
**NEVADA SUNRISE GOLD CORPORATION**

**MANAGEMENT DISCUSSION & ANALYSIS ("MD&A")**
**For the three months ended December 31, 2020**

**Prepared as at February 26, 2021**

**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. Actual results/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, 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, environmental liability for work programs, general volatility in the equity and debt markets, accidents and labor disputes and the availability of qualified personnel. Additionally, the Company is not the operator of the Kinsley Mountain joint venture and factors that could affect the Kinsley Mountain joint venture and the Company's interest therein include: the Company does not control the timing, cost or nature of the work programs; the Company may be subject to unexpected cash calls relating to the operation of the Kinsley Mountain joint venture; if the Company is unable to fund its share of the work programs it will suffer dilution to its interest; and the Company cannot guarantee that the operator will conduct successful work programs or further develop the Kinsley Mountain property.

Although the Company has attempted to identify all of the factors that may affect our forward-looking statements, 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. The Company disclaims any intention or obligation to update or revise forward-looking information, whether as a result of new information, future events or otherwise, except where required by applicable securities laws.

**INTRODUCTION**

Nevada Sunrise Gold Corporation ("Nevada Sunrise" or the "Company") is an exploration stage company whose common shares are listed for trading on the TSX Venture Exchange ("TSXV") under the symbol NEV. The Company's business is the acquisition, exploration and evaluation of mineral properties located in the State of Nevada, USA.

Nevada Sunrise holds an interest in one precious metal exploration property, namely:

- a 20.01% interest in the Kinsley Mountain property in White Pine County, with New Placer Dome Gold Corp. ("New Placer Dome", formerly Barrian Mining Corp.) holding the other 79.99% interest;
- New Placer Dome acquired Liberty Gold Corp's interest in Kinsley Gold LLC in June 2020.

Nevada Sunrise has the option to earn 100% interests in the Lovelock Mine cobalt property and the Treasure Box copper property, both located in Churchill County. The Lovelock Mine and the Treasure Box copper property are subject to an option agreement with Global Energy Metals Corp. ("GEMC"). These agreements were amended and replaced by an agreement.

Nevada Sunrise has the option to earn a 100% interest in the Coronado VMS property in Pershing County.

Nevada Sunrise holds 100% interests in the Gemini and Jackson Wash lithium exploration properties, both located in Esmeralda County.

In March 2016, Nevada Sunrise entered into an option to purchase a water right in the Clayton Valley in Esmeralda County which allows for 1,770 acre/feet of water use for mining and milling per year. In July 2016, Albemarle Corporation ("Albemarle"), one of the largest lithium producers in the world, initiated a forfeiture motion which alleged lack of beneficial use of the water right for a period of five consecutive years. In November 2016, without the benefit of a hearing, the State of Nevada issued a ruling forfeiting the water right which was appealed by the Company. In August 2018, the Fifth Judicial District Court of the State of Nevada ruled that Nevada Sunrise must receive a formal hearing with the State of Nevada on the matter of the forfeiture. Subsequently, in July 2019, the Company negotiated a settlement agreement with Albemarle and on August 9, 2019, the State of Nevada dismissed the forfeiture motion. The Company seeks mineral exploration partners for the beneficial use of its water right.

This discussion and analysis of financial position, results of operations and cash flows of Nevada Sunrise for the three months ended December 31, 2020 includes information up to and including February 26, 2021 and should be read in conjunction with the Company's condensed interim consolidated financial statements for the three months ended December 31, 2020 and the audited consolidated financial statements for the years ended September 30, 2020 and 2019. All dollar figures are in Canadian dollars unless otherwise stated.

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

**GOLD PROPERTIES**

***Kinsley Mountain***

The Kinsley Mountain project ("Kinsley Mountain") is located in Elko County between the towns of Ely and Wendover, Nevada. Kinsley Mountain lies roughly 75 kilometres (45 miles) southeast of the Long Canyon property where the geological team of Liberty Gold defined a significant gold resource in what is now recognized as an emerging gold district. The Company's Nevada subsidiary has the rights to a mining lease covering 141 unpatented lode mining claims on U.S. Bureau of Land Management ("BLM") land covering an area of approximately 1,136 hectares (2,807 acres). The mining lease agreement has a 3% net smelter royalty on production. New staking has increased the size of the project to 513 unpatented lode claims on BLM land plus 6 leased patents totaling 4,213 hectares (10,410 acres), and hosts a past-producing mine with an extensive exploration database and numerous, untested gold targets.

On October 28, 2013, Nevada Sunrise announced the signing of the Kinsley Mountain joint venture agreement (the "Joint Venture") between the Company and Liberty Gold. A Delaware limited liability company, Kinsley Gold LLC, was formed to manage the Joint Venture with Liberty Gold as the operator.

In June 2020, Liberty Gold entered into an option agreement with New Placer Dome Gold Corp. ("New Placer Dome", formerly Barrian Mining Corp.) whereby New Placer Dome has acquired Liberty's 79.99% interest in Kinsley Gold LLC.

*Mineral Resources Estimate Technical Report*

On November 4, 2015, in conjunction with Liberty Gold, Nevada Sunrise announced a technical report for Kinsley Mountain dated December 16, 2015 compliant with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") entitled "Updated Technical Report and Estimated Minerals Resources for the Kinsley Project", effective October 15, 2015. The 2015 technical report was subsequently filed on SEDAR and can be accessed on Nevada Sunrise's SEDAR profile at http://www.sedar.com.

Barrian Mining Corp. (now New Placer Dome) filed an updated technical report for Kinsley Mountain (the "Updated Technical Report") on February 21, 2020, entitled "Technical Report and Updated Estimate of Mineral Resources on the Kinsley Project, Elko County, Nevada, U.S.A.", effective January 15, 2020, and prepared by Michael M. Gustin, Ph.D., CPG, Moira Smith, Ph.D., P.Geo. and Gary L. Simmons, MMSA, with an effective date of January 15, 2020. The Updated Technical Report can be accessed on New Placer Dome's SEDAR profile at http://www.sedar.com

The Updated Technical Report states that gold resources at Kinsley Mountain were modelled and estimated by: evaluating the drill data statistically; utilizing the geologic interpretations and drill data provided by Liberty Gold to interpret mineral domains on east-west cross sections spaced at 25-metre intervals; rectifying the mineral-domain interpretations on north-south long sections spaced at five-metre intervals; analyzing the modelled mineralization spatially and geostatistically to aid in the establishment of estimation parameters; and interpolating grades into a three-dimensional block model, using the rectified mineral domains as primary constraints.

The Kinsley Mountain resources are presented in the table below:

**Kinsley Project Gold Resources**

| *Indicated* | | | *Inferred* | | |
|---|---|---|---|---|---|
| Tonnes | g Au/t | oz Au | Tonnes | g/t Au | oz Au |
| 4,948,000 | 2.63 | **418,000** | 2,438,000 | 1.51 | **117,000** |

1. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
2. Mineral Resources are reported at a 0.2 g Au/t cutoff for oxidized mineralization potentially available to open-pit mining and heap-leach processing; a 1.0 g Au/t cutoff is applied to Secret Canyon Shale and all other transitional (mixed) and unoxidized mineralization potentially available to open-pit mining, milling, flotation, and shipping to a third-party roaster or autoclave; and a 2.0 g Au/t cutoff is applied to all other mineralization that could potentially be mined by underground methods.
3. Rounding may result in apparent discrepancies between tonnes, grade, and contained metal content.

In order to determine the limits of modelled mineralization potentially available to open-pit extraction, a pit optimization was run using a $1,600/oz gold price and $2.00/t mining cost. Oxidized, potentially heap-leachable mineralization used costs of $2.75/t for processing and $1.55/t for General and Administrative ("G&A") and a gold recovery of 75%. Mixed and unoxidized mineralization that could potentially be processed by flotation, leaching of the flotation tails, and custom oxidation of the flotation concentrates by roaster or autoclave used costs of $35.00/t for processing and $7.75/t for G&A, and 85% recovery. Mineralization hosted within the Secret Canyon Shale, which potentially could also be processed by flotation, leaching of the flotation tails, and custom oxidation by roaster or autoclave, used costs of $31.00/t for processing and $7.75/t for G&A cost, with 95% recovery.

Resources potentially available to underground extraction are limited to groups of blocks that lie proximal to the optimized pits that constrain the potential open-pit resources.

*History of Exploration*

Gold mineralization was discovered on Kinsley Mountain in 1984. Subsequent exploration defined sediment-hosted gold mineralization concentrated in the Kinsley trend, and includes at least five distinct deposits hosted in strata ranging from middle-to-late Cambrian in age. Gold mineralization occurs within a stratigraphic section of Middle to Upper Cambrian-age sedimentary rock units including limestone, dolomite and shale. This mineralization exhibits characteristics similar to other sedimentary rock-hosted "Carlin-type" gold deposits in Nevada. Gold enrichments occur in both preferred bedding strata and structurally-controlled zones as disseminated mineralization within altered sedimentary rocks.

Between 1994 and 1999, Alta Gold Co. ("Alta Gold") produced approximately 138,000 ounces of gold at .042 opt gold (1.4 grams/tonne gold) from oxide ore in a heap leach operation at Kinsley Mountain. Mining by Alta Gold was restricted to a cluster of deposits aligned along a northwest-oriented fault zone. Exploration drilling has identified several other mineralized centres which are yet to be developed. Mining by Alta Gold ceased during a period of low gold prices.

Gold mineralization at Kinsley Mountain consists both of shallow low-grade oxide ore, which was mined and produced by Alta Gold, and deep higher-grade sulphide mineralization. This deeper mineralization was tested by a limited number of drill holes. Prior to the establishment of the Joint Venture, Nevada Sunrise assembled a substantial historical archive for the Kinsley Mountain property, including records for

1,156 drill holes drilled prior to 2011, with a total length of 244,900 feet (74,700 metres) or an average depth of only 212 feet (64.7 metres).

*2013 Exploration Highlights*

- Liberty Gold carried a follow-up drill program totaling 14,200 metres in 58 holes testing high-priority targets within the Western Flank, Candland Canyon, and the Main pit areas
- results showed that significant gold also occurs within a lower zone of silty limestone below the Candland Shale;
- initial results returned the highest-grade intercept in more than 1,300 holes drilled to date at Kinsley Mountain in drill hole PK091CA, which returned 8.53 grams/tonne ("g/t") gold over 36.6 metres, including 29.43 g/t gold over 7.6 metres.

*2014 Exploration Highlights*

- a total of 27,191 metres was completed in 81 holes;
- 1,080 acre/feet of water rights was secured.

The 2014 drill program was designed to extend and delineate the high-grade Western Flank zone and test for mineralization in several stratigraphic horizons along a 2 kilometre-long, north-northeast trending corridor from the Western Flank discovery to the Right Spot and Secret Spot targets. Significant mineralized intersections from the 2014 drilling program included:

- 6.85 g/t gold over 41.7 metres in PK127C;
- 10.5 g/t gold over 42.7 metres in PK131C;
- 7.53 g/t gold over 53.3 metres in PK132C;
- 10.6 g/t gold over 30.0 metres in PK133C;
- 21.3 g/t gold over 29.0 metres in PK137C*;
- 15.6 g/t gold over 38.7 metres in PK137CA*.
- 3.35 g/t gold over 41.1 metres in PK144, including 5.11 g/t over 4.6 metres;
- 5.59 g/t gold over 38.1 metres in PK158C (22m step out), including
    - 9.99 g/t gold over 16.8 metres (Secret Canyon Shale host);
- 3.91 g/t gold over 18.3 metres in PK159C, including
    - 8.15 g/t gold over 7.6 metres;
- 2.89 g/t gold over 19.1 metres in PK162C, including
    - 10.5 g/t over 2.8 metres;
- 6.19 g/t gold over 45.7 metres in PK175CA, including
    - 13.8 g/t gold over 19.2 metres;
- 6.88 g/t gold over 6.1 metres in PK177C, including
    - 11.0 g/t gold over 3.0 metres (Candland Shale host);
- 2.69 g/t gold over 7.6 metres (shallow oxide mineralization in the Candland Shale host) and 1.25 g/t Au over 10.7 metres (Secret Canyon Shale host) in PK180;
- 2.03 g/t gold over 7.6 metres (shallow oxide mineralization in the Candland Shale host) in PK182;
- 10.1 g/t (grams per tonne) gold over 39.6 metres in PK186C, including
    - 17.4 g/t gold over 21.6 metres (Secret Canyon Shale host);
- 6.05 g/t gold over 30.5 metres in PK187C (Secret Canyon Shale host).

