



INTERNATIONAL PROSPECT VENTURES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2021 and 2020

DATED: August 23, 2021

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

This management's discussion and analysis of financial position and results of operations ("MD&A"), is prepared as of August 23, 2021, and complements the unaudited condensed interim consolidated financial statements of International Prospect Ventures Ltd. (the "Company" or "International Prospect"), for the three and six months ended June 30, 2021 and 2020.

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

The unaudited condensed interim consolidated financial statements and the MD&A have been reviewed by the Audit Committee and approved by the Company's Board of Directors on August 23, 2021. These documents and more information about the Company are available on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

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

Further, unless otherwise noted, any forward-looking statement speaks only as of the date of this MD&A, and, except as required by applicable law, the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such

factor on the business of the Company, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement.

ABOUT INTERNATIONAL PROSPECT VENTURES LTD.

International Prospect Ventures Ltd., ("International Prospect" or the "Company"), incorporated on February 18, 2010 under the Business Corporations Act of British Columbia, is involved in the process of exploring, evaluating and promoting its mineral properties and other projects.

The head office of the Company is located at 152 Chemin de la Mine École, Val d'Or, Québec, J9P 7B6. The Company's registered and records office is located at #1810 - 1111 West Georgia Street, Vancouver, B.C V6E 4M3. The Company also has exploration offices located at 2864 Chemin Sullivan, Val-D'Or, Québec, J9P 0B9.

International Prospect is the parent company of Valroc Ventures Pty Ltd. ("Valroc"), a New South Wales company, located in Australia.

The Company's common shares trade on Tier 2 of the TSX Venture Exchange under the trading symbol "IZZ".

Golden Valley Mines and Royalties Ltd. ("Golden Valley"), a shareholder, holds a 11.45% interest in the Company as at June 30, 2021 (December 31, 2020 – 13.44%).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

International Prospect Ventures strives to ensure that its exploration activities on its properties in Western Australia and in Canada support environmental sustainability and social responsibility. International Prospect Ventures also makes every effort to ensure that it meets all required standards of corporate governance, following industry best practices and satisfying legal and regulatory requirements.

UPDATE ON COVID-19

The global outbreak of COVID-19 has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. In Western Australia, operations and the advancement of the Company's key prospects were limited due to COVID-19 restrictions introduced by the State and Federal Governments relating to movement and travel into, and within Western Australia.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada, Australia and other countries to fight the virus.

Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Company's operations, financial results and condition in future periods are also subject to significant uncertainty. In the current environment, the assumptions and judgements made by the Company are subject to greater variability than normal, which could in the future significantly affect judgments, estimates and assumptions made by management as they relate to potential impact of the COVID-19 and could lead to a material adjustment to the carrying value of the assets or liabilities affected. The impact of current uncertainty on judgments, estimates and assumptions extends, but is not limited to, the Company's valuation of its Exploration and Evaluation assets, including the assessment for impairment and impairment reversal. Actual results may differ materially from these estimates.

CORPORATE DEVELOPMENT

Acquisition of remaining 60% Interest in Beartooth Island Uranium Mining Claim

On May 6, 2021, the Company entered into a mining property purchase agreement (the "Agreement") for the acquisition of the remaining 60% undivided interest in the Beartooth Island Uranium Project (the "Project"). In accordance with the terms of the Agreement, the Company issued 300,000 of its common shares and made a cash payment of \$10,000 to the vendor. With the Company already holding 40% interest, the Company now owns 100% of the Beartooth Island Uranium Project.

The Project, focused on uranium exploration, consists of one mineral claim covering an area of 5,940 hectares located in the northwest portion of the Athabasca Basin in Saskatchewan. Separately, the Company staked four additional mineral claims that were originally associated with the Property. The four additional mineral claims and the Property together form the Beartooth Island Uranium Project (the "Project") covering Beartooth Island in Lake Athabasca, and totaling 22,581 hectares. The Project is located about 77 km southwest of Uranium City, Saskatchewan and about 20 km southeast of the Maurice Bay Uranium Deposit.

Uranium-bearing boulders were first noted on Beartooth Island in 1976; and in 1977, the Maurice Bay Uranium Deposit (historical 1.5 million pounds uranium, based on 600,000 tonnes grading 0.6% U₃O₈ to a depth of 50 metres; Saskatchewan Industry and Resources, Miscellaneous Report 2003-7; The Maurice Bay historical resource estimate was completed prior to the implementation of National Instrument 43-101) was discovered, located about 20 km to the northwest of Beartooth Island on the shore of Lake Athabasca.

