FABLED SILVER GOLD CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE SIX MONTHS ENDED JUNE 30, 2021

Table of Contents

INTRODUCTION 2

BACKGROUND 2

2021 HIGHLIGHTS 2

PROPOSED TRANSACTION 3

COVID-19 4

SELECTED INFORMATION 5

RESULT OF OPERATIONS 5

LIQUIDITY AND CAPITAL RESOURCES 6

OUTSTANDING SHARE DATA 7

COMMITMENTS 7

FINANCIAL INSTRUMENTS 10

RELATED PARTY TRANSACTIONS AND BALANCES 11

CRITICAL ACCOUNTING ESTIMATES 11

NEW ACCOUNTING STANDARDS 11

OFF-BALANCE SHEET FINANCING ARRANGEMENTS 11

RISKS AND UNCERTAINTIES 12

FORWARD- LOOKING INFORMATION 12

MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS 12

INTRODUCTION

This Management Discussion and Analysis (the "MD&A") of Fabled Silver Gold Corp.'s ("Fabled" or the "Company") financial position and results of operations for the six months ended June 30, 2021 is prepared as at August 30, 2021. This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company and the notes relating thereto, for the six months ended June 30, 2021. The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All financial amounts are stated in Canadian currency unless stated otherwise. Additional information relating to the Company is filed on SEDAR at www.sedar.com.

BACKGROUND

The Company is an exploration stage company engaged in the acquisition and exploration of mineral properties. The primary business objective of the Company is to successfully earn into its key mineral project and locate and develop this key project into an economically viable mineral property. The Company is currently generating no revenues from mineral producing operations.

On January 23, 2017, the Company entered into an assignment agreement (the "Neil/Ram Creek Assignment Agreement") with an arm's length company (the "Assignor") to acquire all of the Assignor's right title and interest in an option agreement (the "Neil/Ram Creek Option Agreement") with a third-party company (the "Optionor").

On March 4, 2017, the Company entered into an assignment agreement (the "Toro Assignment Agreement") with two directors of the Company (the "Assignors") to acquire all of the Assignors' right title and interest in an option agreement (the "Toro Option Agreement") with a third-party company (the "Optionor").

On March 4, 2017, the Company entered into an assignment agreement (the "Ribbon Assignment Agreement") with various arm's length individuals and companies (collectively the "Assignors") to acquire all of the Assignors' right title and interest in an option agreement (the "Ribbon Option Agreement") with a third-party company (the "Optionor").

On August 6, 2019, the Company, through its wholly owned subsidiary, Fabled Copper and Gold Corp. ("Fabled Copper"), completed the acquisition of the ChurchKey Property.

During the year ended December 31, 2019, the Company impaired a significant amount of its mining projects in order to focus its resources on developing strategies to best make use of its current assets.

On December 4, 2020, the Company, through its wholly owned subsidiary, Fabled Silver Gold Mexico Corp. ("Fabled Mexico"), completed the acquisition of the Santa Maria Property in Parral, Mexico (the "Santa Maria Property").

On December 18, 2020, the Company listed on the Frankfurt Stock Exchange under the symbol "7NQ".

2021 HIGHLIGHTS

- On January 6, 2021, the company granted 200,000 stock options to a consultant of the Company, at an exercise price of $0.10 per common share until January 6, 2031.
- January 25, 2021, the Company announced the initial drill results from the on-going 8,000-meter drill program on the Santa Maria Property.
- On February 3, 2021, the Company announced the second diamond drill hole from the on-going 8,000-meter drill program on the Santa Maria Property.
- On February 5, 2021, the Company granted 350,000 stock options to certain consultants, each exercisable to acquire one common share of Fabled at an exercise price of $0.22 per common share until September 21, 2022.

