FABLED SILVER GOLD CORP.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

Table of Contents

INTRODUCTION

This Management Discussion and Analysis (the “MD&A”) of Fabled Silver Gold Corp.’s (“Fabled”, “Fabled Silver” or the “Company”) financial position and results of operations for the nine months ended September 30, 2021 is prepared as at November 29, 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 nine months ended September 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 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”.

ARRANGEMENT AGREEMENT

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 the terms of an Arrangement Agreement (the “Arrangement”) dated September 17, 2021, Fabled Silver and Fabled Copper will participate in a series of transactions whereby, among other things, Fabled Silver will distribute Fabled Copper’s Shares (the “SpinCo Shares”) such that the shareholders of Fabled Silver, other than dissenting shareholders, will become the holders of the SpinCo Shares.

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

- Fabled Silver, which will be an exploration company focused in Mexico holding, by option agreement, the right to explore, exploit and acquire the Santa Maria Project; and
- Fabled Copper, which will be an exploration company focused on British Columbia copper assets and holding, by option agreements, the right to explore, exploit and acquire the Muskwa Project.

Pursuant to the Arrangement, the current issued and outstanding shares of the Company (the "Silver Shares") will be exchanged for one new Fabled Silver share (the "New Silver Shares") and one-fifth of one SpinCo Share (the "Share Exchange"). The Silver Shares will be cancelled once the Share Exchange is completed.

Each stock option of Fabled Silver (the "Silver Options") outstanding at the effective date of the Arrangement will be exchanged for one Fabled Silver replacement option (the "Silver Replacement Options"). The Silver Replacement Options entitle the holder to acquire on New Silver Share with an exercise price equal to the original exercise price of the Silver Options multiplied by the fair value of the New Silver Shares at the closing date of the Arrangement (the "Closing Date"), then divided by the fair value of one New Silver Share and the fair value of one-fifth of one SpinCo Share at the Closing Date.

For the current Fabled Silver warrant holders, the current issued Fabled Silver's warrants (the "Silver Warrants") will be amended to entitle the holders of the Silver Warrants to receive, upon exercise and payment of the exercise price of the Silver Warrants, one New Silver Share and one-fifth of one SpinCo Share.

On October 28, 2021, the Company held its Annual General and Special Meeting at which the shareholders of the Company approved the Arrangement.

On November 12, 2021, the Company obtained a final order from the Supreme Court of British Columbia with respect to the Arrangement.

The Arrangement is subject to the final approval of the Exchange.

For more information on the Arrangement, please refer to the Company's new releases dates May 19, 2021, June 16, 2021, August 19, 2021, September 21, 2021, October 29, 2021 and November 16, 2021 available on the Company's profile on SEDAR at www.sedar.com.

Financing

In connection with the Arrangement, Fabled Copper completed a private placement (the "Private Placement") for gross proceeds of $6,900,000 by issuing:

- 101,670,200 conventional unit subscription receipts (the "Conventional Unit Subscription Receipts") at a price of $0.05 per Conventional Unit Subscription Receipt; and
- 30,274,833 flow-through unit subscription receipts (the "FT Unit Subscription Receipts" and together with the Conventional Unit Subscription Receipts, the "Subscription Receipts") at a price of $0.06 per FT Unit Subscription Receipt.

Each Conventional Unit Subscription Receipt will be automatically exchanged into one unit consisting of one SpinCo Share and one common share purchase warrant of Fabled Copper (the "SpinCo Warrant") upon satisfaction of certain Escrow Release Conditions (as defined below). Each FT Unit Subscription Receipt will be automatically exchanged into one unit consisting 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 upon satisfaction of the Escrow Release Conditions.

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.

In connection with the Private Placement, the Company paid $190,190 in agent's expenses (the "Agent's Expenses") and an 8.0% cash agency fee ($512,239) (the "Cash Agency Fee") and issued 9,774,386 broker warrants to Research Capital Corp. (the "Agent"). The broker warrants will be automatically exchanged into compensation options upon completion of the Arrangement. Each compensation option is exercisable into one unit consisting of one SpinCo Share and one SpinCo Warrant, at an exercise price of $0.05 per unit for a period of two years from the date the subscription receipts are converted.