While the Company remains focused on its gold assets in Western Australia, this transaction allows for control of the Project and will allow the Company to enter into future joint venture or option agreements. The Company is actively seeking partners to advance the Beartooth Island Uranium Project.

Closing of \$800,000 Private Placement Financing

On June 15, 2021, the Company completed a non-brokered private placement offering (the "Offering") for gross proceeds of \$800,250. The Company issued 5,334,999 Units under the Offering at a per Unit price of \$0.15, each Unit comprised of one common share in the capital of the Company and one-half of one non-transferable share purchase warrant, each whole warrant entitling the purchase of one common

share at a per share price of \$0.20 for 36 months from the date of issuance of the securities, subject to accelerated expiry in certain circumstances.

In connection with the Offering, the Company issued an aggregate 91,000 common shares at a fair value per share price of \$0.15 to various arm's length parties in satisfaction of \$13,650 in finder's fees representing 5% of the purchase proceeds received from subscribers introduced to the Company by the finders.

The net proceeds raised from the Offering will be used by the Company for exploration work across the Company's Pilbara "Wits End Project" exploration projects near Marble Bar and Nullagine in Western Australia, as well as for new royalty and project acquisitions within Australia.

All securities issued under the Offering, including common shares underlying the warrants, are subject to a hold period until October 16, 2021, in accordance with applicable securities legislation and the policies of the TSX Venture Exchange.

EAST PILBARA GOLD PROJECTS, WESTERN AUSTRALIA

In 2017, the Company and Valroc made an application for eight tenements in the Marble Bar and Nullagine areas of the Pilbara Region, Western Australia (Fortescue Basin). The eight properties cover more than 1,026 square kilometres and are proximal to and/or cover target lithologies for gold-bearing conglomerate/sedimentary rocks at the base of the Mt. Roe Basalt (2 tenements), gold-bearing Mosquito Creek and Hardey formations (4 tenements), and other prospective rocks of the Fortescue Group (2 tenements). Seven of the eight tenements are proximal to lands held by Novo Resources and Pacton Gold. The strategic locations of the claims were determined on the basis of a review of known geology and historical exploration results, and a focus on coarse-grained conglomerate host rocks at, or in proximity to, a prominent and well-documented geological unconformity. Granting of the exploration licences for all eight properties was completed in 2019.

As part of its ordinary business activities, the Company stakes new claims, files for tenements to enhance existing properties or to pursue new geological ideas, drops claims and/or surrender tenements/properties that are no longer considered to be material based on results, changing commodity prices over time or better suited for the objectives of the Company. On July 8, 2021, the Company surrendered four of its eight tenements in the Pilbara Region, Western Australia.

CANADIAN MINERAL PROPERTIES

The Porcupine Miracle Prospect – Langmuir Township, Ontario

The Company owns a 100% interest in the Porcupine Miracle Prospect, located approximately 30 km southeast of South Porcupine (Timmins, Ontario) and is comprised of 9 mining claim cells (64 ha) within Langmuir Township, north-eastern Ontario. Historical work completed in the early 1900's by the Porcupine Miracle Gold Mining Company reportedly included shaft sinking, underground development and the construction of a stamp mill. No records exist as to any production.

The property is subject to a royalty in favour of 2973090 Canada Inc., a company controlled by a director of the Company, equal to 3% of net smelter returns. In addition, advance royalty payments of \$10,000 per

annum is payable by the Company, which commenced in July 2017; the advance royalty payments will be deducted from the amounts payable under the royalty.

The Company has completed a Phase I property scale ground magnetic, induced polarization (IP) and Horizontal Loop Electromagnetic (HLEM) geophysical surveying. A follow-up Phase II program of prospecting, mapping, bedrock stripping, sampling and diamond drilling is recommended.

The property is available for option and International Prospect is actively seeking joint venture partners.

Beartooth Island Uranium Project - Athabasca Basin, Saskatchewan

As discussed above, the Company holds a 100% interest in the Beartooth Island Uranium Project located in the Athabasca Basin in the province of Saskatchewan.