**PK137C was lost in the mineralized zone due to poor ground conditions higher in the hole, and does not represent a complete intercept of the zone. PK137CA was wedged off the same hole from above the mineralized zone using NQ-size tools and was completed through the mineralized zone in a location immediately adjacent to PK137C, effectively representing a twin of PK137C and a complete intercept of the mineralized zone.*

Results from the 2014 drilling in the Western Flank suggest a more complex, structurally-controlled body of mineralization than originally contemplated, with both an east-west and north-south elongation. In addition, a lower zone of mineralization, lying approximately 100 metres below the main high-grade zone was encountered in PK141C and PK158C.

*2015 Exploration Highlights*

- an induced polarization ("IP") geophysical test survey was carried out in early 2015 to investigate a chargeability correlation of sulphide content, ranging up to 10%, associated with known gold mineralization in deeper portions of the Western Flank Zone;
- A total of 5,075 metres of reverse circulation ("RC") drilling in 13 holes was completed.

Significant mineralized intersections included:

- PK208: 2.34 g/t gold over 9.1 metres (Dunderberg shale host) *and* 3.46 g/t gold over 18.3 metres (Secret Canyon Shale host); *including* 13.7 g/t gold over 3.0 metres;
- PK210: 2.95 g/t gold over 13.7 metres (Secret Canyon Shale host).

The 2015 intercepts are from the Dunderberg Shale and the Secret Canyon Shale which contain most of the known gold mineralization at Kinsley Mountain and are believed to underlie a significant portion of the project area. Liberty Gold believes the previously-discovered Western Flank zone is not an isolated occurrence and there is a high probability of ongoing discoveries at Kinsley Mountain.

*Metallurgical Test Results*

In early 2015, the Company reported results from an initial metallurgical program designed to address the recovery of gold from the Secret Canyon host rock to produce a high-grade concentrate. The metallurgical test results demonstrated that high-grade sulphide mineralization from the Western Flank zone can produce a concentrate with excellent gold recoveries, at potentially low capital and operating costs.

The test work, initiated in March 2015, used the same flowsheet developed for mineralization hosted in the Secret Canyon Shale. Summary highlights include:

| Composite | Overall Au Recovery (%) | Concentrate Grade (g/t) | Calculated Feed Grade (g/t) |
|---|---|---|---|
| WF-CC#1 | 83.0 | 52.3 | 4.82 |
| WF-CC#2 | 82.6 | 42.0 | 2.81 |

Concentrates were assayed for deleterious elements and were found to contain arsenic and antimony. Arsenic in the concentrate tested ranged from 1.55% to 3.14% and averaged 2.35% while antimony in the concentrate tested ranged from 0.048% to 0.067% and averaged 0.058%. While arsenic and antimony are elevated, it is believed the levels would not preclude direct sale to a typical Nevada refractory ore processing facility.

*Gary Simmons, of GL Simmons Consulting, LLC (B.S. Extractive Metallurgy), a Qualified Professional with the Mining and Metallurgical Society of America is the Qualified Person, within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), has overseen the collection and verification of the metallurgical data and reviewed and approved this technical disclosure. Mr. Simmons is independent of Pilot Gold and Nevada Sunrise. Metallurgical testing was conducted at Hazen Research, Inc. in Denver, Colorado.*

*2016 Exploration Highlights*

All four of the 2016 drill holes intersected the target Secret Canyon Shale host horizon at the expected depth in the anticipated structural environment, which contained areas of moderate to strong jasperoid alteration, clay alteration and strong iron oxide and/or disseminated pyrite alteration, consistent with what is observed in the Western Flank zone. However, only anomalous gold content was encountered.

An airborne VTEM and magnetic survey consisting of 854 line-kilometres was flown in late 2016 at 200 metre spacing over the northern area of Kinsley Mountain, and at 100 metre line spacing over the southern half, which includes the area where the Western Flank gold discovery was made in 2014. VTEM is known for its ability to detect sulphides at depths exceeding 300 metres, and can assist in defining mineralized trends, and related structures. A number of new target areas were indicated by the VTEM survey and the results integrated into the Kinsley Mountain exploration model.

*2017 Exploration Highlights*

The 2017 drilling program consisted of a 4-hole reverse circulation drilling program carried out at the Western Flank East Extension Target was part of an ongoing effort to test new targets and expand sparsely-drilled targets at Kinsley Mountain. The Western Flank East Extension Target is located immediately east of the Western Flank deposit.

Highlights from the Western Flank East Extension Target included:

- From the Secret Canyon Shale Zone (lower host):
  - 5.30 g/t gold over 29.0 metres *including* 7.84 g/t gold over 16.8 metres in drill hole PK221
  - 3.68 g/t gold over 3.0 metres in drill hole PK224

- From the Dunderberg Shale Zone (upper host):
  - 12.4 g/t gold over 4.6 metres *including* 35.1 g/t gold over 1.5 metres in drill hole PK221
  - 6.84 g/t gold over 7.6 metres *including* 12.8 g/t gold over 3.0 metres in drill hole PK224

*2018 Exploration Highlights*

The 2018 drilling program continued to target possible extensions of the Western Flank deposit. A total of seven reverse circulation holes were started in the 2018 program, with five holes completed and two lost at shallow depths due to voids and fault zones encountered. Total metreage for the 2018 program was approximately 1,830 metres (6,005 feet). Significant mineralized intersections included:

- PK226: 1.54 g/t gold over 6.1 metres from 135.6 metres to 141.7 metres in the Dunderberg shale, and 0.77 g/t gold over 7.6 metres from 249.9 metres to 257.6 metres in the Secret Canyon shale;

- PK228: 5.42 g/t gold over 9.1 metres from 275.8 metres to 285.0 metres, including 7.77 g/t gold over 6.1 metres from 277.4 metres to 283.5 metres;
- PK229A: 1.15 g/t gold over 15.2 metres from 91.4 metres to 106.7 metres

The mineralized intercept in PK228 at the Secret Canyon-Geddes contact, 50 metres east of 2017 Hole PK221, which intersected 5.30 g/t over 29.0 metres, represents a significant step-out in the Western Flank East Extension exploration.

*2019 Exploration Highlights*

Liberty Gold recommended a 2019 exploration budget for Kinsley Gold LLC of US$590,287 with the Company's proportionate share at US$123,606 (20.94%).

Liberty Gold completed a 3-hole RC drilling program beginning in October and ending in mid-November 2019, for a total of 1,128 metres. Drilling in 2019 targeted the Secret Canyon Shale horizon at the top of the range in the deposit area, south of the Western Flank zone at the Racetrack target, and step-out drilling on the east side of the Western Flank Zone. The results from the 2019 drilling are as follows:

• PK231: 0.715 g/t gold over 4.6 metres in the Hamburg Shear Zone

• PK232: 0.90 g/t gold over 6.1 metres in the Secret Canyon Shale

• PK233: 1.67 g/t gold over 1.5 metres in Notch Peak Breccia, and 0.41 g/t Au over 3.0 metres in Dunderberg Shale, and 0.42 g/t Au over 6.1 metres in the Hamburg Shear Zone, and 1.23 g/t over 3.0 metres in the Secret Canyon Shale

In early 2020, the Company elected not to pay its proportionate share of the 2019 exploration budget, and consequently the Company incurred a dilution of its 20.94% interest in the Kinsley Gold LLC joint venture to a 20.10% interest. The Company received an additional 2019 cash call of US$12,360 for the 2019 allowable overspend, and consequently, had its interest further diluted to 20.01%.

*2020 Exploration Plan and Initial Drilling Results*

Following the closing of the transaction between Liberty Gold and New Placer Dome in June 2020, New Placer Dome assumed operatorship of the Kinsley Mountain joint venture and was vested with a 79.99% interest. A program and budget for 2020 exploration totaling US$3.28 million was presented and approved by the joint venture and Nevada Sunrise subsequently elected to pay its proportionate 20.01% share. In November 2020, the Company paid its proportionate share of the 2020 cash call of US$313,131 to maintain its 20.01% interest in the joint venture. Subsequent to December 31, 2020, the Company paid the next 2020 cash call of US$423,210 to maintain its 20.01% interest.

On July 29, 2020, the Company was informed by New Placer Dome that a drilling program of up to 20,000 metres had commenced at Kinsley Mountain.

The 2020 drilling campaign was completed in late November 2020 and comprised forty-nine (49) drill holes totaling 17,970 metres (39 RC holes for 13,610 metres, and 10 diamond drill holes for 4,360 metres). A total of five (5) target areas were tested including the Western Flank Zone, Secret Spot, Shale Saddle, KNW Fault, and Main Pit North areas. Drill hole locations were selected to test extensions to existing resource areas as well as undrilled, high-conviction targets.

On January 11, 2021, Nevada Sunrise reported that New Placer Dome had provided assay results for the initial nine (9) RC drill holes completed during the 2020 exploration program. Assay results from the remaining 40 drill holes are still pending at the date of this document.

Highlights of the initial nine RC drill holes are listed below, and in Table 1 following:

- 2.63 g/t Au (sulphide) over 38.10 metres; including 10.22 grams/tonne gold (g/t Au) (sulphide) over 6.10 metres in KMR20-017;
- 3.38 g/t Au (oxide) over 21.34 metres; including 5.78 g/t Au over 6.10 metres in KMR20-016;
- 5.15 g/t Au (oxide) over 10.67 metres in KMR20-004;
- 4.83 g/t Au (sulphide) over 6.10 metres and 1.74 g/t Au (sulphide) over 7.62 metres in KMR20-008; and 1.15 g/t Au (sulphide) over 6.10 metres in KMR20-007;
- 1.19 g/t Au (oxide) over 16.76 metres in KMR20-005; and 0.51 g/t Au (oxide) over 18.29 metres in KMR20-006.

**Table 1. Kinsley Mountain Gold Project - 2020 Significant Drill Intercepts**

| Hole ID (Dip/Azimuth) | Zone | From (m) | To (m) | Interval (m)[1] | Au (g/t)[2] | CN Soluble Au Recovery[3] (%) |
|---|---|---|---|---|---|---|
| **KMR20-004** (-68/160) | Western Flank Extension Target | 260.60 | 271.27 | 10.67 | 5.15 | 69% |
| *including* | | 265.18 | 269.75 | 4.57 | 8.12 | 74% |
| **KMR20-005** (-70/235) | KNW Fault | 22.86 | 39.62 | 16.76 | 1.19 | 86% |
| **KMR20-006** (-50/235) | KNW Fault | 19.81 | 38.10 | 18.29 | 0.51 | 81% |
| **KMR20-007** (-75/280) | Western Flank | 283.46 | 289.56 | 6.10 | 1.15 | *Sulphide* |
| **KMR20-008** (-83/305) | Western Flank | 294.13 | 300.23 | 6.10 | 4.83 | *Sulphide* |
| *and* | | 310.90 | 318.52 | 7.62 | 3.07 | *Sulphide* |
| **KMR20-009** (-70/110) | Western Flank | 283.46 | 295.66 | 12.19 | 1.74 | *Sulphide* |
| **KMR20-015** (-85/225) | Western Flank | *No significant intercepts* | | | | |
| **KMR20-016** (-85/235) | Western Flank | 309.37 | 330.71 | 21.34 | 3.38 | 73% |
| *including* | | 316.99 | 323.09 | 6.10 | 5.78 | 100% |
| **KMR20-017** (-75/320) | Western Flank | 320.04 | 358.14 | 38.10 | 2.63 | *Sulphide* |
| *including* | | 326.14 | 332.23 | 6.10 | 10.22 | *Sulphide* |

[1] True widths of the mineralized intervals are interpreted to be between 60-90% of the reported lengths.
[2] Drill composites were calculated using a minimum cut-off of 0.20 g/t gold.
[3] "*Sulphide*" defined as CN (cyanide) soluble gold recovery of <50%.

