ARIZONA METALS CORP.
(FORMERLY RING THE BELL CAPITAL CORP.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR YEARS ENDED DECEMBER 31, 2019 AND 2018

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Arizona Metals Corp. (formerly Ring the Bell Capital Corp.) ("AMC" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the years ended December 31, 2019 and 2018. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the consolidated financial statements of the Company for the years ended December 31, 2019 and 2018, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). Information contained herein is presented as of April 29, 2020, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of AMC common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Description of Business

Prior to August 1, 2019, the Company was classified as a Capital Pool Company ("CPC") under TSX-V Policy 2.4. On August 1, 2019, the Company completed a reverse take-over transaction ("Transaction") with Croesus Gold Corp. ("Croesus") (see below under the heading "Qualifying Transaction") wherein the Company acquired 100% of the issued and outstanding common shares of Croesus and became a mineral exploration company based in Toronto, Ontario focused on precious metal exploration in the United States.

The Company's primary office is located at 66 Wellington Street West, Suite 4100, Toronto, Ontario, M5K 1B7, Canada.

AMC owns, through its wholly-owned subsidiaries,100% of the Sugarloaf Peak Gold Project located in La Paz County, Arizona, USA and 100% of the past-producing Kay Mine Project ("Kay Mine"), located in Yavapai County, Arizona, USA.

Incorporation and Corporate Profile

The Company was initially incorporated under the name "Ring The Bell Capital Corp." under the *Canada Business Corporations Act* (the "CBCA") on June 28, 2017. The Company completed an Initial Public Offering ("IPO") on the TSX Venture Exchange ("TSX-V") on March 6, 2018 for 3,200,000 common shares for gross proceeds of $800,000. In connection with the IPO the Company paid the agent involved a commission of $80,000 (equal to 10% of the gross funds raised from the Offering), a corporate finance fee of $12,000 and reimbursed the agent for $15,986 of legal and filing fees. The Company also granted the agent warrants to acquire up to an aggregate of 320,000 common shares of the Company at a price of $0.25 per common share (after taking into account the subsequent 2.5:1 share consolidation of the Company (see below under the heading "Qualifying Transaction") for a period of two years following the IPO. Any unexercised warrants expired on March 6, 2020, two years from issuance. The common shares were listed on the TSX-V and commenced trading on March 9, 2018 under the stock symbol RTB.P.

On August 1, 2019, the Company completed the Transaction with Croesus (see below under the heading "Qualifying Transaction") wherein the Company acquired 100% of the issued and outstanding common shares of Croesus by way of a three-cornered amalgamation. Pursuant to the Transaction, Croesus shareholders acquired control of the Company. While the Company is the legal acquirer of Croesus, for accounting purposes the acquirer in the Transaction was is Croesus.

In connection with the Transaction, the Company filed Articles of Amendment effective July 31, 2019, consolidating the common shares of the Company and changing its name to "Arizona Metals Corp." The Company currently trades on the TSX-V under the symbol "AMC".

Qualifying Transaction

On April 4, 2019, the Company entered into a binding Letter of Intent with Croesus with respect to the Transaction. On June 17, 2019, Croesus, the Company and 11459040 Canada Inc. ("Merger Subco"), a wholly-owned subsidiary of the Company incorporated for the purpose of facilitating the Transaction, entered into a definitive business combination agreement (the "Merger Agreement") pursuant to which Croesus and AMC completed the Transaction that resulted in a reverse take-over of AMC by the shareholders of Croesus.

In connection with the Transaction, on June 27, 2019, Croesus and AMC completed concurrent private placements of total 6,755,000 subscription receipts ("Subscription Receipts") at a price of $0.40 per Subscription Receipt for aggregate gross proceeds of $2,702,000 (the "Financing"). Canaccord Genuity Corporation (the "Agent") was engaged to act as lead agent in connection with the Financing.

The gross proceeds of the Financing, less certain fees and expenses of the Agent, was placed in escrow on behalf of the purchasers of Subscription Receipts, and was released to the Company upon satisfaction of certain escrow release conditions, including completion of the Transaction.

In connection with the Transaction, the Company filed Articles of Amendment effective July 31, 2019, changing its name to "Arizona Metals Corp." and consolidating the common shares of the Company on the basis of one (1) post-consolidation common share for every two and a half (2.5) pre-consolidation common shares.

