. Consideration to purchase the 100% interest was $100,000.

The Ruby Silver claims cover the Ruby Silver showing consisting of a quartz-carbonate vein containing blebs and disseminations of pyrite and chalcopyrite, locally forming up to 10% of the vein. Malachite and azurite staining is present. The vein is up to 1.5 metres wide, strikes 110 degrees and dips 68 degrees southwest. The vein has been explored by 3 different adits. The main adit follows the footwall of the vein, which, in turn, appears to follow a porphyritic dike. Historic sampling of the vein mineralization in the tunnels assayed from 0.7 to 11.0 grams per tonne gold, 15.4 to 115.2 grams per tonne silver and trace to 9.3% copper over widths of 0.3 to 1.8 metres (Property File - Cited in Thios Resources Inc., Prospectus April, 1987).

The Roosevelt Ridge area within the Ruby Silver claim block contains abundant quartz +/- carbonate veins as well as breccia, stockwork and replacement zones. Many of them are barren but some are mineralized with pyrite, sphalerite, galena, chalcopyrite and malachite. Sulphide content ranges from trace to 5%. The veins are up to 0.6 metres wide and locally traced over 40 metres. In addition to mineralization in place, there are also numerous boulders which feature very similar host rocks and mineralization. Several of those boulders yielded highly anomalous results in gold and base metals. The highest gold assay obtained from in situ samples collected in the previous years returned 7.51 g/t Au and 3.45% Zn. Gold results came from float rocks containing 25% pyrite, 1% sphalerite and 1-2% arsenopyrite assayed up to 9.0 g/t Au and 0.25% Zn. A historic float of argillite cut by quartz stockwork with pyrite and sphalerite assayed 5.56 g/t Au and 3.56% Zn.

Bitter Creek Property, British Columbia

The Bitter Creek property joins the Company's Ruby Silver property and Black Hills property creating a contiguous land package of 10,350 hectares bordering the advanced Red Mountain gold property owned by Ascot Resources Ltd.

Bitter Creek property highlights:

- Contains approximately 30 historic mineral showings/prospects;
- Two historic small past producers (one on claim boundary);
- Property boundaries come within two kilometres of the town of Stewart;
- Covers 4,832 hectares.

All described showings are categorized as polymetallic veins with silver-lead-zinc-and-or-gold mineralization. Past production totalled 65 tons -- Black Hills (53 tons) and Mobile (12 tons), with respective average grades of 1.17 to 2.7 g/t gold; 5,658 to 8,247 g/t silver; 16.1 to 8.0% lead; 2.92 to 9.6% zinc; and 0.30 to 0.41% copper.

Scottie's Vice-President Exploration, Dr. Thomas Mumford, commented: "The sheer number of similar style showings present on the Bitter Creek claims encourage us to the potential of the mineralizing event. By filling in a number of key claims and connecting the Black Hills and Ruby Silver properties, the Bitter Creek land package allows us to assess the pervasive mineralization in the area at a much larger scale. This could help us to model, target and test the potential of a larger feeder system."

Work during the 2019 field season will involve following up on the mineralization style and structural controls on the various showings and past producers, with the aim of evaluating mineral deposit models that could correlate the mineralization between the three contiguous properties. Additionally, there has been significant glacial retreat on the property in recent years, and there will be a strong focus on assessing the newly exposed rocks.

On March 1, 2019, Scottie entered into an option agreement (the "Agreement") to acquire a 100% interest in 42 mineral claims covering 4,832 hectares known as the Bitter Creek property ("Bitter Creek"). Bitter Creek is subject to a 2.5% net smelter return royalty.