*Methodology and QA/QC*

The analytical work reported on herein was performed by ALS Global ("ALS") in Vancouver, Canada. ALS is an ISO-IEC 17025:2017 and ISO 9001:2015 accredited geoanalytical laboratory and is independent of New Placer Dome, Nevada Sunrise and the respective Qualified Persons for each company. RC drill samples were subject to crushing at a minimum of 70% passing 2 mm, followed by pulverizing of a 250-gram split to 85% passing 75 microns. Gold determination was via standard 30-gram fire-assay (FA) analysis with atomic absorption spectroscopy (AAS) finish, in addition to 51-element ICP-MS geochemistry. Samples returning greater than 10 g/t Au are subject to gravimetric finish. Gold values returning greater than 0.1 g/t Au are also subject to leach analysis where the sample is treated with a 0.25% NaCN solution and rolled for an hour. An aliquot of the final leach solution is then centrifuged and analyzed by AAS.

As operator at Kinsley Mountain, New Placer Dome follows industry standard procedures for the work carried out the project, with a quality assurance/quality control (QA/QC) program. Blank, duplicate and standard samples were inserted into the sample sequence sent to the laboratory for analysis. New Placer Dome detected no significant QA/QC issues during review of the data. Nevada Sunrise is not aware of any drilling, sampling, recovery or other factors that could materially affect the accuracy or reliability of the data referred to herein.

*Robert M. Allender, Jr., CPG, RG, SME and a "Qualified Person" for Nevada Sunrise as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects has reviewed and approved the technical information contained in this MD&A for the Kinsley Mountain project on behalf of the Company.*

***Water Right – Clayton Valley***

On March 16, 2016, the Company signed a definitive water right purchase agreement for the option to purchase a 100% interest in water right Permit 44411 in the Clayton Valley, Nevada. The pre-existing water right allows for 1,770 acre/feet of water use for mining and milling per year. In consideration for the option to purchase the water right, the Company agreed to pay the vendors a combination of cash, common shares, and share purchase warrants as follows:

| Date of Payment | Cash | Shares | Warrants |
|---|---|---|---|
| March 30, 2016 | US$125,000 (paid) (1) | 200,000 (issued with a fair value of $36,000) (1) | 2,250,000 (issued) (1) |
| December 21, 2016 | US$150,000 (paid) (2) | 250,000 (issued with a fair value or $67,500) (2) | n/a |
| December 21, 2017 | US$175,000 (3) | 300,000 (issued with a fair value or $45,000) (3) | n/a |
| December 21, 2018 | US$200,000 (4) | 350,000 (issued with a fair value or $31,500) (4) | n/a |
| December 21, 2019 | US$300,000 (4) | 400,000 (issued with a fair value of $18,000) | n/a |
| December 21, 2020 | US$350,000 (4) | 500,000 (issued with a fair value of $60,000) | n/a |
| Total | US$1,300,000 | 2,000,000 | 2,250,000 |

On November 29, 2016, the Nevada Division of Water Resources ("NDWR") issued a ruling of forfeiture against the Company's water right, citing lack of beneficial use for a period of five years. The Company filed an appeal.

Pursuant to amending agreements dated January 6, 2017 and December 13, 2017, the Company would receive the following if the water right remained forfeited:

(1) US$125,000, 200,000 common shares and 2,250,000 share purchase warrants were refundable to the Company if the water right remained forfeited.

(2) US$75,000 of the cash payment and 250,000 common shares were refundable to the Company if the water right remained forfeited.

(3) The Company made a cash payment of US$87,500 and issued 300,000 common shares, both of which were refundable to the Company if the water right remained forfeited.

(4) On October 31, 2018, the Company signed a letter of intent to further amend the water right purchase agreement. The letter of intent amended the terms for the payment of the remaining cash payments due on the purchase price. Therefore, the Company was not required to make the US$200,000 payment due on December 21, 2018. Under the terms of the letter of intent the Company was required to pay US$20,000 on signing (paid). In addition, the Company was required to pay US$5,000 per month thereafter (paid through February 2020). All the amounts are to be applied to the remaining purchase price. This arrangement continued until August 2020 at which time the amounts due under the original agreement will become payable.

The Company is currently in negotiations with the vendor of the water right regarding additional amendments to the option agreement.

The 2,250,000 share purchase warrants were issued during the year ended September 30, 2016, with the following terms:

| Number of Warrants | Exercise Price | Expiry Date |
|---|---|---|
| 750,000 | $0.50 | March 30, 2018 (expired) |
| 750,000 | $0.70 | March 30, 2019 (expired) |
| 750,000 | $1.00 | March 30, 2020 (expired) |

The fair value of the share purchase warrants was calculated at $210,000.

In addition to the above, the definitive water right purchase agreement included the following terms:

- If within 10 years after the execution of the agreement, the Company sells the Permit to a third party, the vendor will receive 55% of the proceeds of such sale (revised from 50% following the October 2018 amendment), less the amounts already paid to the vendor in cash and common shares, with the common shares valued by way of a 20-day volume weighted average price (the "VWAP"), with the VWAP to begin following the day the 4-month hold has expired for each tranche of common shares released. Upon a sale of the Permit in total to a third party, the Company's obligations under the agreement will terminate.

- The Company will have the right to accelerate the timing of cash payments and common share payments to the vendor, at its discretion.

*Protests of Nevada Sunrise Water Rights Transfer Application*

On April 22, 2016, Nevada Sunrise filed an application to transfer the Permit from its current location in the adjacent mountain range to a location due east on the desert floor within the boundaries of the Company's Aquarius project (the "Application"). The proposed place of use and point of diversion lies approximately 5 kilometres (3 miles) from the town of Silver Peak and Albemarle's Silver Peak lithium mine and 8 kilometres (5 miles) from Albemarle's nearest lithium brine production well.

On April 29, 2016, Albemarle filed a protest with the NDWR against the Application. In the exhibits to its protest Albemarle contended that:

- the Application is deficient and does not specify how lithium brine will be developed or processed;
- based on Albemarle's information and belief the Permit has been forfeited due to a lack of beneficial use in the last 5 years;
- State law precludes a conversion of groundwater from "fresh water aquifer" to "brine aquifer";
- the applicant lacks financial ability and any reasonable expectation to construct a processing plant, the design of which is not yet known or proven;
- reinjection of spent fluids following the extraction of lithium from brines is similar to fracking and would have unknown effects upon the unstructured playa system and near bedrock injection;

- the application would conflict with the existing and permitted and certificated groundwater rights of Albemarle, with adverse impacts such as lowering of the groundwater, dilution of the brine ore body rendering it useless, causing Albemarle a loss of efficiency and destruction of the lithium ore deposit;
- no mine permits have been obtained by the applicant;
- there is no available water for the Application and additional consumption would exceed the safe yield for the Clayton Valley basin;
- the applicant is speculating on the success of the Application;
- the contemplated method of recovery is extremely high in energy use and environmentally unsound, and will cause pollution to the brine aquifer.

On June 7, 2016, a protest was filed by Esmeralda County (the "County") with the NDWR against the Application. The protest by the County stated that:

- it is concerned that additional pumping will induce saline groundwater from the valley floor aquifer into the area of municipal fresh water wells used by the community of Silver Peak;
- drawdown induced from proposed pumping may be detrimental to the operation of the County's wells and could cause level of land subsidence that are damaging to existing County facilities;
- insufficient details are provided of the proposed mining and milling operation and use of groundwater;
- the magnitude of the temporary water right transfer should be limited to only a small duty necessary to undertake testing;
- assurances be made that the fresh water relied upon by the County will not be detrimentally impacted.

In July 2016, Nevada Sunrise engaged Nevada legal counsel for representation and sought a hearing with the NDWR to make a formal response to the protests to the Application by Albemarle and the County.

The Application and protest documents can be accessed on the NDWR website at http://water.nv.gov/data/permit/permit.cfm?page=4&app=86141T

On December 1, 2016, Nevada Sunrise received written notice that the NDWR had issued a ruling of forfeiture against the Company's water right, citing a lack of beneficial use for a period of five years. The Company filed an appeal against the forfeiture in late December 2016, and began its preparation to present evidence of beneficial use of the water right in its appellate briefs and at a hearing on the matter in the fall of 2017. This evidence reflected continued water use of the Permit and such evidence was not previously considered by the State prior to the forfeiture of the Permit in 2016.

A hearing was held on December 21, 2017, where Nevada Sunrise received a ruling that the Fifth Judicial District Court (the "Court") had the jurisdiction to hear the Company's appeal. The Company replied to the State Engineer's and Albemarle's answering briefs by February 22, 2018.

On April 26, 2018 and May 1, 2018, the Court held hearings on a petition for judicial review submitted by Intor appealing the NDWR's declaration of a forfeiture of water rights under the Permit without holding a hearing. The Court heard the arguments presented by Intor, the State, and Albemarle, with the Honorable Steven R. Kosach declaring from the bench his intention to remand the case back to the State Engineer of NDWR to determine if there should be a forfeiture of the Permit for lack of beneficial use of

the water rights. On August 15, 2018, the Fifth Judicial District Court of the State of Nevada ruled that Nevada Sunrise must receive a formal hearing with the State of Nevada on the matter of the forfeiture, which was later scheduled for June 2019.

On July 9, 2019, Nevada Sunrise entered into a settlement agreement with Albemarle, in which the motion of forfeiture initiated by Albemarle against the Company's water right was withdrawn. Nevada Sunrise agreed to conditions in the settlement agreement that exclude the drilling of water wells by the Company in certain areas of the Clayton Valley, which could impact Albemarle's lithium brine mining operation at Silver Peak, Nevada.

As a result of Nevada Sunrise and Albemarle signing the settlement agreement and a corresponding stipulation with the Nevada State Engineer (the "State Engineer"), the water rights under the Permit now enjoy the same good standing status as when they were first purchased by the Company in March 2016. Accordingly, hearings that were scheduled by the NDWR to review evidence on the validity of the Permit were cancelled. On August 9, 2019, the State of Nevada dismissed the forfeiture motion and on August 28, 2019, issued a letter of non-use for the previous four years, which requires the Company to demonstrate beneficial use of the water right in the succeeding year. Nevada Sunrise is now free to use its water right for mining and milling activities in the Clayton Valley subject to the geographical conditions contained in the settlement agreement.

In late August 2020, Nevada Sunrise filed an extension of time application for Permit 44411, which was approved by the NDWR, good to August 28, 2021.

***Lovelock Cobalt Mine***

The Lovelock Cobalt Mine (the "Lovelock Mine") is located approximately 100 miles (150 kilometres) east of Reno, Nevada.

The Lovelock Mine property area consists of 70 unpatented claims in the Cottonwood Canyon area of Stillwater range totaling approximately 1,400 acres (567 hectares). It was discovered by George Lovelock and Charles Bell about 1880. According to U.S. Government annual reports, the Lovelock Mine saw limited production of nickel, copper and cobalt beginning in 1883. The primary cobalt mineral was identified as "cobaltite", a compound of cobalt, nickel and arsenic. Records of a geochemical analysis from that era indicate that the average composition of the cobaltite contained 17.30% cobalt and 13.62% nickel. The mine operated from 1883 to 1890 to the 100-foot level, reporting 500 tons of cobalt and nickel mineralized material shipped to England for processing. After intermittent production, an English company attempted smelting on site in 1898 but little or no production was made (Source: "Mineral Resources of the United States for 1885", 1886). No further production from the Lovelock Mine is known for well over a century.