- On February 22, 2021, the Company announced that 41,500,000 warrants had been exercised for gross proceeds of $4,150,000.
- On February 24, 2021, the Company announced the third diamond drill hole from the on-going 8,000-meter drill program on the Santa Maria Property.
- On March 2, 2021, the Company announced the promotion of its media projects coordinator Kayla Ferderber to Investor Relations Manager of Fabled.
- On March 22, 2021, the Company announced assay results of diamond drill hole 6 from the on-going 8,000-meter drill program on the Santa Maria Property.
- On March 22, 2021, the Company listed on the OTCQB Venture Marketplace ("OTCQB") under the symbol "FBSGF".
- On April 8, 2021, the Company entered into an amended and restated option agreement with respect to certain of the Company's copper properties, being Neil Property and Toro Property, located in the Liard Mining Division in northern British Columbia.
- On April 15, 2021, the Company increased the on-going 8,000-meter drill program to a minimum of 9,200 meters at the Santa Maria Property.
- On April 28, 2021, the Company announced assay results of diamond drill holes 8b, 10 and 11 from the on-going 8,000-meter drill program on the Santa Maria Property.
- On May 19, 2021, the Company announced a proposed spin-out of its copper assets in Northern British Columbia.
- On June 3, 2021, the Company announced updates of the diamond drilling from the updated 9,200-meter drill program on the Santa Maria Property.
- On June 16, 2021, the Company and Fabled Copper entered into an agreement with Research Capital Corporation (the "Agent"), in connection with a private placement for aggregate gross proceeds of up to $6,000,000 (subject to a 15% increase option that the Agent may exercise up to 24 hours prior to closing).
- On June 22, 2021, the Company announced diamond drilling updates from its upgraded 9,200-meter drill program on the Santa Maria Property.
- On July 8, 2021, the Company announced the first results of underground diamond drilling from the 1,200-meter underground drill program on the Santa Maria Property.
- On July 12, 2021, the Company announced it discovered new high grade gold system as part of the results of the diamond drilling from the updated 9,200-meter drill program on the Santa Maria Property.
- On July 26, 2021, the Company announced updates of the results of diamond drilling from the newly upgraded 14,200-meter drill program on the Santa Maria Property.

PROPOSED TRANSACTION

On May 18, 2021, the Board of Directors of the Company (the "Board") unanimously authorized the Company to proceed with a corporate restructuring by way of a statutory plan of arrangement under the Business Corporations Act ("BCBCA"), pursuant to which the Company and the Company's wholly-owned subsidiary, Fabled Copper, will participate in a series of transactions whereby, amongst other things, the Company will distribute all of the common shares it holds of Fabled Copper (the "SpinCo Shares") such that, on completion, the Company's shareholders, other than the dissenting shareholders, will be the holders of all of the SpinCo Shares (the "Proposed Arrangement").

The purpose of the Proposed Arrangement and the related transactions is to reorganize the Company into two separate publicly-traded companies:

- The Company, which will be an exploration company focused on Mexico and holding the rights to and option to acquire the Santa Maria silver gold Project; and
- Fabled Copper, which will be an exploration company focused on British Columbia and holding the rights to and options to acquire the Muskwa copper Project and the non-material Bronson Property.

Pursuant to the Proposed Arrangement on the effective date the Company expects that:

(i) the existing common shares of the Company will be re-designated as Class A common shares (the "Class A Shares");

(ii) the Company will create a new class of common shares known as the "New Fabled Shares";

(iii) each Class A Share will be exchanged for one New Fabled Share and 1/5 of a SpinCo Share;

(iv) the Class A Shares will be cancelled;

(v) the exercise price of all outstanding stock options of the Company will be adjusted by amounts reflective of the relative fair market values of the Company and SpinCo at the effective time; and

(vi) all outstanding Warrants of the Company will be adjusted to allow holders to acquire, upon exercise, New Fabled Shares and SpinCo Shares in amounts reflective of the relative fair market values of Fabled and SpinCo at the effective time.

The Proposed Arrangement and its terms are subject to shareholder and TSX Venture Exchange ("TSX-V") approval.

In connection with the Proposed Arrangement, the Company and Fabled Copper have entered into an agreement with the Agent, in connection with a best efforts private placement for aggregate gross proceeds of up to $6,000,000 (subject to a 15% increase option that the Agent may exercise up to 24 hours prior to closing) (the "Offering"), to consist of a combination of (i) conventional subscription receipts of Fabled Copper (each, a "Conventional Unit Subscription Receipt") at a price of $0.05 per Conventional Unit Subscription Receipt, and (ii) flow-through subscription receipts of Fabled Copper (each, a "Flow-Through Subscription Receipt") at a price of $0.06 per Flow-Through Subscription Receipt.