The terms of the Agreement call for payments totalling $850,000 to be paid as follows:

- $5,000 upon signing of the Agreement (paid);
- $10,000 within five business days of receiving TSXV approval of the agreement. TSXV approval was received on March 20, 2019 (the "Approval Date") (paid);
- $60,000 within five business days of the Approval Date - payable in cash or in common shares of the Company, at the election of the Company (paid in cash);
- $75,000 within 6 months of the Approval Date - payable in cash or in common shares of the Company, at the election of the Company (paid in cash);
- $100,000 within 12 months of the Approval Date - payable in cash or in common shares of the Company, at the election of the Company;
- $100,000 within 18 months of the Approval Date - payable in cash or in common shares of the Company, at the election of the Company;
- $100,000 within 24 months of the Approval Date - payable in cash or in common shares of the Company, at the election of the Company;
- $100,000 within 30 months of the Approval Date - payable in cash or in common shares of the Company, at the election of the Company;
- $150,000 within 36 months of the Approval Date - payable in cash or in common shares of the Company, at the election of the Company;
- $150,000 within 42 months of the Approval Date - payable in cash or in common shares of the Company, at the election of the Company;

Any payments made in common shares of the Company will be based on the volume weighted average trading price of the Company's common shares for the five consecutive trading days preceding the share issue date.

The Company may purchase 60% of the net smelter return royalty for $1,500,000. The Agreement remains subject to approval of the TSX Venture Exchange.

Four J's Property, British Columbia

By an option agreement dated August 9, 2010 and last amended on September 8, 2017, the Company had the option to acquire a 50% interest in the Four J's Property. The option was granted by Teuton Resources Corp., a company with a director in common with the Company.

Consideration to earn the 50% interest was $180,000 and $1,800,000 in exploration expenditures as follows:

Cash Payments:

- $20,000 on execution of the agreement (paid);
- a further $25,000 on or before August 9, 2011 (paid);
- a further $30,000 on or before August 9, 2012 (paid);
- a further $15,000 on or before August 9, 2016 (paid);
- a further $20,000 on or before August 9, 2017 (paid);
- a further $30,000 on or before August 9, 2018;
- a further $40,000 on or before August 9, 2019.

Cumulative Exploration Expenditures:

- $397,716 on or before September 30, 2016 (incurred);
- a further $100,000 on or before December 31, 2016 (incurred);
- a further $500,000 on or before December 31, 2018 (incurred $53,945);
- a further $802,284 on or before December 31, 2019.

Upon earning the 50% interest, the Company had the option to earn an additional 20% interest by delivering a feasibility study on the property.

On September 8, 2017, the Company amended the option agreement and paid an extension fee of $10,000. The terms detailed above reflect this amendment.

On January 8, 2018, the Company received an exploration permit which provided for twelve drill sites on the Four J's property. The Company has posted a bond of $60,000 with the Ministry of Mines on the Four J's property.

On August 9, 2018, the Company determined that it would not be proceeding with the Four J's option agreement. The Company did not make the required option payment of $30,000. The Company recorded a write-off of exploration and evaluation assets of $609,123 representing the accumulated acquisition and exploration costs on the Four J's property.

2019 Exploration Program

The Company's 2019 Exploration Program was focused on assessing the entire claim package, including the newly acquired claims. The exploration program was executed in two phases, a robust surficial study (prospecting, mapping, and sampling), followed by a 2000 m drill program.

Surficial Work

The surficial work commenced on June 25th and continued until September 12th. Field work was carried out by teams of 4-6 people, doing targeted prospecting, mapping and sampling.

Project	Rock Samples	Soil/Silt Samples	Tailings
Bitter Creek	100	192	
Black Hills	25	3	
Ruby Silver	31	253	
Scottie-Bow	111		43
Stock	41		
Summit Lake	298	20	

This field work generated a number of new targets, including the Blue Goat showing on the Black Hills Property, as well as 6 distinct targets on the Summit Lake Claims (news release data August 27, 2019). Included in these targets is the Domino zone – which including grab samples of up to 536 g/t Au and 735 g/t Ag, and a chip sample grading 10.5 g/t Au and 14.0 g/t Ag over 5.3 m.