Effective August 1, 2019, Croesus and the Company completed the Transaction and the Company acquired all of the issued and outstanding shares of Croesus by way of a three-cornered amalgamation under the CBCA. Pursuant to the Merger, Merger Subco amalgamated with Croesus, and the resulting entity became a wholly-owned subsidiary of the Company. All of the security holders of Croesus, including holders of Subscription Receipts of Croesus, became securityholders of the Company in accordance with the terms and conditions of the Transaction.

Upon closing of the Transaction, each Subscription Receipt, without payment of any additional consideration or taking of any action, was converted into one (1) unit of AMC (a "Unit"), with each Unit being comprised of one common share of the Company (the "Underlying Shares") and one common share purchase warrant of AMC (the "Underlying Warrants"). Each Underlying Warrant entitled the holder thereof to purchase one Underlying Share at a price of $0.60 for a period of 3 years following August 1, 2019, the date on which the Transaction closed (the "Closing Date").

The exercise price of certain Underlying Warrants were later amended to $0.50 per Underlying Share. See below under the heading "Subsequent Events".

The Company paid the Agent a cash commission of $162,120, equal to 6% of the aggregate gross proceeds of the Financing, which was paid upon conversion of the Subscription Receipts. The Company also issued warrants to the Agent (the "Compensation Warrants") to purchase such number of Underlying Shares as is equal to 8% of the total number of Subscription Receipts issued pursuant to the Financing. Each Compensation Warrant is exercisable into one Underlying Share at an exercise price of $0.40 for a period of 24 months following the Closing Date.

Mineral Exploration Properties

Sugarloaf Peak Gold Project

The Company, through a wholly-owned subsidiary, owns 100% of the Sugarloaf Peak Gold Project, which is composed of 219 BLM claims with dimensions of approximately 4km x 6km and hosts an historic resource "containing about 1.5 million ounces gold and 25 million ounces of silver in a volume of about 100 million tons" (Dausinger, 1983). This estimate was based on work by Westworld Resources (1981-1983) which totaled 2,500 feet of drilling in 10 holes to a maximum depth of only 76m. The historic estimate was not defined using CIM categories. Additional drilling totaling 4,400m was completed by Riverside Resources Inc. ("Riverside") and Choice Gold between 2009 and 2012. A Titan-24 geophysical survey was also undertaken during this period. The average drill hole spacing at Sugarloaf is 150m and the Company estimates an initial drill program of at least 10,000m will be required. The Company's qualified person ("QP") has not done sufficient work to classify the historic estimate as a current resource, and the Company is not treating the historic estimate as a current resource. The Company acquired 4 additional claims subsequent to acquisition.

Kay Mine

The Company, through a wholly-owned subsidiary, owns 100% of approximately 1,330 acres of patented and unpatented claims covering and surrounding the past-producing Kay Mine, located in Yavapai County, Arizona, approximately 50 miles north of Phoenix. The Kay Mine claims are not subject to any royalties. The Kay Mine property hosts an historic resource estimate, defined by Exxon Minerals (Fellows, 1982) of 6.4 million short tons at a grade of 2.2% copper, 2.8g/t gold, 3.03% zinc, and 55g/t silver. Exxon used a copper equivalent cut-off grade of 2%. The historic estimate was defined from a depth of approximately 100m to 900m, and based on approximately 103 underground drill holes on 12 levels, thousands of underground samples, and approximately 7,500m in surface drilling. The Company has planned an initial drill program of approximately 6,000m. The 1982 estimate by Exxon did not use CIM categories. The Company's QP has not done sufficient work to classify the historic estimate as a current resource, and the Company is not treating the historic estimate as a current resource. In March 2019, prior to the completion of the Transaction, Croesus staked an additional 1,000 acres of BLM claims contiguous with the recently acquired Kay Mine claims. Croesus also completed a helicopter VTEM survey totaling 102 line kilometres covering the acquired and staked claims.

On August 8, 2019, the Company announced the results of a sample program completed at the Kay Mine Property, which can be found at:
https://www.arizonametalscorp.com/news/index.php?content_id=82

In January 2020, the Company commenced a fully-funded 6,000 metre surface drilling program. In April 2020, the Company announced the assay results of the first seven drill holes of the drill program, KM-02-01 to KM-20-07, which all intersected massive sulphide mineralization. The results can be found at: https://www.arizonametalscorp.com/news/index.php?content_id=94

The technical information contained in this MD&A has been prepared in accordance with Canadian regulatory requirements set out in National Instrument 43-101 – Standards for Disclosure for Mineral Projects ("NI 43-101") and reviewed and approved by David Smith, CPG, a Qualified Person as defined under NI 43-101.