Each Conventional Unit will consist of one SpinCo Share and one SpinCo Share purchase warrant ("SpinCo Warrant").

Each Flow-Through Subscription Receipt will entitle the holder to receive one flow-through unit of securities of the Company (an "FT Unit"). Each FT Unit will consist of one SpinCo Share that will qualify as a "flow-through share" within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the "Tax Act") and one SpinCo Warrant.

Each SpinCo Warrant will entitle the holder thereof to purchase one SpinCo Share at an exercise price of $0.10, at any time up to 24 months from the date of satisfaction of the escrow release conditions.

For further information regarding the Proposed Arrangement and the Offering please see the Company's news releases dated May 18, 2021 (for the Proposed Arrangement) and June 16, 2021 (for the Offering) each of which are available on the Company's SEDAR profile at www.sedar.com.

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn.

The Company could be adversely impacted by the effects of the coronavirus. The extent to which the coronavirus impacts the Company, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. The continued spread of the coronavirus globally could materially and adversely impact the Company's operations including, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, and restrictions to its drill programs, exploration and other metallurgical testing. To date, the Company has not had any adverse effects from the coronavirus.

(Expressed in Canadian Dollars)

SELECTED INFORMATION

	For the six months ended		
	June 30, 2021 $	June 30, 2020 $	June 30, 2019 $
Operating (income) expenses	(297,244)	144,031	50,776
Interest and miscellaneous income	-	-	-
Net income (loss) for the period	297,224	(144,031)	(50,776)
Comprehensive income (loss) for the period	274,747	(144,031)	(50,776)
Earnings (loss) per share:			
- Basic	0.00	(0.00)	(0.00)
- Diluted	0.00	(0.00)	(0.00)

As at	June 30, 2021 $	December 31, 2020 $	December 31, 2019 $
Working capital	5,458,617	1,819,574	(158,432)
Total assets	9,387,038	2,804,294	172,677
Total liabilities	478,812	268,627	331,109
Share capital	20,063,243	13,750,054	10,132,311
Deficit	11,554,643	11,851,867	10,434,028

RESULT OF OPERATIONS

	Three months ended			
	June 30, 2021 $	March 31, 2021 $	December 31, 2020 $	September 30, 2020 $
Interest income	-	-	2,395	-
Net income (loss)	1,132,110	(834,886)	(840,179)	(433,629)
Comprehensive income (loss)	1,153,861	(879,114)	(831,457)	(433,629)
Earnings (loss) per share:				
- Basic	0.01	(0.01)	(0.01)	(0.01)
- Diluted	0.01	(0.01)	(0.01)	(0.01)

	Three months ended			
	June 30, 2020 $	March 31, 2020 $	December 31, 2019 $	September 30, 2019 $
Interest income	-	-	-	-
Net income (loss)	(105,778)	(38,253)	(8,477,219)	(26,795)
Comprehensive loss	(105,778)	(38,253)	(8,477,219)	(26,795)
Earnings (loss) per share:				
- Basic	(0.00)	(0.00)	(0.19)	(0.00)
- Diluted	(0.00)	(0.00)	(0.19)	(0.00)

Three Months Ended June 30, 2021 compared with the Three Months Ended June 30, 2020

The Company is in the exploration stage and has no revenue from operations. During the three months ended June 30, 2021, the Company recorded net income of $1,132,110, an increase of $1,237,888, compared to a net loss of $105,778 for the three months ended June 30, 2020.

During the three months ended June 30, 2021, the Company incurred the following expenditures:

- Consulting fees of $13,708 (June 30, 2020 – $nil);
- Exploration and evaluation costs of $701,834 (June 30, 2020 – $nil);
- Investor relations and promotion of $119,121 (June 30, 2020 – $1,025);
- Management fees of $30,000 (June 30, 2020 – $nil);
- Professional fees of $92,388 (June 30, 2020 – $53,031);
- Property investigation costs of $nil (June 30, 2020 – $8,533);
- Regulatory and filing fees of $8,365 (June 30, 2020 – $17,302); and
- Share-based payments of $81,266 (June 30, 2020 – $25,430).