Otish/Mistassini Uranium Project - North Central Québec

The Company owns a 100% interest in the Otish/Mistassini Project located in the Paleoproterozoic Otish Basin in north-central Québec. The prospect comprises 46 claims covering an area of 2,447 hectares, within four (4) separate claim blocks located in the province of Québec. No exploration work was conducted on the properties for the three and six months ended June 30, 2021.

SELECTED FINANCIAL POSITION

| | As at June 30, 2021 | | As at December 31, 2020 | |
|--|---------------------|------------------|-------------------------|------------------|
| Cash and cash equivalents | \$ | 932,184 | \$ | 468,143 |
| Other current assets | | 21,289 | | 17,789 |
| Exploration and evaluation assets | | 232,038 | | 625,708 |
| Total Assets | \$ | 1,185,511 | \$ | 1,111,640 |
| | | | | |
| Accounts payable and accrued liabilities | \$ | 11,266 | \$ | 19,371 |
| Due to related parties | | 84,311 | | 77,224 |
| Total Liabilities | | 95,577 | | 96,595 |
| Equity | \$ | 1,089,934 | \$ | 1,015,045 |

ASSETS

Cash and cash equivalents

The Company ended the second quarter of 2021 with cash and cash equivalents of \$932,184 compared to \$468,143 as at December 31, 2020, an increase of \$464,041, resulting from gross proceeds of \$800,250 pursuant to the issuance of 5,334,999 Units at a per Unit price of \$0.15 under non-brokered private placement completed on June 15, 2021.

Other current assets

Other current assets of \$21,289 as at June 30, 2021 included sales taxes recoverable of \$21,075 (December 31, 2020 - \$11,851), and prepaid expenses and other assets of \$214 (December 31, 2020 - \$5,938).

Exploration and evaluation assets

Exploration and evaluation assets of \$232,038 as at June 30, 2021 (December 31, 2020 - \$625,708) include the following properties:

| | As at January 1, 2021 | Additions | Impairment | As at June 30, 2021 |
|-----------------------------|-----------------------------|-----------|------------|---------------------------|
| Claim and claim maintenance | \$ 189,246 | 36,850 | (176,658) | \$ 49,438 |
| Acquisition | 200,000 | 59,500 | (167,182) | 92,318 |
| Program management | 125,374 | - | (95,196) | 30,178 |
| Geophysics | 51,926 | - | - | 51,926 |
| Geology | 54,726 | - | (48,298) | 6,428 |
| Other | 4,436 | - | (2,686) | 1,750 |
| | \$ 625,708 | 96,350 | (490,020) | \$ 232,038 |

| Prospects | As at June 30, 2021 | As at December 31, 2020 |
|-------------------|---------------------|-------------------------|
| Pilbara Region | \$ 78,830 | \$ 532,000 |
| Porcupine Miracle | 93,708 | 93,708 |
| Beartooth Island | 59,500 | - |
| Total | \$ 232,038 | \$ 625,708 |

Additions to Exploration and evaluation assets relates to (a) the acquisition of the remaining 60% undivided interest in the Beartooth Island Uranium Project under a mining purchase agreement. In accordance with the terms of the Agreement, the Company issued 300,000 of its common shares, with a fair value of \$49,500, and made a cash payment of \$10,000 and (b) relates to payments of \$36,850 for claim maintenance and rent fees to keep the tenements in the Pilbara Region, Western Australia in good standing.

As discussed above, as part of its ordinary business activities, the Company stakes new claims, files for tenements, drops claims and/or surrender tenements. As the Company surrendered four of its eight tenements in the Pilbara Region, Western Australia on July 8, 2021, the Company recorded an impairment of \$490,020 on exploration and evaluation assets relating to the four surrendered tenements for the three and six months ended June 30, 2021.

LIABILITIES

Total liabilities consist of trade payable and accrued liabilities of \$11,266 as at June 30, 2021 (December 31, 2020 - \$19,371) and amounts due to related parties of \$84,311 (December 31, 2020 - \$77,224).

Amounts due to related parties of \$84,311 (December 31, 2020 - \$77,224) represent balances owing to Golden Valley in the amount of \$63,737 (December 31, 2020 - \$65,782), to the Company's President and CEO in the amount of \$11,300 (December 31, 2020 - \$nil) and to the VP Exploration of the Company in the amount of \$5,250 (December 31, 2020 - \$5,250). Due to related parties as at June 30, 2021 also includes amounts due to 2973090 Canada Inc., a company controlled by a director of the Company, in the amount of \$4,024 (December 31, 2020 - \$4,024) and to a director of the Company in the amount of \$nil (December 31, 2020 - \$2,168).