Operational Highlights

On January 25, 2019, the Company closed the acquisition of the Kay Mine claims pursuant to an acquisition agreement with Silver Spruce Resources Inc. ("Silver Spruce") dated November 15, 2018 ("Acquisition Agreement"). Pursuant to the terms of the Acquisition Agreement, the Company assumed a loan on the closing date with a principal amount of US$450,000, accruing interest at a rate of 12% per annum. The Company repaid the full amount of the loan and the accrued interest on March 12, 2019 in the amount of $652,165.

During January-March 2019, the Company closed private placements whereby the Company ultimately issued an aggregate of 3,658,400 common shares at a price of $0.30 per share for aggregate gross proceeds of $1,097,520.

On March 27, 2019, the Company granted 1,800,000 stock options to directors of the Company with exercise price of $0.30 per share, expiring in 5 years.

In May 2019, the Company entered into an agreement with Silver Spruce to amend the ongoing terms of the Acquisition Agreement ("Extension Agreement"). Under the Extension Agreement, Croesus made additional payments to Silver Spruce of $200,000 on May 9, 2019 and $150,000 on June 27, 2019, satisfying all of the Company's obligations under the Acquisition Agreement and Extension Agreement.

On August 1, 2019, the Company completed the Transaction as described under the heading "Qualifying Transaction" above.

On November 15, 2019, the Company granted 800,000 stock options to directors of the Company with exercise price of $0.40 per share, expiring in 5 years.

Selected Annual Financial Information

The following is selected financial data derived from the audited consolidated financial statements of the Company as at December 31, 2019, 2018 and 2017 and for the years then ended.

Description	Year Ended December 31, 2019 $	Year Ended December 31, 2018 $	Year Ended December 31, 2017 $
Total revenues	Nil	Nil	Nil
Total loss (1)(2)	(4,260,609)	(1,291,518)	(508,309)
Net loss per common share – basic and diluted (3)(4)	(0.10)	(0.04)	(0.02)

Description	As at December 31, 2019 $	As at December 31, 2018 $	As at December 31, 2017 $
Total assets	2,326,095	458,136	871,241
Total non-current financial liabilities	Nil	Nil	Nil
Distribution or cash dividends (5)	Nil	Nil	Nil

(1) Loss from continuing operations attributable to owners of the parent, in total;
(2) Loss attributable to owners of the parent, in total;
(3) Loss from continuing operations attributable to owners of the pin arent, on a per-share and diluted per share basis;
(4) Loss attributable to owners of the parent, on a per-share and diluted per-share basis; and
(5) Declared per-share for each class of share.

Summary of Quarterly Information

Three Months Ended	Total Revenue $	Profit or Loss	
		Total $	Basic and Diluted Loss Per Share $ (9)
December 31, 2019	-	(677,667) (1)	(0.03)
September 30, 2019	-	(902,305) (2)	(0.02)
June 30, 2019	-	(897,342) (3)	(0.02)
March 31, 2019	-	(1,783,295) (4)	(0.05)
December 31, 2018	-	(672,075) (5)	(0.02)
September 30, 2018	-	(467,439) (6)	(0.02)
June 30, 2018	-	(66,743) (7)	(0.00)
March 31, 2018	-	(85,261) (8)	(0.00)

Notes:

(1) Net loss of $677,667 includes salaries and benefits of $89,262, exploration and evaluation expenditures of $179,028; office and general of $62,828, professional fees of $42,454, share-based payments of $269,375 and filing fees of $34,720.
(2) Net loss of $902,305 includes salaries and benefits of $71,284, exploration and evaluation expenditures of $120,021; office and general of $82,581, professional fees of $117,930 and listing fees of $510,489.
(3) Net loss of $897,342 includes salaries and benefits of $37,159, exploration and evaluation expenditures of $649,651; office and general of $13,381, professional fees of $4,684 and listing fees of $192,467.
(4) Net loss of $1,783,295 includes salaries and benefits of $42,804, exploration and evaluation expenditures of $1,191,284; office and general of $24,278, professional fees of $19,324, share-based payments of $467,071, filing fees of $6,965 and listing fees of $31,569.
(5) Net loss of $672,075 includes salaries and benefits of $32,577, exploration and evaluation expenditures of $578,368; office and general of $36,561 and professional fees of $24,569.
(6) Net loss of $467,439 includes salaries and benefits of $45,173, share-based payments of $379,269, exploration and evaluation expenditures of $18,699, office and general of $21,798 and professional fees of $2,500.
(7) Net loss of $66,743 includes salaries and benefits of $39,464, exploration and evaluation expenditures of $17,411, office and general of $7,368 and professional fees of $2,500.
(8) Net loss of $85,261 includes salaries and benefits of $40,873, exploration and evaluation expenditures of $11,967, office and general of $29,921 and professional fees of $2,500.
(9) Per share amounts are rounded to the nearest cent, therefore aggregating quarterly amounts may not reconcile to year-to-date per share amounts.

Discussion of Operations

Three months ended December 31, 2019 compared to three months ended December 31, 2018

For the three months ended December 31, 2019, the Company's net loss was $677,667 compared to $672,075 for the three months ended December 31, 2018. The increase in net loss is a result of the following:

- Salaries and benefits increased to $89,262 for the three months ended December 31, 2019 compared to $32,577 for the three months ended December 31, 2018 due to increased salaries paid to the management.

- Office and general increased to $62,828 for the three months ended December 31, 2019 compared to $36,561 for the three months ended December 31, 2018 due to increased corporate activities.

- Professional fees increased to $42,454 for the three months ended December 31, 2019 compared to $24,569 for the three months ended December 31, 2018 due to increased audit and legal fees related to the Transaction.

- Share-based payments increased to $269,375 for the three months ended December 31, 2019 compared to $nil for the three months ended December 31, 2018 due to stock options granted during the period.

- Exploration and evaluation expenditures decreased to $179,028 for the three months ended December 31, 2019 compared to $578,368 for the three months ended December 31, 2018 due to decreased activities pertaining to the Kay Mine.

Year ended December 31, 2019 compared to year ended December 31, 2018

For the year ended December 31, 2019, the Company's net loss was $4,260,609 compared to $1,291,518 for the year ended December 31, 2018. The increase in net loss is a result of the following:

- Exploration and evaluation expenditures increased to $2,139,984 for the year ended December 31, 2019 compared to $626,445 for the year ended December 31, 2018 due to increased activities pertaining to the Kay Mine including $1,002,245 of acquisition cost and $18,000 of drilling for Kay Mine and $600,000 of acquisition cost for Sugarloaf Peak Gold project.

- Office and general increased to $183,068 for the year ended December 31, 2019 compared to $95,647 for the year ended December 31, 2018 due to increased corporate activities.

- Professional fees increased to $184,392 for the year ended December 31, 2019 compared to $32,069 for the year ended December 31, 2018 due to increased audit and legal fees related to the Transaction.

- Listing fees of $734,525 for the year ended December 31, 2019 compared to $nil for the year ended December 31, 2018 due to the expenditures incurred related to Transaction.

Capital Management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, reserves and accumulated deficit, which at December 31, 2019, totaled $2,208,179 (December 31, 2018 - $375,366).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors.

As the Company does not have a credit facility, the Company is not currently subject to any capital requirements imposed by a lending institution or regulatory body. The Company expects that its capital resources will be sufficient to discharge its liabilities as of the current statement of financial position date.

There were no changes in the Company's process, policies and approach to capital management during the years ended December 31, 2019 and 2018.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than TSX-V which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2019, the Company believes it is compliant with the policies of the TSX-V.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Commitments and Contingencies

Environmental contingencies

The Company's mineral exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Management contract

The Company is party to certain employment contracts. These contracts require that additional payments of approximately $600,000 be made upon the occurrence of a change of control or termination without cause. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements.

Liquidity and Capital Resources

At December 31, 2019, the Company had $1,611,891 in cash (December 31, 2018 - $406,333).

At December 31, 2019, accounts payable and accrued liabilities were $117,917 (December 31, 2018 - $82,770). The Company's cash balance as at December 31, 2019 is sufficient to pay these liabilities.

The Company has no operating revenues and therefore must utilize its funds from financing transactions to maintain its capacity to meet ongoing operating activities.