The Escrow Release conditions are as follows:

i. all conditions precedent, undertakings, and other matters to be satisfied, completed and otherwise met at or prior to the completion of the Arrangement n have been satisfied or waived in accordance with the terms of the plan of arrangement (any such waiver to be consented to by the Agent in writing, acting reasonably);
ii. Fabled Copper obtaining conditional approval from a recognized Canadian stock exchange, for the Common Shares to be listed and posted for trading;
iii. Fabled Copper having qualified a prospectus to qualify the distribution of (i) its common shares to be issued under the Arrangement and (ii) the common shares and warrant shares issued pursuant to the conversion Subscription Receipts;
iv. there have been no material amendments of the terms and conditions of the Arrangement which have not been approved by the Agent;
v. receipt by the Company or Fabled Copper, as applicable, of all necessary regulatory, shareholder, and other approvals regarding the Private Placement and the Arrangement; and
vi. such other documents as the Agent may request for a transaction of this nature in a form satisfactory to the Agent.

The net proceeds have been placed in escrow (the "Escrowed Proceeds") with an escrow agent and will be released to the Company (together with the interest thereon) upon satisfaction of certain escrow release conditions. On September 14, 2021, $695,580 of Escrowed Proceeds were released to the Company (the "Released Proceeds").

If (i) the Escrow Release Conditions are not satisfied or waived on or prior to 5:00 p.m. (Toronto time) on the date that is 120 days following August 17, 2021 (or such later date as the Agent may consent in writing), (ii) the Arrangement is terminated in accordance with its terms; or (iii) the Company has advised the Agent or the public that it does not intend to proceed with the Arrangement (in each case, the earliest of such times being the "Termination Time") the Company and Fabled Copper will be jointly and severally responsible to refund the gross proceeds of the Private Placement (including the amount of the Cash Agency Fee, the Agent's Expenses and the Released Proceeds) without penalty or deduction to the subscribers of the Private Placement, such that it would be the Company's and Fabled Copper's responsibility to return the full amount of the gross proceeds of the Private Placement to the holders of Subscription Receipts, together with such holders' pro rata portion of the interest earned thereon, if any (the "Required Refund"). If the Escrow Release Conditions are not satisfied prior to the Termination Time and the Company and Fabled Copper do not have (and cannot, using all commercially reasonable efforts, obtain financing to have) all of the funds required to provide the escrow agent with the balance of the Required Refund, the Company will have the right to satisfy any shortfall in the balance of the Required Refund payable to the holders of Conventional Unit Subscription Receipts (being the portion of the proceeds of the Offering not initially included in the Escrowed Proceeds plus any further amount of the Escrowed Proceeds released to the Company in connection with the Released Proceeds) by issuing to the holders of the Conventional Unit Subscription Receipts (pro rata, based on their respective holdings of Conventional Unit Subscription Receipts) common shares of the Company at a deemed issue price per common share of 90% of the 20 day volume weighted average price per common share as of the Termination Time.

As of September 30, 2021, the Released Proceeds are included in the Company's accounts payable and accrued liabilities.

For more information on the Private Placement, please refer to the Company's news release dated August 19, 2021 available on the Company's profile on SEDAR at www.sedar.com.

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.
- On August 3, 2021, the Company announced results of underground diamond drilling from the 1,200-meter underground drill program on the Santa Maria Property.
- On August 17, 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 for surface diamond drill holes SM20-23 and SM20-24.
- On August 19, 2021, the Company announced that it closed its previously announced brokered private placement offering for aggregate gross proceeds of $6.9 million in connection with the proposed spin out of its interest in the

Muskwa copper project by distributing the shares the Company holds in its wholly owned subsidiary Fabled Copper to the shareholders of the Company through a statutory plan of arrangement currently anticipated to be on the basis of one Fabled Copper share for every five common shares of the Company.