For efficiency reasons, where the Company and the related parties are dealing with the same suppliers one may pay for both and be reimbursed by the other.

EQUITY

Equity totalled \$1,089,934 as at June 30, 2021 compared to \$1,015,045 as at December 31, 2020, an increase of \$74,889, from the issuance of 5,334,999 Units, at a per Unit price of \$0.15, for gross proceeds of \$800,250 under non-brokered private placement completed on June 15, 2021, offset by the net loss of \$757,537 for the six months ended June 30, 2021.

DISCUSSION AND RESULTS OF OPERATIONS

| | For the three months ended June 30, | | For the six months ended June 30, | |
|--|--|-------------------|--------------------------------------|-------------------|
| | 2021 | 2020 | 2021 | 2020 |
| Operating expenses | \$ 642,504 | \$ 99,016 | \$ 752,479 | \$ 137,146 |
| Other expenses | 3,010 | (119) | 5,058 | 530 |
| Net loss and comprehensive loss | \$ 645,514 | \$ 98,897 | \$ 757,537 | \$ 137,676 |
| Basic and diluted net loss per common share | \$ (0.019) | \$ (0.004) | \$ (0.022) | \$ (0.004) |

Three months ended June 30, 2021 compared to three months ended June 30, 2020:

The net loss for the three months ended June 30, 2021 was \$645,514 (or \$0.019 loss per share), compared to \$98,897 (or \$0.004 loss per share) for the same period in 2020. The higher net loss for the three months ended June 30, 2021 was due to the impairment loss of \$490,020 recognized on surrendering four of the eight tenements in the Pilbara Region, higher consulting fees of \$30,000 (2020 - \$nil) and exploration and evaluation expenses of \$40,500 (2020- \$8,255) paid to senior management under consulting agreements that came into effect on July 1, 2020, net of decrease in share-based payments in 2021. No share-based payments were made in 2021 compared to \$58,920 in 2020.

Six months ended June 30, 2020 compared to six months ended June 30, 2019:

The net loss for the six months ended June 30, 2021 was \$757,537 (or \$0.022 loss per share), compared to \$137,676 (or \$0.004 loss per share), for the same period in 2020. Similarly, the higher net loss for the six months ended June 30, 2021 was due to the impairment loss of \$490,020 recognized on surrendering four of the eight tenements in the Pilbara Region, higher consulting fees of \$60,000 (2020 - \$nil) and exploration and evaluation expenses of \$81,000 (2020- \$nil) paid to senior management under consulting agreements that came into effect on July 1, 2020, net of decrease in share-based payments in 2021. No share-based payments were made in 2021 compared to \$58,920 in 2020.

CASH FLOW ANALYSIS

| | | For the six months ended June 30, | |
|-------------------------|-----------|-----------------------------------|-------------------|
| | | 2021 | 2020 |
| Operating activities | \$ | (272,035) | \$ (56,253) |
| Investing activities | | (46,850) | (42,974) |
| Financing activities | | 782,926 | 520,913 |
| Increase in cash | \$ | 464,041 | \$ 421,686 |

Cash outflows from operating activities for the six months ended June 30, 2021 totaled \$272,035 compared to \$56,523 for the same period in 2020. The increase in cash outflows for 2021 was mainly due to increase in consulting and exploration and evaluation fees as discussed above.

Cash outflows from investing activities for the six months ended June 30, 2021 totaled \$46,850 compared to \$42,974 for the same period in 2020. The cash outflows in 2021 relates to claim maintenance and rent fees totaling \$36,850 to keep the tenements in the Pilbara Region in good standing and a cash payment of \$10,000 as part of the consideration to acquire the remaining 60% of Beartooth Island Uranium Project.

Cash inflows from investing activities for the six months ended June 30, 2021 totaled \$782,926 compared to \$520,913 for the same period in 2020. The cash inflows in 2021 relates to gross proceeds of \$800,250 on issuance of 5,334,999 Units, at a per Unit price of \$0.15, pursuant to a non-brokered private placement completed on June 15, 2021.