As of December 31, 2019 and to the date of this MD&A, the cash resources of the Company are held with one Canadian chartered bank. The Company has no variable interest rate debt and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short-term and non-interest-bearing.

Cash used in operating activities were $2,958,201 for the year ended December 31, 2019. Operating activities were affected by a net loss of $4,260,609 offset partially by non-cash adjustments of $600,000 for exploration share-based payment, $736,446 for share-based payments, $532,457 for listing expense and the net change in non-cash working capital balances of $566,495 because of increases in sales tax recoverable, prepaid expenses and accounts payable and accrued liabilities.

Cash provided by investing activities were $768,186 for the year ended December 31, 2019 which included cash acquired on RTO of $825,530, offset by reclamation bond of $57,344.

Cash provided by financing activities were $3,395,573 for the year ended December 31, 2019, which included proceeds from private placements share issuance of $3,799,520 and proceeds from exercise of warrants of $77,990, offset by cost of issue of $481,937.

Transactions with Related Parties

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

Remuneration of directors and key management personnel of the Company was as follows:

	Year Ended December 31, 2019 $	Year Ended December 31, 2018 $
Salaries and benefits	240,509	158,088
Share-based payments	736,446	354,779
Professional fees	18,332	Nil
Legal fees	396,075	45,183
	1,391,362	**558,050**

During the year ended December 31, 2019, related parties have subscribed for a total of 2,062,500 common shares and 1,862,500 warrants for aggregate gross proceeds of $805,000.

A director of the Company is a partner in a law firm that provides services on a recurrent basis to the Company. During the year ended December 31, 2019, the Company incurred legal fees of $396,075 (December 31, 2018 - $45,183) to this law firm which were included in professional fees amounted to $94,007 (December 31, 2018 - $32,069), listing expenses of $202,068 (December 31, 2018 - $nil), exploration and evaluation expenditure of $nil (December 31, 2018 - $13,114) and share issuance costs of $100,000 (December 31, 2018 - $nil). As of December 31, 2019, included in accounts payable and accrued liabilities is an amount of $5,649 (December 31, 2018 - $nil) owing to this law firm. The amount owing is unsecured, non-interest bearing with no fixed terms of repayment.

Subsequent Event

On February 12, 2020, the Company announced that it has closed a non-brokered private placement offering of 4,741,000 common shares of the Company at a price of $0.50 per common share, for aggregate gross proceeds of $2,370,500. Colin Sutherland and Rick Vernon, directors of the Company, each purchased an aggregate of 100,000 common shares under the offering. Kevin Reid, an insider of the Company, beneficially purchased an aggregate of 500,000 common shares under the offering. In connection with the offering, the Company paid cash finders' fees of an aggregate of $93,900.

On February 24, 2020, the Company repriced 6,117,999 of the Company's outstanding warrants expiring on August 1, 2022 from an exercise price of $0.60 per warrant to an exercise price of $0.50 per warrant.

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, such significant outbreak of contagious disease in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

Share Capital

As at the date of this MD&A, the Company had 54,596,368 issued and outstanding common shares.

Stock options outstanding for the Company as at the date of this MD&A were as follows:

Stock Options	Expiry Date	Exercise Price ($)
2,000,000	December 18, 2025	0.10
1,000,000	April 18, 2026	0.10
2,300,000	May 19, 2026	0.20
1,800,000	March 27, 2024	0.30
400,000	August 1, 2020	0.25
800,000	November 15, 2024	0.40
8,300,000		

Warrants outstanding for the Company as at the date of this MD&A were as follows:

Warrants	Expiry Date	Exercise Price ($)
8,040	March 6, 2020	0.25
637,001	August 1, 2022	0.60
6,117,999	August 1, 2021	0.50
540,400	August 1, 2021	0.40
7,303,440		

Critical Accounting Estimates and Judgments

The preparation of the consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. The preparation of the consolidated financial statements also requires management to exercise judgment in the process of applying the accounting policies.

Critical accounting estimates

(a) Share-based compensation

Management is required to make certain estimates and assumptions when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock-based compensation in the consolidated statement of comprehensive loss based on estimates of forfeiture and expected lives of the underlying stock options.

(b) Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

(c) Decommissioning provision

Management's assumption of no material restoration, rehabilitation and environmental exposure, is based on the facts and circumstances that existed in the current and prior periods.

Critical judgments in applying accounting policies

Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements.

Financial Instruments

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and price risk).