As discussed under the Proposed Transaction, the Board approved the Proposed Arrangement to spinout Fabled Copper as a separate entity; the Company partially reversed the impairment loss recorded for the Muskwa Project during the years ended December 31, 2020, and 2019 according to IAS 36, Impairment of Loss, and recognized a recoverable amount of $2,204,913 as a recovery of impairment loss on exploration and evaluation assets during the three months ended June 30, 2021.

Six Months Ended June 30, 2021 compared with the Six Months Ended June 30, 2020

The Company is in the exploration stage and has no revenue from operations. During the six months ended June 30, 2021, the Company recorded net income of $297,224, an increase of $241,255, compared to a net loss of $144,031 for the six months ended June 30, 2020.

During the six months ended June 30, 2021, the Company incurred the following expenditures:

- Consulting fees of $13,708 (June 30, 2020 – $nil);
- Exploration and evaluation costs of $1,117,536 (June 30, 2020 – $nil);
- Investor relations and promotion of $248,422 (June 30, 2020 – $1,025);
- Management fees of $60,000 (June 30, 2020 – $nil);
- Professional fees of $186,407 (June 30, 2020 – $58,531);
- Property investigation costs of $nil (June 30, 2020 – $30,482);
- Regulatory and filing fees of $42,044 (June 30, 2020 – $18,629); and
- Share-based payments of $197,712 (June 30, 2020 – $25,430).

As discussed under Proposed Transaction, the Board approved the Proposed Arrangement to spinout Fabled Copper as a separate entity; the Company partially reversed the impairment loss recorded for the Muskwa Project during the years ended December 31, 2020, and 2019 according to IAS 36, Impairment of Loss, and recognized a recoverable amount of $2,204,913 as a recovery of impairment loss on exploration and evaluation assets during the six months ended June 30, 2021.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2021, the Company had working capital of $5,458,617 (December 31, 2020 – working capital of $1,819,574) including cash of $5,116,366 (December 31, 2020 – $1,797,493).

The Company's activities have been funded through equity financings and the Company expects it will continue to be able to utilize this source of financing until it develops cash flow from future operations.

There can be no assurances the Company will be successful in its endeavors. If such funds are not available or other sources of finance cannot be obtained then the Company will be forced to curtail its activities to a level for which funding is available or can be obtained.

OUTSTANDING SHARE DATA

At June 30, 2021, the Company had 202,692,903 (December 31, 2020 – 140,051,903) common shares issued and outstanding with a value of $20,063,243 (December 31, 2020 – $13,750,054).

During the six months ended June 30, 2021:

- 55,361,000 warrants were exercised for proceeds of $5,536,100.
- 7,280,000 broker warrants (the "Broker Warrants") were exercised for proceeds of $364,000. Each Broker Warrant consists of one common share and one common share purchase warrants. Each warrant entitles its holder to purchase one additional common share at an exercise price of $0.10 at any time prior to December 4, 2022.
- 200,000 options were granted with an exercise price of $0.10 to its consultants. The options are exercisable for a period of ten years. One-fourth vest on the date of grant and one-fourth will vest every six-months thereafter.
- 350,000 options were granted with an exercise price of $0.22 to Mars Investor Relations Corp. pursuant to the investor relations agreement entered on September 1, 2020, as amended. The options are exercisable until September 1, 2022 and vest as to 25% on the date of grant and thereafter 25% every three months until fully vested.
- 58,331 options with an average exercise price of $0.10 were cancelled.
- 58,331 options with an average exercise price of $0.15 were cancelled.

Subsequent to June 30, 2021:

- 660,000 warrants were exercised for proceeds of $66,000.
- 291,667 options were exercised for proceeds of $24,167.

As at the date of this MD&A, the Company had the following common shares, options and warrants issued and outstanding:

- 203,644,570 common shares;
- 43,259,000 Warrants with exercise price of $0.10 per unit; and
- 5,495,400 stock options with exercise prices ranging from $0.08 to $0.30 per share.