The rocks of the Lovelock Mine area include highly altered sedimentary and volcanic rocks cut by a larger mass of diorite and by aplitic dikes, all of which are now highly altered. The altered volcanic rocks lie in a syncline bordered on the west, north and east by the altered sedimentary rocks. Probable faults, inferred from the nature of the contacts, form the boundaries between the sedimentary and volcanic rocks northwest of the Lovelock Mine.

The cobalt and nickel minerals of the Lovelock Mine and the nearby Nickel Mine occur in stringers that cut the rock immediately surrounding the diorite. In the case of the Lovelock Mine, the stringers cut a

highly-altered greenstone. The minerals recognized are tetrahedrite, erythrite (cobalt bloom), azurite, and green crusts that contain copper and nickel arsenates and sulphates. Other sources reported the principal mineral present is cobaltite. It was postulated by historical observers that there has been post-mineral faulting with downthrow on the west, and that the extension of the productive zone is west of the Lovelock Mine shaft and at greater depth than the historical workings could reach (Source: "Nickel Deposits in Cottonwood Canyon, Churchill County, Nevada", H.G. Ferguson, 1939).

*Terms of the Definitive Agreement*

On December 22, 2017, the Company signed a definitive agreement to acquire a 100% interest in the Lovelock Mine located in Churchill County, Nevada. On December 22, 2018, the Company paid the vendor US$5,000 to extend the first payment date from December 22, 2018 to March 22, 2019. The US$5,000 was repaid to the Company by way of Global Energy Metals Corp. ("GEMC ") shares.

To earn the 100% interest, the Company was required to pay cash payments and common share payments to the vendor payable over three years from the date of signing of the definitive agreement, subject to a 2% net smelter returns royalty ("NSR") as follows:

- US$15,000 (paid) and 200,000 common shares (issued at a fair value of $31,000);
- March 22, 2019: US$20,000 (paid by GEMC) and 200,000 common shares (issued at a fair value of $19,000 and repaid to the Company by way of GEMC shares);
- December 22, 2019: US$25,000 (GEMC paid US$5,000 to extend the due date by 90 days) and 250,000 common shares (issued at a fair value of $11,250 and repaid to the Company by way of GEMC shares);
- December 22, 2020: $30,000 (paid by GEMC) and 300,000 common shares (equivalent shares issued by GEMC with GEMC shares as per the April 3, 2020 Amended Agreement below).

The Company will have the right to accelerate the timing of cash payments to the vendor at its discretion. On or before the 10th anniversary of the execution of the agreement, the Company shall have the right to purchase 50% of the NSR for US$1,500,000.

On April 3, 2020, the above agreement was replaced by a new agreement between the Company, GEMC and the vendor of the Lovelock Cobalt Mine which is discussed later in this MD&A.

*Geochemical Survey*

On January 18, 2018, Nevada Sunrise announced the results of an initial geochemical rock sampling program and a reconnaissance geophysical survey carried out by the Company at the Lovelock Mine.

Nevada Sunrise carried out two site visits to the Lovelock Mine in November and December 2017 and collected representative grab rock samples of historical mine waste, and various bedrock samples in the areas of other nearby historical adits. The analytical results of several of the rock samples show strong enrichment in cobalt, nickel and copper, and other metals, as shown in the highlights below:

| Sample | Location | Cobalt (%) | Nickel (%) | Copper (%) | Zinc (%) | Silver (g/t) | Gold (g/t) |
|---|---|---|---|---|---|---|---|
| LCoR-5 | Lovelock Mine adit | 1.81 | 3.05 | 0.65 | 0.03 | 32 | 0.01 |
| LCoR-7 | Lovelock Mine waste | 0.41 | 0.22 | 4.91 | 0.10 | 48 | trace |
| LCoR-4 | Lovelock Mine waste | 0.21 | 1.64 | 5.99 | 0.04 | 68 | 0.52 |
| LBP-06 | Lovelock Mine waste | 0.12 | 0.32 | 1.46 | 0.22 | 379 | 0.98 |
| LBP-05 | Lovelock Mine waste | 0.10 | 0.35 | trace | 0.03 | trace | trace |
| LCoR-6 | Lovelock Mine waste | 0.09 | 0.14 | 1.76 | 0.04 | 15 | trace |
| LL-004 | Lovelock Mine waste | 0.08 | 0.09 | 1.26 | 0.03 | 16 | trace |

*Geophysical Surveys and Exploration Plans*

In December 2017, an initial 4.2 kilometre (2.6 miles) reconnaissance DC resistivity/induced polarization ("DC-IP") survey by SJ Geophysics of Delta, BC, consisting of stations spaced 25 to 50 metres (80-160 feet) apart on five lines was completed across the Lovelock Mine area. This DC-IP survey is projected to have a depth of investigation deeper than the mining to the 100-foot level reported in the 1880s.

The results of the survey not only detected the historic, near-surface mine workings and interpreted alteration but also show chargeability features related to structure and possible mineralization to a depth from surface of approximately 200 metres (656 feet).

Nevada Sunrise subsequently applied to the BLM for an exploration permit and in April 2018 received a drilling permit good for two years, which was extended for an additional two years in March 2020.

In the summer of 2019, and under the terms of an option agreement, GEMC (for further details see following discussion: "Lovelock Mine and Treasure Box Option Agreement with Global Energy Metals Corp.") commenced an exploration program to better understand the potential of the Lovelock Mine area and the Treasure Box. The exploration program included unmanned aerial vehicle magnetic ("UAV-MAG") airborne surveying and orthophoto digital modelling, underground sampling and mapping of historical mine workings, and extensive fieldwork including multiple site visits, all in preparation for defining future drill targets.

In November 2020, GEMC reported the results of a detailed data compilation and interpretation study. A reinterpretation of the 2019 airborne magnetic and orthophoto surveys suggest that the Lovelock Mine is located within a corridor of strong structural control with several subparallel structures indicating the potential for multiple mineralized zones related to these structures.

Highlights of the 2020 study include:

- Reinterpretation has significant implications for further exploration at the project including greatly enhancing the ability to successfully target and drill newly-defined anomalies;
- The magnetic data imply the basalts and sedimentary rocks that host the known Lovelock deposits extend another 2.5 kilometres to the northwest of the Lovelock Mine;
- Inversion modelling suggests a cluster of chargeability anomalies mapped to the west of the Lovelock Mine could be centred by a subtle, low-susceptibility pipe or cone structure. This could be an indication of an intrusion or possible feeder zone to a hydrothermal system;

- There are a total of 18 magnetic high anomalies mapped across the survey that could be reflecting alteration with a possible response of reflecting an accumulation of magnetite, one of the accessory minerals reported with both the nickel and Lovelock deposits;
- All of these magnetic anomalies model as small lenses, extending from surface to an approximate 150 metre depth;
- Many of these localized magnetic targets cluster together, forming a ring surrounding a localized magnetic low. Four of these ring-type structures are mapped within the UAV-MAG survey area. These responses can be interpreted as mapping an alteration zone surrounding a low-susceptibility intrusive plug; and
- Chargeability anomalies have been targeted with eight proposed drill holes.

In January 2021, GEMC reported that its technical team was in the process of generating an exploration strategy for the Lovelock Mine and Treasure Box projects, including the undertaking of additional induced polarization surveying, geological prospecting and mapping of the current chargeability targets, with the goal of a diamond drilling program to assess the potential for high-grade mineralization similar to that historically mined at the projects.

***Treasure Box Property***

On March 5, 2018, Nevada Sunrise announced it had acquired the option to purchase the historic Treasure Box copper property, located in the Stillwater Range of Churchill County, approximately 3.6 miles (5.8 kilometres) from the Lovelock Mine. Under its area of interest agreement with the vendor of the Lovelock Mine, Nevada Sunrise has the right to purchase a 100% interest in the Treasure Box property.

Nevada Sunrise also executed an option agreement with a separate vendor to purchase a 100% interest in the Boyer Mine property, adjacent to the Treasure Box. In December 2018, the Company decided to discontinue the Boyer Mine property option and in January 2019 informed the vendor that it would not be proceeding with the Boyer option agreement. The Company wrote-off the property acquisition costs effective September 30, 2018 and recorded a charge of $33,916.

The Treasure Box property consists of 76 unpatented claims totaling approximately 1,520 acres (615 hectares) and hosts mine workings from limited copper production that occurred from the late 1800s until early into the 20$^{th}$ century. A historical diamond drill hole (c. 1910) drilled at the Treasure Box by the Boyer-Nevada Copper Company reportedly intersected 1.52% copper over 85 feet (25.9 metres) with mineralization beginning at surface. A reverse circulation hole drilled on the Treasure Box by Utah International in 1976 returned 1.55% copper over 40 feet (12.2 metres) from a depth of 85 to 125 feet (25.9 to 38.1 metres), and the hole was stopped in chalcopyrite mineralization. The core Treasure Box claims were held continuously for over 20 years by a private company but were relinquished in September 2017, leading to their acquisition by Nevada Sunrise.

*2017 Geochemical Sampling near the Lovelock Mine and at the Treasure Box*

While conducting due diligence, Nevada Sunrise collected grab rock samples southwest of the Lovelock Mine and from the Treasure Box property. The results of several of the rock samples taken from historical mine waste and other bedrock occurrences show strong enrichment in copper and anomalous values of gold and silver in certain samples, as shown in the analytical highlights below:

| Sample No. | Location | Copper (%) | Gold (g/t) | Silver (g/t) |
|---|---|---|---|---|
| LCoR-10 | SW Lovelock Mine area | 16.57 | 2.22 | 21.10 |
| ENR-2 | Treasure Box historical trench | 11.86 | trace | 0.24 |
| AZ Grab | SW Lovelock Mine area | 8.29 | ND | 11.57 |
| LCoR-12 | Treasure Box mine waste | 4.54 | trace | 0.42 |
| ENR1 | Treasure Box float | 4.09 | trace | 8.33 |

On March 22, 2018, Nevada Sunrise announced the results of additional sampling carried out in February 2018 at the Lovelock Mine and Treasure Box properties during a staking program. Grab samples were taken from historical mine waste, trenches and other bedrock occurrences, and showed strong enrichment in cobalt, nickel, copper and silver in certain samples. Three of the eight Lovelock Mine samples exceeded 1,500 parts per million cobalt, and ten of the thirteen Treasure Box samples exceeded 1.0% copper. Analytical highlights are shown below:

*Lovelock Mine, February 2018 Sampling*

| Sample No. | Location | Cobalt (%) | Nickel (%) | Copper (%) | Silver (g/t) |
|---|---|---|---|---|---|
| LCR-670b | Lovelock Mine waste | 1.98 | 3.12 | 0.22 | 4.79 |
| LCR-670a | Lovelock Mine waste | 0.16 | 0.40 | 2.06 | 29.69 |
| LCR-670c | Lovelock Mine waste | 0.28 | 0.65 | 0.58 | 1.94 |

Treasure Box grab samples were collected at locations along a mineralized trend that extends 1.6 miles (2.6 kilometres) across the central part of the claims block. Results confirm the existence of widespread enriched copper-silver mineralization as previously reported by DeMatties (2017).