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, sales tax recoverable and reclamation bond. Cash is held with a Canadian chartered bank, from which management believes the risk of loss to be minimal.

Sales tax recoverable are receivable from government authorities in Canada. Reclamation bond is held with relevant government authorities in United States. Management believes that the credit risk with respect to these amounts receivable is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2019, the Company had cash of $1,611,891 (December 31, 2018 - $406,333) to settle current liabilities of $117,917 (December 31, 2018 - $82,770). All of the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

The Company obtained its financing through private placements. Negative trends in the general equity market and the fall in commodity prices can adversely impact the Company's ability to obtain financing at favourable terms. If the Company cannot obtain the necessary financing to fund its operating and exploration activities, the Company might not be able to continue as a going concern entity.

There can be no assurance that additional financing, if and when required, will be available or on terms acceptable to the Company.

Market risk

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

(a) Interest rate risk

The Company has cash balances. The Company's current policy is to invest surplus cash in high yield savings accounts with a Canadian chartered bank with which it keeps its bank accounts. As at December 31, 2019, the Company did not have any surplus cash. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank.

(b) Foreign currency risk

The Company's functional and presentation currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company is not exposed to foreign currency risk.

Change in Accounting Policy

The Company has adopted IFRS 16 effective January 1, 2019. Previously, the Company classified leases as operating or finance leases based on IAS 17 Leases. IFRS 16 requires lessees to recognize most leases on the balance sheet to reflect the right to use an asset for a period of time and an associated lease liability for payments. The Company has applied IFRS 16 in accordance with the modified retrospective approach only to contracts that were previously identified as leases. Contracts that were not identified as leases under previous standards were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2019. The Company has determined that there is no change to the comparative periods or transitional adjustments required as a result of the adoption of this standard. The adoption of IFRS 16 did not have a significant impact on the Company's consolidated financial statements.

Risk Factors

The following are certain risk factors relating to the business of the Company. The following information is a summary only of certain risk factors. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company, or that the Company currently deems immaterial, may also impair the operations of the Company. If any such risks actually occur, the financial condition, liquidity and results of operations of the Company could be materially adversely affected and the ability of the Company to implement its growth plans could be adversely affected.

Exploration, Development and Operating Risks

Mining and exploration operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of precious metals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks which may not be eliminated even with a combination of careful evaluation, experience and knowledge. While the discovery of precious metals and other minerals may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of the minerals and proximity to infrastructure; mineral prices, which are highly cyclical; and government regulations, including regulations on prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection. The exact effect of these factors cannot be accurately predicted but their combination may result in the Company not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by the Company on the search and evaluation of precious metals and other minerals will result in discoveries of commercial quantities of ore or other minerals.

Exploration properties title

Although the title to the properties in which the Company holds an interest was reviewed by or on behalf of the Company, no formal title opinions were delivered to the Company and, consequently, no assurances can be given that there are no title defects affecting such properties. Title insurance generally is not available, and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. The Company has not conducted surveys of the claims in which it holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt. Accordingly, the Company's mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects.

Pandemic Diseases

The Company's operations are subject to the risk of emerging infectious diseases or the threat of outbreaks of viruses or other contagions or epidemic diseases. These infectious disease risks may not be adequately responded to locally, nationally or internationally due to lack of preparedness to detect and respond to outbreaks or respond to significant pandemic threats. As such, there are potentially significant economic and social impacts of infectious disease risks, including the inability of The Company's exploration activities to operate as intended due to shortage of skilled employees, shortages in supply chains, inability of employees to access sufficient healthcare, significant social upheavals, government or regulatory actions or inactions, decreased demand or the inability to sell or declines in the price of minerals, capital market volatility, or other unknown but potentially significant impacts. The Company's current property interests are located in the United States, however there are potentially significant economic losses from infectious disease outbreaks that can extend far beyond the initial location of an infectious disease outbreak. As such, both catastrophic outbreaks as well as regional and local outbreaks can have a significant impact on the Company's operations. The Company may not be able to accurately predict the quantum of such risks. In addition, the Company's own operations are exposed to infectious disease risks noted above and as such the Company's operations may be adversely affected by such infection disease risks. Accordingly, any outbreak or threat of an outbreak of a virus or other contagions or epidemic disease could have a material adverse effect on the Company, its business, results from operations and financial condition.