SUMMARY OF QUARTERLY RESULTS

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

| | Jun 2021 | Mar 2021 | Dec 2020 | Sept 2020 | Jun 2020 | Mar 2020 | Dec 2019 | Sept 2019 |
|---|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|
| Revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Operating expenses | 642,504 | 109,975 | 118,765 | 120,730 | 99,016 | 38,130 | 93,269 | 37,250 |
| Other expenses (income) | 3,010 | 2,048 | (1,277) | 838 | (119) | 649 | 468 | 1,126 |
| Net loss and comprehensive loss | \$ 645,514 | \$ 112,023 | \$ 117,488 | \$ 121,568 | \$ 98,897 | \$ 38,779 | \$ 93,737 | \$ 38,376 |
| Basic and diluted net loss per common share | \$ (0.019) | \$ 0.003 | \$ 0.004 | \$ 0.004 | \$ 0.004 | \$ 0.001 | \$ 0.003 | \$ 0.001 |

LIQUIDITY, CAPITAL RESOURCES AND SOURCES OF FINANCING

As at June 30, 2021, the Company had a cash position of \$932,184. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To preserve or modify its capital structure and to carry on the development of its mining properties, the Company may issue additional common shares or negotiate new loans. Management routinely plans future activities including forecasting cash flows. Management has reviewed their plan with the Directors and has collectively formed a judgment that the Company has adequate resources to continue as a going concern for the foreseeable future, which Management and the Directors have defined as being at least the next 12 months.

Readers are invited to refer to the Risk and Uncertainties section for more information.

COMMITMENTS

Exploration Expenditure Commitment

In order to maintain the Company's interest in the tenements in Australia, the Company is committed to meet the annual minimum expenditure of approximately \$84,000 (or AUD\$90,000) under which the tenements were granted.

RELATED PARTY TRANSACTIONS

Transactions with a shareholder

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

For the three and six months ended June 30, 2021, the Company reimbursed Golden Valley the amount of \$1,814 and \$3,628 (for the three and six months ended June 30, 2020 - \$nil) relating to this arrangement.

For efficiency reasons, where the Company and Golden Valley are dealing with the same suppliers one may pay for both and be reimbursed by the other. As at June 30, 2021, the Company had indebtedness of

\$63,737 (December 31, 2020 - \$65,782) to Golden Valley, which is included in due to related parties.

Transactions with key management

Key management personnel of the Company comprise of the members of the board of directors, as well as the President and Chief Executive Officer, the Chief Financial Officer (“CFO”) and the Vice President Exploration. The compensation paid to key management is presented below:

- For the three and six months ended June 30, 2021, consultant fees of \$10,500 and \$21,000 (for the three and six months ended June 30, 2020 - \$nil) were paid by the Company to 2973090 Canada Inc. a company controlled by a director of the Company, relating to the services of the Company’s Chairman of the Board. These fees are recorded under exploration and evaluation expense in the consolidated statements of net loss and comprehensive loss. As at June 30, 2021, the Company had indebtedness of \$4,024 (December 31, 2020 - \$4,024) to 2973090 Canada Inc. which is included in due to related parties.
- For the three and six months ended June 30, 2021, consultant fees of \$30,000 and \$60,000 (for the three and six months ended June 30, 2020 - \$nil) were incurred by the Company to Ironbark International Limited relating to the services of the Company’s President and CEO. These fees are recorded under consulting fees in the consolidated statements of net loss and comprehensive loss. As at June 30, 2021, the Company had indebtedness of \$11,300 (December 31, 2020 - \$nil) to the Company’s President and CEO, which is included in due to related parties.
- For the three and six months ended June 30, 2021, consultant fees of \$15,000 and \$30,000 (for the three and six months ended June 30, 2020 - \$nil) were incurred by the Company to Caracle Creek International Consulting Inc. relating to the services of the Company’s VP Exploration. These fees are recorded under exploration and evaluation expenses in the consolidated statements of net loss and comprehensive loss. As at June 30, 2021, the Company had indebtedness of \$5,250 (December 31, 2020 - \$5,250) to the Company’s VP Exploration, which is included in due to related parties.
- For the three and six months ended June 30, 2021, consultant fees of \$15,000 and \$30,000 (for the three and six months ended June 30, 2020 - \$nil) were incurred by the Company to a company controlled by the Chief Operating Officer of the Company for technical services. These fees are recorded under exploration and evaluation expenses in the consolidated statements of net loss and comprehensive loss.
- For the three and six months ended June 30, 2021, director fees of \$3,000 and \$6,000 (for the three and six months ended June 30, 2020 - \$nil) were incurred by the Company. As at June 30, 2021, the Company had no indebtedness (December 31, 2020 – \$2,168 included in due to related parties) to the Company’s director.