COMMITMENTS

The Company is engaged in the business of exploration and development of mineral projects. The Company's primary mineral project is the Santa María Project located in Parral, Chihuahua, Mexico. The Company also has the rights to acquire and explore the "Muskwa Project" (currently comprised of the previously referred to and contiguous Neil Ram/Creek Property, Ribbon Property and ChurchKey Property, and the Toro Property) and the non-material Bronson Property, each of which is located in the Liard Mining Division in northern British Columbia.

Muskwa Project

On April 8, 2021, the Company and Fabled Copper entered into an amended and restated option agreement (the "Amended MP Option Agreement") with High Range Exploration Ltd (the "MP Optionor").

The Amended Option Agreement superseded and replaced the following agreements entered previously:

- An option agreement, as amended, related to the Neil/Ram Creek Property assigned to the Company on January 23, 2017 (the "Neil/Ram Creek Agreement");
- An option agreement, as amended, related to the Ribbon Property, assigned to the Company on March 4, 2017 (the "Ribbon Agreement"); and

- An option agreement, as amended, related to the Toro Property assigned to the Company on March 4, 2017 (the "Toro Assignment Agreement") (collectively the "Pre-Amended Option Agreements").

Pursuant to the Amended MP Option Agreement, the Company has the right and option (the "MP Option") to acquire an undivided 100% interest of the following properties:

- Neil/Ram Creek Property in which the Company owns a 50% interest;
- Toro Property in which the Company owns a 50% interest; and
- An additional 3,842 hectares, including 2 claims which are contiguous with the Neil/Ram Creek Property, and 4 mineral claims located in the same geographical area and with the same geophysical profile as the Muskwa Project, and referred to as the Bronson Property (the "MP Properties").

To exercise the MP Option, the Company is required to make the following payments:

(i) $200,000 on April 8, 2021 (paid);
(ii) $500,000 on April 8, 2022;
(iii) $750,000 on April 8, 2023;
(iv) $1,000,000 on April 8, 2024; and
(v) $2,000,000 on April 8, 2025.

The Company owns a 100% interest in the Ribbon Property which forms part of the Muskwa Project and was previously acquired pursuant to the Pre-Amended Option Agreements;

The Company has granted (on those properties and portions thereof owned by the Company) and upon exercise of the MP Option, will grant, a 2% net smelter return royalty interest (the "NSR") on the MP Properties and the Ribbon Property to the MP Optionor.

ChurchKey Property

On August 6, 2019, Fabled Copper entered into an option agreement (the "CP Option Agreement") with ChurchKey Mines Inc. ("ChurchKey") and the legal owners (collectively the "CP Vendors") to acquire 100% interest of the ChurchKey Property (the "CP Option").

In order to exercise the CP Option, the Company is required to make the following payments:

- $50,000 (paid) in cash on August 6, 2019;
- $50,000 in cash on or before November 4, 2019 (paid) [(1)];
- $100,000 in cash on or before August 6, 2020 (paid) [(1)];
- $250,000 in cash on or before August 6, 2021; (paid subsequent to June 30, 2021)
- $300,000 in cash on or before August 6, 2022;
- $500,000 in cash on or before August 6, 2023; and
- $750,000 in cash on or before August 6, 2024.

[(1)] (Collectively the "CP 2nd and 3rd Payments").

The Company has granted the CP Vendors a 2% NSR with respect to the ChurchKey Property upon commencement of commercial production. In addition, the Company had the exclusive right to purchase 1% of the NSR at any time in the first four years following closing for $425,000 if it makes an annual payment of $25,000 on each of the 4 anniversaries of closing. The Company has not made such payments to date. If such option is not exercised, the Company will have the non-exclusive right to purchase that 1% of the NSR for the equivalent of 275,000 pounds of copper multiplied by the quoted London Metal Exchange price at the date of the purchase at any time up to the date of commencement of commercial production. The Company will also have the non-exclusive right to purchase the remaining 1% of the NSR for the equivalent of 400,000 pounds of copper multiplied by the quoted London Metal Exchange price at the date of the purchase at any time up to the date of commencement of commercial production. No shares issuable in connection with this agreement.