Competition May Hinder Corporate Growth

The mining industry is competitive in all of its phases. The Company faces strong competition from other mining companies for the acquisition of properties producing, or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire attractive mining properties or skilled resources on terms it considers acceptable or at all. Consequently, the Company's revenues, operations and financial condition could be materially adversely affected.

Additional Capital

The development and exploration of the Company's properties may require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

Commodity Prices

The price of the common shares, the Company's financial results and exploration, development and mining activities may in the future be significantly adversely affected by declines in the price of gold. Gold prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of gold by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world. The price of gold has fluctuated widely in recent years, and future serious price declines could cause continued development of the Company's properties to be impracticable. Future production from the Company's properties is dependent on gold prices that are adequate to make these properties economic.

In addition to adversely affecting the Company's reserve and/or resource estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Government Regulation

The mining, processing, development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters.

Exploration may also be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploration and production, price controls, export controls, currency availability, foreign exchange controls, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, limitations on mineral exports, high rates of inflation, increased financing costs, and site safety. This may affect both the Company's ability to undertake exploration and development activities on present and future properties in the manner contemplated, and its ability to continue to explore, develop and operate those properties in which it has an interest or for which it has obtained exploration and development rights to date.
Although the Company believes that its exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail development or future potential production. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a substantial adverse impact on the Company.

Political Risks

All of the Company's current operations are conducted in Ontario, and as such, are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, renegotiation or nullification of existing concessions, licenses, permits and contracts, and changes in taxation policies.

Future political actions cannot be predicted and may adversely affect the Company. Changes, if any, in mining or investment policies or shifts in political attitude in the province of Ontario may adversely affect the Company's business, results of operations and financial condition. Future operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. The possibility that future governments may adopt substantially different policies, which may extend to the expropriation of assets, cannot be ruled out.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's consolidated business, results of operations and financial condition.

Labour and Employment Matters

While the Company has good relations with its employees, these relations may be impacted by changes in the scheme of labour relations which may be introduced by the relevant governmental authorities in whose jurisdictions the Company carries on business. Adverse changes in such legislation may have a material adverse effect on the Company's business, results of operations and financial condition.

Market Price of Common Shares

Securities of micro- and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. The Company's share price is also likely to be significantly affected by short-term changes in gold prices or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the common shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not continue to follow the Company; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of common shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the common shares that persists for a significant period of time could cause the Company's securities to be delisted from the exchange on which they trade, further reducing market liquidity.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of common shares in the public markets, or the potential for such sales, could decrease the trading price of the common shares and could impair the Company's ability to raise capital through future sales of common shares. The Company has previously completed private placements at prices per share which are from time to time lower than the market price of the common shares. Accordingly, a significant number of shareholders of the Company have an investment profit in the common shares of the Company that they may seek to liquidate.

Conflicts of Interest

Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the Business Corporations Act (Ontario) and other applicable laws.

Management

The success of the Company is currently largely dependent on the performance of its management. Shareholders will be relying on the good faith, experience and judgment of the Company's management and advisers in supervising and providing for the effective management of the business of the Company. The loss of the services of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its management or other qualified personnel required to operate its business. Failure to do so could have a materially adverse effect on the Company and its prospects.

Additionally, directors and officers of the Company may also serve as directors and/or officers of other public companies from time to time.

Consequently, such directors and officers will be dividing their time between their duties to the Company and their duties to their other reporting issuers.

The Company has not purchased "key-man" insurance, nor has it entered into non-competition and non-disclosure agreements with management and has no current plans to do so.

Permitting Matters

The Company's operations are subject to receiving and maintaining permits and licenses from appropriate governmental authorities from time to time. Although The Company currently has all required permits and licenses for its operations as currently conducted, there is no assurance that delays will not occur in connection with obtaining all necessary renewals of such permits and licenses for the existing operations or additional permits or licenses for all future new operations. Prior to any development on any of its properties, The Company must receive permits and licenses from appropriate governmental authorities. There can be no assurance that The Company will receive and/or continue to hold all permits and licenses necessary to develop or continue operating at any particular property, or that any such licenses or permits awarded will not be cancelled pursuant to applicable legislation.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to The Company's properties or the properties of others, delays in exploration, development, monetary losses and possible legal liability.