Drill Program

As announced on August 20, 2019, a 2000 m drill program targeting high-probability holes on the Scottie and Bow Properties was completed. This 20 hole diamond drilling program comprised drilling in three zones: (1) Bend Vein, 11 holes, 877.7 m; (2) Blueberry Vein, 8 holes, 630.2 m; and (3) Scottie Gold Mine, 1 hole, 539.1 m. Together a total of 2050 metres were drilled. Of the 20 drilled holes, 17 contained intervals of sheared and sulphidized veins (similar to those observed in the Scottie Gold Mine).

Bend Vein – Bow Property
The Company completed 11 holes (877.7 metres) of diamond drilling on the Bend Vein within the Bow Property, which is located on the Granduc Road just 3.5 km NE of the Scottie Gold Mine.

The best intercept from the Bend Vein was in drill hole SR19-11, where 73.32 g/t gold and 71.01 g/t silver was intersected over 4.38 m core length, which includes 152.5 g/t gold and 143.56 g/t silver over 1.89 m. These results exemplify the high-grade gold and silver potential of the Bow Property.

Selected Results from the 2019 Drilling on the Bend Vein target, Bow Property

Drill Hole		From (m)	To (m)	Width* (m)	Gold (g/t)	Silver (g/t)	Area
SR19-01		40.61	43.21	2.60	2.73	4.66	Bend Vein
SR19-02		61.91	63.05	**1.14**	**46.53**	**51.83**	Bend Vein
SR19-04		82.05	84.84	2.79	1.49	69.38	Bend Vein
SR19-08		37.50	38.50	1.00	2.97	5.40	Bend Vein
SR19-11		25.53	29.81	**4.28**	**73.32**	**71.01**	Bend Vein
	including	26.45	28.34	**1.89**	**152.50**	**143.56**	Bend Vein

*not true width, most intervals are estimated to be 80-90% of true width

Blueberry Vein – Bow Property
The Company completed 8 holes (630.2 metres) of diamond drilling on the Blueberry Vein within the Bow Property, which is located just off of the Granduc Road 2.3 km NE of the Scottie Gold Mine.

The best intercept from the Blueberry Vein was in drill hole from drill hole SR19-20 include 7.44 g/t gold and 1.29 g/t silver over 34.78 m, which includes 14.29 g/t gold over 14.00 m.

Selected Results from 2019 Drilling on the Blueberry Vein target, Bow Property

Drill Hole		From (m)	To (m)	Width* (m)	Gold (g/t)	Silver (g/t)	Area
SR19-16		54.75	57.02	**2.27**	**5.49**	2.05	Blueberry Vein
	including	55.20	56.22	**1.02**	**11.95**	5.00	Blueberry Vein
SR19-18		20.87	21.52	0.65	4.76	2.80	Blueberry Vein
	and	49.34	55.21	5.87	1.32	0.38	Blueberry Vein
	including	54.76	55.21	0.45	10.00	0.70	Blueberry Vein
SR19-19		27.05	29.22	2.17	1.73	1.80	Blueberry Vein
SR19-20		71.00	105.78	**34.78**	**7.44**	1.29	Blueberry Vein
	including	71.00	85.00	**14.00**	**14.29**	2.17	Blueberry Vein
	and including	71.00	80.00	**9.00**	**20.53**	2.85	Blueberry Vein
	and including	71.00	71.88	**0.88**	**143.50**	14.60	Blueberry Vein
	including	97.00	105.78	**8.78**	**6.01**	1.02	Blueberry Vein

*not true width, most intervals are estimated to be 80-90% of true width

M Zone – Scottie Gold Mine
The Company completed a single 539.1 metre hole of diamond drilling on the Scottie Gold Mine Property, targeting multiple zones, with the primary target being an extension of the M Zone. Results from drill hole SR19-13 include 7.27 g/t gold and 3.83 g/t silver over 25.02 m, which includes 11.72 g/t gold and 5.83 g/t silver over 10.95 m.