(Expressed in Canadian Dollars)

On June 15, 2020, Fabled Copper entered into an extension agreement with ChurchKey (the "1st CP Extension Agreement") to extend the payment date of the CP 2nd and 3rd Payments to October 31, 2020. In consideration of such extension the Company agreed to make an additional payment of $50,000 (the "1st CP Extension Cost") to ChurchKey on the date that the Company completed its next financing.

On October 21, 2020, Fabled Copper entered into a second extension agreement with ChurchKey (the "2nd CP Extension Agreement") to extend the payment due date agreed pursuant to the 1st CP Extension Agreement as follows:

- The 1st CP Extension Cost would be paid at the date of signing the 2nd CP Extension Agreement (paid); and
- The CP 2nd and 3rd Payments to be paid upon completion of the acquisition of the Santa Maria Project (paid).

In consideration of such extensions the Company agreed to make an additional payment of $50,000 (the "2nd CP Extension Cost") (paid) on the completion of the acquisition of the Santa Maria Project.

The 1st CP Extension Cost and the 2nd CP Extension were recognized as finance costs in the statement of loss and comprehensive loss during the year ended December 31, 2020.

Following the Amended MP Option Agreement, the Company has renamed its mineral title holdings in Northern BC to be collectively called the Muskwa Project. The Muskwa Project consists of three separate mineral claim blocks being the previously referred to and contiguous Neil Ram/Creek Property, Ribbon Property and ChurchKey Property and the Toro Property. The Company also holds the non-material Bronson Property pursuant to the Amended MP Option Agreement.

As discussed under Proposed Transaction, the Board approved the Proposed Arrangement to spinout Fabled Copper as a separate entity; the Company partially reversed the impairment loss recorded for the Muskwa Project during the year ended December 31, 2020, and 2019 according to IAS 36, Impairment of Loss, and recognized a recoverable amount of $2,204,913 as a recovery of impairment loss on exploration and evaluation assets during the six months ended June 30, 2021. The recoverable amount was determined based on the Share Exchange under the Arrangement.

Santa María Property

On December 4, 2020, the Company entered into an option agreement with Golden Minerals Company ("Golden Minerals"). Pursuant to the option agreement, the Company will acquire a 100% interest in Santa María Property by making the following payments to Golden Minerals:

• December 4, 2020:	US$500,000 cash (paid) and 1,000,000 common shares (issued with a fair value of $70,000)
• December 4, 2021:	US$1,500,000
• December 4, 2022:	US$2,000,000

In addition, the Company is also required to make the following option payments to the optionors of in Santa María Property:

• December 4, 2020:	US$100,000 (Paid)
• On February 4, 2021	US$120,000 (Paid)

- On August 4, 2021 US$120,000 (paid subsequent to June 30, 2021)
- On February 4, 2022 US$140,000

The Company will grant Golden Minerals a 1% net smelter royalty with respect to the Santa María Property upon exercise of the option under the option agreement and will assume from Golden Minerals the obligations in respect of an existing 2% net smelter royalty that exists over 3 of the 5 mineral claims that comprise the Santa María Property.

On January 25, 2021, the Company announced the initial drill results from the on-going 8,000-meter drill program on the Santa Maria Property. The second diamond drill hole was announced on February 3, 2021. The third diamond drill hole was announced on February 24, 2021. On March 22, 2021, the Company announced the assay results of the diamond drill hole 6 from the on-going 8,000-meter drill program. The on-going 8,000-meter drill program was increased to a minimum of 9,200 meters on April 15, 2021. On April 28, 2021, the Company announced assay results of diamond drill holes 8b, 10 and 11 from the on-going 8,000-meter drill program. On June 3, 2021, the Company announced updates of diamond drilling from the upgraded 9,200-meter drill program with silver intercepted in the newly defined Bonanza Grade mineralized shoot. The Company provided further updates to the drill program on June 22, 2021, with drill assay results for holes SM20-16, SM20-17 and SM20-18. On July 8, 2021, the Company announced the first results of underground diamond drilling from the 1,200-meter underground drill program. This was followed by further results announced on July 12, 2021, for surface diamond drill holes SM20-19 and 20. On July 26, 2021, the Company announced updates of the results of diamond drilling from the newly upgraded 14,200-meter drill program along with results for surface diamond drill holes SM20-21 and SM20-22.