Transactions with related parties

For the three and six months ended June 30, 2021, the Company was not recharged exploration and evaluation expenses (exploration and evaluation expenses for the three and six months ended June 30, 2020 of \$nil and \$2,063, respectively) from Val-d’Or Mining Corporation (“Val-d’Or Mining”), an entity that has common key management personnel with the Company.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements as at June 30, 2021 or as at the date of this MD&A.

JUDGMENT, ESTIMATES AND ASSUMPTIONS

The preparation of these condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the condensed interim financial statements and accompanying notes. Management believes that the estimates used in the preparation of the condensed interim financial statements are reasonable; however, actual results may differ materially from these estimates. The areas involving significant judgments, estimates and assumptions have been detailed in note 6 to the Company's annual audited consolidated financial statements for the year ended December 31, 2020.

INFORMATION ON OUTSTANDING SECURITIES

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

| | |
|---|------------|
| Common shares outstanding: | 39,040,236 |
| Stock options outstanding: | 2,915,312 |
| Share purchase warrants outstanding: | 8,866,769 |

| Expiry date | Exercise price | Number of stock options outstanding |
|--------------------|-----------------------|--|
| February 28, 2024 | \$ 0.170 | 50,000 |
| June 17, 2024 | \$ 0.160 | 390,312 |
| June 26, 2025 | \$ 0.115 | 665,000 |
| July 10, 2027 | \$ 0.050 | 1,315,000 |
| December 12, 2027 | \$ 0.265 | 495,000 |
| | | 2,915,312 |

Warrants outstanding:

| Expiry date | Exercise price | Number of warrants outstanding |
|--------------------|-----------------------|---------------------------------------|
| June 17, 2022 | \$ 0.130 | 6,199,270 |
| June 15, 2024 | \$ 0.200 | 2,667,499 |
| | | 8,866,769 |

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The changes in accounting policies including those that have not been adopted are explained in note 4 of the unaudited interim consolidated financial statements as at June 30, 2021.

RISKS RELATED TO FINANCIAL INSTRUMENTS

Please refer to Note 13 “Financial Risks” of the unaudited interim consolidated financial statements of the Company for the three and six months ended June 30, 2021 for a full description of these risks.

RISKS AND UNCERTAINTIES

An investment in the common shares of the Company involves a high degree of risk and must be considered highly speculative due to the financial and operational risks inherent to the nature of the Company's business and the present stage of exploration and development of its mineral resource properties. These risks may affect the Company's eventual profitability and level of operating cash flow. Prospective buyers of the common shares of the Company should consider the following risk factors:

Climate Change

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

Investment of Speculative Nature

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

Nature of Mineral Exploration and Mining

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

Exploration and Development Risks

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

Country risk

The Company has operations outside Canada in Australia. The Australian regulatory regime is generally stable. Country risk refers to the risk of investing in a country, dependent on changes in the business

environment that may adversely affect operating profits or the value of assets in a specific country. For example, financial factors such as currency controls, devaluation or regulatory changes, or stability factors such as mass riots, civil war and other potential events contribute to companies' operational risks.

Additional Financing

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

Stress in the Global Economy and Financial Condition

The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Adverse effects of coronavirus developments (COVID-19) on consumer confidence, market stability and public health creates uncertainties on macroeconomic conditions and may also result in closures, cancellations of, or reductions in operations or production on properties where the Company holds royalty interests or investments.

Permits and Licenses

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

Competition

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

No Assurance of Title to Property

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

Dependence on Key Individuals

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

Political Regulatory Risks

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

Conflicts of Interest

The Directors and Officers of the Company are also directors and officers of other companies, some of which are in the same business as the Company. This situation may result in conflicting legal obligations

which may expose the Company to liability to others and impair its ability to achieve its business objectives.

Insurance

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

Influence of Third-Party Stakeholders

Claims by third parties on the lands in which the Company holds interests, or the exploration equipment and road or other means of access which the Company intend to utilize in carrying out work programs or general exploration mandates, even if not meritorious, may create delays resulting in significant financial loss and loss of opportunity for the Company.

Fluctuation in Market Value of Shares

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