Significant Intercepts from hole SR19-132019 drilled on the Scottie Gold Mine

Drill Hole		From (m)	To (m)	Width* (m)	Gold (g/t)	Silver (g/t)	Area
SR19-		68.63	71.00	2.37	1.38	20.92	SGM
	including	70.25	71.00	0.75	3.00	25.30	SGM
		85.29	93.43	8.14	1.43	11.01	SGM
	including	89.07	93.43	4.36	1.93	11.42	SGM
	and	89.85	92.43	2.58	2.93	16.79	SGM
		151.53	174.00	22.47	1.29	2.03	SGM
	including	160.43	172.00	11.57	1.94	2.83	SGM
	and	168.57	172.00	3.43	5.09	5.99	SGM
		249.62	250.68	1.06	3.78	4.80	SGM
		484.55	509.57	**25.02**	**7.27**	3.83	SGM - M Zone
	including	484.55	495.50	**10.95**	**11.72**	5.83	SGM - M Zone
	and	508.54	509.57	**1.03**	**50.40**	16.00	SGM - M Zone

*True width is uncertain as the orientation of the mineralized zones has not been determined sufficiently

DISCUSSION OF OPERATIONS – THREE MONTH PERIOD ENDED NOVEMBER 30, 2019

The Company recorded a net and comprehensive loss of $670,450 for the three months ended November 30, 2019 compared to $61,985 for the three months ended November 30, 2018.

Consulting fees were $54,464 for the three months ended November 30, 2019 compared to $nil for the three months ended November 30, 2018. Conference related costs totalled $61,181 for the three month period ended November 30, 2019 compared to $nil for the three months ended November 30, 2018. Consulting and conferences both increased over the period as the Company worked to increase exposure of the Company and raise capital to further explore and advance the projects.

Management fees were $48,000 for the three months ended November 30, 2019 compared to $43,500 for the three months ended November 30, 2018. These fees were charged by the Company's CEO as to $30,000, CFO as to $9,000 and corporate secretary as to $9,000.

Share-based payments were $388,236 for the three months ended November 30, 2019 compared to $nil for the three months ended November 30, 2018. The Company granted 2,400,000 stock options in the 2019 period of which 2,400,000 had vested at November 30, 2019.

Travel expenses were $72,055 for the three months ended November 30, 2019 compared to $5,536 for the three months ended November 30, 2018, as the Company's management has been actively meeting with exploration staff and attending industry events.

SUMMARY OF QUARTERLY RESULTS

The figures for the quarters ended August 31, 2019 and 2018 are calculated from the Company's annual audited financial statements. All other amounts are from unaudited condensed interim financial statements prepared by management. All quarterly results were derived from financial statements prepared using IFRS.

	Q1	Q4	Q3	Q2
	November 30, 2019	August 31, 2019	May 31, 2019	February 28, 2019
Revenues	$Nil	$Nil	$Nil	$Nil
Share-based payments	$388,236	$110,578	$121,000	$21,000
Write-off of E&E assets	$Nil	$Nil	$Nil	$Nil
Net and comprehensive loss	$(670,450)	$(356,102)	$(242,886)	$(111,546)
Basic and diluted loss per share	$(0.01)	$(0.01)	$(0.00)	$(0.00)

	Q1	Q4	Q3	Q2
	November 30, 2018	August 31, 2018	May 31, 2018	February 28, 2018
Revenues	$Nil	$Nil	$Nil	$Nil
Share-based payments	$Nil	$Nil	$(250,000)	$Nil
Write-off of E&E assets	$Nil	$(609,123)	$Nil	$Nil
Net and comprehensive loss	$(61,985)	$(757,504)	$(376,030)	$(126,751)
Basic and diluted loss per share	$(0.00)	$(0.02)	$(0.01)	$(0.00)

LIQUIDITY AND CAPITAL RESOURCES

At November 30, 2019, the Company had a working capital of $550,160.

The Company's operations do not generate cash flow and its success is dependent on its ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors such as commodity prices which are beyond the Company's control.

To date, the Company has been able to fund operations through equity financings. Uncertainty in the financial equity markets may make it difficult to raise additional capital through the private placements of shares. The junior mining industry is considered speculative in nature which may make it even more difficult to fund. While the Company will use its best efforts to achieve its business objectives by examining various financing alternatives, there is no assurance that the Company will be successful with its financing ventures.