*Treasure Box, February 2018 Sampling*

| Sample No. | Location | Copper (%) | Gold (g/t) | Silver (g/t) | Primary Mineralization |
|---|---|---|---|---|---|
| TR-667a | Treasure Box W. Shaft mine waste | 41.56 | trace | 4.69 | Sulfide |
| TR-668 | Treasure Box historical trench | 13.20 | 0.38 | 124.0 | Oxide |
| TR-667c | Treasure Box West Shaft mine waste | 10.98 | trace | 1.83 | Oxide |
| TR-669a | Main Treasure Box mine adit | 4.27 | trace | 0.56 | Oxide |
| TR-664 | Treasure Box East float | 4.19 | trace | 47.57 | Oxide |
| Tr-667b | Treasure Box West Shaft mine waste | 2.02 | trace | 1.02 | Mixed |

*Geochemical results for samples shown in this document for the Lovelock Mine and Treasure Box properties were hand-selected, high-grade samples that are not indicative of the nature and grade of mineralization over a wide area. Weights of individual samples depicted in the February 2018 sampling program ranged from 0.65 kilograms (1.43 lbs.) to 1.85 kilograms (4.08 lbs.) per sample. Geochemical analyses were performed by Bureau Veritas with a 53-element analytical package by ICP-MS after modified aqua regia digestion, following sample crushing and preparation in the Bureau Veritas, Reno, Nevada facility. Overlimit samples were reanalyzed by ICP-ES by HNO3-HCl acid digestion.*

*Robert M. Allender, Jr., CPG, RG, SME, a Qualified Person within the meaning of NI 43-101, has reviewed and approved the technical information contained in the MD&A on behalf of the Company for the Lovelock Mine and the Treasure Box projects. Readers are cautioned that some of the technical information describing the Lovelock Mine in this MD&A is historical in nature; however, the information is deemed credible and was produced by professional geologists of the eras discussed.*

***Lovelock Mine and Treasure Box Option Agreement with Global Energy Metals Corp.***

*Terms of the Option Agreement*

On January 15, 2019, the Company signed a mining option agreement with GEMC which granted GEMC the option to acquire an 85% interest in the Lovelock Mine property and the Treasure Box property. The agreement allows for GEMC to acquire the interest subject to the Company first acquiring the interest pursuant to the underlying agreement with the vendor.

In order to exercise the option, GEMC is required to complete the following:

(1) Issue to the Company of such number of common shares in the capital of GEMC as is equal to US$200,000 at a deemed price per share equal to the greater of: (a) $0.15; and (b) the volume weighted average of the closing price of GEMC's shares for the 20 trading days immediately prior to the execution of the agreement. GEMC issued the Company 1,728,133 common shares with a fair value of $86,407.

(2) Assume all future cash payments to the vendor as scheduled below:

- December 22, 2019: US$25,000 (GEMC paid US$5,000 to extend this date by 90 days);
- December 22, 2020: US$30,000 (paid by GEMC).

Reimburse the Company for the issue by the Company of its common shares to the vendor with common shares of GEMC, payable as scheduled below:

- March 22, 2019: such number of GEMC shares as is equal in value to 200,000 shares of the Company on the day prior to their issuance (issued);
- March 22, 2019: such number of GEMC shares as is equal in value to US$5,000 to reimburse the Company for the extension payment made by the Company to the vendor on December 22, 2018 (issued).
- December 22, 2019: such number of GEMC shares as is equal in value to 250,000 shares of the Company on the day prior to their issuance (issued); and
- December 22, 2020: such number of GEMC shares as is equal in value to 300,000 shares of the Company on the day prior to their issuance (issued by GEMC with GEMC shares).

(3) GEMC must also incur exploration expenditures totaling US$1,000,000 by the third anniversary of the agreement.

*Amended Terms of the Option Agreement and the Definitive Agreement*

On April 3, 2020, the Company, GEMC and the vendor of the Lovelock and Treasure Box properties amended the terms of the GEMC option agreement on the properties and the underlying definitive agreement on the Lovelock property (the "Amended Agreement").

Upon the satisfactory completion of certain closing conditions, the Amended Agreement provides that GEMC will purchase an 85% interest in the Lovelock and Treasure Box properties, with Nevada Sunrise retaining a 15% interest, subject to a 2% NSR in favour of the vendor as provided for in the underlying definitive agreement between the vendor and Nevada Sunrise. The Amended Agreement supersedes the option agreement dated January 15, 2019. A joint venture between GEMC and Nevada Sunrise will be formed to further explore and develop the Lovelock and Treasure Box properties.

In consideration for the Amended Agreement, GEMC shall on closing:

- Pay to the vendor the sum of US$35,000;
- Issue to the vendor 1,000,000 common shares of GEMC (after giving effect to the 1 for 10 share consolidation announced by GEMC on March 10, 2020);
- Issue to Nevada Sunrise 750,000 common shares of GEMC (after giving effect to the 1 for 10 share consolidation announced by GEMC on March 10, 2020, issued).

GEMC will not be required to incur the US$1,000,000 of exploration expenditures contemplated in the original option agreement.

The GEMC shares issued under the Amended Agreement will be subject to voluntary escrow provisions in addition to applicable statutory and regulatory hold periods.

The vendor will maintain its current 2% NSR on the projects with GEMC having the right, exercisable at any time, to purchase up to 50% of the NSR by payment to the vendor of CAD$1,500,000 subject to a protection hedge against inflation of the US dollar, using an agreed-upon price of US$3.25 per pound copper. Upon payment of CAD$1,500,000 or the cash value of 462,000 pounds of copper, whichever value is greater at the time of the purchase of half of the royalty, the royalty shall be reduced to a 1% NSR.

On October 6, 2020, the Amended Agreement closed and GEMC made the $35,000 cash payment and issued 1,000,000 of its common shares to the vendor and issued 750,000 of its common shares to the Company.

***Coronado VMS Property***

The Coronado VMS property ("Coronado") is located in the Tobin and Sonoma Range of Pershing County, Nevada, approximately 30 miles (48 kilometres) southeast of Winnemucca.

Coronado consists of 133 unpatented claims totalling approximately 2,660 acres (1,076 hectares) located over an interpreted trend adjacent to the historic Big Mike copper mine ("Big Mike"). Big Mike was discovered in the 1930s when a shallow, oxidized portion (gold-bearing gossan) of the deposit was located by prospectors. The area was explored further in the late 1960s by Cerro Corp. and a deeper (greater than

300 feet or 91 metres) high-grade (supergene-enriched) massive sulphide lens was discovered by diamond core drilling.

In 1969, Cerro Corp. published a historical resource estimate of 634,000 tons grading 3.41 percent copper, which included 74,000 tons of massive sulphide ore grading 11.78 percent copper, and 380,000 tons of oxide and mixed ore grading 3.16 percent copper. This historical estimate, which is dated Feb. 21, 1969, uses categories that are not consistent with NI 43-101 and cannot be readily compared with NI 43-101 categories. A qualified person has not done sufficient work to classify the estimate as a current resource and Nevada Sunrise Gold is not treating the estimate as a current resource estimate. A portion of the ground on which this resource estimate was based was subsequently mined. However, the historical resource estimate is relevant to guiding the company's exploration plans and provides geological information regarding the type of mineralization that could be present in the Coronado area.

In 1970, Ranchers Exploration and Development Company developed the high-grade portion of the deposit with a small open-pit mine that produced approximately 25 million pounds of copper in 100,000 tons of ore grading 10.5 per cent copper, which was shipped directly to a smelter in West Germany. Heap leaching of lower-grade disseminated copper ore was also carried out by Ranchers; approximately 300,000 tons of mineralized rock was treated. Historical sampling also shows the presence of cobalt at Big Mike, with values in the deposit ranging up to 2,500 parts per million cobalt, or 0.25 per cent. Big Mike was mined out in 1970.

On September 25, 2018, the Company entered into a definitive option agreement to acquire a 100% interest in the Coronado property in consideration for cash and share payments, and minimum exploration expenditures as described below:

| Payment Due Dates | Cash Payments | Share Payments | Minimum Exploration Expenditures |
|---|---|---|---|
| Upon TSXV acceptance of the definitive agreement | US$30,000 (paid) | 200,000 (issued) | US$50,000 (incurred) |
| On or before September 25, 2019 | US$35,000 (paid) | 300,000 (issued) | US$100,000 (incurred) |
| On or before September 25, 2020 | US$40,000 (paid) | 400,000 (issued) | US$150,000 (incurred) |
| On or before September 25, 2021 | US$50,000 | 500,000 | US$300,000 |
| On or before September 25, 2022 | US$1,250,000 | 600,000 | US$500,000 |
| Totals: | US$1,405,000 | 2,000,000 | US$1,100,000 |

The Company has the right to accelerate the timing of cash and share payments to the vendor at its discretion. If minimum exploration expenditures, which include property maintenance costs, are exceeded in any year the excess expenditures will be credited to a succeeding year. For the purposes of an anniversary common shares payment, the value of such payment by Nevada Sunrise to the vendors shall be calculated at a minimum price of CAD$0.15 per common share, and if the closing price of the Company’s common shares on the TSXV on the business day prior to any anniversary date when a common shares payment is due and payable is less than CAD$0.15, the monetary difference between CAD$0.15 and the closing share price of the Company shall be paid to the vendors in cash. On the 4th

Anniversary payment due date, if the spot cash price of copper as quoted on the London Metal Exchange exceeds $4.00 per pound, the payment due of US$1,250,000 will be increased to US$1,500,000.

The vendor shall retain a 2% net smelter returns royalty, half of which can be purchased by the Company at any time for US$1,500,000, minus any advance royalty payments made by the Company. An advance royalty payment of US$500,000 would be payable to the vendors upon completion of a feasibility study.

On October 24, 2018, the option agreement was accepted for filing by the TSX Venture Exchange. The Company paid the vendors US$30,000 and issued the vendors 200,000 common shares with a fair value of $14,000.

The September 25, 2019 option payment of US$35,000 was deferred to December 25, 2019 by agreement with the vendors in exchange for a payment of US$5,000. A second extension agreement between the Company and the vendors deferred the due date to February 24, 2020 for a second payment of US$5,000. In July 2020, the Company paid the deferred option payment of US$35,000, and subsequently paid the US$40,000 cash payment and 400,000 common shares payment due in September 2020 to maintain its option on Coronado.

*2018 Exploration at Coronado*

On July 19, 2018, Nevada Sunrise announced the commencement of an airborne Versatile Time Domain Electromagnetic ("VTEM$^{EM}$") survey totalling 648 line-kilometres at Coronado. The presence of the past-producer Big Mike within the boundaries of the property and numerous other mineral showings in the area indicates that the potential exists for other volcanogenic massive sulphide ("VMS") deposits within Coronado. Big Mike and other VMS showings lie within the Late Devonian to Late Permian-age Havallah volcanic-sedimentary sequence. To the best of the Company's knowledge, this overlooked Paleozoic greenstone belt has never been surveyed by modern airborne electromagnetic methods.

Two anomalous responses, Coronado North and Coronado South, were observed from the VTEM$^{TM}$ survey in the southern part of the project. The Coronado South target has a 1,400-metre-by-700-metre (4,600 feet by 2,300 feet) footprint and is interpreted as a northwest-southeast-striking cuboid body with estimated dimensions of approximately 900 metres by 300 metres by 150 metres (2,950 feet by 980 feet by 490 feet). The width, thickness and depth vary along strike, suggesting that the zone is broken into sections by cross faulting.

Ground geological investigations carried out by Nevada Sunrise at Coronado in September 2018 within the areas of the best VTEM$^{TM}$ conductive anomalies confirmed the presence of sulphides on surface as well as other geological features consistent with the surface expression of a buried VMS deposit. Most of the surface area of the project is covered with locally derived overburden. At the Coronado South anomaly, rare outcrops exposing a section of thin-bedded-to-laminated chert exhalite and cherty tuffaceous sediments containing fine-grained oxidized (iron-stained) sulphide casts and locally relict anhedral pyrite grains (up to 1 per cent) were mapped and sampled. In addition, samples of highly altered, gossanous (oxidized disseminated sulphide casts) chert and chert breccia were collected from nearby exploration trenches. These samples occur within a structural zone that appears to intersect the northwest end of the Coronado South anomaly. Analytical results show anomalous values of arsenic, sulphur, silver and, most importantly, mercury.

The presence of sulphides in the chert exhalite beds and anomalous mercury values within the structural zone located immediately adjacent to the Coronado South anomaly suggest a spatial relation to the EM conductor. Of particular importance is that this exhalite section is comparable with those found within the Big Mike mine sequence and the historic Big Mike open pit located approximately 2.9 miles (4.5 kilometres) to the southeast, where peripheral mercury anomalies were also noted during geochemical exploration in the late 1960s. The presence of a number of EM anomalies along trend with Big Mike suggests district-scale potential and a typical clustering of VMS deposits.