Others

Agora Internet Relations Corp. ("AGORA")

On October 2, 2020, the Company entered into a service agreement (the "Service Agreement") with AGORA for online advertising, marketing and branding services. Pursuant to the terms of the Service Agreement, the Company will pay AGORA a total fee of $75,000 plus applicable taxes, to be paid by way of common shares of the Company as follows:

- $15,000 plus tax on October 1, 2020 (issued);
- $15,000 plus tax on January 1, 2021;
- $15,000 plus tax on April 1, 2021;
- $15,000 plus tax on July 1, 2021; and
- $15,000 plus tax on September 30, 2021.

FINANCIAL INSTRUMENTS

In the normal course of business, the Company is inherently exposed to certain financial risks, including market risk, credit risk and liquidity risk, through the use of financial instruments. The timeframe and manner in which the Company manages these risks varies based upon management's assessment of the risk and available alternatives for mitigating risk. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. All transactions undertaken are to support the Company's operations. These financial risks and the Company's exposure to these risks are provided in various tables in note 11 of our unaudited condensed consolidated interim financial statements for the six months ended June 30, 2021. For a discussion on the significant assumptions made in determining the fair value of financial instruments, refer also to note 2 of the consolidated financial statements for the year ended December 31, 2020.

(Expressed in Canadian Dollars)

RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

The following table discloses the total compensation incurred to the Company's key management personnel during the six months ended June 30, 2021 and 2020:

	For the six months ended	
	June 30, 2021	**June 30, 2020**
	$	**$**
Peter Hawley, CEO, Director and President		
Management fees	60,000	-
Alnesh Mohan, CFO		
Professional fees [(1)]	72,000	-
David Smalley, Director		
Professional fees [(2)]	50,012	13,930
Total	**182,012**	**13,930**

1) Paid to Quantum Advisory Partners LLP, a private company in which Mr. Mohan is an incorporated partner.
2) Paid to David Smalley Law Corporation, a law firm in which Mr. Smalley is a principal.

During the six months ended June 30, 2021, the Company recognized $79,703 (June 30, 2020 – $25,521) in share-based payments related to options granted to the Company's officers and directors.

The balances due to the Company's directors and officer were $22,048 as at June 30, 2021 (December 31, 2020 – $77,253).

Unless otherwise noted, all related party balances are unsecured, non-interest bearing with no fixed terms of repayment.

CRITICAL ACCOUNTING ESTIMATES

The preparation of our unaudited condensed consolidated interim financial statements requires management to use judgment and make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amount of expenses during the period. Actual results could materially differ from these estimates. Refer to note 2 of our annual audited consolidated financial statements for the year ended December 31, 2020 for a more detailed discussion of the critical accounting estimates and judgments.

NEW ACCOUNTING STANDARDS

There were no new or amended IFRS pronouncements effective January 1, 2021 that impacted these unaudited condensed consolidated interim financial statements.

OFF-BALANCE SHEET FINANCING ARRANGEMENTS

As of June 30, 2021, and the date of this MD&A, the Company did not have any off-balance sheet financing arrangements.

RISKS AND UNCERTAINTIES

To the date of this MD&A, there have been no significant changes to the risk factors set out in the Company's annual management discussion and analysis for the year ended December 31, 2020.

FORWARD- LOOKING INFORMATION

This MD&A may contain forward-looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of exploration or other risk factors beyond its control. Actual results may differ materially from the expected results.

Except for statements of historical fact, this MD&A contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this MD&A includes, but is not limited to, statements with respect to future events and is subject to certain risks, uncertainties and assumptions. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, which are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in Canada, the United States and globally; industry conditions, including fluctuations in commodity prices; governmental regulation of the mining industry, including environmental regulation; geological, technical and drilling problems; unanticipated operating events; competition for and/or inability to retain drilling rigs and other services; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for commodities; liabilities inherent in mining operations; changes in tax laws and incentive programs relating to the mining industry; and the other factors described herein under "Risks and Uncertainties" as well as in our public filings available at www.sedar.com. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The information provided in this report is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.