Financing Activities

During the Three Months Ended November 30, 2019 and subsequent events to:

On October 18, 2019, the Company issued 2,036,726 flow through common shares at $0.22 per share, and 3,263,332 non-flow through units at $0.15 per share for total gross proceeds of $937,580 pursuant to private placement agreements. Each non-flow through unit consists of one common share and one common share purchase warrant, whereby each warrant will entitle the holder to purchase one non flow-through common share of the Company at a price of $0.22 for a period of 24 months. If the closing price of the Company's common shares is at a price equal to or greater than $0.29 for a period of 10 consecutive trading days, the Company will have the right to accelerate the expiry date of the warrants by giving written notice that the warrants will expire in 30 days.

In connection with private placements completed during the period ended November 30, 2019. the Company paid $53,582 in cash finders' fees and granted 325,392 finders' warrants. Each finder's warrant is exercisable at a price of $0.22 for a period of 24 months.

On January 7, 2020, the Company issued 567,000 common shares at $0.25 per share to settle $141,750 of debt.

On January 16, 2020, the Company issued 10,000,000 non-flow through units at $0.20 per share for total gross proceeds of $2,000,000 pursuant to a private placement agreement. Each non-flow through unit consists of one common share and one common share purchase warrant, whereby each warrant will entitle the holder to purchase one non flow-through common share of the Company at a price of $0.30 for a period of 24 months.

Loans Payable

On April 29, 2019, the Company entered into two loan agreements for total proceeds of $260,000, of which $180,000 was from a director and officer of the Company. The loans are unsecured, bear interest at 15% per annum and are due on demand. The loans have a maximum term of five years. During the year ended August 31, 2019 the Company repaid $30,000. During the period ended November 30, 2019, the Company incurred interest expense of $3,099 and repaid the balance of the loans and accrued interest, totalling $245,556.

Commitments:

The Bow

The terms of the option agreement on the Bow property require cash payments to be paid as follows:

- $200,000 on or before December 12, 2019 (paid subsequent to period end)
- $200,000 on or before June 12, 2020;
- $200,000 on or before December 12, 2020.

Bitter Creek

The terms of the option agreement on the Bitter Creek property require payments payable in cash or in common shares of the Company, at the election of the Company, to be paid as follows:

- $100,000 by March 20, 2020;
- $100,000 by September 20, 2020;
- $100,000 by March 20, 2021;
- $100,000 by September 20, 2021;
- $150,000 by March 20, 2022;
- $150,000 by September 20, 2022.

Summit Lake

The terms of the option agreement on the Summit Lake property require cash payments to be paid as follows:

- $50,000 on or before April 26, 2020;
- $50,000 on or before April 26, 2021;
- $50,000 on or before April 26, 2022;
- $50,000 on or before April 26, 2023.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements to report.

PROPOSED TRANSACTIONS

The Company has no proposed transactions to report.

TRANSACTIONS WITH RELATED PARTIES

As at the date of this report the directors of the Company were Bradley Rourke, Ernest Mast, Steven Stein and John Williamson. The officers of the Company were Bradley Rourke (CEO), Stephen Sulis (CFO) and Christina Boddy (Corporate Secretary).

The Company incurred the following charges by directors or officers of the Company and by companies with directors or officers in common with the Company during the three months ended November 30, 2019 and 2018:

	2019	2018
Finance expense	$ 2,441	$ -
Office expenses	480	-
	$ 2,921	$ -

The Company considers all of its directors and executive officers to be key management. Included in the above are the following key management compensation charges incurred during the three months ended November 30, 2019 and 2018:

	2019	2018
Management fees	$ 48,000	$ 43,500
Share-based payments	193,987	-
	$ 241,987	$ 43,500

Management fees were $48,000 for the three months ended November 30, 2019. These fees were charged by the Company's CEO as to $30,000, CFO as to $9,000 and corporate secretary as to $9,000

At November 30, 2019, loans payable includes $nil (August 31, 2019: $189,247) due to a director of the Company for loan principal and accrued interest. During the period the Company accrued interest pf $2,441 and repaid the total loan principal and interest of $191,688.