On December 6, 2018, Nevada Sunrise commenced a diamond drilling program at Coronado. The initial drill test at Coronado South was planned to consist of three diamond drill holes totalling approximately 2,500 feet (762 metres). The United States Bureau of Land Management approved nine drill hole locations at Coronado, where each location can host multiple holes. The drilling plan for the Coronado South anomaly calls for up to six holes totalling 5,225 feet (1,608 metres), and at the Coronado North anomaly an additional six holes are planned, totalling 4,750 feet (1,462 metres).

On January 10, 2019, Nevada Sunrise released results of the first diamond drill hole at Coronado. Sulphides were encountered in the hole above and below a wide fault zone, but geochemical values of metals such as copper, gold, nickel, cobalt and zinc were low, and not of economic interest. However, the Company believes that as a first test of the Coronado South geophysical anomaly, drill hole COR18-01 represents a "near-miss" of the best part of the target, and that further drilling is warranted at the project.

*Summary of COR18-01*

Hole COR18-01 was completed at the Coronado South target to a depth of 375.73 metres (1,232 feet). Winter drilling conditions necessitated an alternate location for the initial drill hole and a site approximately 170 metres (550 feet) from the original location was chosen to test an electromagnetic anomaly detected in an airborne survey carried out by the company in July 2018. The drill hole intersected what is believed to be the stratigraphic upper portion of the host volcanic section for the EM anomaly, which demonstrated a complex structural regime.

Downhole conditions were difficult during the program and daily drilling progress was slower than anticipated. An altered volcanic section that included argillites, basalt flows and flow breccias was intersected below 164.6 to 194.5 metres (540 feet to 638 feet) before being faulted off. This section is interpreted to be the stratigraphic hanging wall to the EM conductor. Significant hydrothermal epidote-chlorite alteration was evident in the flows and flow breccias below 188 metres (618 feet). After intersecting the volcanic section and fault zone, the hole encountered a different structural block dominated by bedded cherts. The fault structure is believed to have disrupted the stratigraphic lower portion of the host volcanic sequence and position of the conductor by displacing it to the east. The company's geologists observed that the drill hole passed through at least three major fault zones. Several weakly developed stockwork sulphide zones were encountered deeper in the hole at depth intervals from 268.2 to 274.4 metres (881 to 900 feet) and 313.1 to 316.46 metres (1,027 to 1,038 feet). These zones consisted of fracture-controlled, cross-cutting and fresh to strongly oxidized pyrite veinlets and disseminations (less than 1 per cent).

A key amendment to the drill permit issued by BLM in 2018 was received in February 2019, which will allow better access to the first priority target area.

Core samples were collected from both sulphide zones and shipped to SRC Geoanalytical Laboratories in Saskatoon, Saskatchewan, for multi-element analysis by ICP-OES with aqua regia digestion for certain elements, and fire assay for gold. Geochemical values of metals such as copper, gold, nickel, cobalt and zinc were low, and not of economic interest. However, Nevada Sunrise believes that as a first test of the Coronado South geophysical anomaly, drill hole COR18-01 represents a "near-miss" of the best part of the target, and that further drilling is warranted at Coronado.

*2019 Exploration at Coronado*

A ground gravity survey was carried out in April 2019 over the most conductive part of the Coronado South target, with survey lines centered over a strong airborne electromagnetic ("EM") anomaly first detected by the Company in 2018. Eighty-four gravity readings were taken at 100 metre station intervals on four lines extending 1,000 metres on either side of the interpreted conductor axis to delineate the gravity profile. An additional 84 gravity readings were also taken over the Coronado North target located approximately 1,750 metres to the north.

The 2019 gravity survey outlined zones of low gravity coincident with the Coronado North and South EM anomalies, which was an unexpected result for such highly-conductive zones with higher magnetic susceptibility. Based on specific gravity (i.e., density) measurements from samples taken within the property area, Nevada Sunrise believes that the measured gravity lows could represent the weathered caps (gossans and/or leached cappings) of flat-lying or gently dipping, VMS-style mineralization.

This interpretation is supported by field observations at the Big Mike. Here, deep weathering and oxidation (at least 200+ feet) resulted in severe leaching of a near-surface, moderately dipping VMS lens and underlying stringer zone. As a consequence, a well-developed, siliceous and auriferous box-work gossan zone and leached capping developed. Continued weathering activity culminated in supergene-copper-enrichment of a deeper lens.

Nevada Sunrise believes the density contrast between the upper gossan-leached capping and mafic (basaltic) volcanic host Havallah sequence could generate a gravity low similar to those detected by the survey. Further, the deeper copper-enriched massive sulfide lens at Big Mike, which was eventually mined out, would have produced a very strong EM anomaly located below the gravity low feature. A remarkably similar geophysical scenario has been identified at the Coronado anomalies. Nevertheless, an associated gravity high anomaly would be expected with the deeper supergene-enriched lens. However, such an anomaly could be too deep to detect or masked by the gravity low feature or a combination of both these conditions.

This weathering event may be in part recent, but it is more likely related to a protracted, late Permian paleo-weathering episode that affected the entire Havallah sequence. Paleo-weathering ended upon deposition of stratigraphically overlying Triassic volcanic formations. It would be reasonable to expect that any VMS deposit exposed along the paleo-weathering surface which developed over the Havallah sequence to exhibit such geophysical characteristics.

*2020 Exploration at Coronado*

On August 6, 2020, Nevada Sunrise announced the commencement of a geochemical sampling program Coronado.

Nevada Sunrise collected 162 soil samples from a grid established across the surface trace of the Coronado South conductor. Samples were submitted to Activation Laboratories Ltd. in Ancaster, Ontario for Spatiotemporal Geochemical Hydrocarbons ("SGH") analysis. This initial soil survey program represents the Company's first test of the SGH process, which has been reported to detect buried sulphide mineralization at depths up to 500 metres.

The 2020 SGH results showed a classic "segment nested halo" geochemical anomaly, which indicates a high probability of related VMS mineralization. Nevada Sunrise commissioned an additional analytical study from Actlabs to focus on the specific SGH hydrocarbon signatures predicted to be associated with copper mineralization and received a positive result. The results from the 2020 SGH survey give confidence to the Company's interpretation of the geological setting at Coronado, and were integrated into the target matrix for a diamond drilling program.

A drilling program at Coronado began in November 2020. Two diamond drill holes were collared at locations identified by the previous airborne VTEM™ geophysical survey as optimal for penetration of the interpreted conductor. A total of 250.76 metres (822.7 feet) was drilled in the two diamond core holes. Each of the drill holes encountered difficulty penetrating through the overburden and viscous clay layers, and the bedrock targets were not intersected.

DDH-COR20-01 was drilled to 151.37 metres (496.6 feet), at which depth ground conditions made further advance impossible. The drill hole encountered a fault zone composed of clay gouge and breccia at 136.89 metres (449.1 feet). Drilling continued through this zone for 14.48 metres (47.5 feet) until the hole was abandoned. This fault zone intersection may represent an extension of the thrust fault encountered in the Company's previously drilled hole DDH-COR18-01. Formations identified in the core indicate that surface colluvium and the upper part of the Havallah greenstone sequence are situated above the fault as in DDH-COR18-01.

DDH-COR20-02 was drilled through the surface colluvium to a depth of 99.39 metres (326.1 feet), at which depth further advance was impeded by a viscous clay layer and the hole was abandoned. This viscous clay is either a layer within the surface colluvium or it may be associated with a fault gouge zone at this depth.

Nevada Sunrise intends to test the Coronado South conductor in a future drilling program with a combination of RC drilling and diamond drilling to penetrate the problematic layers of overburden and continue into bedrock to best intersect the strong VTEM™ airborne conductor detected by the Company in 2018.

*Robert M. Allender, Jr., CPG, RG, SME, a Qualified Person within the meaning of NI 43-101, has reviewed and approved the technical information contained in the MD&A on behalf of the Company for the Coronado VMS property. Readers are cautioned that some of the technical information presented is historical in nature; however, the information is deemed credible and was produced by professional geologists of the eras discussed. Mineralization located on adjacent properties by historical exploration may not be present on Coronado.*

**LITHIUM PROPERTIES**

In 2015, Nevada Sunrise adopted an exploration strategy targeting desert basins, or playas, that exhibit similar geological and geophysical characteristics to the Clayton Valley basin where brines containing

economic contents of lithium are known to accumulate in faults and porous lithologic traps in sub-basins. Such sub-basins can be delineated by gravity surveys that detect strong gravity lows.

In January 2021, the Company commenced a strategic review of its two lithium brine projects in Nevada. The Company owns 100% interests in the Gemini Lithium Project ("Gemini") and the Jackson Wash Lithium Project ("Jackson Wash"), both located in the Lida Valley basin in Esmeralda County, Nevada. Future exploration at the two projects is complemented by the Company's 80.09 acre/feet/year water right, a pre-requisite for the exploration and development of lithium brine projects in Nevada. An additional 40 claims totaling approximately 800 acres (194.25 hectares) were staked in February 2021 to expand the boundaries of Gemini and Jackson Wash.
For location and exploration maps of the Company's lithium projects, please visit "Projects – Nevada Lithium" at: http://www.nevadasunrise.ca/projects/nevadalithium/

***Gemini***

Nevada Sunrise acquired a 100% interest in the Gemini lithium exploration property ("Gemini") located in the Lida Valley, Esmeralda County, Nevada by claim staking in 2015. Gemini consists of 39 claims totaling approximately 780 acres (315.66 hectares). Drill pads, access roads and an active drilling permit are in place at Gemini, and the claims are in good standing until September 1, 2021.

The Lida Valley is a flat, desert basin with a similar geological setting to the Clayton Valley basin which hosts the Silver Peak mine 40 kilometres (26 miles) to the northwest. Previous ground gravity surveys in the Lida Valley area were widely-spaced and limited in scope, however in 2012 and 2013 a geological research team led by Dr. John Oldow of the University of Texas, Dallas collected approximately 500 gravity measurements along 7 transects crossing the Lida Valley. The detailed gravity survey results indicated significant gravity lows within two, faulted sub-basins approximately 7 kilometres (4.5 miles) apart, each interpreted to be hundreds of metres deep. Nevada Sunrise made the decision to acquire claims covering the available land after reviewing the geophysical results in conjunction with favourable local geology, namely late Miocene felsic volcanic tuffs adjacent to Gemini. These rocks provide the source of lithium for trapped, lithium-rich saline ground-waters (brine) within the sub-basins.

Two separate follow-up TDEM surveys over Gemini West and Gemini East carried out in early 2016 by Nevada Sunrise each detected conductive zones within the sub-basins interpreted to represent conductive brines at depth located well below the non-conductive sediments at and near surface. Nevada Sunrise has received a permit from the BLM for a drill program to test for lithium brines at Gemini.

On January 20, 2016, the Company entered into an interim agreement with Kore Mining Ltd. ("Kore") which provided KORE had the right to acquire a 50% participating interest in Gemini by reimbursing the Company for 50% of the Gemini acquisition and evaluation costs. In addition, Kore issued the Company 50,000 common shares with a fair value of $39,500. Kore completed a 1:10 share consolidation on October 30, 2018 which is reflected in the above share total.

On September 21, 2016, the Company entered into a definitive joint venture agreement with Kore, with both parties initial participating interests at 50% each.

On August 15, 2019, Kore agreed to transfer a 50% interest in the Gemini Lithium property to the Company in exchange for the cancellation of $21,751 owed by Kore to the Company for property maintenance fees and exploration expenses incurred on Gemini.

***Jackson Wash***

On December 17, 2015, the Company entered into an option agreement to purchase a 100% interest in the Jackson Wash lithium exploration property located in the Jackson Valley to the southeast of the Clayton Valley, Esmeralda County, Nevada. Jackson Wash is situated on a flat, desert basin having the potential to host lithium brine deposits in aquifers beneath the valley floor on the east side of the Montezuma Range 20 miles (30 kilometres) southeast of the Silver Peak lithium brine mine.