The Company currently maintains directors' and officers' liability insurance and general liability insurance in such amounts as it considers to be reasonable. Accordingly, the insurance of the Company does not cover the potential risks associated with a mineral exploration company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production may not be generally available to The Company or to other companies in the mineral exploration industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which The Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause The Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

All phases of The Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect The Company's operations. Environmental hazards may exist on the properties on which The Company holds interests which are unknown to The Company at present and which have been caused by previous or existing owners or operators of the properties. Government approvals and permits are currently, and may in the future be, required in connection with The Company's operations. To the extent such approvals are required and not obtained, The Company may be curtailed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mineral exploration activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and/or mineral exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses or capital expenditures or require abandonment or delays in development of new mineral exploration properties.

Infrastructure

Mineral exploration, processing, development and related activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect The Company's operations, financial condition and results of operations.

No History of Mineral Production

The Company has never had any interest in mineral producing properties. There is no assurance that commercial quantities of minerals will be discovered at any of The Company's current or future properties, nor is there any assurance that the exploration programs thereon will yield any positive results. Even if commercial quantities of minerals are discovered, there can be no assurance that any of the Company's properties will ever be brought to a stage where mineral resources can profitably be produced thereon. Factors which may limit the ability of The Company to produce mineral resources from its properties include, but are not limited to, the price of the mineral resources for which the Company is exploring, availability of additional capital and financing and the nature of any mineral deposits.

Cybersecurity Risks

The information systems of the Company and any third-party service providers and vendors, are vulnerable to an increasing threat of continually evolving cybersecurity risks. These risks may take the form of malware, computer viruses, cyber threats, extortion, employee error, malfeasance, system errors or other types of risks, and may occur from inside or outside of the respective organizations. Cybersecurity risk is increasingly difficult to identify and quantify and cannot be fully mitigated because of the rapid evolving nature of the threats, targets and consequences. Additionally, unauthorized parties may attempt to gain access to these systems through fraud or other means of deceiving third-party service providers, employees or vendors. The operations of the Company and its service providers depend, in part, on how well networks, equipment, information technology ("IT") systems and software are protected against damage from a number of threats. These operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. However, if the Company or its service providers are unable or delayed in maintaining, upgrading or replacing IT systems and software, the risk of a cybersecurity event such as cable cuts, power loss, hacking, computer viruses and theft could materially increase. Any of these and other events could result in information system failures, delays and/or increases in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the reputation and results of operations of the Company. While the Company implements protective measures to reduce the risk of and detect cyber incidents, cyber-attacks are becoming more sophisticated and frequent, and the techniques used in such attacks change rapidly.

Additional Disclosure for Venture Issuers without Significant Revenue

	Year Ended December 31, 2019 ($)	Year Ended December 31, 2018 ($)
Salaries and benefits	240,509	158,088
Exploration and evaluation expenditures	2,139,984	626,445
Office and general	183,068	95,647
Professional fees	184,392	32,069
Share-based payments	736,446	379,269
Filing fees	41,685	Nil
Listing expenses	988,525	Nil
Total	**4,514,609**	**1,291,518**

Exploration and evaluation expenditures

Sugarloaf Peak Gold Project	Year Ended December 31, 2019 ($)	Year Ended December 31, 2018 ($)
Acquisition cost	600,000	450,000
Concession fees	26,831	44,233
Legal fees	Nil	4,305
Consulting	Nil	10,903
Assays	Nil	2,392
Total	**626,831**	**511,833**

Kay Mine	**Year Ended December 31, 2019 ($)**	**Year Ended December 31, 2018 ($)**
Acquisition cost	1,002,245	50,000
Concession fees	26,501	Nil
Legal fees	74,527	29,574
Consulting	390,065	19,039
Geological reports	Nil	15,999
Drilling	18,000	Nil
Storage	1,815	Nil
Total	**1,513,153**	**114,612**

Forward-Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-looking statements include statements regarding the future price of gold, the timing and amount of estimated future production, costs of production, capital expenditures, the success of exploration activities, permitting time lines, currency fluctuations, the requirements of future capital, drill results and the estimation of mineral resources and reserves. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained into this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- *general business and economic conditions;*
- *the supply and demand for, deliveries of, and the level and volatility of prices of gold as well as petroleum products;*
- *the availability of financing for the Company's development of their projects on reasonable terms;*
- *the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;*
- *the ability to attract and retain skilled staff;*

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in commodity and, particularly, gold prices, access to skilled mining development personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.