At November 30, 2019, due to related parties includes $221,975 (August 31, 2019: $117,506) due to directors of the Company and to companies with directors in common with the Company for fees and expenses.

The amounts due to/from related parties are unsecured.

CRITICAL ACCOUNTING ESTIMATES

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

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

i) *Exploration and Evaluation Assets*

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. The decision to abandon a property is largely determined by exploration results. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available. At November 30, 2019, management considers that no impairment provision is required to the carrying costs of its mineral properties.

ii) *Rehabilitation Provisions*

At November 30, 2019, rehabilitation provisions have been determined to be $Nil based on management's estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period.

iii) *Share-based Payments*

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

CHANGES IN ACCOUNTING POLICIES

Accounting policies used in the preparation of these financial statements are consistent with those described in the Company's audited annual financial statements for the year ended August 31, 2019, except for the following change to IFRS, which were adopted as at September 1, 2019:

IFRS 16, Leases:

This new standard eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model which requires the lessee to recognize assets and liabilities for all leases with a term of longer than 12 months.

The Company has no leases as at August 31, 2019 or November 30, 2019, therefore the adoption of IFRS 16 did not have a material impact on the Company's condensed interim financial statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Cash, receivables and accounts payable and accrued liabilities are carried at amortized cost. The Company considers that the carrying amount of these financial assets and liabilities measured at amortized cost to approximate their fair value due to the short-term nature of the financial instruments. Cash is measured using level one of the fair value hierarchy.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

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

Credit Risk

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

Interest Rate Risk

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

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's accounts payable and advances from related parties are all current and due within 90 days of the balance sheet date. The Company ensures that it has sufficient capital to meet its short-term financial obligations.

RISKS AND UNCERTAINTIES

In addition to the risks and uncertainties outlined earlier in this management discussion, the Company is also subject to other risks and uncertainties including the following:

General Risk Associated with the Mining Industry

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that claims and leases are in good standing and obtaining permits for drilling and other exploration activities. The market prices for gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

Exploration and development activities involve risks which careful evaluation, experience and knowledge may not, in some cases eliminate. The commercial viability of any mineral deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure, government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit. Management attempts to mitigate its exploration risk by maintaining a diversified portfolio of properties and a strategy of possible joint ventures with other companies which balances risk while at the same time allowing properties to be advanced.

Dependence on Key Personnel

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for professionals are intense. The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

Option Agreements

The Company may earn interests in mineral properties through option agreements and acquisition of titles to the mineral properties is only completed when the option conditions have been met in full. These conditions generally include making property payments and incurring exploration expenditures on the properties and can include the completion of pre-feasibility studies. If the Company does not satisfactorily complete its option conditions in the time frame laid out in the option agreement, the Company's title to the related property will not vest and the Company will have to write-down the previously capitalized costs related to that property.

DISCLOSURE OF OUTSTANDING SHARE DATA

a) Issued:

At January 28, 2020, the Company had 88,311,174 common shares issued and outstanding.

b) Stock Options:

At January 28, 2020, the Company had 6,450,000 stock options outstanding entitling the holders to purchase one common share for each option held as follows:

Number of Options	Exercise Price	Expiry Date
1,000,000	$0.05	May 16, 2021
300,000	$0.20	May 24, 2022
150,000	$0.26	October 26, 2022
600,000	$0.255	March 8, 2023
1,000,000	$0.10	December 3, 2023
1,000,000	$0.22	April 25, 2024
2,400,000	$0.195	September 17, 2024
6,450,000		

c) Share Purchase Warrants:

At January 28, 2020, the Company had 23,256,657 share purchase warrants outstanding entitling the holders to purchase one common share for each warrant held as follows:

Number of Warrants	Exercise Price	Expiry Date
980,000	$0.21	June 19, 2020
8,305,653	$0.22	September 25, 2021
3,371,004	$0.22	October 18, 2021
10,600,000	$0.30	January 16, 2022
23,256,657		