All obligations of the option agreement have been met and Nevada Sunrise owns a 100% interest in Jackson Wash, which currently consists of 28 claims totaling 560 acres (226.62 hectares). BLM annual claim maintenance fees were paid in August 2020, which will maintain the claims until September 1, 2021. Jackson Wash is subject to a 3% gross overriding royalty.

The Jackson Wash basin is believed to be related to north-south basin and range fault systems. The results of a detailed gravity survey and two controlled source audio-frequency magnetotelluric ("CSAMT") lines surveyed in 2011 by a previous operator were interpreted as a layered sequence of unconsolidated, saturated alluvial sediments filling a deep basin beneath the valley floor. Drilling and sampling of the sediments and groundwater in the interpreted basin are the next steps in the exploration process for Jackson Wash.

In September 2016, Nevada Sunrise completed a ground TDEM survey at Jackson Wash to better define conductive zones outlined by the historical CSAMT surveys. The TDEM survey confirmed the CSAMT results and provided valuable information for drill targeting.

The Company subsequently developed an exploration plan to test the Jackson Wash basin with a three-to-four-hole drill program to at depth of least 400 metres to test specific structural and stratigraphic targets believed prospective for lithium brine deposits. In June 2017, the first borehole was drilled at Jackson Wash to a depth of 826 metres (2,710 feet) through interbedded sequences of sand, gravel, and clay. Hot fresh water was encountered in the borehole reaching a temperature of approximately 41 degrees C. (106 degrees F.) but no brines were detected. In early 2021, Nevada Sunrise commissioned a geophysical compilation of the gravity and electromagnetic surveying to better define targets for future drill testing at Jackson Wash.

*Robert M. Allender, Jr., CPG, RG, SME, a Qualified Person within the meaning of NI 43-101, has reviewed and approved the technical information contained in the MD&A on behalf of the Company for its Gemini and Jackson Wash lithium properties.*

**DISCUSSION OF OPERATIONS**

The Company recorded a comprehensive loss of $630,009 for the three months ended December 31, 2020 compared to $138,015 for the three months ended December 31, 2019.

Expenses for the three months ended December 31, 2020 were $758,568 compared to $98,321 for the three months ended December 31, 2019.

Exploration and evaluation costs were $694,426 for the three months ended December 31, 2020 compared to $3,333 for the three months ended December 31, 2019 and were allocated as follows:

| | December 31, 2020 | December 31, 2019 |
|---|---|---|
| Kinsley Mountain | $ 416,318 | $ - |
| Coronado | 278,108 | 350 |
| Neptune | - | 2,111 |
| Water Right | - | 872 |
| | $ 694,426 | $ 3,333 |

The Company elected to participate in the 2020 exploration program with Kinsley Gold LLC and paid its proportionate share of the 2020 cash call of US$313,131 (CAD $416,318) to maintain its 20.01% interest in the joint venture for the Kinsley Mountain property during the three months ended December 31, 2020 compared to $Nil for the three months ended December 31, 2019.

The Company began a drilling program at the Coronado property early November 2020 and incurred significantly higher exploration costs of $278,108 for the three months ended December 31, 2020 compared to $350 for the three months ended December 31, 2019.

Directors' fees were $Nil for the three months ended December 31, 2020 compared to $12,000 for the three months ended December 31, 2019 as directors fees were suspended from July 2020 onward to preserve funds.

Legal fees were $2,285 for the three months ended December 31, 2020 compared to $10,379 for the three months ended December 31, 2019 due to the legal defense of its water right which was settled during the comparative period.

Management fees were $19,266 for the three months ended December 31, 2020 compared to $16,800 for the three months ended December 31, 2019 as a company controlled by Michael Sweatman charged $2,466 while serving as the Company's interim CFO.

Travel and entertainment expenses were $nil for the three months ended December 31, 2020 compared to $1,758 for the three months ended December 31, 2019 due to limited travel activity as a result of COVID-19 restrictions.

During the three months ended December 31, 2020, the Company sold marketable securities for proceeds of $9,780. The Company recorded a gain on its marketable securities of $87,370 due to the Company's shares of GEMC increasing from $0.19 when acquired on October 6, 2020 to $0.30 as of December 31, 2020. During the three months ended December 31, 2019, the Company sold marketable securities for proceeds of $33,360 and recorded a loss on its marketable securities of $34,441.

The Company recorded a foreign currency translation loss of $27,212 for the three months ended December 31, 2020 compared to $5,656 for the three months ended December 31, 2019. At the end of each reporting period, the Company's translates its US subsidiary's account balances and transactions into Canadian dollars and reports a foreign currency translation adjustment. The translation adjustment can vary widely from period to period based on fluctuations in the Canadian dollar in relation to the US dollar.

**SUMMARY OF QUARTERLY RESULTS**

The figures for the quarters ended September 30, 2020 and 2019 are derived from the Company's audited annual consolidated financial statements. All other quarterly figures are derived from the Company's unaudited condensed interim consolidated financial statements.

| | December 31, 2020 $ | September 30, 2020 $ | June 30, 2020 $ | March 31, 2020 $ |
|---|---|---|---|---|
| Revenues | Nil | Nil | Nil | Nil |
| Comprehensive loss | (630,009) | (298,102) | (33,739) | (55,214) |
| Basic and diluted loss per share | (0.01) | (0.01) | (0.00) | (0.00) |

| | December 31, 2019 $ | September 30, 2019 $ | June 30, 2019 $ | March 31, 2019 $ |
|---|---|---|---|---|
| Revenues | Nil | Nil | Nil | Nil |
| Comprehensive loss | (138,015) | (479,968) | (286,646) | (483,914) |
| Basic and diluted loss per share | (0.01) | (0.00) | (0.01) | (0.01) |

Expenses in Q1 of fiscal 2021 were higher than expenses in previous quarters as the Company incurred higher exploration costs than in previous quarters:

- The Company elected to participate in the 2020 exploration program on the Kinsley Mountain property and paid its proportionate share of the 2020 cash call of US$313,131.
- The Company began a drilling program at the Coronado property in November 2020.

**LIQUIDITY AND CAPITAL RESOURCES**

The Company has financed its operations and mineral property exploration and evaluation programs to date primarily through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity, debt financing and the sale or joint venture of its assets.

The Company estimates that the administration of its corporate affairs will cost approximately $360,000 for the year ended September 30, 2021.

At December 31, 2020, the Company had a working capital deficiency of $15,884. The Company will require equity or loan financing and/or the sale of its marketable securities or other assets in order to continue exploration of its mineral properties and fund its administrative expenses. Directors' fees have been suspended until a later date and will be reconsidered during fiscal 2021.
Subsequent to December 31, 2020, the Company raised additional funds as follows:

- The Company issued 2,922,000 private placement units at $0.10 per unit for gross proceeds of $292,200. Each unit contained one common share and one half a warrant entitling the holder to purchase an additional common share at $0.16 until February 12, 2023.

- The Company issued 1,078,000 private placement units at $0.10 per unit for gross proceeds of $107,800. Each unit contained one common share and one half a warrant entitling the holder to purchase an additional common share at $0.16 until February 26, 2023.
- The Company issued 75,000 common shares on the exercise of warrants for gross proceeds of $7,500.

On October 31, 2018, Dedicated Mining Technology Inc. agreed to release 258,932 Advantage Lithium Corp. shares to the Company, which were to be sold to fund the ongoing legal costs related to the defence of the Company's water right. To December 31, 2020, the Company received 194,199 shares and has sold 194,000 shares for proceeds of $113,363 which were paid to the Company's U.S legal counsel. The Company is currently awaiting the return of the remaining 64,733 Advantage Lithium Corp. shares, which shares were exchanged for 9,192 shares of Orocobre Limited from Dedicated Mining Technology Inc. These shares will be sold and the proceeds will be paid to the Company's U.S. legal counsel once they are received.

The Company's cash is highly liquid and held at major financial institutions.

| **Increase (Decrease) in Cash for the three months ended,** | | |
|---|---|---|
| | **December 31, 2020** | **December 31, 2019** |
| Operating Activities | $ (777,332) | $ (59,873) |
| Investing Activities | - | (26,394) |
| Financing Activities | 71,780 | 33,360 |
| Effect of foreign exchange on cash | (2,307) | 10,875 |
| Total Change in Cash | (707,859) | (42,032) |
| Cash, Beginning of the period | 1,175,334 | 54,528 |
| Cash, End of the period | $ 467,475 | $ 12,496 |

***Operating Activities***

Cash used in operating activities primarily consist of exploration costs on the Kinsley Mountain and Colorado properties. The $717,459 increase in the use of cash for operating activities for the three months ended December 31, 2020 is mainly attributable to higher exploration costs incurred in the current period.

***Investing Activities***

There was no investing activity for the three months ended December 31, 2020 compared to $26,394 in prior period attributable to option payments on mineral properties and for staking and maintenance costs.

***Financing Activities***

Cash from financing activities for the three months ended December 31, 2020 included $9,780 proceeds from the sale of marketable securities, proceeds of $17,000 from exercise of options and proceeds of $45,000 from exercise of warrants.

***Going concern***

The Company's consolidated financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its ongoing commitments and further its exploration programs. The continued uncertainty in the capital markets, especially as it relates to the speculative junior mining industry may make it difficult to raise capital through the private placement of shares. While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with any financing ventures. Please see subsequent events for details on additional financings and warrant and option exercises.

The recent outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to evolve and government authorities have implemented emergency measures to mitigate the spread of the virus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time.

***Commitments – Kinsley Gold LLC***

The Company's gold property interests are acquired by way of lease agreements with ongoing cash obligations.

The Kinsley Gold LLC joint venture company has an annual minimum exploration commitment of US$500,000 per year. The Company and Liberty Gold approved a 2019 exploration budget for Kinsley Gold LLC. The Company's proportionate share was 20.94% or $US135,966.

The Company elected not to pay the 2019 cash call amount of US$135,966 and consequently, its interest in the Kinsley Gold LLC joint venture was diluted from 20.94% to 20.01%.

The Company has elected to participate in the 2020 exploration program. In February 2021, the Company made paid its proportionate share of the 2020 cash call of US$423,210 to maintain its 20.1% interest in the joint venture.

***Commitments – Coronado***

To acquire a 100% interest in the Coronado VMS property, the Company must make the following cash payments and exploration expenditures:

| Payment Due Dates | Cash Payments | Share Payments | Minimum Exploration Expenditures |
|---|---|---|---|
| Upon TSXV acceptance of the definitive agreement on October 24, 2018 | US$30,000 (paid) | 200,000 (issued with a fair value of $14,000) | US$50,000 (incurred) |
| On or before September 25, 2019 | US$35,000 (paid) | 300,000 (issued with a fair value of $15,000) | US$100,000 (incurred) |
| On or before September 25, 2020 | US$40,000 (paid) | 400,000 (issued with a fair value of $98,000) (Note 9) | US$150,000 (incurred) |
| On or before September 25, 2021 | US$50,000 | 500,000 | US$300,000 |
| On or before September 25, 2022 | US$1,250,000 | 600,000 | US$500,000 |
| Total | US$1,405,000 | 2,000,000 | US$1,100,000 |

On September 25, 2019, the Company paid the vendors US$5,000 to extend the due date of the US$35,000 option payment to December 25, 2019.

On December 14, 2019, the Company paid the vendors US$5,000 to extend the due date of the US$35,000 option payment to February 24, 2020.

On July 20, 2020, the Company made the deferred option payment of US$35,000 due on February 24, 2020 and issued 300,000 shares with total fair value of $15,000.

On September 30, 2020, the Company made the option payment of US$40,000 and issued 400,000 shares with total fair value of $98,000.