- On August 23, 2021, the Company announced drill assay results for surface diamond drill holes SM20-25, SM20-26 and SM20-27 from the updated 14,200-meter drill program on the Santa Maria Property.
- On September 1, 2021, the Company announced results of underground diamond drilling from the 1,200-meter underground drill program on the Santa Maria Property.
- On September 7, 2021, the Company announced the additional results from underground diamond drilling of the 1,200-meter underground drill program on the Santa Maria Property.
- On September 14, 2021, the Company announced additional drill assay results for surface diamond drill holes SM20-28, SM20-29 and SM20-30, which continue to intercept the gold bearing sheeted vein structures with the grade and amount of sulphides increasing with depth on the Santa Maria Property.
- On September 21, 2021, the Company entered into an arrangement agreement with Fabled Copper, pursuant to which the Company proposes to spin out its interest in the Muskwa copper project in northern British Columbia.
- On September 30, 2021, the Company announced additional drill assay results for surface diamond drill holes SM20-31, SM20-32 and SM20-33 from the upgraded 14,200-meter drill program on the Santa Maria Property.
- On October 5, 2021, the Company announced additional results from underground diamond drilling of the 1,200-meter underground drill program on the Santa Maria Property.
- On October 13, 2021, the Company announced additional results from underground diamond drilling of the increased 1,400-meter underground drill program on the Santa Maria Property.
- On October 19, 2021, the Company announced additional drill assay results for surface diamond drill holes SM20-34, SM20-35 and SM20-36, which continue to intercept the gold bearing mineralized diorite dike and related sheeted vein structures and breccias.
- On October 29, 2021, the Company announced that all proposed resolutions were approved at the Company's Annual General and Special meeting of Shareholders held on October 28, 2021. The Company also welcomed Mr. Roger Scammel to the board of the Company. The Company further announced that it granted 6,300,000 stock options to certain directors, officers, employees and consultants, each exercisable to acquire one common share of the Company at an exercise price of $0.10 per common share until October 28, 2031.
- On November 2, 2021, the Company announced the results of surface diamond drilling from the upgraded 14,200-meter drill program on the Santa Maria Property.
- On November 8, 2021, the Company announced the final results from underground diamond drilling of the increased 1,400-meter drill program on the Santa Maria Property.
- On November 10, 2021, the Company reported that it has filed amended technical reports for the Santa Maria project and the Muskwa project.
- On November 16, 2021, the Company announced the results of surface diamond drilling from the upgraded 14,400-meter drill program on the Santa Maria Property.
- On November 16, 2021, the Company also announced that it obtained a final order from the Supreme Court of British Columbia to implement the Company's proposed plan of arrangement, pursuant to which the Company proposes to spin out its British Columbia copper exploration assets by distributing the shares the Company holds in Fabled Copper to the shareholders of the Company.

EXPLORATION AND EVALUATION ASSETS

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 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)
- $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 has 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 are issuable in connection with this agreement.

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 Cost 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.

On November 10, 2021, the Company reported that it filed an amended technical report for the Muskwa project. The amended technical report addresses comments raised by the British Columbia Securities Commission (the "BCSC"). There are no material differences to the original technical report dated July 6, 2021 and filed on SEDAR on October 1, 2021. The amended technical report was prepared in accordance with the Canadian Securities Administrators' National Instrument 43-101 Standards of Disclosure for Mineral Projects.

Recovery of impairment loss on exploration

During the year ended December 31, 2019, due to the management's decision not to conduct any significant work in the near future, the Company impaired the carrying value of the Muskwa Project to $nil and recorded an impairment loss of mineral properties of $7,400,612. During the year ended December 31, 2020, the Company further impaired the option payments of $150,000 paid on the ChurchKey Property.

During the nine months ended September 30, 2021, the Company considered the following factors to be an indicator of reversal of the previous impairment charges:

- The Company entered into the Arrangement to spinout Fabled Copper as a separate publicly-traded company;
- Upon completion of the Arrangement, Fabled Copper will be an exploration company focused on the Muskwa Project; and
- Completing the Private Placement provided sufficient funds for Fabled Copper to conduct future exploration work on the Muskwa Project.

The Company determined the recoverable amount, which is considered as the fair value less cost of disposal (FVLCD), based on the fair value of the estimated number of SpinCo distributed to the current Fabled Silver shareholders upon the completion of the Arrangement and the remaining outstanding Silver Warrants at the date of the completion of the Arrangement. This resulted in a non-cash accounting reversal of the impairment charges previously recorded during the year ended December 2019 and 2020 with an amount of $2,204,913.