***Commitments - Water Right***

On March 16, 2016, and amended on January 6, 2017 and December 13, 2017, the Company signed a definitive water right purchase agreement for the option to purchase a 100% interest in water right Permit 44411 in the Clayton Valley, Nevada. The pre-existing water right allows for 1,770 acre/feet of water use for mining and milling per year. In consideration for the option to purchase the water rights, the Company agreed to pay the vendors a combination of cash, common shares, and share purchase warrants as follows:

| Date of Payment | Cash | Common Shares | Share Purchase Warrants |
|---|---|---|---|
| March 30, 2016 | US$125,000 (paid) | 200,000 (issued with a fair value of $36,000) | 2,250,000 (issued) |
| December 21, 2016 | US$150,000 (paid) | 250,000 (issued with a fair value or $67,500) | n/a |
| December 21, 2017 | US$175,000 (paid US$87,500) | 300,000 (issued with a fair value of $45,000) | n/a |
| December 21, 2018 | US$200,000 (1) | 350,000 (issued with a fair value of $31,500) | n/a |
| December 21, 2019 | US$300,000 (1) | 400,000 (issued with a fair value of $18,000) | n/a |
| December 21, 2020 | US$350,000 (1) | 500,000 (issued with a fair value of $60,000) | n/a |
| Total | US$1,300,000 | 2,000,000 | 2,250,000 |

(1) On October 31, 2018, the Company signed a letter of intent to further amend the water right purchase agreement. The letter of intent amended the terms for the payment of the remaining cash payments due on the purchase price. Therefore, the Company was not required to make the US$200,000 payment due on December 21, 2018. The Company paid US$20,000 on signing of the letter of intent. In addition, the Company is required to pay US$5,000 per month going forward (paid through February 2020). All the amounts are to be applied to the remaining purchase price. This arrangement continued until August 2020 at which time the amounts due under the original agreement become payable. The Company is currently in negotiations with the vendor of the water right regarding additional amendments to the option agreement. As at the date of this MD&A, no notice of default has been served to the Company.

**OFF-BALANCE SHEET ARRANGEMENTS**

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

**TRANSACTIONS BETWEEN RELATED PARTIES**

At January 21, 2020, the directors of the Company are Warren Stanyer, Cory Kent, Michael Sweatman, Suraj Ahuja and Charles Roy. The officers of the Company are Warren Stanyer, President and CEO, Jonathan Fung, CFO, and Christina Boddy, Corporate Secretary. Brent Petterson, former CFO, resigned on June 2, 2020 and Michael Sweatman was appointed interim CFO. Jonathan Fung was appointed CFO on January 22, 2021.

Warren Stanyer charges management fees of $3,500 per month and Christina Boddy charges management fees of $2,100 per month.

Cory Kent is a partner at McMillan LLP, who is the Company's corporate lawyer. Christina Boddy is provided compensation through Rhodanthe Corporate Services. Michael Sweatman is provided compensation through MDS Management Ltd. and charged $2,466 for the three months ended December 31, 2020 while providing services as interim CFO.

The Company has determined that its key management personnel consist of its Chief Executive Officer, Chief Financial Officer, Corporate Secretary and Board of Directors. Remuneration attributed to key

management personnel or companies controlled by key management personnel during the three months ended December 31, 2020 and 2019 is summarized as follows:

| | 2020 | 2019 |
|---|---|---|
| Accounting fees | $ - | $ 10,500 |
| Directors' fees | - | 12,000 |
| Management fees | 19,266 | 16,800 |
| | $ 19,266 | $ 39,300 |

Directors fees were suspended starting July 2020. Michael Sweatman charged director's fees of $1,500 per month, and Suraj Ahuja and Charles Roy each charged director's fees of $1,250 per month. Brent Petterson, Former CFO, charged accounting fees of $3,500 per month and was provided compensation through MBP Management Ltd.

The Company incurred the following charges by a McMillan LLP in which Cory Kent is a partner and by ALX Resources Corp. a public company with a director in common, Warren Stanyer, with the Company during the three months ended December 31, 2020 and 2019:

| | 2020 | 2019 |
|---|---|---|
| Legal | $ 188 | $ 2,478 |
| Rent | 8,584 | 7,968 |
| | $ 8,772 | $ 10,446 |

At December 31, 2020 and September 30, 2020, prepaid expenses and deposits include $5,000 paid to a company with a director in common with the Company as a rent deposit.

At December 31, 2020, due to related parties includes $21,274 (September 30, 2020 - $21,544) due to directors of the Company and to a law firm in which a director of the Company is a partner, for fees and expenses.

Amounts due from/to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

**PROPOSED TRANSACTIONS**

In the normal course of business, the Company evaluates property acquisition transactions and, in some cases, makes proposals to acquire such properties. These proposals, which are usually subject to board, regulatory and sometimes shareholder approvals, may involve future payments, share issuances, and property work commitments. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction. As of the date of this report, the Company has possible transactions that it is examining. Management is uncertain whether any of these proposals will ultimately be completed.

**CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

*Critical Judgments*

Preparation of the consolidated financial statements requires the Company to make judgments regarding the going concern of the Company as discussed above.

The functional currency of an entity is the currency of the primary economic environment in which an entity operates. The determination of an entity's functional currency requires judgment based on analysis of relevant criteria. The functional currency of the Company and its subsidiaries was determined by conducting an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates* ("IAS 21").

*Estimations and assumptions*

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

*i) Exploration and Evaluation Assets*

The carrying amount of the Company's exploration and evaluation assets properties does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

*ii) Share-based Payments*

The estimation of share-based payments includes estimating the inputs used in calculating the fair value for share-based payments expense included in profit or loss and share-based share issuance costs included in equity. Share-based payments expense and share-based share issuance costs are estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.

*iii) Income Taxes*

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is

probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

**CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

The Company's significant accounting policies are disclosed in Note 3 to its audited annual consolidated financial statements for the year ended September 30, 2020.

There no changes in the Company's significant accounting policies during the three months ended December 31, 2020.

***New Standards and Interpretations Adopted***

There have been no new standards were adopted by the Company since its audited annual consolidated financial statements for the year ended September 30, 2020.

***Accounting standards issued but not yet effective***

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any new standards and determined that there are no standards that are relevant to the Company.

**FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

The Company's risk exposures and the impact on its financial instruments are summarized below:

a) Credit risk

The Company's cash is held with large financial institutions. The Company's receivables consist of goods and services tax receivable from the Government of Canada and exploration expenses incurred on behalf of third parties.

Management believes that credit risk concentration with respect to receivables is nominal. The composition of receivables is as follows:

| | December 31, 2020 | September 30, 2020 |
|---|---|---|
| Goods and services tax receivable | $ 2,816 | $ 4,245 |
| Due from Global Energy Metals Corp. | 5,273 | 5,824 |
| | $ 8,089 | $ 10,069 |

b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. During the three months ended December 31, 2020, the Company received total proceeds of $17,000 from exercise of options and $45,000 from exercise of warrants. As at December 31, 2020, the Company had cash of $467,475 to settle current liabilities of $740,346.

Subsequent to December 31, 2020, the Company raised additional funds:

- The Company issued 2,922,000 private placement units at $0.10 per unit for gross proceeds of $292,200. Each unit contained one common share and one half a warrant entitling the holder to purchase an additional common share at $0.16 until February 12, 2023.
- The Company issued 1,078,000 private placement units at $0.10 per unit for gross proceeds of $107,800. Each unit contained one common share and one half a warrant entitling the holder to purchase an additional common share at $0.16 until February 26, 2023.
- The Company issued 75,000 common shares on the exercise of warrants for gross proceeds of $7,500.

c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

d) Interest rate risk

The Company has cash balances which are not subject to significant risks in fluctuating interest rates. The Company's policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company monitors the investments it makes and is satisfied with the credit ratings of its banks. An increase to interest rates by 1% would have an insignificant effect on the Company's operations.

e) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents and accounts payable and accrued liabilities that are denominated in US dollars.

d) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings, or ability to obtain equity financing, due to movements in individual equity prices or general movements in the level of the stock market. The Company's marketable securities are subject to price risk. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, lithium, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

*Sensitivity Analysis*

The Company operates in the United States and is exposed to exchange risk from changes in the US dollar.

At December 31, 2020, a 10% fluctuation in the US dollar against the Canadian dollar would affect comprehensive income or loss by approximately $63,274.

At December 31, 2020, a 10% fluctuation in the fair value of the Company's marketable securities would affect comprehensive income or loss by $22,539.

**FAIR VALUE HIERARCHY**

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

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

The fair values of the Company's receivables, accounts payable and accrued liabilities and due to related parties approximate their carrying values because of the short-term nature of these instruments. The fair value of the Company's reclamation bonds and right of way also approximate their carrying values.

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at December 31, 2020 and September 30, 2020:

| | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| December 31, 2020: | | | |
| Cash | $ 467,475 | $ - | $ - |
| Marketable securities | $ 225,391 | $ - | $ - |
| September 30, 2020: | | | |
| Cash | $ 1,175,334 | $ - | $ - |
| Marketable securities | $ 5,301 | $ - | $ - |

**ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

During the three months ended December 31, 2020 and 2019, the Company incurred the following expenses:

| | | **2020** | | **2019** |
|---|---|---|---|---|
| Capitalized acquisition costs - cash | $ | - | $ | 26,394 |
| Operating expenses | | 758,568 | | 98,321 |
| | $ | 758,568 | $ | 124,715 |

Please refer to Note 7 of our condensed interim consolidated financial statements for the three months ended December 31, 2020 and December 31, 2019 for a detailed description of the capitalized costs presented on a property by property basis.

**OUTSTANDING SHARE DATA**

| | |
|---|---|
| *Number of issued and outstanding common shares at the date of this MD&A:* | 77,983,327 |

*Options*

As of the date of this MD&A, there were 2,955,000 stock options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

| Number of options outstanding | Exercise Price | Expiry Date |
|---|---|---|
| 565,000 | $0.37 | September 6, 2021 |
| 850,000 | $0.18 | January 25, 2023 |
| 940,000 | $0.105 | October 31, 2023 |
| 600,000 | $0.09 | March 26, 2024 |
| 2,955,000 | | |

*Warrants*

As of the date of this MD&A, there were 21,680,134 share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held as follows:

| Number of warrants outstanding | Exercise Price | Expiry Date |
|---|---|---|
| 2,450,000 | $0.25 | June 16, 2021 |
| 2,220,133 | $0.25 | July 5, 2021 |
| 685,000 | $0.25 | July 17, 2021 |
| 2,575,000 | $0.10 | July 25, 2021 |
| 7,000,000 | $0.05 | July 10, 2022 |
| 3,000,000 | $0.16 | August 19, 2022 |
| 1,750,001 | $0.60 | September 16, 2022 |
| 1,461,000 | $0.16 | February 12, 2023 |
| 539,000 | $0.16 | February 26, 2023 |
| 21,680,134 | | |

*Finder's Warrants*

At February 26, 2021, there were 98,116 finder's warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held at $0.30 per share until September 16, 2022.

**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 or Lease Agreements*

The Company is currently earning some of its interests in its mineral properties through option or lease agreements and acquisition of title to the property is only completed when the option or lease conditions have been met. 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 mineral property will not vest and the Company will have to write-down the previously capitalized costs related to that property.

**SUBSEQUENT EVENTS**

Subsequent to December 31, 2020, the following events occurred.

- The Company issued 2,922,000 private placement units at $0.10 per unit for gross proceeds of $292,200. Each unit contained one common share and one half a warrant entitling the holder to purchase an additional common share at $0.16 until February 12, 2023.
- The Company issued 1,078,000 private placement units at $0.10 per unit for gross proceeds of $107,800. Each unit contained one common share and one half a warrant entitling the holder to purchase an additional common share at $0.16 until February 26, 2023.
- The Company issued 75,000 common shares for the exercise of warrants for gross proceeds of $7,500.
- The Company paid its proportionate share of the 2020 cash call of US$423,210 to maintain its 20.01% interest in the Kinsley Gold LLC joint venture.