The fair value of the SpinCo Shares is determined as $0.05 which is the price of the Conventional Unit Subscription Receipts issued with the Private Placement (Note 1). The estimated fair value of the Silver Warrants is determined by using the Black-Scholes options pricing model, assuming a risk-free interest rate of 0.44%, an expected life of 18 months, expected volatility of 166% and an expected dividend yield of 0%.

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)
- 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.

News Events Related to the Santa Maria 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.
- On August 3, 2021, the Company announced results of underground diamond drilling from the 1,200-meter underground drill program on the Santa Maria Property.
- On August 17, 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 for surface diamond drill holes SM20-23 and SM20-24.
- On August 23, 2021, the Company announced drill assay results for surface diamond drill holes SM20-25, SM20-26 and SM20-27 from the updated 14,200-meter drill program on the Santa Maria Property.
- On September 1, 2021, the Company announced results of underground diamond drilling from the 1,200-meter underground drill program on the Santa Maria Property.
- The Company announced, on September 7, 2021, the additional results from underground diamond drilling of the 1,200-meter underground drill program on the Santa Maria Property.
- On September 14, 2021, the Company announced additional drill assay results for surface diamond drill holes SM20-28, SM20-29 and SM20-30, which continue to intercept the gold bearing sheeted vein structures with the grade and amount of sulphides increasing with depth on the Santa Maria Property.
- On September 30, 2021, the Company announced additional drill assay results for surface diamond drill holes SM20-31, SM20-32 and SM20-33 from the upgraded 14,200-meter drill program on the Santa Maria Property.
- On October 5, 2021, the Company announced additional results from underground diamond drilling of the 1,200-meter underground drill program on the Santa Maria Property.
- On October 13, 2021, the Company announced additional results from underground diamond drilling of the increased 1,400-meter underground drill program on the Santa Maria Property.
- On October 19, 2021, the Company announced additional drill assay results for surface diamond drill holes SM20-34, SM20-35 and SM20-36, which continue to intercept the gold bearing mineralized diorite dike and related sheeted vein structures and breccias.
- On November 2, 2021, the Company announced the results of surface diamond drilling from the upgraded 14,200-meter drill program on the Santa Maria Property.

(Expressed in Canadian Dollars)

- On November 8, 2021, the Company announced the final results from underground diamond drilling of the increased 1,400-meter drill program on the Santa Maria Property.
- On November 10, 2021, the Company reported that it filed an amended technical report for the Santa Maria project.
- On November 16, 2021, the Company announced the results of surface diamond drilling from the upgraded 14,400-meter drill program on the Santa Maria Property.

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.

CHANGE IN MANAGEMENT

On October 29, 2021, the Company announced the appointment of Roger Scammell as a director in place of Michael Harrison who did not stand for re-election at the Company's Annual General and Special meeting of Shareholders.

SELECTED INFORMATION

	For the nine months ended		
	September 30, 2021	**September 30, 2020**	**September 30, 2019**
	$	**$**	**$**
Operating (income) expenses	2,465,340	577,660	77,571
Interest and miscellaneous income	-	-	-
Net loss for the period	(2,465,340)	(577,660)	(77,571)
Comprehensive income (loss) for the period	(2,535,598)	(577,660)	(77,571)
Loss per share:			
- Basic	(0.01)	(0.01)	(0.00)
- Diluted	(0.01)	(0.01)	(0.00)

As at	**September 30, 2021**	**December 31, 2020**	**December 31, 2019**
	$	**$**	**$**
Working capital	2,798,671	1,819,574	(158,432)
Total assets	7,923,077	2,804,294	172,677
Total liabilities	1,275,439	268,627	331,109
Share capital	20,593,200	13,750,054	10,132,311
Deficit	14,317,207	11,851,867	10,434,028

(Expressed in Canadian Dollars)

RESULT OF OPERATIONS

	Three months ended			
	September 30, 2021	**June 30, 2021**	**March 31, 2021**	**December 31, 2020**
	$	**$**	**$**	**$**
Interest income	-	-	-	2,395
Net income (loss)	(2,762,564)	1,132,110	(834,886)	(840,179)
Comprehensive income (loss)	(2,810,345)	1,153,861	(879,114)	(831,457)
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			
	September 30, 2020	**June 30, 2020**	**March 31, 2020**	**December 31, 2019**
	$	**$**	**$**	**$**
Interest income	-	-	-	-
Net income (loss)	(433,629)	(105,778)	(38,253)	(8,477,219)
Comprehensive loss	(433,629)	(105,778)	(38,253)	(8,477,219)
Earnings (loss) per share:				
- Basic	(0.01)	(0.00)	(0.00)	(0.19)
- Diluted	(0.01)	(0.00)	(0.00)	(0.19)

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

The Company is in the exploration stage and has no revenue from operations. During the three months ended September 30, 2021, the Company recorded a net loss of $2,765,564, an increase of $2,328,935, compared to $433,629 for the three months ended September 30, 2020.

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

- Consulting fees of $13,187 (September 30, 2020 – $nil);
- Exploration and evaluation costs of $2,018,535 (September 30, 2020 – $nil);
- Investor relations and promotion of $200,557 (September 30, 2020 – $5,950);
- Management fees of $30,000 (September 30, 2020 – $30,000);
- Professional fees of $425,969 (September 30, 2020 – $92,289);
- Property investigation costs of $10,000 (September 30, 2020 – $10,002);
- Regulatory and filing fees of $72,127 (September 30, 2020 – $68,413); and
- Share-based payments of $39,590 (September 30, 2020 – $7,184).

Nine Months Ended September 30, 2021 compared with the Nine Months Ended September 30, 2020

The Company is in the exploration stage and has no revenue from operations. During the nine months ended September 30, 2021, the Company recorded a net loss of $2,465,340, an increase of $1,887,680, compared to $577,660 for the nine months ended September 30, 2020.

During the nine months ended September 30, 2021, the Company incurred the following expenditures:

- Consulting fees of $26,895 (September 30, 2020 – $nil);
- Exploration and evaluation costs of $3,136,071 (September 30, 2020 – $nil);
- Investor relations and promotion of $448,979 (September 30, 2020 – $6,975);

- Management fees of $90,000 (September 30, 2020 – $30,000);
- Pre-exploration expenditures of $nil (September 30, 2020 – $215,666);
- Professional fees of $612,376 (September 30, 2020 – $150,820);
- Property investigation costs of $10,000 (September 30, 2020 – $40,484);
- Regulatory and filing fees of $114,171 (September 30, 2020 – $87,042); and
- Share-based payments of $237,302 (September 30, 2020 – $32,614).

As a result of the Arrangement, 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 nine months ended September 30, 2021.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2021, the Company had working capital of $2,798,671 (December 31, 2020 – $1,819,574) including cash of $3,049,555 (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 September 30, 2021, the Company had 207,844,570 (December 31, 2020 – 140,051,903) common shares issued and outstanding with a value of $20,593,200 (December 31, 2020 – $13,750,054).

During the nine months ended September 30, 2021:

- 60,221,000 warrants were exercised for proceeds of $6,022,100.
- 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.
- 291,667 options were exercised for proceeds of $24,167.
- 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. 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 exercise price of $0.10 were cancelled.
- 58,331 options with an exercise price of $0.15 were cancelled.

Subsequent to September 30, 2021:

- On October 28, 2021, the Company granted 6,300,000 options with an exercise price of $0.10 to its officers, directors and 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.

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

- 207,844,570 common shares;
- 39,059,000 Warrants with exercise price of $0.10 per unit; and
- 11,795,400 stock options with exercise prices ranging from $0.08 to $0.30 per share.

COMMITMENTS

Except for the option payments on the exploration and evaluation assets discussed under the section of "Exploration and Evaluation Assets", on October 2, 2020, the Company entered into a service agreement (the “Service Agreement”) with Agora Internet Relations Corp. (“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 nine months ended September 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 nine months ended September 30, 2021 and 2020:

	For the nine months ended	
	September 30, 2021	**September 30, 2020**
	$	**$**
Peter Hawley, CEO, Director and President		
Management fees	90,000	30,000
Alnesh Mohan, CFO		
Professional fees (1)	128,000	-
David Smalley, Director		
Professional fees (2)	331,323	62,887
Total	**549,323**	**92,887**

1) Paid to Quantum Advisory Partners LLP, an accounting firm 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 nine months ended September 30, 2021, the Company recognized $98,786 (September 30, 2020 – $34,596) 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 $293,998 as at September 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 September 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.